

Tuesday 30 January 2024

Briefing Paper: Anglicare Australia urges Opposition to back tax cut changes

About this analysis

This analysis was prepared by Anglicare Australia using the eligibility criteria for the original Stage Three Tax Cut package. This is compared with income data to estimate which parts of the country will benefit most and least from changes to the tax system. The analysis looks at beneficiaries earning over \$90,000 per annum. It is at this threshold that beneficiaries gain a tax cut of around \$20 per week.

Estimates are drawn from the latest Australian Bureau of Statistics 'Personal Income in Australia' data. Using income quartiles from the 'Total income distribution by geography' tables for 2019-20, this analysis estimates which States, Territories, and local regions will benefit the most, and least, from the original Stage 3 Tax Cut package.

What we found

Our analysis shows that the parts of the country in need of the most support amidst rising living costs would benefit the least from the original tax cut package. Tasmania and South Australia will fare the worst, as shown at Table 1. Citizens in both States are the least likely to earn high incomes.

Tasmania and South Australia have also benefited the least from Australia's low rate of unemployment. For example, Tasmania and South Australia have consistently shown the most dire results in Anglicare Australia's Jobs Availability Snapshot, which measures demand for entry-level work.

Table 1. Beneficiaries of original Stage 3 Tax Cut package, by State and Territory

State/Territory	Est. number of recipients earning over \$90,000	Est. percentage of recipients earning over \$90,000
1. Australian Capital Territory	101,282	31.50%
2. Western Australia	443,408	23.30%
3. Victoria	919,094	19.30%
4. Queensland	683,706	19.10%
5. Northern Territory	37,536	18.60%
6. New South Wales	1,199,884	18.40%
7. South Australia	209,224	13.90%
8. Tasmania	57,146	12.10%

Source: ABS Personal Income in Australia;ⁱ ABS Regional population.ⁱⁱ

The picture becomes richer when looking at the regional impact of the changes. The stage 3 tax cuts are most likely to benefit high income earners who live in wealthy areas of Australia's largest capital cities. Those getting no benefit from the changes are more likely to live in poorer rural areas, or disadvantaged periurban areas, as shown at Table 2. Table 2 looks at regions where fewer than one in five people earns over \$90,000.

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Table 2. Beneficiaries of Stage 3 Tax Cut package, by SA4 Regions

Region	Est. number of recipients earning over \$90,000	Est. percentage of recipients earning over \$90,000
1. Bunbury (WA)	26,718	20%
2. Melbourne North East (Victoria)	76,738	19.80%
3. Geelong (Victoria)	43,184	19.40%
4. Gold Coast (Queensland)	75,843	19.40%
5. Sydney, Blacktown (NSW)	51,293	19.30%
6. Sunshine Coast (Queensland)	46,405	19.10%
7. Melbourne North West (Victoria)	50,473	18.00%
8. Townsville (Queensland)	32,773	17.60%
9. Sydney Parramatta (NSW)	60,052	17.30%
10. Sydney Outer South West (NSW)	38,330	17.20%
11. Hunter Valley (excluding Newcastle) (NSW)	37,341	17.10%
12. Outback, South (WA)	19,829	17.00%
13. Illawarra NSW)	45,063	16.90%
14. Melbourne South East (Victoria)	92,328	16.90%
15. Newcastle and Lake Macquarie (NSW)	55,627	16.80%
16. Ipswich (Queensland)	36,539	16.80%
17. Outer West Sydney and Blue Mountains (NSW)	47,188	16.40%
18. Melbourne Outer East (Victoria)	76,824	16.40%
19. Capital Region (NSW)	31,234	16.30%
20. Mornington Peninsula (Victoria)	39,970	16.30%
21. Toowoomba (Queensland)	18,947	15.40%
22. Adelaide South (SA)	48,250	14.90%
23. Bendigo (Victoria)	18,913	14.80%
24. Cairns (Queensland)	28,112	14.70%
25. Adelaide West (SA)	30,715	14.70%
26. Moreton Bay North (Queensland)	24,250	14.60%
27. Hobart (Tasmania)	28,800	14.60%
28. Sydney Inner South West NSW)	71,202	14.30%
29. Ballarat (Victoria)	19,072	14.20%
30. Central Coast (NSW)	41,603	14.10%
31. Outback (Queensland)	11,385	13.60%
32. Wheat Belt (WA)	17,552	13.60%
33. Sydney South West (NSW)	44,771	13.20%
34. Logan, Beaudesert (Queensland)	31,824	13.00%
35. Central West (NSW)	25,023	12.80%
36. Latrobe, Gippsland (Victoria)	30,295	12.80%
37. Southern Highlands and Shoalhaven (NSW)	16,185	12.50%
38. Outback (SA)	10,439	12.20%
39. Hume (Victoria)	18,407	12.10%
40. Riverina (NSW)	17,797	11.70%
41. Warrnambool and South West (Victoria)	13,645	11.40%
42. Adelaide North (SA)	39,838	11.20%
43. Murray (NSW)	12,026	10.80%
44. Richmond, Tweed (NSW)	22,695	10.60%
45. Launceston and North East (Tasmania)	14,219	10.60%
46. Shepparton (Victoria)	12,479	10.50%
47. Outback (NT)	9,789	10.50%

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Table 2. (Continued)

Region	Est. number of recipients earning over \$90,000	Est. percentage of recipients earning over \$90,000
48. West and North West (Tasmania)	11,136	10.30%
49. Wide Bay (Queensland)	23,052	10.10%
50. Barossa, Yorke, Mid North (SA)	10,364	10.10%
51. Coffs Harbour, Grafton (NSW)	12,371	10.00%
52. North West (Victoria)	15,157	10.00%
53. Far West and Orana (NSW)	12,101	9.80%
54. Darling Downs, Maranoa (Queensland)	10,895	9.50%
55. South East (SA)	15,780	9.40%
56. South East (Tasmania)	3,181	9.40%
57. New England and North West (NSW)	16,657	9.30%
58. Mid North Coast (NSW)	16,529	8.80%

Source: ABS Personal Income in Australia;ⁱⁱⁱ ABS Regional population.^{iv}

Anglicare Australia’s analysis shows that proceeding with the original package would redistribute \$313 billion over the next decade^v to the country’s wealthiest regions. At a time when low- and middle-income earners are facing an unprecedented cost of living crisis, that would be unconscionable.

We urge all Opposition Senators and Members of Parliament to support changes to the Stage 3 Tax Cut package proposed by the Government, which will see benefits directed at Australians on low and middle incomes. The change in benefit by income bracket is shown at Table 3.

Table 3. Beneficiaries of proposed changes, by income bracket

Taxable income	Original stage-three tax cut	Modified stage-three tax cut	Change
\$20,000	\$0	\$54	\$54
\$25,000	\$0	\$204	\$204
\$30,000	\$0	\$354	\$354
\$35,000	\$0	\$504	\$504
\$40,000	\$0	\$654	\$654
\$45,000	\$0	\$804	\$804
\$50,000	\$125	\$929	\$804
\$55,000	\$250	\$1,100	\$804
\$60,000	\$375	\$1,200	\$804
\$65,000	\$500	\$1,300	\$804
\$70,000	\$625	\$1,400	\$804
\$75,000	\$750	\$1,600	\$804
\$80,000	\$875	\$1,700	\$804
\$85,000	\$1,000	\$1,800	\$804
\$90,000	\$1,100	\$1,900	\$804
\$95,000	\$1,300	\$2,100	\$804
\$100,000	\$1,400	\$2,200	\$804
\$105,000	\$1,500	\$2,300	\$804
\$110,000	\$1,600	\$2,400	\$804

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Table 3. (Continued)

Taxable income	Original stage-three tax cut	Modified stage-three tax cut	Change
\$115,000	\$1,800	\$2,600	\$804
\$120,000	\$1,900	\$2,700	\$804
\$125,000	\$2,200	\$3,000	\$804
\$130,000	\$2,600	\$3,400	\$804
\$135,000	\$2,900	\$3,700	\$804
\$140,000	\$3,300	\$3,700	\$454
\$145,000	\$3,600	\$3,700	\$104
\$150,000	\$4,000	\$3,700	-\$246
\$155,000	\$4,300	\$3,700	-\$596
\$160,000	\$4,700	\$3,700	-\$946
\$165,000	\$5,000	\$3,700	-\$1,300
\$170,000	\$5,400	\$3,700	-\$1,600
\$175,000	\$5,700	\$3,700	-\$2,000
\$180,000	\$6,100	\$3,700	-\$2,300
\$185,000	\$6,800	\$4,100	-\$2,700
\$190,000	\$7,600	\$4,500	-\$3,000
\$195,000	\$8,300	\$4,500	-\$3,800
\$200,000	\$9,100	\$4,500	-\$4,500

Source: ANU Centre for Social Policy Research^{vi}

ⁱ Australian Bureau of Statistics (2022) [Personal Income in Australia](#).

ⁱⁱ Australian Bureau of Statistics (2022) [Regional Population](#).

ⁱⁱⁱ Op cit: Personal Income in Australia.

^{iv} Op cit: Regional Population.

^v Commonwealth of Australia (2023) [Mid-Year Economic and Fiscal Outlook 2022-23](#).

^{vi} Refer to [Table 1](#) prepared by Associate Professor Ben Phillips.

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