



4 September 2023

MEDIA RELEASE

REPORT HIGHLIGHTS WAYS TO ACHIEVE GENUINE TAX AND WELFARE REFORM

The new tax and welfare policy developed by the Australian National University for the St Vincent de Paul Society highlights how up to 834,000 vulnerable people could be lifted out of poverty by targeted and easily implemented reforms to personal income tax, welfare and superannuation policy.

The Society commissioned ANU's Centre for Social Research & Methods to prepare [A Fairer Tax and Welfare System for Australia](#). The report examines how a fairer tax and welfare system could be reformed to reduce inequality and lower the number of people living in poverty and financial stress.

All three models described are budget neutral, do not require a major overhaul of systems and strengthen our progressive tax system. All models are designed to assist low-income and low wealth households, single parents, isolated persons, renters and those relying on working age welfare payments.

'The Treasurer has asked for a debate on tax reform. Our reforms reduce inequality and will significantly reshape the lives of vulnerable Australians by lifting them out of poverty and reducing financial stress,' said the Society's National President, Mark Gaetani.

'The first obvious step is to drop the stage 3 tax cuts legislated by the previous government in a different economic environment. There is no doubt these cuts discriminate against those who need it most,' said Mr Gaetani.

'Seeing people sleeping rough is a harsh reminder that more must be done to help those in need. This help can only come from those sections of society that can afford it. We look to the Government to make structural changes to increase equality.'

'Our reforms benefit low to moderate income households by requiring a small number of high income and high wealth households to pay around \$3,000 a year extra in taxation.

'The 2023 Intergenerational Report shows how young people will have to disproportionately shoulder the tax burden into the future. Our modelling increases the tax-free threshold to \$24,000 and improves the superannuation balances for young people with lower- and middle-income wealth by around 16 per cent,' said Mr Gaetani.

A Fairer Tax and Welfare System for Australia models reforms to personal income taxation thresholds, the capital gains tax discount, and superannuation tax concessions. It lifts the tax-free threshold from \$18,200 to \$24,000 per year for the modest and high options described.

Low option (\$4BN):

- Will lift 193,000 people out of poverty by increasing JobSeeker by \$176 per fortnight (pf) and Parenting Payment by \$167 pf.

Modest option (\$10BN):

- Will lift 491,000 people out of poverty by increasing JobSeeker by \$249 pf, Parenting Payment by \$238 pf, and Disability Support Pension and Carer Payment by \$69 pf.

High option (\$20BN):

- Will lift 834,000 people out of poverty by increasing JobSeeker by \$338 pf, Parenting Payment by \$351 pf, Disability Support Pension and Carer Payment by \$249 pf, the Family Tax Benefit A by 20 per cent, and Commonwealth Rent Assistance by 25 per cent.

The St Vincent de Paul Society in Australia consists of 45,000 members and volunteers who operate on the ground through over 1,000 groups located in local communities across the country.

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