

CSSA APPLAUDS LABOR GOVERNMENT'S REVISION TO STAGE 3 TAX CUTS

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Catholic Social Services Australia (CSSA) has long argued that the Stage 3 Tax cuts legislated in 2019 would exacerbate income inequality and should be either abolished or substantially reconfigured. CSSA welcomes the Labor Government's announcement today that the tax cuts will be restructured to better support low and middle-income Australians.

CSSA's criticism of the original Stage 3 Tax cuts was that they provided only minimal cost of living relief to people earning under \$120,000 per annum, with the greatest benefit going to those earning over \$180,000 per annum, representing just the top 5% of earners. Two-thirds of these high-income earners are men, further exacerbating the unfair nature of the cuts.

"The way the original tax cuts were structured would have weakened our progressive tax system and would have exacerbated income inequality," said Monique Earsman, Executive Director of CSSA.

"We applaud the proposed changes and call upon the Government to further consider what they can do in the upcoming Budget to lift the rate of working-age social security payments to at least meet the poverty line (to around \$76 a day)."

The revised package of tax cuts, effective from July 1st this year, will see more than 12.5 million taxpayers receive a tax cut, a significant increase from the initial model that would have benefited around 2 million of our nation's people.

By recasting the tax cuts to assist lower-income taxpayers, the Government is taking a crucial step toward mitigating economic disparities, particularly relevant in the post-COVID-19 era, which is marked by global conflicts and economic uncertainties.

CSSA endorse these amendments, recognising their potential to support Australians in meeting the cost-of-living crisis, which has the most significant impact on low-income Australians.

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Catholic Social Services Australia (CSSA) advocates for the Church's social service ministry. It is the national peak body for Catholic social service providers. The CSSA's network operates across all Australian States and Territories and has a combined total of over 900 sites.