

Questions for consultations

Supplementary question regarding changes to the tax-transfer system and the impact on disposable income to Treasury and Department of Jobs and Small Business

The ACTU submitted in their response to Ai Group's analysis regarding the impacts of the Low and Middle income Tax Offset:

'... this change amounts to on its own calculation 0.83% of pre tax income, the princely sum of \$5.97 before tax! This in fact demonstrates the precise reason why the Panel's decision regarding the minimum wage increase is so crucial. New tax regimes are likely to be measly especially at the bottom, and reversible or more. The impact will be even less for those in households that are eligible for highly means tested deductions and payments, and in fact may entail a fall in income after taxes and transfers amounting to income traps.¹ (emphasis added)

Supplementary to the question on notice published to the Treasury and Department of Jobs and Small Business, we further request that Treasury and the Department of Jobs and Small Business specifically respond to the ACTU statement by providing an analysis of the impact on the household types that appear in Table 8.4 of the Statistical report.

¹ ACTU submission in reply, 12 April 2019 at para. 170.