

26 August 2014

Get serious about budget and address unfair tax expenditure: ACTU

The Abbott Government should get serious about the budget bottom line and address unfair tax expenditure that sees billions of dollars in superannuation tax concessions flow into the pockets of high income earners every year.

ACTU President Ged Kearney said the Government's selective use of facts ignore the critical and obvious point that unfair superannuation concessions could be overhauled to generate revenue.

"The Abbott Government is glossing over the fact that Australia forgoes more revenue through tax expenditure than all other advanced economies," Ms Kearney said.

"Our unfair system of superannuation tax concessions means that very high income earners receive more Government support for their retirement than low- or middle-income earners.

"The Government should be reducing superannuation concessions for high income earners which would save billions of dollars every year.

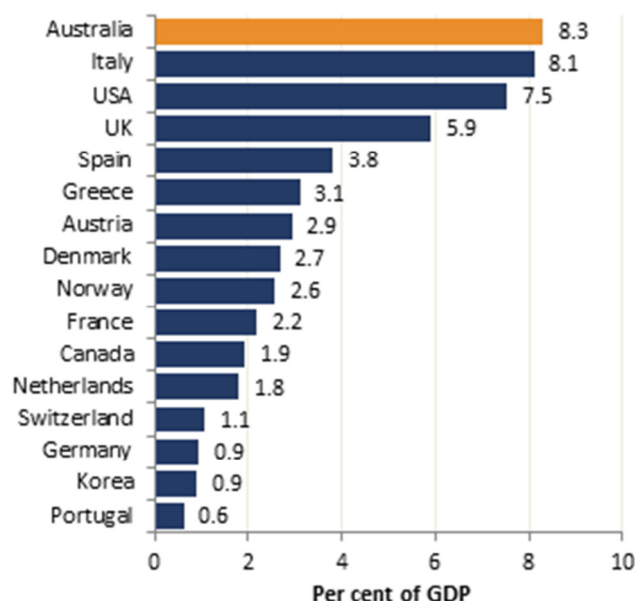
"We support equitable concessions focussed on low and middle income earners not a bonanza for the top.

"The Government should be taxing super at an employee's marginal tax rate which would save billions of dollars every year."

Ms Kearney said the Government is ignoring a range of revenue generating budget measures including targeting superannuation tax concessions or the diesel fuel rebate.

"Instead, Mr Abbott has made a choice to deliver a budget that will see a low income couple with kids lose an average of \$1138 this year while a single parent in the same circumstances will lose an average of \$1086, according to NATSEM figures," Ms Kearney said.

Tax expenditures in advanced economies



Source: Tyson, J. 2014, 'Reforming Tax Expenditures in Italy: What, Why and How?', IMF Staff Working Paper, WP/14/7.

Contact: Carla De Campo, 0410 579 575 or Kara Douglas, 0418 793 885