



The Distributional Impact of the GST¹

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Contents

1	INTRODUCTION	3
2	METHODOLOGY AND ASSUMPTIONS	5
3	RESULTS	8
	3.1 GST Revenue	8
	3.2 GST as a Share of Household Disposable Income	9
	3.3 The Distributional Consequences of GST Reform	10
	3.3.1 Expanding the base	10
	3.3.2 Raising the rate	15
	3.4 Raising GST in order to cut income tax	17
	3.4.1 GST base expansion with personal income tax cuts	18
	3.4.2 15% GST rate on current base with personal income tax cuts	20
	3.4.3 Distributional impact of changes in the tax mix by main source of household income	21
4	CONCLUSION	28
5	REFERENCES	30
6	APPENDIX A	31

1 INTRODUCTION

This paper provides the distributional household impact of the existing Goods and Services Tax (GST) and a range of alternatives for expanding the rate and breadth of the GST.

The GST is expected to have collected around \$59 billion in the 2015-16 financial year². The proceeds of the GST are passed on to the State and Territory governments and are a major source of revenue for them. This paper details the distribution and revenue collected from both the existing GST and a range of scenarios for expanding the base of the GST.

The GST, while proportional to expenditure, does not impact all families equally. The existing GST only covers around 56 per cent of all expenditure by the household sector – where the tax ultimately falls.

Households have different patterns of expenditure. High-income households not only spend more but tend to spend a greater share of expenditure on certain goods and services, such as private school education and overseas holidays. Low-income households tend to spend proportionately more on necessities such as food and petrol. Of particular importance is the reality that higher income households, on average save some of their income while low-income households spend more than their income. This has important implications for the regressivity of the GST with respect to income.

The existing GST does not treat all these items equally. For instance, the GST is not payable on:

- fresh food
- water, sewerage and drainage
- some medical, health and care services
- education services

² Mid-Year Economic Update, Commonwealth of Australia, 2014-15. This figure excludes the extension of the GST compliance program and the application of the GST to digital products and services imported by consumers proposed in the 2015-16 Budget.

- Financial services³

Using the Australian Bureau of Statistics (ABS) *Household Expenditure Survey* (HES) we are able to unpick the expenditure patterns of different household types and better understand how the existing and different GST arrangements would impact these families.

The NATSEM analysis does not include any potential ‘second-round’ effects such as behavioural changes from changes to the rate or breadth of the GST. This follows the convention in the Federal Budget of not including such effects. NATSEM would expect that there may be some second-round effects that may impact the overall quantum of the GST revenue collected but would not expect such impacts to substantially alter the main findings of this report.

³ This is not an exhaustive list of goods and services exempt from the GST. For more information see <

2 METHODOLOGY AND ASSUMPTIONS

This report relies heavily on an analysis of the ABS' *Household Expenditure Survey* for the analysis of the distribution of GST payments. The most recent survey was undertaken in 2009-10 and provides a very detailed account of the expenditure of around 9,900 households. NATSEM makes a number of important changes to this survey to ensure the survey data is as relevant and accurate as possible for policy analysis in the current financial year – 2015-16.

The survey data, in particular incomes and all expenditure items, are inflated to December 2015 levels. Each of the 711 commodities measured in the HES are updated using the latest ABS Consumer Price Index (CPI) information at the expenditure class level according to price movements in each State and Territory. The ABS survey data is known to undercount expenditure by around 8 per cent relative to the national accounts⁴. There are differences in scope between the survey and the national accounts that increase this difference. These differences largely relate to the survey not including the Not-For-Profits (NFP) sector and not including the service charge for financial and insurance products.

NATSEM overcomes these differences by adjusting household expenditure group totals in the survey to that of the national accounts⁵. This is particularly important for groups that are known to undercount expenditure on gambling, alcohol and tobacco. Ignoring these underestimates would lead to an underestimate of GST revenue and bias our estimates of the distributional impacts as these undercounted items tend to be those that more heavily by lower income groups.

NATSEM's modelling approach has the capability of considering hypothetical GST reforms in the context of changes to personal income tax and Australian government

⁴ See appendix 3 of
<[http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/CB07CC895DCE2829CA2579020015D8FD/\\$File/65300_2009-10.pdf](http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/CB07CC895DCE2829CA2579020015D8FD/$File/65300_2009-10.pdf)>

⁵ NATSEM has updated health expenditure to the National Accounts total which includes the Not-For-Profit sector. It is not clear at this point whether the GST would apply to this sector from an expanded GST base or what that pass-through would be.

payments. This approach links the HES expenditure data to our STINMOD model of the Australian tax and transfer system. For this we use a version of STINMOD that includes only the households that were selected in the HES. The HES-Based STINMOD has population estimates, incomes and prices that are updated to 2015-16 using appropriate ABS projections and estimates.

With all these changes we have a detailed data set that closely matches the household expenditure patterns, incomes and existing tax and transfer rules and parameters for Australia as of December 2015.

With expenditures for over 700 different goods and services listed in the HES we map the existing concordance between these items and the GST to form an estimate of how current GST policy settings impact households. We can then model alternative scenarios where the base of the GST is expanded to include expenditure on items that are currently exempt and scenarios where the base remains the same but the rate of the GST is increased from its current 10%. We are then able to assess how the different types of households would be impacted. More specifically, the policy scenarios we consider involve an expansion in the base of the GST to include:

- 1) All food and non-alcoholic beverages;
- 2) Water and sewerage;
- 3) Health and community services;
- 4) Education services;
- 5) All of (1) to (4)

We also consider two scenarios that involve an increase in the rate of the GST on those good and services that currently attract the GST to:

- 6) 15 per cent;
- 7) 13 per cent;

A rate of 13 per cent was chosen for scenario (7) as this is the rate that must be applied to the current base to raise the same GST revenue as we estimate the

Commonwealth would receive if it expanded the base to include the item listed in (1) to (4).

Each of the scenarios (1) through (7) involve modelling hypothetical GST policy settings that move Australia's tax mix towards a greater emphasis on consumption tax in the absence of any changes to personal income tax and in doing so increasing the overall tax take. We then consider the implications of a GST reform package that involves personal income tax cuts equal in value to the additional revenue raised from changes to the GST. These simulations are not intended to "compensate" households for GST reform, but rather to illustrate the distributional impact of a shift in emphasis from personal income tax to consumption taxes.

These scenarios involve:

- 8) A reduction in all marginal tax rates by 3 per cent with an expansion in the GST to cover fresh food, water and sewerage, health and education.
- 9) A reduction in all marginal tax rates by 5 per cent with a GST of 15 per cent on the current GST base.

3 RESULTS

3.1 GST Revenue

Table 1 presents our estimates of the total GST revenue that each of the GST reforms described in the previous section raise in the absence of any changes to personal income tax.

Expanding the base to cover currently exempted food would increase GST revenue by \$7.1 billion followed closely by health at \$6 billion. A GST on education is also estimated to raise a significant amount of revenue of \$4.5 billion. Together, an expansion in the base to cover these and water and sewerage would increase GST revenue by \$18.6 billion for 2015-16.

To raise the same amount of revenue as this expansion in the base would require an increase in the rate of GST on the current base to 13 per cent. Increasing the GST further to 15 per cent without expanding the base would increase GST revenue by an additional \$29.4 billion relative to the current rate.

Table 1 Estimated GST Revenue from Scenarios (1) to (7), 2015-16

<i>Scenario</i>	<i>GST Revenue</i>	<i>Change in total revenue</i>	<i>CPI Impact</i>
GST (current)	\$58.9	-	-
(1) Food (fresh)	\$65.9	\$7.1	0.7%
(2) Water & Sewerage	\$59.9	\$1.0	0.1%
(3) Health	\$64.9	\$6.0	0.6%
(4) Education	\$63.4	\$4.5	0.4%
(5) GST current base + (1) to (4)	\$77.5	\$18.6	1.8%
(6) GST 15% current base	\$88.3	\$29.4	2.8%
(7) GST 13% current base (5) revenue	\$77.5	\$18.6	1.8%

With all adjustments made to the underlying survey data we find that our estimates in scenario (1) to (4) generally line up quite closely with those in the Australian Treasury's Tax Expenditure Statement for revenue foregone⁶.

While Table 1 provides an insight into the overall increase in total tax paid by households that may arise from changes to the GST the impact on individual households will depend on the share of household expenditure that each of the exempted items represents.

Even scenarios (5) and (7), which raise the same GST revenue, may have quite different distributional implications depending on how different households spend their incomes.

3.2 GST as a Share of Household Disposable Income

Table 2 illustrates how changes to the base of the GST would impact households by income quintile where quintile one is the lowest income household and quintile five the highest. The final column of the table shows the percentage of after-tax household income (disposable income) that is lost in GST under scenarios (1) to (7).

We estimate that households currently spend 7.4 per cent of their disposable income in GST on average. If the base of the GST were increased to include fresh food this would increase to 8.3 per cent and if it were expanded to include all of the other exempted items this share would increase to 9.8 per cent.

⁶ See tables H6, H16 to H20 and H28 in <http://www.treasury.gov.au/~media/Treasury/Publications%20and%20Media/Publications/2015/Tax%20Expenditures%20Statement%202014/Downloads/PDF/TES_2014.ashx>

Table 2 GST as a share of disposable household income and amount of GST paid by quintile of equivalised household disposable income for scenarios (1) to (7), 2015-16

Scenario	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5	All
<i>GST as a share of disposable household income</i>						
GST (current)	13.4%	8.5%	8.3%	7.2%	5.9%	7.4%
(1) Food (fresh)	15.4%	9.8%	9.4%	8.0%	6.4%	8.3%
(2) Water & Sewerage	13.7%	8.7%	8.5%	7.3%	6.0%	7.5%
(3) Health	14.9%	9.6%	9.2%	7.9%	6.4%	8.2%
(4) Education	14.1%	9.1%	8.9%	7.8%	6.4%	8.0%
(5) GST current base + (1) to (4)	17.9%	11.7%	11.0%	9.4%	7.6%	9.8%
(6) GST 15% current base	20.1%	12.7%	12.5%	10.8%	8.8%	11.1%
(7) GST 13% current base (5) revenue	17.6%	11.2%	11.0%	9.5%	7.8%	9.8%
<i>Dollar amount of GST paid per year</i>						
GST (current)	\$3,576	\$4,217	\$6,296	\$7,551	\$10,154	\$6,358
(1) Food (fresh)	\$4,112	\$4,887	\$7,117	\$8,422	\$11,084	\$7,124
(2) Water & Sewerage	\$3,656	\$4,302	\$6,401	\$7,675	\$10,303	\$6,467
(3) Health	\$3,987	\$4,768	\$6,931	\$8,268	\$11,087	\$7,007
(4) Education	\$3,758	\$4,515	\$6,753	\$8,178	\$11,044	\$6,849
(5) GST current base + (1) to (4)	\$4,785	\$5,821	\$8,315	\$9,890	\$13,056	\$8,372
(6) GST 15% current base	\$5,364	\$6,325	\$9,445	\$11,327	\$15,231	\$9,537
(7) GST 13% current base (5) revenue	\$4,708	\$5,551	\$8,289	\$9,940	\$13,367	\$8,370
Average Income	\$26,131	\$49,636	\$75,931	\$105,503	\$172,638	\$85,953

But not all households spend the same share of disposable income on GST. Low-income households, those in the bottom quintile of equivalised⁷ household disposable income, currently spend 13.4 per cent of disposable household income compared to 5.9 per cent for those in the top quintile. A major reason for this is higher income households, on average, don't spend all of their income while low income households spend more than their income.

3.3 The Distributional Consequences of GST Reform

3.3.1 Expanding the base

While high-income households have higher levels of expenditure, and therefore pay more GST, an expansion in the base of the GST will have a greater proportional impact

⁷ Equivalised disposable household income is household disposable income adjusted for differences in household composition. It attempts to capture as best as possible the standard of living of households of different size and composition that would accrue from a particular level of household disposable income. The specific equivalence scales used are the New OECD equivalence scales.

on the taxes paid by low-income households. This proportional change is the conventional way to measure whether a change is progressive or regressive as it takes account of the lower purchasing power of people on lower incomes.

(a) Expanding the GST base and increasing the GST overall

Table 3 presents our estimates of the GST paid under each of the GST base expansion scenarios described by scenarios (1) through (5), in addition to the percentage disposable income that would accompany each reform. In doing so Table 3 gives an indication of the distributional consequences of a move toward a greater emphasis on consumptions taxes where income tax remains unchanged.

An expansion in the base of the GST to cover fresh food would reduce the disposable incomes of households in the bottom quintile by 2 percentage points compared to just 0.6 percentage points for those in the top income quintile. This also means that adding fresh food to the GST base would make for a more regressive GST than currently exists.

This is also true for an expansion in the base to water and sewerage and health, though not education. An expansion in the base to cover education would be neither progressive nor regressive.

Table 3 Average absolute and percentage change in purchasing power by quintile of equivalised household disposable income scenarios (1) to (5), 2015-16

<i>Scenario</i>	<i>Quintile 1</i>	<i>Quintile 2</i>	<i>Quintile 3</i>	<i>Quintile 4</i>	<i>Quintile 5</i>	<i>All</i>
<i>Average percentage change in purchasing power</i>						
(1) Food (fresh)	-2%	-1.4%	-1%	-8%	-6%	-8%
(2) Water & Sewerage	-.4%	-.2%	-.2%	-.2%	0%	-.2%
(3) Health	-1.6%	-1.2%	-.8%	-.6%	-.6%	-.8%
(4) Education	-.6%	-.6%	-.6%	-.6%	-.6%	-.6%
(5) (1) to (4)	-4.6%	-3.2%	-2.7%	-2.2%	-1.7%	-2.3%
<i>Average change in purchasing power (\$p.a.)</i>						
(1) Food (fresh)	\$-537	\$-665	\$-819	\$-869	\$-937	\$-765
(2) Water & Sewerage	\$-80	\$-84	\$-106	\$-124	\$-150	\$-109
(3) Health	\$-406	\$-554	\$-635	\$-718	\$-930	\$-649
(4) Education	\$-176	\$-290	\$-458	\$-631	\$-887	\$-488
(5) (1) to (4)	\$-1,199	\$-1,593	\$-2,018	\$-2,342	\$-2,904	\$-2,011
Current GST paid	\$3,576	\$4,217	\$6,296	\$7,551	\$10,154	\$6,358
Average Income	\$26,131	\$49,636	\$75,931	\$105,503	\$172,638	\$85,953

The consequences of a broader expansion in the base are particularly stark for the lowest-income households. The lowest income households would lose additional 4.6 per cent of their household incomes compared to just 1.7 per cent for those in the top quintile.

The change in the level of annual disposable income for the lowest income households are significant, these households would lose \$1,199 in purchasing power. While this is less than the \$2,904 incurred by those in the top quintile this represents a larger proportion of the incomes of these low-income households as indicated above.

(b) Expanding the GST base without increasing overall GST revenue

The next table emphasises the uneven distribution of GST liabilities associated with an expansion in the base of the GST where the overall tax paid by households remains unchanged. For instance, the first row presents the percentage change in household disposable income associated with a cut in the rate of the GST from 10 per cent to 8.9 per cent in the context of a GST base expansion that covers fresh food. This rate cut is enough to offset the additional revenue raised from the base expansion leaving overall GST revenue unchanged.

By holding constant the overall GST revenues, the results in Table 4 show the impact of an expansion of the GST base caused by variations in household spending patterns alone where the overall tax mix between income and consumption remains unchanged. For example: the 'pure' impact of altering the GST base to include fresh food, as distinct from removing the basic food exemption and thereby increasing the overall size of the GST.'

The table illustrates how a GST on exempted food (and a GST rate of 8.9 per cent) would leave the lowest income households worse off with a \$102 fall in annual disposable income for those in the bottom quintile and a \$168 drop for those in the second quintile. Middle-income households (quintile 3) also lose an average of \$62 a year.

In contrast, higher-income households would benefit. Households in the fourth quintile would receive a \$45 increase in annual disposable income while the highest income households would experience the greatest increase, \$287 a year.

In percentage terms, lower-income households lose more than the highest-income households gain. The average disposable income of a household in the bottom quintile would be reduced by 0.4 per cent while households in the top quintile see their disposable incomes increased by 0.2 per cent, on average.

Table 4 Average absolute and percentage change in annual purchasing power by quintile of equivalised household disposable where GST base expansion is offset by GST rate cuts, 2015-16

<i>Scenario</i>	<i>Quintile 1</i>	<i>Quintile 2</i>	<i>Quintile 3</i>	<i>Quintile 4</i>	<i>Quintile 5</i>	<i>All</i>
<i>Average percentage change in purchasing power</i>						
(1) 8.9% GST rate (Fresh food)	-.4%	-.3%	-.1%	0%	.2%	0%
(2) 9.8% GST rate (Water & Sewerage)	-.1%	0%	0%	0%	0%	0%
(3) 9% GST rate (Health)	-.1%	-.3%	0%	.1%	.1%	0%
(4) 9.2% GST rate (Education)	.4%	.1%	0%	0%	-.1%	0%
(1) to (4) 6.8% GST rate	-.2%	-.6%	0%	.1%	.2%	0%
<i>Average change in purchasing power (\$p.a.)</i>						
(1) 8.9% GST rate (Fresh food)	\$-102	\$-168	\$-62	\$45	\$287	\$0
(2) 9.8% GST rate (Water & Sewerage)	\$-18	\$-14	\$2	\$6	\$24	\$0
(3) 9% GST rate (Health)	\$-37	\$-133	\$7	\$57	\$106	\$-0
(4) 9.2% GST rate (Education)	\$102	\$28	\$27	\$-47	\$-105	\$1
(5) (1) to (4) 6.8% GST rate	\$-56	\$-286	\$-27	\$61	\$311	\$1
Current GST paid	\$3,576	\$4,217	\$6,296	\$7,551	\$10,154	\$6,358
Average Income	\$26,131	\$49,636	\$75,931	\$105,503	\$172,638	\$85,953

The pattern of results is slightly different for water and sewerage where this base increase could finance a smaller reduction in the rate of GST of 0.2 per cent. This would reduce the average disposable incomes of the lowest income households by 0.1 per cent, with a negligible impact on those in the second quintile.

A GST that includes the current base with the addition of health services, that would fund a 1 per cent reduction in the rate of the GST, hits low-income households in the second quintile hardest with a drop of 0.3 per cent. Those in the bottom quintile see their incomes reduced by 0.1 per cent on average.

The distributional implications of a GST that includes educational services are quite different to those of food, health and water and sewerage. Expanding the GST to include educational services while keeping revenue neutral would result in a reduction in the rate of GST to 0.8%.

Despite this, the highest income households would experience a drop in average disposable income of 0.1 per cent. While the impact on middle-income households (quintile 3 and 4) would be negligible, lower income households would actually

benefit. Those in the bottom quintile would see their disposable incomes increased by 0.4 per cent a year, on average, while those in the second quintile would see a 0.15 increase.

The inclusion of education provides a more progressive GST design as low-income families tend to use publicly provided education whereas higher income families spend more on private education, which costs significantly more than that provided by the state. Consequently, lower-income households benefit more from this modest rate reduction than they would pay in additional GST on education purchases.

Most of the percentage changes in household disposable income presented in Table 4 reflect the patterns of expenditure implied by Table 2. For example, if the base of the GST were expanded to include fresh food the proportion of disposable household income lost in GST would be considerably more for lower income households than the highest income households who spend a smaller proportion of their household budget on necessities like food. A move towards taxing fresh food and health would be particularly regressive.

What we learn from Table 4 is that even if the relative proportion of tax collected from consumptions taxes and income taxes remains the same, expanding the base of the GST to cover fresh food, water and sewerage and health would continue to be regressive.

3.3.2 Raising the rate

An increase in the rate of the GST would lead to significant increase in GST liability for all households but in the same relative proportions to the existing base.

Table 5 shows how a GST rate of 15% would increase (scenario (6)) the GST liability of households in the bottom quintile by \$1,807 a year, \$608 more than an expansion in the base to include fresh food, health education and water and sewerage. The increase in GST liability, as a percentage of income, for the lowest income households would be 7 per cent compared to just 3 per cent for the top quintile.

Table 5 Average absolute and percentage change in purchasing power by quintile of equivalised household disposable income where the GST rate is increased to 15 per cent and 13 per cent on the current base, 2015-16

<i>Scenario</i>	<i>Quintile 1</i>	<i>Quintile 2</i>	<i>Quintile 3</i>	<i>Quintile 4</i>	<i>Quintile 5</i>	<i>All</i>
<i>Average percentage change in purchasing power</i>						
(6) GST 15% current base	-7%	-4.2%	-4.2%	-3.6%	-3%	-3.6%
(7) GST 13% current base (5) revenue	-4.4%	-2.6%	-2.6%	-2.2%	-1.8%	-2.4%
<i>Average change in purchasing power (p.a.)</i>						
(6) GST 15% current base	-\$1,807	-\$2,065	-\$3,146	-\$3,798	-\$5,081	-\$3,179
(7) GST 13% current base (5) revenue	-\$1,144	-\$1,307	-\$1,991	-\$2,403	-\$3,215	-\$2,012
Current GST paid	\$3,576	\$4,217	\$6,296	\$7,551	\$10,154	\$6,358
Average Income	\$26,131	\$49,636	\$75,931	\$105,503	\$172,638	\$85,953

Even if the rate of the GST were only increased by the amount required to raise the same revenue as an expansion in the base (scenario (7)), households in the bottom quintile would fare little better. These households would still see their average annual disposable incomes drop by 4.4 per cent (\$1,144) considerably less than the 1.8 per cent reduction in households disposable income experience by the highest income households (\$3,215).

Middle-income households (quintile 3) would also see a significant fall in household disposable income of 2.6 per cent, \$1,991 a year.

If we compare the percentage change in disposable income associated with the broader base of scenario (5) (fifth row, Table 3), across household income quintiles we see that these are, for the most part, only slightly more regressive when compared to scenario (7). However, the impact on households in the second quintile (3.2% of income) from broadening the GST base is more pronounced than that for scenario 7 (2.6%). The significant impact of the base expansion on these households suggests a more regressive tax mix overall. The fact that the 13 per cent GST rate of scenario (7) raises the same revenue as the base expansion of scenario (5), would suggest that the reason lower income household would be disadvantaged by a rate increase has more to do with the fact that they have little choice but to consume most of their income. This is not to say that low-income households' proportionately higher consumption of exempt items is not an important factor in understanding the distributional

consequences of higher consumption taxes, only that the patterns of expenditure are less important when compared to total expenditure relative to income.

In summary, the results show that an increase in GST from 10 per cent to 15 per cent, or even 13 per cent, would increase the overall regressivity of Australia's tax system and this should come as no surprise. What is interesting is that a comparison of the distributional consequences of the GST rate increase that raises the same revenue as a base expansion would suggest that this is primarily a result of higher income households saving, rather than consuming, a greater proportion of their income.

3.4 Raising GST in order to cut income tax

This section considers policy reforms where the revenue obtained from GST reform is offset by personal incomes tax cuts equal in value to the additional GST revenue. This is not designed to "compensate" households for the GST change, rather to illustrate the distributional impact of a shift from taxing personal income to consumption whilst leaving the overall tax burden unchanged.

The first simulation, henceforth scenario (8), considers policy settings where the \$18.6 billion raised from a GST base expansion that includes fresh food, water and sewerage, health and education is offset by a reduction in each marginal tax rate by 3 per cent (e.g. the top tax rate of 45 cents in the dollar becomes 42 cents in the dollar).

The second simulation, henceforth scenario (9), uses the \$29.4 billion raised from an increase in the rate of the GST to 15 per cent (on the current base) to offset a reduction in each marginal tax rate by 5 per cent (e.g. the top tax rate of 45 cents in the dollar becomes 40 cents in the dollar).

Table 6 presents total tax revenue from personal income tax and the GST under each of these scenarios. Our estimate of current annual revenue from personal income tax is \$176 billion with \$58.9 billion in revenue from the GST. Scenario (8) uses revenue raised by expanding the base to reduce personal income tax by the same amount

(\$18.6 billion). This would increase GST revenue to \$77.5 billion and reduce total revenue from personal income tax to \$158 billion leaving total tax revenue the same.

Scenario 9 used the \$29.9 billion raised from an increase in the rate of the GST to 15 per cent (on the current base) to reduce personal income tax by the same amount, resulting in to personal income tax revenue of \$147 billion.

Table 6 Estimated GST Revenue from an expansion in the GST base and 3 per cent cuts to personal income tax rates and a GST rate increase to 15 per cent with 5 per cent cuts to personal income tax rates, 2015-16 (\$ billions)

Scenario	Revenue from Reform	Income Tax Revenue	GST Revenue	Change in total revenue
Current policy	-	\$176	\$58.9	-
(8) 3% reduction in marginal tax rates (current base + 1 to 4)	\$18.6	\$158.0	\$77.5	\$0.4
(9) 15% GST (current base) + 5% reduction in tax rates	\$29.9	\$147.0	\$88.3	\$0.6

3.4.1 GST base expansion with personal income tax cuts

Table 7 presents the percentage of households that we estimate would benefit from an increase in disposable household income as a consequence of GST reform and personal income tax cuts under scenario (8) with a comprehensive GST base and a 3 per cent reduction in each personal income tax rate i.e. “winners”. It also shows the percentage of households who would experience a decline (“losers”). The table presents the percentage of winners and losers among households in each quintile of equivalised household income in addition to the corresponding change in household disposable income. Overall, 41% of households win while 59% lose.

Just under 80 per cent of households in the top quintile of (equivalised) household income are winners with an average increase in disposable household income of

\$3,875. Just under 70 per cent of households in the fourth quintile come out in front with an average increase in disposable households income of \$1,375.

This is in stark contrast to middle-income households (third quintile) most of whom (54.5 per cent) would see their disposable household incomes reduced by an average of \$1,675 a year. The vast majority of lower income households in the second quintile (89.3 per cent) also experience significant declines in household income of an average \$1,367 a year while almost all of those in the bottom quintile see their incomes reduced, by \$1,181 on average.

The combination of GST reform and personal income tax cuts is arguably more regressive than a base expansion in the absence of personal income tax relief. Under these tax cuts the disposable household incomes of households in the top two quintiles increase in contrast to what was observed in Table 3. The percentage decline in households disposable income for the bottom quintile is substantial at 4.4 per cent and not markedly different to the 4.6 per cent observed in see Table 3.

Table 7 Winners and losers and percentage change in purchasing power with expansion of the GST base and 3 per cent reduction in each personal income tax rate, 2015-16

	1st quintile	2nd quintile	3rd quintile	4th quintile	5th quintile	Total
<i>Per cent</i>						
Winners	1.1%	10.5%	45.5%	69.5%	77.9%	40.9%
Losers	98.0%	89.3%	54.5%	30.5%	22.1%	58.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Average percentage change in purchasing power</i>						
Winners	0.4%	0.7%	0.9%	1.3%	2.2%	1.7%
Losers	-4.5%	-2.8%	-2.3%	-2.1%	-1.8%	-2.6%
Total	-4.4%	-2.4%	-0.8%	0.3%	1.4%	-0.1%
<i>Average change in purchasing power \$p.a.</i>						
Winners	\$135	\$358	\$685	\$1,375	\$3,875	\$2,115
Losers	-\$1,181	-\$1,367	-\$1,675	-\$2,154	-\$2,751	-\$1,548
Total	-\$1,156	-\$1,183	-\$602	\$298	\$2,411	-\$47
Average Income	\$26,131	\$49,636	\$75,931	\$105,503	\$172,638	\$85,953

Note: A small proportion of households experience no change, which accounts for the gap between the proportion of winners and losers in the population.

3.4.2 15% GST rate on current base with personal income tax cuts

The benefits of these more generous tax cuts primarily accrue to household in the top two quintiles, the majority of whom see increases in their household incomes. Almost all household in the bottom quintile see their incomes reduced as do more than 90 per cent of those in the second quintile. Even for middle-income households (quintile) two-thirds experience a drop in household income. Overall, 36% of households gain while 64% lose.

In percentage terms the (overall) average losses experienced by those worse off are quite significant, 6.7 per cent (\$1,748) for the lowest income households and 3.3 per cent (\$1,596) for those in the second quintile. As in scenario (8), with the base expansion and less generous tax cuts, the greatest gains in household disposable income go to the top quintile, where 75% gain an average of 3.1% (\$5,670). The more generous tax cuts in this scenario do little to offset the regressivity of the increase in the rate of GST. The average percentage reduction in household income experienced by the bottom quintile is only slightly less than that observed without tax cuts in contrast to households in the top quintile, who gain 2.1 per cent in disposable household income after tax cuts instead of a loss of 3 per cent without (see Table 5, row 1).

Table 8 Winners and losers and percentage change in household purchasing power under a 15 per cent GST on the current base with a 5 per cent reduction in personal income tax rates, 2015-16

	1st quintile	2nd quintile	3rd quintile	4th quintile	5th quintile	Total
<i>Per cent</i>						
Winners	0.6%	9.2%	33%	63.5%	75.1%	36.3%
Losers	99.4%	90.8%	67%	36.5%	24.9%	63.7%
Total	100%	100%	100%	100%	100%	100%
<i>Average percentage change in purchasing power</i>						
Winners	0.8%	0.9%	1.3%	1.8%	3.15	2.5%
Losers	-6.7%	-3.3%	-2.4%	-2%	-1.9%	-3%
Total	-6.6%	-2.8%	-1.1%	0.4%	2.1%	0%
<i>Average change in purchasing power \$p.a.</i>						
Winners	\$261	\$543	\$1,019	\$1,940	\$5,670	3,241
Losers	\$-1,748	\$-1,596	\$-1,769	\$-2,082	\$-2,667	-1,819
Total	\$-1,736	\$-1,400	\$-848	\$471	\$3,594	16
Average Income	\$26,131	\$49,636	\$75,931	\$105,503	\$172,638	\$85,953

3.4.3 Distributional impact of changes in the tax mix by main source of household income

We now turn to impacts by household characteristics other than income quintile, with a specific focus on the primary source of household income. In the interests of brevity we only discuss impacts of scenario 8 and 9.

(a) Impacts by main source of income

Table 9 provides some insight into why personal income tax cuts do little to offset the losses experienced by low-income households that result from GST reform. This table presents the average change in household disposable income, by main source of household income, for scenario (8) where an expansion in the base of the GST occurs within the context of a 3 per cent cut in each personal income tax rate and scenario (9). where the rate of GST is increased to 15 per cent on the current base while personal income tax rates are cut by 5 per cent.

The first two columns of Table 9 indicate that, in the context of an expansion in the base of the GST, it is primarily those households whose main source of income is private income who benefit from personal income tax cuts – on average. On average,

wage earner households see a modest increase in their average household disposable incomes of 0.6 per cent (\$615) as is the case for households whose main source of income comes from business and partnerships (0.1 per cent, \$64).

Table 9 Average absolute and percentage change in household purchasing power for Scenario (8) and (9) by main source of household income, 2015-16

	8. (1) to (4) + 3% reduction in tax rates		9. 15% GST + 3% reduction in tax rates	
	<i>Change in income</i>	<i>Percentage change</i>	<i>Change in income</i>	<i>Percentage change</i>
Age Pension	\$-1,196	-3.2%	\$-1,448	-3.9%
Disability Support Pension	\$-994	-2.5%	\$-1,394	-3.5%
Carer Payment	\$-1,434	-2.7%	\$-2,056	-3.9%
Other Pension	\$-1,355	-3.2%	\$-1,646	-3.9%
Newstart Allowance	\$-949	-2.5%	\$-1,983	-5.3%
Youth Allowance	\$-1,458	-11%	\$-2,719	-20.5%
Other Allowance	\$-1,360	-3.2%	\$-1,958	-4.7%
Wages and Salary	\$615	0.6%	\$872	0.8%
Business or partnership	\$64	0.1%	\$807	0.9%
Other Income	\$-411	-0.4%	\$-371	-0.4%
Total	\$-47	-0.1%	\$16	0%

Note: Caution should be exercised in interpreting the result for Youth Allowance as the sample size for these households is considerably smaller than other household types and many have levels of expenditure that exceed household incomes.

This is in stark contrast to those households that are reliant on income transfers all of whom experience significant reductions in household disposable income.

The results for scenario (9), with more generous tax cuts offsetting a higher rate of GST on the current GST base, present a similar story with more pronounced percentage increase in taxable incomes for those households with private incomes and larger percentage losses for those reliant on income support.

This should not come as a surprise. Many of the payments represented in Table 9 do not attract personal income tax (for example Disability Support Pension and Carer Payment for those under the Age Pension eligibility age). Those payments that do attract personal income tax (for example Newstart Allowance) are tightly means tested. Households where these payments constitute the primary source of income would not pay significant amounts of net tax after taking into account the Low Income Tax Offset and the Beneficiary Tax Offset. Most of those households whose principal

source of income is the Age Pension would also be eligible for the Seniors and Pensioners Tax Offset.

(b) Households whose main source of income is wages

But it is not just those households whose main source of income is government payments that would see little or no benefit from personal income tax cuts. Table 10 presents the percent of winners and losers and both absolute and percentage change in household disposable income for just those households whose principal source of income is wages and salary under the GST base expansion with the 3 per cent tax cuts of scenario (8). Table 10 presents these for wage earner households in each quintile of household income. It is clear from the table that while wage earner households might benefit overall, the majority of wage-earner low-income households in the two bottom quintiles face significant losses.

Just under 90 per cent of the lowest-income wage earner households would see an average drop in household disposable income of \$1,729. Of those in the second quintile 71.7 per cent experience a decline in household disposable income \$1,070, on average. By contrast, the majority of wage-earner households in the top three quintiles come out in front with an average increase in household disposable income of \$713 for 56.7 per cent of middle-income households.

The highest income households benefit the most from personal income tax cuts. These households see an average increase in household disposable income of \$3,324.

This suggests that the overall increase in household disposable income observed for wage earner households in Table 9 belies the wide variation of disposable income and household composition among wage earner households. When the distribution of (equivalised) household disposable income is considered it is clear that one third of wage earner households (including a majority of the bottom two quintiles) are not better off from an expansion of the base of the GST even with personal income tax cuts.

Table 10 Average absolute and percentage change in household purchasing power for Scenario (8) for wage earner households by quintile of equivalised (population) household disposable income, 2015-16

	1st quintile	2nd quintile	3rd quintile	4th quintile	5th quintile	Total
<i>Per cent</i>						
Winners	11.3%	28.3%	56.7%	73.9%	85.4%	65.5%
Losers	88.7%	71.7%	43.3%	26.1%	14.6%	34.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Average percentage change in purchasing power</i>						
Winners	0.4%	0.7%	0.9%	1.3%	2%	1.6%
Losers	-4.6%	-1.8%	-2.1%	-2.1%	-1.7%	-2.1%
Total	-4.1%	-1.1%	-0.4%	0.4%	1.5%	0.6%
<i>Average change in purchasing power \$p.a.</i>						
Winners	\$135	\$373	\$713	\$1,395	\$3,324	\$1,902
Losers	\$-1,729	\$-1,070	\$-1,724	\$-2,340	\$-2,610	\$-1,823
Total	\$-1,518	\$-662	\$-341	\$418	\$2,460	\$615
Average Income	\$26,131	\$49,636	\$75,931	\$105,503	\$172,638	\$85,953

Table 11 presents the same information for scenario (9) with a 15 per cent GST on the current base and a 5 per cent reduction in each marginal tax rate. The overall patterns of results is similar to Table 10 with the exception of more pronounced losses for the lowest-income households but only slightly greater gains for high-income households implying a significantly more regressive taxation policy overall. In this case, the majority of households in each of the bottom three quintiles experience a reduction in household disposable income. For those in the bottom quintile this represents more than 95 per cent. Overall, those in the lowest 20 per cent of households who are worse off would experience a reduction in household disposable income of 6.5 per cent, on average (\$2,425) compared to an increase of 2.7 per cent for winners in the top quintile (\$4,654).

Table 11 Average absolute and percentage change in disposable household income for Scenario (9) for wage earner households by quintile of equivalised (population) household disposable income, 2015-16

	1st quintile	2nd quintile	3rd quintile	4th quintile	5th quintile	Total
<i>Per cent</i>						
Winners	3.8%	26.5%	41.1%	69.1%	81.9%	58.5%
Losers	96.2%	73.5%	58.9%	30.9%	18.1%	41.5%
Total	100%	100%	100%	100%	100%	100%
<i>Average percentage change in purchasing power</i>						
Winners	0.5%	0.8%	1.3%	1.8%	2.7%	2.2%
Losers	-6.5%	-2.6%	-2.1%	-1.8%	-1.5%	-2.1%
Total	-6.2%	-1.7%	-0.7%	0.7%	2.1%	0.8%
<i>Average change in purchasing power \$p.a.</i>						
Winners	\$198	\$538	\$1,050	\$1,938	\$4,654	\$2,783
Losers	-\$2,425	-\$1,533	-\$1,713	-\$1,904	-\$2,101	-\$1,826
Total	-\$2,325	-\$984	-\$576	\$753	\$3,433	\$872
Average Income	\$26,131	\$49,636	\$75,931	\$105,503	\$172,638	\$85,953

The appendix to this report contains a more comprehensive demographic breakdown of the policy simulations in this report. The next sub-section presents a brief summary of the results of some of the policy simulations by certain household characteristics.

(c) Other household characteristics

The scenarios examined above are regressive, hitting households in the bottom quintile of household disposable income the hardest. Overall, certain types of households are more likely to be adversely impacted than others, and some will be more vulnerable under a wider range of the scenarios considered in this report. It should also be noted that the impact of any given scenario would vary substantially within groups, especially when disaggregated by income.

The base expansion of scenario (5) results in the large percentage reduction in average household disposable income for married couples with dependents (2.7 per cent). Households where the reference person is age 70 years or older (2.7 per cent) and households located in Tasmania and South Australia (2.5 per cent) also experience significant income reductions though the magnitude of differences across households are not particularly large for any of these household characteristics.

Single person households experience the largest percentage reduction in household disposable income under a GST rate increase of 15 per cent on the current base (scenario 6) of 3.8 per cent, on average. The youngest households, those with a reference person aged between 15 and 20 also experience significant reductions in household disposable income of 4.5 per cent. Households in Tasmania see their household income reduced by 4.1 per cent on average.

The base expansion combined with the tax cuts of scenario (8) offset the losses for couple household with dependents observed in scenario (5) such that single parent household become the worst affected with a 1.1 per cent reduction in household disposable income, on average. Households where the reference person is aged 70 or over still incur a significant reduction in household disposable income of 1.9 per cent. Household in South Australia remain the worst affected with reductions of 0.4 per cent and 0.7 per cent respectively.

Looking at scenario 9, where the revenue raised from a 15 per cent rate of GST on the current GST base would offset more generous personal income tax cuts, we observe a similar pattern of results across household type as scenario (8) but of a greater magnitude. Married couples with dependents would see a 1.3 per cent increase in household disposable income while single parent households would have their incomes reduced by 2 per cent. In contrast to scenario (8) single person households would see their disposable incomes fall by 0.4 per cent.

Similar to scenarios (5), (6) and (8) households in Tasmania remain the worst affected but with a reduction in household income of 1.2 per cent, on average, while households in Western Australia receive an increase of the same magnitude.

Unsurprisingly, households whose principal source of income is government payments experience significant reductions in household disposable income in every scenario compared to households with private incomes. Among these households it appears that those whose principal source of income is Youth Allowance that face the largest losses. These household face reductions in disposable household income as high as

20.5 per cent in scenario (9) and 11 per cent in scenario (8) and similar income reductions in scenario (5) and (6) respectively. However, it should be emphasised that the sample size for these households is smaller than that for the other main source of income groups and that many of these households have higher levels of expenditure than household income.

Small sample sizes are of particular concern in the context of modelling GST impacts. Large and infrequent expenditures recoded in the *Household Expenditure Survey*, such as vehicles and household durables, can inflate annual expenditure and provide a misleading indication of the typical level of GST paid by smaller groups. Examples of these small groups include households whose principal source of income is Youth Allowance or Family Tax Benefit as most households who receive Family Tax Benefit have other sources of income such as benefits or wages. It is for this reason that we are hesitant to make strong statements about GST impacts for household types described by a small sample.

It should however be emphasised that among those households whose principal source of income are private sources there is a wide distribution of income levels and GST reform impacts.

4 CONCLUSION

The NATSEM analysis demonstrates the regressive nature of the existing GST base. Expanding the GST base to health, education, fresh food and water and sewerage would increase the regressivity of the GST on Australian households.

The broadening of the base would impact low income households more than high income households. The lowest income household's (first quintile) GST liability as a percentage of household income increase by 4.5 per cent compared to 1.7 per cent for the highest income households (fifth quintile).

The expansion of the GST base to include fresh food makes the largest contributions to the increase in the GST burden for low-income households (2 per cent) followed by health (1.5 per cent), education (0.7 per cent) and water and sewerage (0.3 per cent). For high-income households the increase in the burden of the GST is spread equally between food, health and education (0.5 per cent) with water and sewerage making up just 0.1 per cent of the increase.

Expanding the base would increase tax revenue by \$18.6 billion in 2015-16. Raising this additional tax revenue from the current base of the GST would require an increase in the rate of the GST from 10% to 13%.

In the absence of any tax cuts or expansion to the base of the GST we estimate an increase in the rate of the GST to 15% would raise \$29.4 billion in tax revenue. A GST rate increase of such a magnitude is similarly regressive but involves larger increases in the percentage of household income paid in GST. The lowest income households would pay an additional 6.7 per cent of their households disposable income in GST compared to an additional 2.9 per cent for the highest income households.

The more comprehensive GST base modelled in this report suggests a base expansion could fund significant personal income tax cuts of 3 percentage points to each marginal rate of income tax but this would not offset the regressive nature of the base expansion. These tax cuts would do little to benefit the lowest income household who would see their households incomes fall by 4.1 per cent (\$1,156 per annum), while the

incomes of the highest income households would increase by 1.5 per cent (\$2,411 per annum). Like the lowest income households, middle-income household (third quintile) would also see their incomes reduced by 0.4 per cent (\$341 per week).

Repeating the process using the \$29.4 in additional GST revenue from an increase in the rate of the GST to 15%, and cutting personal income tax rates by 5% across all tax brackets, would also be regressive. The incomes of the lowest income households are estimated to fall by 6.2 per cent (\$1,736 per annum), on average. Middle-income households (third quintile) would also lose, their household incomes would fall by an average of 0.7 per cent (\$848 per annum) while the highest income households would increase their incomes by 2.1 per cent (\$3,549 per annum).

The GST reforms modelled in this report are regressive for two reasons. Firstly, lower income households spend a greater proportion of their income while higher income households are able to save a greater proportion of their income. It is the greater proportion of household income used for consumption in low-income households that ensures they are more adversely impacted by increases in consumptions taxes like the GST whether this is the result of a rate increase or a base expansion.

Secondly, low-income households allocate a greater proportion of their household budget to expenditure on those goods that are currently excluded from the GST base. It is for this reason that expanding the base of the GST is more regressive compared to a rate increase, for a given level of tax revenue, for most households. The contribution of spending patterns to GST regressivity is most pronounced when the base is expanded to include fresh food, health and water and sewerage.

It should be emphasised that this analysis does not consider any behavioural changes that may result from changes to the GST rate or base or to personal income tax rates. It would be expected that such changes would impact the results presented in this report.

5 REFERENCES

ABS (2014) *Australian National Accounts, National Income, Expenditure and Product*, Catalogue Number 5206.0, Australian Bureau of Statistics: Canberra.

ABS (2012) *Household Expenditure Survey and Survey of Income and Housing*, Catalogue Number 6503.0, Australian Bureau of Statistics: Canberra.

Australian Government (2014) *Mid-Year Economic and Fiscal Outlook*, Commonwealth of Australia: Canberra.

6 APPENDIX A

Table 12 Scenario (1): Expansion in the base of the GST to cover all food and non-alcoholic beverages, 2015-16

	Income change		Percentage			Households	Sample	
	\$ / year	Per cent	Winners	No change	Losers			Total
Household type								
Married couple with dependents	-1,061	-0.9	0	0.1	99.9	100	2,127,892	1,686
Married couple only	-829	-1	0	0.2	99.8	100	2,179,589	3,028
One parent with dependents	-639	-1	0	2.1	97.9	100	476,386	726
One person	-607	-0.8	0	2.1	97.9	100	4,473,411	4,414
Gender of household reference person								
Male	-826	-0.9	0	1.1	98.9	100	6,587,630	6,733
Female	-616	-0.9	0	1.6	98.4	100	2,669,648	3,121
Age of Household reference person								
15 to 20 years	-965	-1	0	0.1	99.9	100	449,758	420
21 to 29 years	-777	-0.7	0	1.8	98.2	100	1,456,635	1,135
30 to 39 years	-765	-0.8	0	1.3	98.7	100	1,744,773	1,546
40 to 49 years	-881	-0.9	0	1	99	100	1,461,757	1,393
50 to 59 years	-816	-0.9	0	0.8	99.2	100	1,253,951	1,285
60 to 69 years	-719	-1.1	0	1.9	98.1	100	1,229,506	1,651
70+ years	-595	-1.1	0	0.8	99.2	100	1,660,898	2,424
Main source of household income								
Age Pension	-554	-1.5	0	1.2	98.8	100	1,323,423	2,435
Disability Support Pension	-483	-1.2	0	4	96	100	468,488	823
Carer Payment	-765	-1.5	0	0	100	100	192,813	198
Other Pension	-508	-1.2	0	1.4	98.6	100	304,779	641

Newstart Allowance	-548	-1.5	0	2.5	97.5	100	186,049	383
Youth Allowance	-771	-5.8	0	0.1	99.9	100	79,786	108
Other Allowance	-635	-1.5	0	0	100	100	46,056	99
Family Tax Benefit	-446	-12.1	0	12.4	87.6	100	116,992	101
Wages and Salary	-878	-0.8	0	1	99	100	5,217,778	4,038
Business or partnership	-789	-0.9	0	0.1	99.9	100	390,157	324
Other Income	-739	-0.8	0	0.3	99.7	100	930,957	704
State / Territory of residence								
New South Wales	-774	-0.9	0	1.4	98.6	100	2,896,845	2,432
Victoria	-755	-0.9	0	0.8	99.2	100	2,288,807	1,870
Queensland	-729	-0.9	0	1.3	98.7	100	1,917,644	1,482
South Australia	-682	-0.9	0	1.5	98.5	100	695,762	1,279
Western Australia	-873	-0.8	0	1.2	98.8	100	1,013,818	1,266
Tasmania	-736	-1.1	0	0.4	99.6	100	220,046	765
ACT and NT	-873	-0.9	0	1.2	98.8	100	224,356	760
Quintiles								
1st quintile (Bottom)	-537	-2.1	0	2.3	97.7	100	1,851,732	2,974
2nd quintile	-665	-1.3	0	1	99	100	1,852,871	2,507
3rd quintile	-819	-1.1	0	1.5	98.5	100	1,851,627	1,584
4th quintile	-869	-0.8	0	0.5	99.5	100	1,850,004	1,353
5th quintile (Top)	-937	-0.5	0	0.7	99.3	100	1,851,044	1,436
Total	-765	-0.9	0	1.2	98.8	100	9,257,278	9,854

Note: Caution should be exercised in interpreting the result for Youth Allowance and Family Tax Benefit as the sample size for these households is considerably smaller than other household types and many have levels of expenditure that exceed household incomes.

Table 13 Scenario (2): Expansion in the base of the GST to cover water and sewerage, 2015-16

	Income change		Percentage			Households	Sample	
	\$ / year	Per cent	Winners	No change	Losers			Total
Household type								
Married couple with dependents	-150	-0.1	0	24	76	100	2,127,892	1,686
Married couple only	-110	-0.1	0	31.1	68.9	100	2,179,589	3,028
One parent with dependents	-64	-0.1	0	42.4	57.6	100	476,386	726
One person	-93	-0.1	0	35.1	64.9	100	4,473,411	4,414
Gender of household reference person								
Male	-117	-0.1	0	31	69	100	6,587,630	6,733
Female	-89	-0.1	0	34.3	65.7	100	2,669,648	3,121
Age of Household reference person								
15 to 20 years	-112	-0.1	0	37.9	62.1	100	449,758	420
21 to 29 years	-104	-0.1	0	36.4	63.6	100	1,456,635	1,135
30 to 39 years	-100	-0.1	0	35.1	64.9	100	1,744,773	1,546
40 to 49 years	-126	-0.1	0	31.2	68.8	100	1,461,757	1,393
50 to 59 years	-123	-0.1	0	29.8	70.2	100	1,253,951	1,285
60 to 69 years	-110	-0.2	0	30.7	69.3	100	1,229,506	1,651
70+ years	-95	-0.2	0	26.3	73.7	100	1,660,898	2,424
Main source of household income								
Age Pension	-73	-0.2	0	29.4	70.6	100	1,323,423	2,435
Disability Support Pension	-58	-0.1	0	46	54	100	468,488	823
Carer Payment	-90	-0.2	0	31.7	68.3	100	192,813	198
Other Pension	-54	-0.1	0	42.1	57.9	100	304,779	641
Newstart Allowance	-56	-0.1	0	39.2	60.8	100	186,049	383
Youth Allowance	-41	-0.3	0	64.2	35.8	100	79,786	108
Other Allowance	-134	-0.3	0	23.4	76.6	100	46,056	99
Family Tax Benefit	-77	-2.1	0	44.1	55.9	100	116,992	101
Wages and Salary	-124	-0.1	0	30.7	69.3	100	5,217,778	4,038
Business or partnership	-135	-0.2	0	29.5	70.5	100	390,157	324
Other Income	-128	-0.1	0	27.9	72.1	100	930,957	704

State / Territory of residence								
New South Wales	-114	-0.1	0	24.5	75.5	100	2,896,845	2,432
Victoria	-147	-0.2	0	10.6	89.4	100	2,288,807	1,870
Queensland	-29	0	0	80	20	100	1,917,644	1,482
South Australia	-148	-0.2	0	20.5	79.5	100	695,762	1,279
Western Australia	-129	-0.1	0	13.2	86.8	100	1,013,818	1,266
Tasmania	-81	-0.1	0	53.1	46.9	100	220,046	765
ACT and NT	-156	-0.2	0	34.7	65.3	100	224,356	760
Quintiles								
1st quintile (Bottom)	-80	-0.3	0	33.7	66.3	100	1,851,732	2,974
2nd quintile	-84	-0.2	0	36.4	63.6	100	1,852,871	2,507
3rd quintile	-106	-0.1	0	37.9	62.1	100	1,851,627	1,584
4th quintile	-124	-0.1	0	29.6	70.4	100	1,850,004	1,353
5th quintile (Top)	-150	-0.1	0	22.2	77.8	100	1,851,044	1,436
Total	-109	-0.1	0	32	68	100	9,257,278	9,854

Note: Caution should be exercised in interpreting the result for Youth Allowance and Family Tax Benefit as the sample size for these households is considerably smaller than other household types and many have levels of expenditure that exceed household incomes.

Table 14 Scenario (3): Expansion in the base of the GST to cover health and community services, 2015-16

	Income change		Percentage			Households	Sample	
	\$ / year	Per cent	Winners	No change	Losers			Total
Household type								
Married couple with dependents	-783	-0.7	0	15.2	84.8	100	2,127,892	1,686
Married couple only	-713	-0.9	0	12.9	87	100	2,179,589	3,028
One parent with dependents	-600	-0.9	0	34.6	65.4	100	476,386	726
One person	-559	-0.7	0	27.8	72.1	100	4,473,411	4,414
Gender of household reference person								
Male	-681	-0.7	0	20.1	79.9	100	6,587,630	6,733
Female	-570	-0.8	0.1	25.9	74	100	2,669,648	3,121
Age of Household reference person								
15 to 20 years	-517	-0.5	0	22.5	77.5	100	449,758	420
21 to 29 years	-622	-0.6	0	30.4	69.6	100	1,456,635	1,135
30 to 39 years	-693	-0.8	0.1	25.4	74.5	100	1,744,773	1,546
40 to 49 years	-604	-0.6	0.1	23.3	76.6	100	1,461,757	1,393
50 to 59 years	-704	-0.8	0	19.9	80.1	100	1,253,951	1,285
60 to 69 years	-657	-1	0	15.9	84.1	100	1,229,506	1,651
70+ years	-652	-1.2	0	14.5	85.5	100	1,660,898	2,424
Main source of household income								
Age Pension	-583	-1.6	0	16.2	83.8	100	1,323,423	2,435
Disability Support Pension	-496	-1.3	0	28.4	71.6	100	468,488	823
Carer Payment	-604	-1.2	0	23.8	76.2	100	192,813	198
Other Pension	-702	-1.6	0	40.8	59.2	100	304,779	641
Newstart Allowance	-195	-0.5	0	30.9	69.1	100	186,049	383
Youth Allowance	-337	-2.5	0	37.9	62.1	100	79,786	108
Other Allowance	-397	-0.9	0	19.8	80.2	100	46,056	99
Family Tax Benefit	-269	-7.3	0	47.6	52.4	100	116,992	101
Wages and Salary	-693	-0.6	0	21.2	78.8	100	5,217,778	4,038
Business or partnership	-544	-0.6	0	24.4	75.6	100	390,157	324
Other Income	-786	-0.8	0.2	15.7	84	100	930,957	704

State / Territory of residence								
New South Wales	-631	-0.7	0	26.8	73.2	100	2,896,845	2,432
Victoria	-572	-0.7	0	18.2	81.8	100	2,288,807	1,870
Queensland	-750	-0.9	0.2	19.5	80.3	100	1,917,644	1,482
South Australia	-542	-0.7	0	19.9	80.1	100	695,762	1,279
Western Australia	-729	-0.7	0	22	78	100	1,013,818	1,266
Tasmania	-508	-0.8	0	21.2	78.8	100	220,046	765
ACT and NT	-900	-0.9	0	17.6	82.4	100	224,356	760
Quintiles								
1st quintile (Bottom)	-406	-1.6	0	28	72	100	1,851,732	2,974
2nd quintile	-554	-1.1	0.1	25.1	74.8	100	1,852,871	2,507
3rd quintile	-635	-0.8	0	19.8	80.2	100	1,851,627	1,584
4th quintile	-718	-0.7	0.1	20.1	79.8	100	1,850,004	1,353
5th quintile (Top)	-930	-0.5	0	15.8	84.1	100	1,851,044	1,436
Total	-649	-0.8	0	21.8	78.2	100	9,257,278	9,854

Note: Caution should be exercised in interpreting the result for Youth Allowance and Family Tax Benefit as the sample size for these households is considerably smaller than other household types and many have levels of expenditure that exceed household incomes.

Table 15 Scenario (4): Expansion in the base of the GST to cover education services, 2015-16

	Income change		Winners	Percentage		Total	Households	Sample
	\$ / year	Per cent		No change	Losers			
Household type								
Married couple with dependents	-1,201	-1	0	31.7	68.3	100	2,127,892	1,686
Married couple only	-259	-0.3	0	88.8	11.2	100	2,179,589	3,028
One parent with dependents	-259	-0.4	0	38.5	61.5	100	476,386	726
One person	-286	-0.4	0	81.7	18.3	100	4,473,411	4,414
Gender of household reference person								
Male	-569	-0.6	0	67.3	32.7	100	6,587,630	6,733
Female	-290	-0.4	0	75.5	24.5	100	2,669,648	3,121
Age of Household reference person								
15 to 20 years	-654	-0.7	0	57.9	42.1	100	449,758	420
21 to 29 years	-619	-0.6	0	61.9	38.1	100	1,456,635	1,135
30 to 39 years	-428	-0.5	0	62.2	37.8	100	1,744,773	1,546
40 to 49 years	-1,068	-1.1	0	44.9	55.1	100	1,461,757	1,393
50 to 59 years	-542	-0.6	0	66.8	33.2	100	1,253,951	1,285
60 to 69 years	-118	-0.2	0	92.9	7.1	100	1,229,506	1,651
70+ years	-116	-0.2	0	94.1	5.9	100	1,660,898	2,424
Main source of household income								
Age Pension	-50	-0.1	0	94.8	5.2	100	1,323,423	2,435
Disability Support Pension	-19	0	0	89.8	10.2	100	468,488	823
Carer Payment	-82	-0.2	0	82.1	17.9	100	192,813	198
Other Pension	-122	-0.3	0	62.1	37.9	100	304,779	641
Newstart Allowance	-229	-0.6	0	66.5	33.5	100	186,049	383
Youth Allowance	-314	-2.4	0	84.2	15.8	100	79,786	108
Other Allowance	-220	-0.5	0	56.9	43.1	100	46,056	99
Family Tax Benefit	-914	-24.9	0	76.9	23.1	100	116,992	101
Wages and Salary	-640	-0.6	0	59.2	40.8	100	5,217,778	4,038
Business or partnership	-909	-1	0	67.8	32.2	100	390,157	324
Other Income	-555	-0.6	0	81.9	18.1	100	930,957	704

State / Territory of residence								
New South Wales	-564	-0.7	0	69.5	30.5	100	2,896,845	2,432
Victoria	-486	-0.6	0	69	31	100	2,288,807	1,870
Queensland	-441	-0.5	0	70.3	29.7	100	1,917,644	1,482
South Australia	-537	-0.7	0	71.3	28.7	100	695,762	1,279
Western Australia	-390	-0.4	0	68.5	31.5	100	1,013,818	1,266
Tasmania	-340	-0.5	0	74.3	25.7	100	220,046	765
ACT and NT	-382	-0.4	0	68.1	31.9	100	224,356	760
Quintiles								
1st quintile (Bottom)	-176	-0.7	0	82.9	17.1	100	1,851,732	2,974
2nd quintile	-290	-0.6	0	74.6	25.4	100	1,852,871	2,507
3rd quintile	-458	-0.6	0	64.5	35.5	100	1,851,627	1,584
4th quintile	-631	-0.6	0	63.9	36.1	100	1,850,004	1,353
5th quintile (Top)	-887	-0.5	0	62.3	37.7	100	1,851,044	1,436
Total	-488	-0.6	0	69.7	30.3	100	9,257,278	9,854

Note: Caution should be exercised in interpreting the result for Youth Allowance and Family Tax Benefit as the sample size for these households is considerably smaller than other household types and many have levels of expenditure that exceed household incomes.

Table 16 Scenario (5): Expansion in the base of the GST to cover all food and non-alcoholic beverages, water and sewerage, health and community services and education services, 2015-16

	Income change		Percentage				Households	Sample
	\$ / year	Per cent	Winners	No change	Losers	Total		
Household type								
Married couple with dependents	-3,195	-2.7	0	0	100	100	2,127,892	1,686
Married couple only	-1,910	-2.4	0	0.1	99.9	100	2,179,589	3,028
One parent with dependents	-1,561	-2.4	0	0.1	99.9	100	476,386	726
One person	-1,545	-2.1	0	0.5	99.5	100	4,473,411	4,414
Gender of household reference person								
Male	-2,192	-2.3	0	0.3	99.7	100	6,587,630	6,733
Female	-1,564	-2.3	0	0.2	99.8	100	2,669,648	3,121
Age of Household reference person								
15 to 20 years	-2,247	-2.2	0	0	100	100	449,758	420
21 to 29 years	-2,122	-2	0	0.6	99.4	100	1,456,635	1,135
30 to 39 years	-1,986	-2.2	0	0.2	99.8	100	1,744,773	1,546
40 to 49 years	-2,679	-2.6	0	0.1	99.9	100	1,461,757	1,393
50 to 59 years	-2,185	-2.5	0	0.4	99.6	100	1,253,951	1,285
60 to 69 years	-1,605	-2.4	0	0.2	99.8	100	1,229,506	1,651
70+ years	-1,457	-2.7	0	0.3	99.7	100	1,660,898	2,424
Main source of household income								
Age Pension	-1,260	-3.4	0	0.3	99.7	100	1,323,423	2,435
Disability Support Pension	-1,055	-2.7	0	1.3	98.7	100	468,488	823
Carer Payment	-1,540	-2.9	0	0	100	100	192,813	198
Other Pension	-1,386	-3.3	0	0.1	99.9	100	304,779	641
Newstart Allowance	-1,028	-2.7	0	0.5	99.5	100	186,049	383
Youth Allowance	-1,464	-11	0	0	100	100	79,786	108
Other Allowance	-1,386	-3.3	0	0	100	100	46,056	99
Family Tax Benefit	-1,705	-46.4	0	7.4	92.6	100	116,992	101
Wages and Salary	-2,335	-2.1	0	0.1	99.9	100	5,217,778	4,038

Business or partnership	-2,377	-2.7	0	0	100	100	390,157	324
Other Income	-2,208	-2.3	0	0	100	100	930,957	704
State / Territory of residence								
New South Wales	-2,082	-2.4	0	0.5	99.5	100	2,896,845	2,432
Victoria	-1,960	-2.3	0	0.1	99.9	100	2,288,807	1,870
Queensland	-1,948	-2.4	0	0.2	99.8	100	1,917,644	1,482
South Australia	-1,909	-2.5	0	0.5	99.5	100	695,762	1,279
Western Australia	-2,121	-2	0	0.1	99.9	100	1,013,818	1,266
Tasmania	-1,665	-2.5	0	0.1	99.9	100	220,046	765
ACT and NT	-2,311	-2.3	0	0.1	99.9	100	224,356	760
Quintiles								
1st quintile (Bottom)	-1,199	-4.6	0	0.9	99.1	100	1,851,732	2,974
2nd quintile	-1,593	-3.2	0	0.2	99.8	100	1,852,871	2,507
3rd quintile	-2,018	-2.7	0	0.2	99.8	100	1,851,627	1,584
4th quintile	-2,342	-2.2	0	0	100	100	1,850,004	1,353
5th quintile (Top)	-2,904	-1.7	0	0.1	99.9	100	1,851,044	1,436
Total	-2,011	-2.3	0	0.3	99.7	100	9,257,278	9,854

Note: Caution should be exercised in interpreting the result for Youth Allowance and Family Tax Benefit as the sample size for these households is considerably smaller than other household types and many have levels of expenditure that exceed household incomes.

Table 17 Scenario (6): Increase in the rate of the GST to 15% on the current GST base, 2015-16

	Income change		Percentage			Households	Sample	
	\$ / year	Per cent	Winners	No change	Losers			Total
Household type								
Married couple with dependents	-4,253	-3.6	0	0	100	100	2,127,892	1,686
Married couple only	-3,010	-3.7	0	0	100	100	2,179,589	3,028
One parent with dependents	-2,630	-4	0	0	100	100	476,386	726
One person	-2,809	-3.8	0	0	100	100	4,473,411	4,414
Gender of household reference person								
Male	-3,414	-3.7	0	0	100	100	6,587,630	6,733
Female	-2,599	-3.9	0	0	100	100	2,669,648	3,121
Age of Household reference person								
15 to 20 years	-4,522	-4.5	0	0	100	100	449,758	420
21 to 29 years	-3,913	-3.6	0	0	100	100	1,456,635	1,135
30 to 39 years	-3,286	-3.6	0	0	100	100	1,744,773	1,546
40 to 49 years	-3,614	-3.6	0	0	100	100	1,461,757	1,393
50 to 59 years	-3,229	-3.6	0	0	100	100	1,253,951	1,285
60 to 69 years	-2,722	-4	0	0	100	100	1,229,506	1,651
70+ years	-1,977	-3.7	0	0	100	100	1,660,898	2,424
Main source of household income								
Age Pension	-1,551	-4.1	0	0	100	100	1,323,423	2,435
Disability Support Pension	-1,495	-3.8	0	0	100	100	468,488	823
Carer Payment	-2,225	-4.3	0	0	100	100	192,813	198
Other Pension	-1,691	-4	0	0	100	100	304,779	641
Newstart Allowance	-2,115	-5.6	0	0	100	100	186,049	383
Youth Allowance	-2,729	-20.6	0	0	100	100	79,786	108
Other Allowance	-1,996	-4.7	0	0	100	100	46,056	99
Family Tax Benefit	-2,049	-55.8	0	0	100	100	116,992	101
Wages and Salary	-3,920	-3.6	0	0	100	100	5,217,778	4,038
Business or partnership	-3,183	-3.6	0	0	100	100	390,157	324
Other Income	-3,325	-3.4	0	0	100	100	930,957	704

State / Territory of residence								
New South Wales	-3,218	-3.7	0	0	100	100	2,896,845	2,432
Victoria	-3,180	-3.8	0	0	100	100	2,288,807	1,870
Queensland	-3,104	-3.9	0	0	100	100	1,917,644	1,482
South Australia	-2,777	-3.6	0	0	100	100	695,762	1,279
Western Australia	-3,481	-3.2	0	0	100	100	1,013,818	1,266
Tasmania	-2,744	-4.1	0	0	100	100	220,046	765
ACT and NT	-3,623	-3.6	0	0	100	100	224,356	760
Quintiles								
1st quintile (Bottom)	-1,807	-6.9	0	0	100	100	1,851,732	2,974
2nd quintile	-2,065	-4.2	0	0	100	100	1,852,871	2,507
3rd quintile	-3,146	-4.1	0	0	100	100	1,851,627	1,584
4th quintile	-3,798	-3.6	0	0	100	100	1,850,004	1,353
5th quintile (Top)	-5,081	-2.9	0	0	100	100	1,851,044	1,436
Total	-3,179	-3.7	0	0	100	100	9,257,278	9,854

Note: Caution should be exercised in interpreting the result for Youth Allowance and Family Tax Benefit as the sample size for these households is considerably smaller than other household types and many have levels of expenditure that exceed household incomes.

Table 18 Scenario (7): Increase in the rate of the GST to 13% on the current GST base (raises the same revenue as the base expansion in scenario (5), 2015-16

	Income change		Percentage				Households	Sample
	\$ / year	Per cent	Winners	No change	Losers	Total		
Household type								
Married couple with dependents	-2,691	-2.2	0	0	100	100	2,127,892	1,686
Married couple only	-1,904	-2.4	0	0	100	100	2,179,589	3,028
One parent with dependents	-1,664	-2.5	0	0	100	100	476,386	726
One person	-1,778	-2.4	0	0	100	100	4,473,411	4,414
Gender of household reference person								
Male	-2,161	-2.3	0	0	100	100	6,587,630	6,733
Female	-1,644	-2.4	0	0	100	100	2,669,648	3,121
Age of Household reference person								
15 to 20 years	-2,862	-2.9	0	0	100	100	449,758	420
21 to 29 years	-2,476	-2.3	0	0	100	100	1,456,635	1,135
30 to 39 years	-2,080	-2.3	0	0	100	100	1,744,773	1,546
40 to 49 years	-2,287	-2.3	0	0	100	100	1,461,757	1,393
50 to 59 years	-2,043	-2.3	0	0	100	100	1,253,951	1,285
60 to 69 years	-1,723	-2.5	0	0	100	100	1,229,506	1,651
70+ years	-1,251	-2.3	0	0	100	100	1,660,898	2,424
Main source of household income								
Age Pension	-981	-2.6	0	0	100	100	1,323,423	2,435
Disability Support Pension	-946	-2.4	0	0	100	100	468,488	823
Carer Payment	-1,408	-2.7	0	0	100	100	192,813	198
Other Pension	-1,070	-2.5	0	0	100	100	304,779	641
Newstart Allowance	-1,339	-3.6	0	0	100	100	186,049	383
Youth Allowance	-1,727	-13	0	0	100	100	79,786	108
Other Allowance	-1,263	-3	0	0	100	100	46,056	99
Family Tax Benefit	-1,297	-35.3	0	0	100	100	116,992	101
Wages and Salary	-2,480	-2.3	0	0	100	100	5,217,778	4,038

Business or partnership	-2,014	-2.3	0	0	100	100	390,157	324
Other Income	-2,104	-2.1	0	0	100	100	930,957	704
State / Territory of residence								
New South Wales	-2,036	-2.4	0	0	100	100	2,896,845	2,432
Victoria	-2,012	-2.4	0	0	100	100	2,288,807	1,870
Queensland	-1,964	-2.4	0	0	100	100	1,917,644	1,482
South Australia	-1,757	-2.3	0	0	100	100	695,762	1,279
Western Australia	-2,203	-2	0	0	100	100	1,013,818	1,266
Tasmania	-1,737	-2.6	0	0	100	100	220,046	765
ACT and NT	-2,293	-2.3	0	0	100	100	224,356	760
Quintiles								
1st quintile (Bottom)	-1,144	-4.4	0	0	100	100	1,851,732	2,974
2nd quintile	-1,307	-2.6	0	0	100	100	1,852,871	2,507
3rd quintile	-1,991	-2.6	0	0	100	100	1,851,627	1,584
4th quintile	-2,403	-2.3	0	0	100	100	1,850,004	1,353
5th quintile (Top)	-3,215	-1.9	0	0	100	100	1,851,044	1,436
Total	-2,012	-2.3	0	0	100	100	9,257,278	9,854

Note: Caution should be exercised in interpreting the result for Youth Allowance and Family Tax Benefit as the sample size for these households is considerably smaller than other household types and many have levels of expenditure that exceed household incomes.

Table 19 Scenario (8) Expansion in the base of the GST to cover all food and non-alcoholic beverages, water and sewerage, health and community services and education services with a 3% reduction in each marginal tax rate, 2015-16

	Income change		Percentage				Households	Sample
	\$ / year	Per cent	Winners	No change	Losers	Total		
Household type								
Married couple with dependents	378	0.3	55.6	0	44.4	100	2,127,892	1,686
Married couple only	-408	-0.5	33.6	0.1	66.3	100	2,179,589	3,028
One parent with dependents	-732	-1.1	26.7	0.1	73.2	100	476,386	726
One person	0	0	38.9	0.4	60.7	100	4,473,411	4,414
Gender of household reference person								
Male	83	0.1	44.5	0.2	55.3	100	6,587,630	6,733
Female	-367	-0.5	31.9	0.2	67.9	100	2,669,648	3,121
Age of Household reference person								
15 to 20 years	-27	0	44.9	0	55.1	100	449,758	420
21 to 29 years	477	0.4	62.6	0.5	36.8	100	1,456,635	1,135
30 to 39 years	441	0.5	55.7	0	44.3	100	1,744,773	1,546
40 to 49 years	318	0.3	50.1	0.1	49.9	100	1,461,757	1,393
50 to 59 years	28	0	43.1	0.3	56.5	100	1,253,951	1,285
60 to 69 years	-554	-0.8	23	0.2	76.8	100	1,229,506	1,651
70+ years	-1,028	-1.9	8.6	0.3	91.2	100	1,660,898	2,424
Main source of household income								
Age Pension	-1,196	-3.2	0.6	0.3	99	100	1,323,423	2,435
Disability Support Pension	-995	-2.5	3.5	1.3	95.2	100	468,488	823
Carer Payment	-1,434	-2.7	2	0	98	100	192,813	198
Other Pension	-1,355	-3.2	2.3	0.1	97.6	100	304,779	641
Newstart Allowance	-949	-2.5	0.8	0.5	98.7	100	186,049	383
Youth Allowance	-1,458	-11	0	0	100	100	79,786	108
Other Allowance	-1,360	-3.2	0	0	100	100	46,056	99
Family Tax Benefit	-1,670	-45.4	3	7.4	89.6	100	116,992	101
Wages and Salary	616	0.6	65.5	0	34.5	100	5,217,778	4,038

Business or partnership	64	0.1	40.5	0	59.5	100	390,157	324
Other Income	-411	-0.4	18.2	0	81.8	100	930,957	704
State / Territory of residence								
New South Wales	-80	-0.1	39.4	0.4	60.2	100	2,896,845	2,432
Victoria	-137	-0.2	38.7	0.1	61.2	100	2,288,807	1,870
Queensland	-220	-0.3	43.6	0.2	56.2	100	1,917,644	1,482
South Australia	-308	-0.4	32.3	0.4	67.3	100	695,762	1,279
Western Australia	835	0.8	49.8	0	50.2	100	1,013,818	1,266
Tasmania	-469	-0.7	35.5	0.1	64.5	100	220,046	765
ACT and NT	7	0	49.7	0.1	50.2	100	224,356	760
Quintiles								
1st quintile (Bottom)	-1,156	-4.4	1.1	0.9	98	100	1,851,732	2,974
2nd quintile	-1,183	-2.4	10.5	0.2	89.3	100	1,852,871	2,507
3rd quintile	-602	-0.8	45.5	0	54.5	100	1,851,627	1,584
4th quintile	298	0.3	69.5	0	30.5	100	1,850,004	1,353
5th quintile (Top)	2,411	1.4	77.9	0	22.1	100	1,851,044	1,436
Total	-47	-0.1	40.9	0.2	58.9	100	9,257,278	9,854

Note: Caution should be exercised in interpreting the result for Youth Allowance and Family Tax Benefit as the sample size for these households is considerably smaller than other household types and many have levels of expenditure that exceed household incomes.

Table 20 Scenario (9): Increase in the rate of the GST to 15% on the current GST base with a 5% reduction in each marginal tax rate, 2015-16

	Income change		Percentage			Households	Sample	
	\$ / year	Per cent	Winners	No change	Losers			Total
Household type								
Married couple with dependents	1,566	1.3	60	0	40	100	2,127,892	1,686
Married couple only	-567	-0.7	32	0	68	100	2,179,589	3,028
One parent with dependents	-1,288	-2	16.3	0	83.7	100	476,386	726
One person	-299	-0.4	29.2	0	70.8	100	4,473,411	4,414
Gender of household reference person								
Male	289	0.3	41.6	0	58.4	100	6,587,630	6,733
Female	-659	-1	23.1	0	76.9	100	2,669,648	3,121
Age of Household reference person								
15 to 20 years	-910	-0.9	21	0	79	100	449,758	420
21 to 29 years	301	0.3	47.7	0	52.3	100	1,456,635	1,135
30 to 39 years	654	0.7	50.5	0	49.5	100	1,744,773	1,546
40 to 49 years	1,273	1.3	52.6	0	47.4	100	1,461,757	1,393
50 to 59 years	373	0.4	43	0	57	100	1,253,951	1,285
60 to 69 years	-1,001	-1.5	20.1	0	79.9	100	1,229,506	1,651
70+ years	-1,277	-2.4	8	0	92	100	1,660,898	2,424
Main source of household income								
Age Pension	-1,448	-3.9	0.7	0	99.3	100	1,323,423	2,435
Disability Support Pension	-1,394	-3.5	0.8	0	99.2	100	468,488	823
Carer Payment	-2,056	-3.9	0	0	100	100	192,813	198
Other Pension	-1,646	-3.9	0.2	0	99.8	100	304,779	641
Newstart Allowance	-1,983	-5.3	0.2	0	99.8	100	186,049	383
Youth Allowance	-2,719	-20.5	0	0	100	100	79,786	108
Other Allowance	-1,958	-4.7	0	0	100	100	46,056	99
Family Tax Benefit	-1,990	-54.2	0.2	0	99.8	100	116,992	101
Wages and Salary	872	0.8	58.5	0	41.5	100	5,217,778	4,038
Business or partnership	807	0.9	37.2	0	62.8	100	390,157	324
Other Income	-371	-0.4	15.3	0	84.7	100	930,957	704

State / Territory of residence								
New South Wales	40	0	37.2	0	62.8	100	2,896,845	2,432
Victoria	-215	-0.3	32	0	68	100	2,288,807	1,870
Queensland	-299	-0.4	37.4	0	62.6	100	1,917,644	1,482
South Australia	-172	-0.2	30.7	0	69.3	100	695,762	1,279
Western Australia	1,346	1.2	44.9	0	55.1	100	1,013,818	1,266
Tasmania	-808	-1.2	24.6	0	75.4	100	220,046	765
ACT and NT	127	0.1	48	0	52	100	224,356	760
Quintiles								
1st quintile (Bottom)	-1,736	-6.6	0.6	0	99.4	100	1,851,732	2,974
2nd quintile	-1,400	-2.8	9.2	0	90.8	100	1,852,871	2,507
3rd quintile	-848	-1.1	33	0	67	100	1,851,627	1,584
4th quintile	471	0.4	63.5	0	36.5	100	1,850,004	1,353
5th quintile (Top)	3,594	2.1	75.1	0	24.9	100	1,851,044	1,436
Total	16	0	36.3	0	63.7	100	9,257,278	9,854

Note: Caution should be exercised in interpreting the result for Youth Allowance and Family Tax Benefit as the sample size for these households is considerably smaller than other household types and many have levels of expenditure that exceed household incomes.