
Super Tax Concessions distribution gets more top-heavy as costs explode

The latest modelling of Superannuation Tax Concession distribution shows the inequality is growing as the cost to the budget surges.

\$12.2 billion, 41% of all concessions, are going to the top 10% of households. \$17.8 billion, or 60%, go to the top 20%.

"That leaves 80% of Australians to share the remaining 40% of what has become one of the major costs to the budget," said Matt Grudnoff, Senior Economist at The Australia Institute.

Previously Treasury has released figures showing the top 10% super contributors got about one third of the of the concession (36.1% for 2009-10).

"The Super Tax Concession regime has all the hallmarks of a policy failure. It's stated intention - to reduce reliance on the pension, isn't happening, and the costs are out of control.

"When you consider that it's the top 20% of earners who are least likely to go on the pension, this scheme clearly has its distribution upside-down," Grudnoff said.

GetUp commissioned [The Australia Institute research](#) on progressive, fair tax solutions, backed by NATSEM modelling, that would deliver billions to the budget bottom line.

GetUp Campaigns Director Mark Connelly said reforming the budget means having the courage to take on the tough issues.

"It isn't smart or fair to cut services for average wage earners while big multinationals and the wealthiest Australians can still exploit loopholes to avoid paying their fair share," Connelly said.

"Ending wasteful subsidies to multinationals and rolling back tax breaks for the wealthy on superannuation, negative gearing and capital gains would deliver tens of billions to the budget's bottom line."

"Last year Tony Abbott said there were no alternatives to his unfair budget. This report proves that's simply not true, a billion times over."

On 18 August 2014, Prime Minister Tony Abbott challenged crossbenchers to provide alternative savings that "[stack up](#)".

For media enquiries, please contact:

Tom Burmester 0468 926 833

The [final report](#) included options for tax reforms of negative gearing, capital gains tax concession, a 'Buffett Rule', and super tax concessions. \$19.5 billion worth of savings were identified.

“Having exaggerated the significance of the budget deficit the government has no choice but to collect more revenue, but it has a clear choice about how they collect that additional revenue,” TAI executive director, Richard Denniss said.

“If they choose to collect additional revenue from regressive sources such as expanding the GST rather than closing the loopholes and concessions that deliver so much money to Australia's highest income earners they will likely pay a high political price,” Dr Denniss said.

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