



# Redistribution of income in Australia



**Table 1:** Changes to the personal income tax system

Previous Taxable income threshold range (from July 1st, 2011)	Tax rate	2016–17 taxable income threshold range	Tax rate	2019–20 Taxable income threshold range	Tax rate
0 - \$6,000	0%	0–\$18,200	0%	0–\$18,200	0%
\$6,001 – \$37,000	15%	\$18,201–\$37,000	19%	\$18,201–\$37,000	19%
\$37,001 – \$80,000	30%	\$37,001–\$87,000	32.5%	\$37,001–\$90,000	32.5%
\$80,001 - \$180,000	37%	\$87,001–\$180,000	37%	\$90,001–\$180,000	37%
\$180,001 +	45%	\$180,001 +	45%	\$180,001 +	45%

**Table 2:** The tax rate applied to different incomes in 2012 compared with 2017

Income	Tax payable		Difference in tax paid	Percentage decrease
	2011	2017		
\$18,000	\$1,800	0	\$1,800	\$100.00
\$35,000	\$4,350	\$3,192	\$19,717	\$26.62
\$50,000	\$8,550	\$7,797	\$3,572	\$8.81
\$85,000	\$19,400	\$19,172	\$228	\$1.18
\$100,000	\$24,950	\$24,632	\$318	\$1.27
\$150,000	\$43,450	\$43,132	\$318	\$0.73
\$180,000	\$54,550	\$54,232	\$318	\$0.58
\$250,000	\$86,050	\$85,732	\$318	\$0.37

**Table 3:** Summary of 2017–18 expenses – social welfare payments

Type of Assistance	2016–17 - \$m	2017–18 - \$m
Assistance to the aged	\$62,270	\$64,729
Assistance to veterans and dependents	\$6,475	\$6,272
Assistance to people with disabilities	\$31,721	\$38,538
Assistance to families with children	\$36,404	\$36,936
Assistance to the unemployed and the sick	\$10,994	\$10,038
Other welfare programs	\$1,745	\$1,737
Assistance to Indigenous Australians	\$2,210	\$2,153
General administration	\$3,879	\$4,105
<b>Total social security and welfare</b>	<b>\$155,698</b>	<b>\$164,059</b>

**Source:** Commonwealth of Australia (2017) *Budget 2017–18, Budget Paper No 1, Statement 6, Expenses and Net Capital Investment, 6-24.*

**Table 4:** Contribution of government pensions and allowances to gross household income 2015–16

Contribution of government payments to household income	%
Nil or less than 1%	51.3%
1% to less than 20%	14.7%
20% to less than 50%	9.7%
50% to less than 90%	8.3%
90% and over	15.6%
<b>Total</b>	<b>100.0%</b>

**Source:** ABS: 6523.0 – *Household Income and Wealth, Australia, 2015–16*

**Table 5:** Gross weekly household income by quintile (2015–16)

	Quintile					
	Lowest	Second	Third	Fourth	Highest	Average
Private income	\$258	\$746	\$1,539	\$2,491	\$5,213	\$2,046
Social welfare payments	\$338	\$355	\$202	\$111	\$66	\$215
Gross income	\$596	\$1,101	\$1,741	\$2,603	\$5,281	\$2,261
Taxes on income	\$3	\$51	\$206	\$443	\$1,275	\$395
Disposable income	\$593	\$1,050	\$1,536	\$2,160	\$3,984	\$1,863

**Source:** Australian Bureau of Statistics, *6523.0 – Household Income and Wealth, Australia, 2015–16*

<sup>1</sup> To analyse the way that income is shared across households in Australia, households are ranked from lowest to highest income or wealth and then divided into 5 equal groups with 20% of the population in each group (quintiles).