

WHAT DO I NEED TO KNOW?

A fair taxation system is designed to efficiently redistribute resources so that low income earners are not heavily burdened.

Over the past 30 years, the top marginal tax bracket has been consistently reduced from 65% in 1977 to 45% in 2007. (UCA)

The way tax rates interact with withdrawal levels for some welfare payments mean someone who gets a job can be worse off, as their pay after tax is less than their previous benefits. One in seven families (1 in 5 sole parent families) loses over 50% of extra income earned as welfare benefits are reduced. (UCA)

In 2004, only seven OECD countries collected lower taxes than Australia (%GDP). (OECD)

Stricter requirements for welfare recipients have been introduced in recent years. The 'Welfare to Work' policy (2005) shifted many people onto lower payments (eg. an estimated 81,000 disability support pension recipients), and implemented a new penalty regime that can remove basic support from very vulnerable people. Those on the lowest welfare payments (students, young people and the unemployed) are at the highest risk of losing their primary income source and descending into further poverty. (UCA/ ACOSS)

Of those affected by the changes, about 49% live in rural areas. (UCA)

Most material in this information sheet is drawn from the Uniting Church in Australia's Federal Election 2007 resource kit, Growing a Nation of Hope.