

Greens release annual figures for income tax package

Written by Michelle Grattan, Professorial Fellow, University of Canberra

The Greens have released year-by-year costings of the budget's income tax cuts, which the government has previously declined to produce publicly.

The estimates have been prepared by the independent Parliamentary Budget Office, at the request of the Greens. The opposition has repeatedly sought annual figures, but the government resisted the demands.

Treasurer Scott Morrison said after the budget: "It is not the practice of any government to provide itemised year by year costs over the medium term, because they're not reliable."

Treasury secretary John Fraser told a Senate estimates hearing: "Our confidence in specific years is not such that we feel comfortable providing those figures."

The government initially released only the cost over the forward estimates (\$13.4 billion), and a total decade-long figure (2018-19 – 2028-29) of \$140 billion.

Subsequent Treasury estimates were produced for the various stages of the plan: \$16 billion for first stage, rising to \$102 billion when the second stage is included, with the final figure for all three stages being \$144 billion.

The PBO annual estimates are in the table below.

[Personal Income Tax Plan budget analysis](#) by [Parliamentary Budget Office](#)

The PBO numbers will go to the Senate Economics Legislation Committee hearing on Wednesday. Labor also asked for PBO calculations.

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The Greens said the PBO costings showed that stage 2 of the plan would lose \$80 billion in revenue over the next ten years while stage 3 would lose \$41.6 billion.

The party called on Bill Shorten and Labor to join the Greens “in ruling out support for Turnbull’s personal income tax cuts”.

Labor has said it supports stage one, is making up its mind about stage 2, and does not like stage 3. But it has not clarified what its position would be if the government sticks to its position that it won’t split the bill.

Greens leader Richard Di Natale: “It is beyond belief that the Labor Party is even considering supporting the second stage of Turnbull’s personal income tax cuts that will turbocharge economic inequality in Australia and lead to the loss of \$80 billion in revenue for our schools, hospitals and essential services.

“Nearly \$40 billion of this second stage will go to the wealthiest one-third of income earners.”

Di Natale said Labor was also floating the idea of passing the whole package through the Senate. “This would see Labor also support the third stage of the plan, which is worth \$41.6 billion over five years, with the amount going to the wealthiest Australians compounding by an extra billion dollars each year.

“In the final year of the Turnbull’s tax cuts, almost 70% of the entire benefits flow to people earning over \$90,000,” he said.

Michelle Grattan does not work for, consult, own shares in or receive funding from any company or organisation that would benefit from this article, and has disclosed no relevant affiliations beyond their academic appointment.

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