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Gender Analysis Shows Tax Growth Coming from Women.

Income taxes paid by women are increasing more quickly than taxes paid by men, driving the Budget surplus according to the National Foundation for Australian Women (NFAW). The Budget Papers¹ show that from 2014-15 to 2019-20 income tax paid by women has grown by 18% compared to 10% for men, despite women earning less and paying less tax overall.

This increased growth in women’s taxes adds urgency to the call for tax reform to address bracket creep at lower income levels instead of giving more than half of the tax cuts to taxpayers earning more than $200,000 pa. It also shows why gender analysis must be applied to government revenue as well as spending programs.

The National Foundation for Australian Women (NFAW) is dedicated to promoting and protecting the interests of Australian Women. It has long been committed to advancing gender equality. Each year since 2014 NFAW has examined the Federal Budget through a gender lens to critically assess the government’s commitment to gender equality.

Commenting on the Budget, Jane Madden President of the NFAW says, “Labor had pledged to implement an annual Women’s Budget Statement to evaluate the impact of significant budgetary measures on women and examine how the allocation of public resources affects gender equality. In the 2023-24 Budget, we witness the implementation of this commitment, and we are encouraged by the progress made, particularly acknowledging the efforts of the Women’s Equality Taskforce”.

In the Gender Lens on the 2023-24 Budget NFAW’s Social Policy Committee has comprehensively examined the details of budgetary across portfolios. Says Professor Hodgson, Chair, ‘While progress is being made, there is still room for improvement in implementing measures that foster gender equality’.

“NFAW welcomes the initiatives introduced in the second Albanese Budget. This year the Budget acknowledges women’s concerns across portfolios, and the Women's Budget Paper presents compelling evidence supporting the need for action.

“Regrettably the opportunity to reform the Stage 3 Income Tax cuts while applying a gendered lens has not been seized. NFAW's analysis reveals that a disproportionate share of the projected growth in tax receipts will come from women, who will receive a significantly lower portion of the proposed tax cuts.
“Given the scale of this reform, NFAW believes that it is crucial for the Government to undertake a gender analysis of the Stage 3 Tax cuts to ensure a more equitable distribution within the Australian community and address bracket creep for lower tax brackets.”

NFAW has commended the cost-of-living package in the Budget, including support for single parents, Jobseeker and rent assistance increases, energy expenses relief, wage increases for aged care workers (the majority of whom are women), and Medicare changes. However more structural reform is needed in areas such as higher education, climate change and health care.

But a gender analysis of the tax cuts and welfare measures shows that:

- The plan will deliver $39 billion over four years to individuals earning over $200,000 per annum, with two-thirds of them being men (PBO, 2023).
- The total cost of $69 billion far exceeds the $14 billion allocated for the cost-of-living package aimed at supporting the most disadvantaged.
- The $9,000 annual tax reduction for individuals earning over $200,000 per year is more than twice the increase in payments provided to eligible single parents earning under $30,000 per year.

While welcoming the Government's positive steps towards addressing women's economic wellbeing and safety, NFAW emphasizes the need for further action. Increasing revenue is crucial to securing funding for the growing costs of essential services and combating poverty. The Government must take action on tax reform, including a thorough review of the Stage 3 Tax cuts.

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About NFAW: The National Foundation for Australian Women (NFAW) is a leading advocacy organization dedicated to promoting gender equality and protecting the interests of Australian women. NFAW's work spans intellectual, cultural, political, social, economic, legal, industrial, and domestic spheres. With a strong focus on research, policy analysis, and public awareness, NFAW strives to create a fair and equitable society for all Australian women.

Website: https://nfaw.org/

1 NFAW’s calculations using data sourced from 2023-24 Budget Paper No 1, Table 5