

An Enterprise Budget in Times of Mistrust



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ABOUT NATSEM AND STINMOD+

For over 20 years NATSEM has been, and remains, one of Australia's leading economic and social policy research centres, and is regarded as one of the world's foremost centres of excellence for microsimulation, economic modelling and policy evaluation.

NATSEM undertakes independent and impartial research, and aims to be a key contributor to social and economic policy debate and analysis Australia-wide and throughout the world using expert economic modelling of the highest quality, and supplying consultancy services to commercial, government and not-for-profit clients. Through its research NATSEM is an active contributor to social and economic policy debate and its research receives extensive media and public attention.

NATSEM was initially established at the University of Canberra in 1993 to develop microsimulation models for the Federal Government and to undertake broad social and economic modelling and research. A major modelling task was to develop STINMOD – a model of the personal income taxation and government benefits system. The Federal Government heavily relies upon this model through Treasury, Social Services and Employment to understand how policy impacts on families – both example families (cameos) and the broad impacts on different socioeconomic groups across the country. However, the 2016 Federal Budget was analysed using STINMOD+.

STINMOD+ is a static microsimulation model, which means it estimates the 'day after' impact of a policy. It measures the impact of the policy without any change in behaviour, for example, a decision to change working hours after a tax change. This is the same type of model used by the Commonwealth to estimate the impact of proposed tax/transfer policies. One advantage of this model is that it provides quick estimates of short run effects for the policy changes that do not change the economic structure significantly. However, it should not be used to estimate long term effects or policy changes that are likely to change economic agents' behaviour.

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STATEMENT OF INDEPENDENCE

NATSEM has not received any funding for the modelling of the 2016/17 budget presented in this document or on our website. All modelling conducted by NATSEM for the budget 2016 has been funded internally by the University of Canberra as a service to the Australian community. NATSEM has no affiliation with any political party.

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SIGHTING SHOTS – A PRECARIOUS CONTEXT

The 2016 Australian Budget has been launched at a time of significant uncertainty. The Australian economy is presently characterised by a modest growth rate of 2.5% (below the forecast level of the last budget), falling business and consumer confidence, a cooling housing market and an increasing budget deficit (estimated at \$39 billion for 2015-16 according to the Budget Papers). In combination, this adds up to the emergence of worrying deflationary pressures and concern is rising over whether Australia's AAA international credit rating could be at risk. Moreover, the prospects of these pressures easing over the year are unlikely given that global markets continue to be unnerved by the longer-term prospects (however unlikely) of a British exit from the European Union and a Trump Presidency.

Against all of this, levels of trust in government and politicians in Australia are at the lowest level since 1993. Only 5% of Australians trust government, 74% exhibit a critical perspective, only 25% trust government ministers and satisfaction with democracy in Australia is now at its lowest level since 1996 (see: <https://theconversation.com/now-for-the-big-question-who-do-you-trust-to-run-the-country-58723>). While the Howard years provide evidence of a culture of contentment, 2007 to the present day has clearly been a period of profound citizen discontent with governments and politicians across the political spectrum.

In sum, these are capricious times for delivering a budget that will launch an election.

BIG IDEAS – THE ENTERPRISE BUDGET

The big ideas underpinning Budget 2016 have oscillated between narratives on whether the budget will “repair” the economy, help Australia to avoid “recession”, “renew” the economy or whether it is “fair”. This is crystallized in George Megalogenis’s recent clarion call for the Turnbull government to achieve a “balancing act” between staving off recession and affecting a new politics of change and renewal. So how has the Turnbull government responded to this challenge? Budget 2016 is presented as an Economic Plan for Jobs and Growth. It introduces a series of measures outlined in a *‘Ten Year Enterprise Tax Plan’*. Four themes are emphasized: 1) renewal through enterprise; 2) perceived improvements to the tax system to increase revenue; 3) fiscal consolidation; and; 4), fiscal stimulus. A classic cocktail for an enterprise budget aimed at fuelling what J.K. Galbraith (1992) has termed elsewhere the ‘culture of contentment’.

The first theme refers to measures focusing on building an enterprise economy or what the Prime Minister Malcolm Turnbull has referred to “as responding to the challenges of the new economy” to ensure that the “spark of enterprise keeps burning and every policy of my Government is determined to encourage it” (<https://twitter.com/TurnbullMalcolm/status/723408274171650048>). These are measures geared towards boosting the enterprise economy in the run-up to the July election and include a range of tax concessions and other enterprise incentives and supports for corporates, start-ups and a more inclusive categorisation of “small business”.

The second theme reflected the Treasurer’s ambition to introduce a range of measures to improve the tax system to “make sustainable changes...so it can support the needs that are there in the future.” This has included changes to superannuation, a modest tax cut for mid-high income earners, the prevention of bracket creep for middle-income earners and the tackling of tax avoidance by multi-national corporations.

The third theme expands on the fiscal consolidation measures initiated in the previous budget through additional cuts to the Australian public service (referred to as a “\$1.4 billion efficiency dividend”), the termination of certain programs and delays in the inception of programs.

The fourth theme involves significant spending measures in defence, education, and infrastructure to further stimulate job creation.

In the upcoming financial year (2016-2017), the Commonwealth government is expected to collect total revenue of just over \$416.9 billion dollars, which is around 24.2% of the size of the economy (% of GDP) and an increase of 5.2% from last year’s total revenue. This is equivalent to around \$26,000, or nearly 17 weeks of full-time work with an average wage for everyone in the working age population (age 15 and 64). On the expenditure side, the Commonwealth government is expected to spend \$451 billion dollars over the next financial year, a 4.4% increase compared with last year. This translates to an expected fiscal deficit of \$37.1 billion dollars (2.2% of the GDP), raising the total government net debt to \$326 billion dollars, which is about 18.9% of GDP.

Let’s look at these measures now in a little more detail.

A SNAPSHOT OF BUDGET OUTCOMES

And the winners are ...

- Middle income earners will benefit from tax cuts to the tune of \$6 per week. This measure will reduce the marginal rate of tax on incomes between \$80,000 and \$87,000 from 37% to 32.5% which means those above \$87k retain the full saving of $\$7k \times .045 = \315 per annum. The income tax measures have been introduced to prevent bracket creep (where wage inflation pushes people into higher tax brackets).
- Women on low incomes could benefit from a Low Income Superannuation Tax Offset (LISTO).
- Young job seekers under the age of 25 will be able to access *The Youth Jobs Path* for job hunting skills and internships during which they will earn an additional \$100 per week on top of their existing allowance.
- Australian corporates will benefit from company tax cuts from 30% to 27.5 % (2016) and 25% (2017). This will affect about 870,000 registered companies with more than 3.4 million employees.
- Small businesses (with a turnover threshold increase from \$2 million to \$10 million) will benefit from a tax cut to 27.5% from the 2016-17 income year. The threshold will then be progressively increased to ultimately include all companies at 27.5% in the 2023-24 income year.
- Medium-sized businesses (with an annual turnover below \$10 million), get a tax break from 28.5% to 27.55%.

And the losers are...

- Australians with large superannuation funds – given the introduction of a \$1.6million superannuation transfer balance cap.
- Pensioners – \$1.2 billion has been stripped from aged care.
- Australia's aid dependents as the Foreign Aid budget has been cut by \$224 million leaving foreign aid at a record low.
- The Australian Public Service which has to find \$1.2 billion of efficiency savings.
- Multi-national companies engaged in tax avoidance – \$3.7bn is expected to be generated from this measure over 4 years and will create 1000 ATO jobs.
- Smokers due to increases in tobacco excise to equivalent customs duties through four annual increases of 12.5% per year from 2017 until 2020.
- Universities in two ways – Cuts to universities announced by the Abbott/Hockey partnership that did not get through the Senate are included in this budget. This is a \$2 billion "saving" starting with a \$100 million cut in the next year, increasing to half a billion for each of the following two years, and nearly \$800 million a year by 2020. Moreover, no deregulation package for student fees emerged in the budget.

SUPERANNUATION

Significant post-budget attention has focused on superannuation. The concessional contribution limit has reduced from \$30,000 to \$25,000, and the income limit for concessional superannuation contributions has reduced from \$300k to \$250k. Moreover, a lifetime non-concessional cap has been introduced but that is likely to affect very few Australians. It is noteworthy that only about 1-2% of the general population makes more than a \$25k pre-tax contribution to superannuation. However, as Figures 1, 2 and 3 suggest, there is a substantial group of “about-to-retire” Australians, who are catching up on the super contribution thus hitting the threshold.

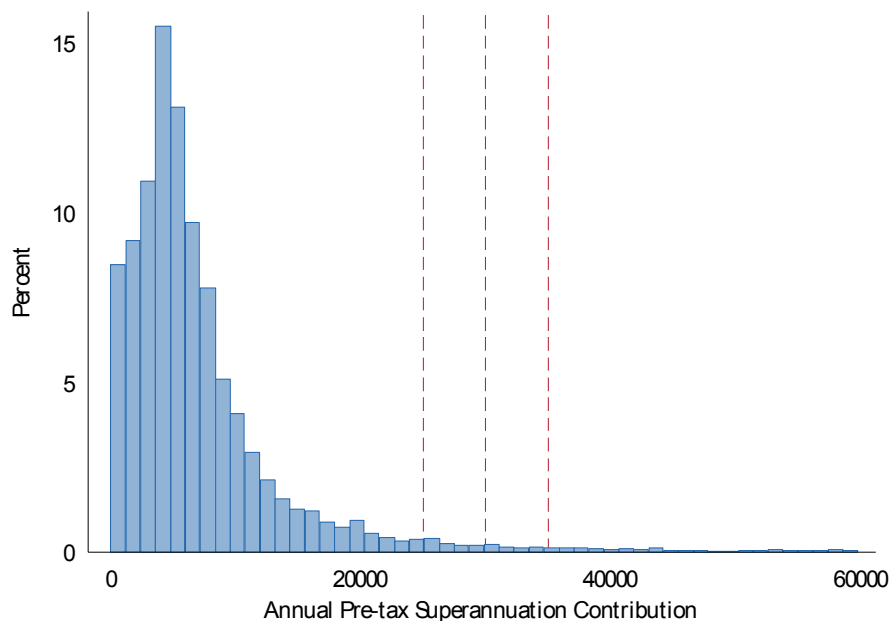


Figure 1: Annual Pre-tax Superannuation Contribution (the three red lines are \$25K, \$30K and \$35K)

A total of 305,000 males (nearly 5% of the 6.4 million workforce) and 89,000 females (1.5% of the 5.5 million workforce) are likely to be affected by the change in the contributions cap from \$30,000 (\$35,000 for those aged over 50) to \$25,000. There were two other changes to the way contributions are taxed – a lifetime cap of \$500,000 for non-concessional contributions was introduced, which we have not been able to include in the modelling due to no data on lifetime contributions. The other change was the threshold for the extra 15% superannuation contributions tax (the Division 293 tax) was reduced from an income of \$300,000 to \$250,000, and this was included in the modelling, but only those with very high incomes are affected.

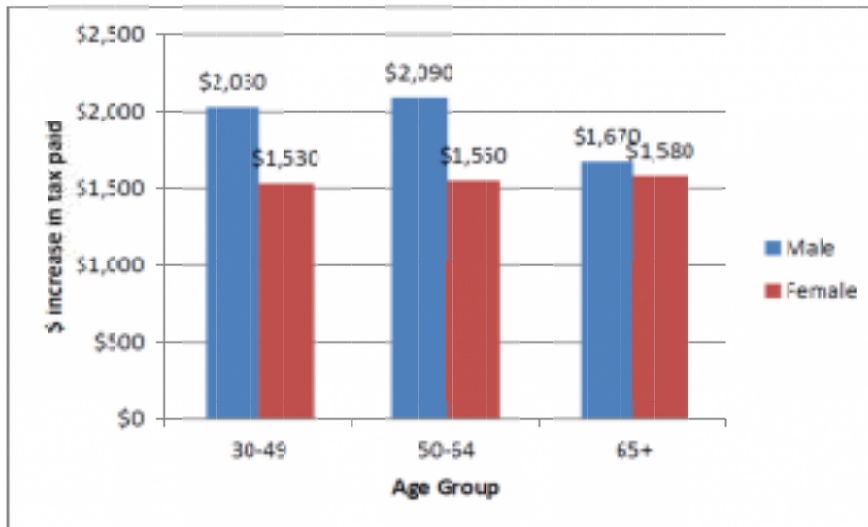


Figure 2: Change in tax paid as a result of superannuation contribution rule changes, 2015-16

An argument that could be made is that those with higher incomes are going to be paying a higher super contribution, so we looked at the increase in tax paid as a proportion of annual income for these age groups and gender split. This shows a different picture, with females aged over 50 paying the highest increase as a proportion of their income (0.97% for 50 – 64 year olds and 1.29% for 65+). This is because females in these age groups earn a lower average income than males, so while males pay more as an absolute amount, females pay more as a proportion of their overall income.

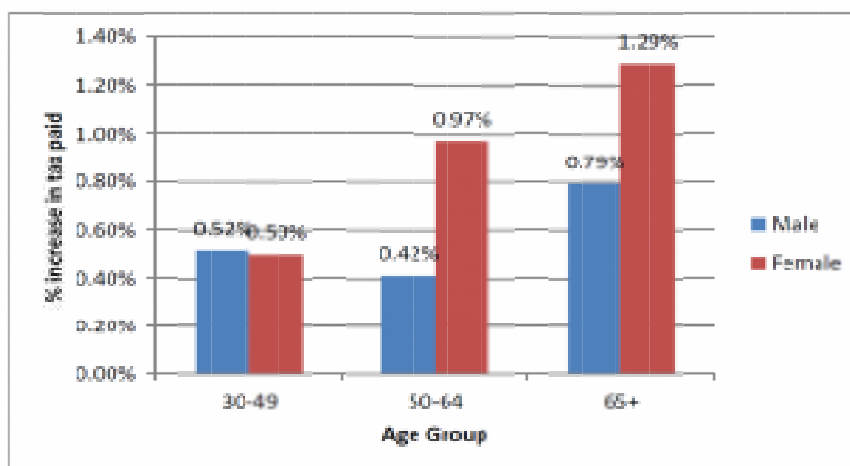


Figure 3: Change in tax paid as a result of superannuation contributions changes, 2015-16, as a percentage of income

While it could be argued that this policy change affects high income earners contributing large amounts to super, when we looked at the impact by gross income, we see that while this is the case for males, this is not the case for females aged 50 to 64, where the median income of those affected was \$112,732, a reasonable income for women to think about contributing more to their concessional super.

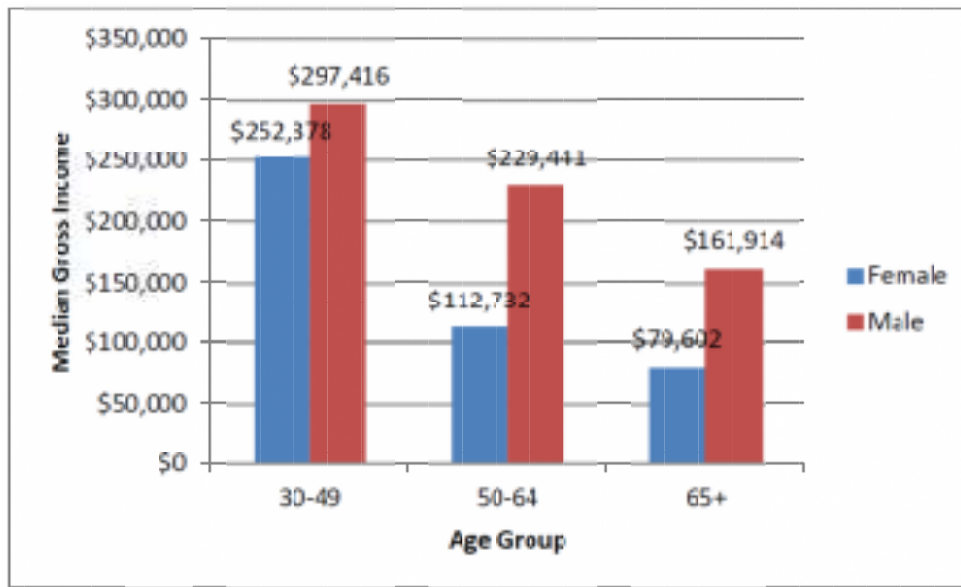


Figure 4: Median gross income of those affected by age and gender, 2015-16

What these results suggest is that this policy is going to discourage female workers aged 50 to 64, and 65 and over, contributing concessional amounts to superannuation, mainly due to the proposed tax on concessional contributions over \$25,000 per year. The age groups affected most are at a stage in their lives where they should be thinking of contributing more to superannuation, and those in our modelling are earning enough to be able to do this, and should be encouraged to do it as contributions at the family building stage (30 to 49) are usually lower due to part time work and caring responsibilities. Unfortunately, the contributions cap will discourage females in these age groups contributing more to their super.

INCOME TAX

Very modest changes have been made in this area. Middle income earners will benefit from tax cuts to the tune of \$6 per week. This measure will reduce the marginal rate of tax on incomes between \$80,000 and \$87,000 from 37% to 32.5% which means those above \$87k retain the full saving of $\$7,000 \times .045 = \315 per annum. The income tax cut is given to anyone with a taxable earning above \$80,000. Our estimations from STINMOD+ are generally in line with the Government estimations, with an expected 3.1 million individuals benefitting from the tax bracket change. The Medicare levy low-income threshold has also increased, which effectively reduces the tax for low income groups. Although middle income earners are likely to experience a marginally higher disposable income, the overall effect is partially reduced when taking into account the potential extra superannuation contribution tax.

The average benefit for those who are impacted by the tax rate change is around \$287.60 annually or \$5.53 a week. The amount of tax saved (relative to the total income tax payable in 2015-16) peaks for people with a taxable income of \$87,000 a year, with a reduction of just over 1.5% of their total income tax (excluding Medicare). The benefit is nearly 0.58% even for those with a taxable income of \$180,000. Figure 5 plots the percentage of the income tax save. According to the Australian Tax Office Statistics 2013-14, taxpayers with salaries of about \$180,000 claim an average deduction of about \$7,200, which means their total income is close to \$190K.

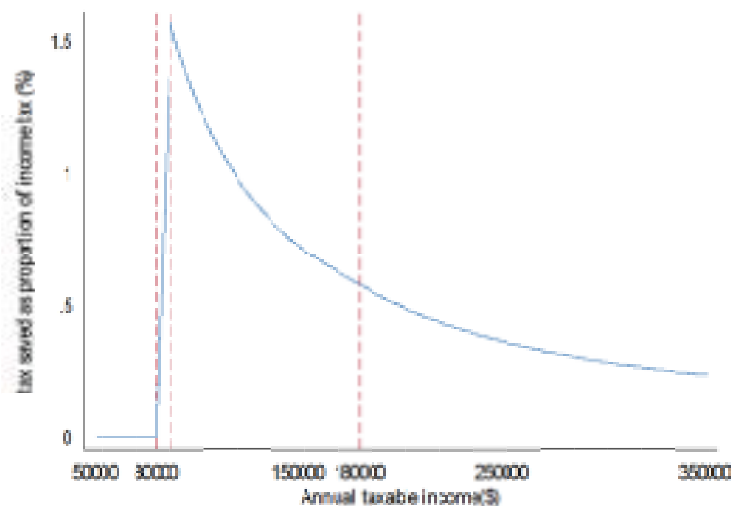


Figure 5: Tax saved as a proportion of the total income tax

Source: NATSEM's calculation, three red lines are 80K, 87K and 180K

As in many other countries, Australia has known areas of advantage and disadvantage. We further examined how the changes in the income tax bracket spread spatially in Australia. We calculated the average impact for all tax payers (including those whose income is less than \$80,000 a year) and the average tax saved proportionally to the average taxable income in the region.

The spatial pattern of the impact is presented on the Australian map in Figure 6 based on Statistical Area Level 4 (SA4) with the insets of capital cities. The SA4 regions are the largest sub-State regions designed for the output of labour force data and reflect labour markets within each State and Territory.

The darker colour indicates higher benefits received by the taxpayers in the area. In these insets, the map suggests that the more advantaged an area is, the higher the benefit they receive. In Sydney, the Northern area, Northern beaches and Eastern suburbs receive benefits higher than \$80 annually, along with inner Perth, Darwin, inner Brisbane and Canberra. Inner Melbourne is not in this class but still receives more than \$70 annually, while Adelaide Central and Hills are above \$60 annually. Outside the capital cities, Fitzroy and Mackay are identified with the highest benefit. Although not always directly in the area, these two areas benefit from the activities of the resource sector such as the labour force supply that may fly in and out of the mining area. Resource sectors seem to receive the benefit in this calculation with Outback Queensland and Western Australia also considered top recipients. It is important to note though that the Hunter Valley and South Australian Outback still receive a considerable benefit with an average of more than \$60 annually.

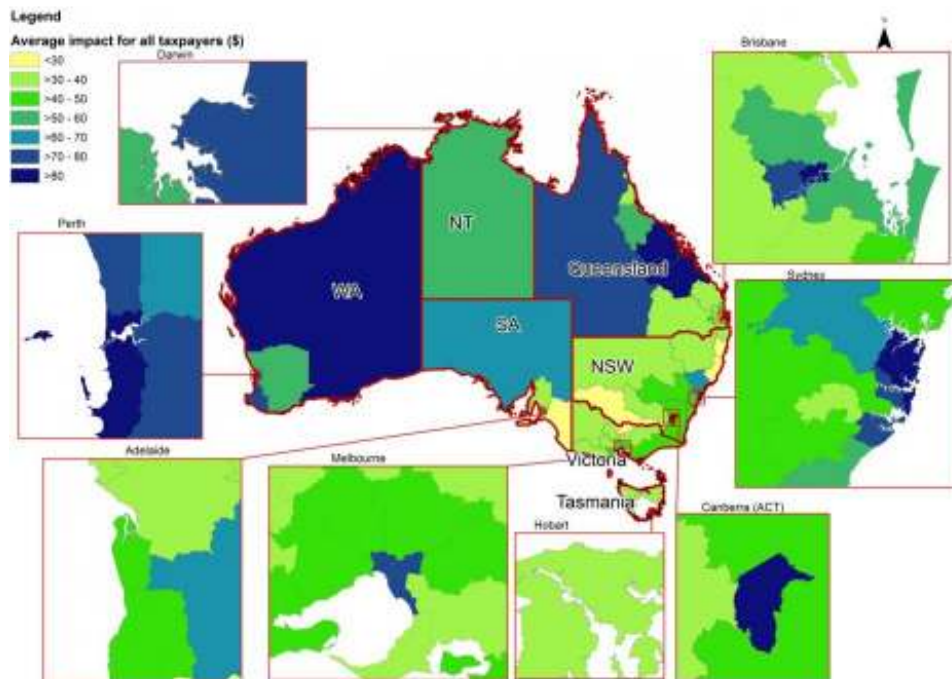


Figure 6: Average Impact for Taxpayer at regional level
Source: ATO 2013-14 data, NATSEM's calculation

Although the more advantaged areas seem to benefit more, it can also be argued that the higher the income, the more tax citizens pay and therefore, the greater the impact in dollar terms.

Figure 7 shows the spatial impact based on the proportion of this benefit to their taxable income. As with Figure 6, the darker colour indicates a higher impact. The figure may change our perspective, as Sydney's Outer West, known to have relative disadvantage, is now in the highest category. Coffs Harbour, NSW Far West and North Adelaide are also in this category. On the other hand, known areas of high advantage such as Northern Sydney and inner Perth are the areas that receive the lowest benefit based on this measure. There are some areas that have been considered to benefit from both measures such as South Australia and the Queensland Outback. This is good news as these two areas are known to have many issues of disadvantage.

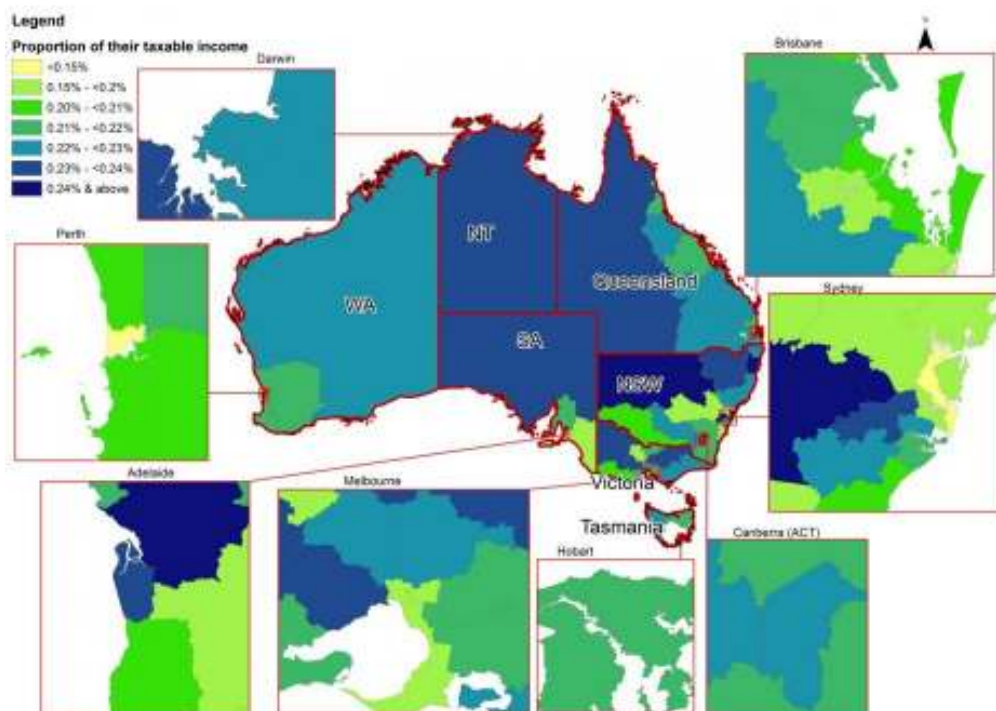


Figure 7: Average impact as a proportion of total taxable income
 Source: ATO 2013-14 data, NATSEM's calculation

If we consider the broadening of the tax bracket, together with the increased Medicare exemption threshold, no one is likely to be adversely affected as the amount is very minor.

NATSEM estimates that these measures will affect less than one-third of families in terms of their disposable income and the average change to disposable income will only be around 0.1%. These estimates exclude the increased spouse tax offset option for the superannuation contribution although the majority of Australians do not make post-tax contributions and the offset will be limited as the lower income group tends to contribute less towards super and has a lower tax rate.

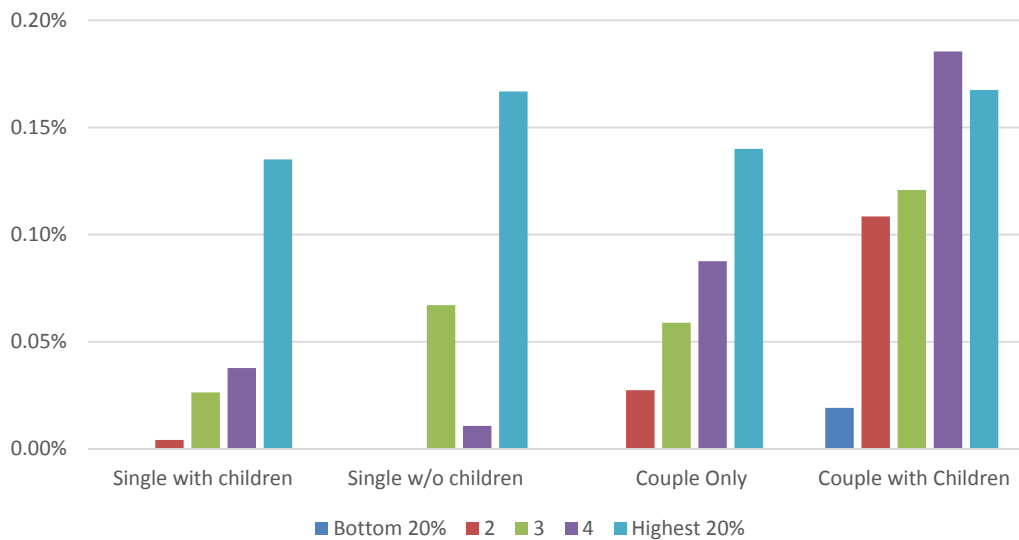


Figure 8: Average increase in disposable income by family type

If we look at the age and gender distribution of the change, the proposed measure generally benefits the middle aged male population most as their income level has reached the threshold for tax cuts. Given the lower average income level, women on average receive a lower level of benefit, as shown in Figure 9.

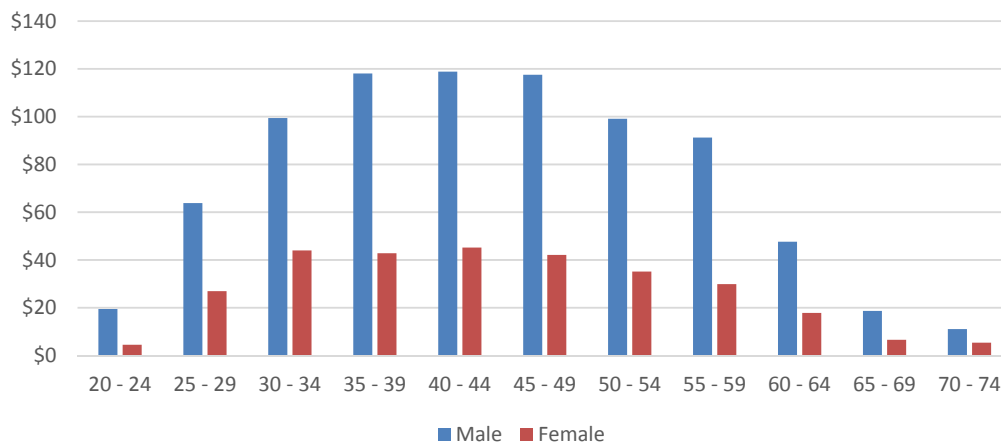


Figure 9: Average amount of tax saved by age and gender

The combined effects from both the superannuation and the income tax system change translate to a minor reduction of tax for some households but the highest income group will experience an increased tax due to the reduced concessional super contribution limit.

At the family level, most families will experience a small tax cut, but households with the highest 20% equivalised disposable income ¹ can expect a small increase in the total tax payable on average. It should be noted, as the budget measures this year tend to affect very high income earners more, the differences within the top 20% can be large. The deficit repair levy does not affect this particular analysis as it will not be removed until 1 July 2017.

TOBACCO EXCISE

Another measure that affects a significant proportion of households is the increase in tobacco excise. Using the latest data from The Household, Income and Labour Dynamics in Australia Survey (HILDA, 2015) – a more recent source of data compared with the figures in the budget paper – around 17% of the adult Australian population are daily or casual smokers. The budget measure of raising tax will adversely affect one in five households in Australia who consume tobacco, and have a median weekly expenditure of around \$60 on tobacco products. Such measures will likely affect poorer households more than the top earning ones as the prevalence rate of smoking is higher compared with the richer households. However, the behavioural response (to stop smoking) may have a positive impact on the affected households in the long term due to an improved health status.

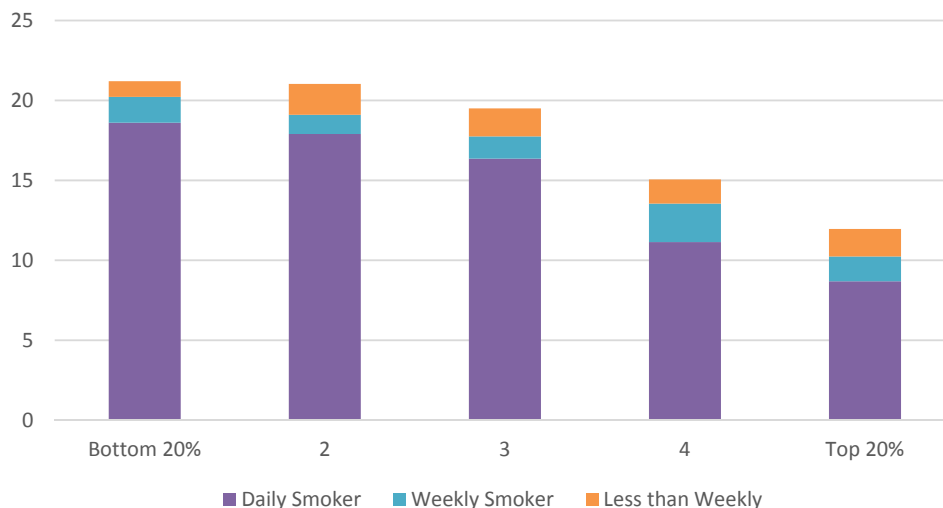


Figure 10: Prevalence of Smoking by Income Level (18+)

¹ An OECD-modified equivalence scale is used where the household head has a weight of 1, each additional person 15 years or older has a weight of 0.5, and 0.3 for each child under 15 years of age.

WHAT ABOUT THE DEFICIT?

In the upcoming financial year (2016-17), the Commonwealth Government is expected to collect a total revenue of nearly \$417 billion, which is around 24.2% of the size of the economy (GDP) and is an increase of 5.2% from 2015-16's total revenue. This is equivalent to around \$26,000, or nearly 17 weeks of full-time work with an average wage for everyone in the working age population (age 15 and 64). On the expenditure side, the Commonwealth government is expected to spend \$451 billion dollars over the next financial year, a 4.4% increase compared with 2015-16. This translates to an expected fiscal deficit of \$37.1 billion dollars (2.2% of the GDP), raising the total government net debt to \$326 billion, which is about 18.9% of GDP.

The deficit, in theory, is to be tackled through fiscal consolidation, revenue raising tax measures (some of which we have already alluded to) and a growth agenda including export trade deals. For the Treasurer this is about getting "expenditure as a share of the economy to 25.3% and the deficit reduced to 0.7% from 2.4% by the end of the current budget and forward estimates period" to be achieved by "saving more than we are spending" and "reducing taxes more than we are increasing taxes".

In terms of fiscal consolidation, \$1.2 billion of efficiency savings will be affected to the Australian public service and a range of programs have been terminated including aged care, asset recycling, and carbon tax compensation program. The biggest spending cut is actually a diversion of funds already in the Social Services portfolio to save money for the future of the National Disability Insurance Scheme. Moreover, *The Youth Jobs Path* is to be paid for through changes to *Work for the Dole*.

New jobs will be grown through new spending measures introduced in:

- **Defence** – the government has already announced a \$50 billion submarine contract with Adelaide reaping the benefits in terms of economic stimulus and additional jobs are to be created in cyber security.
- **Education** – the states have been given an extra \$1.2 billion for schools between 2018 and 20 (although the investment is still Gonski-Light).
- **Infrastructure** – further infrastructural investment has been announced with new funding for roads and a Brisbane to Melbourne rail link.
- **Regulation** – ASIC the corporate watchdog will receive an additional \$127 million to help it ensure the integrity of the banking system (a counter to Labor's pledge to introduce a Royal Commission).
- **Welfare** – through *The Youth Jobs Path*.
- And, 1000 new ATO jobs to investigate multi-national companies suspected of engaging in tax avoidance.

However, we need to remember that the government has only managed to shave \$2 billion off the deficit and some of these policy instruments remain unproven.

But there is no change (despite pre-budget speculation) on:

- the revenue side of the Budget. Ideas that had been in the public domain before the budget that did not translate into budget measures include: GST (goods and service tax) will remain at 10%; no measure will be introduced to alter current negative gearing arrangements to raise revenue; and, no measure will be introduced to allow states to raise their own income taxes. The only changes to the personal income tax scale is a \$7000 increase in one threshold level and the removal of the high income “budget repair” levy.
- the expenditure side. Areas that had been under political discussion but failed to be included in specific new initiatives include: deregulation of the higher education sector (but the sector will face cuts); investment in new environmental and renewables; and, efforts to produce “the 30 minute city”.

HOW DID THE SOCIAL MEDIA REACT TO THE BUDGET 2016 SPEECH?

The annual budget speech is one of the most significant events on the Australian political calendar. The budget speech and budget reply constitute the contrasting narratives from the government and opposition regarding where the country is, its challenges and opportunities, and how the major parties aim to confront those challenges. But how did the public react in social media? This year, NATSEM monitored the twitter discussions during the budget speech and have some intriguing findings.

To start off, we looked at the popularity of the word "budget" on Twitter. We monitored the number of tweets with the keyword. As shown below, more than 90,000 tweets posted between 5pm and midnight on 3 May contained the word “budget”, and there are more than 600 tweets per minute on this topic when the Treasurer's speech started. While some of these tweets may not be entirely related to the Australian budget given the global reach of Twitter, the spike in communications around the start of Treasurer Morrison’s speech is unmistakable and largely driven by communications about the Australian budget.

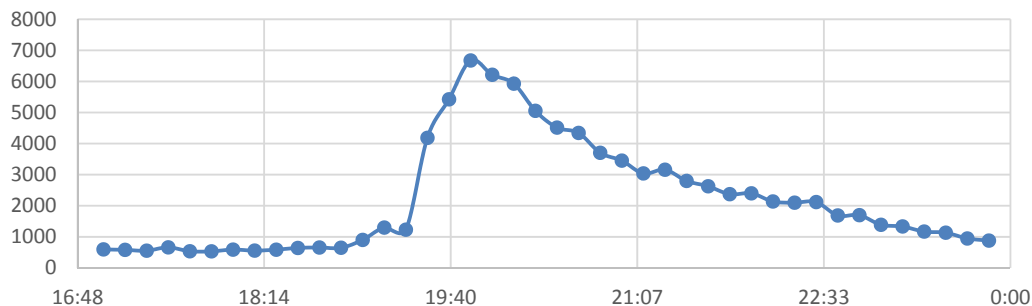


Figure 11: Number of tweets with keyword "Budget"

Source: Twitter.com, collected by NATSEM, data points are showing the number of tweets within each 10 minutes interval.

To get a sense of the overall interest in the budget by social media users, we analysed Twitter's stream of tweets produced in Australia. Though this data does not encompass all tweets produced in Australia, we have no indication that data deviates from a relevant representative sample of tweets across Australia. More than 15% of the tweets produced in Australia on 3 May 2016 between 7pm and 9pm contain the word "budget". This shows a great interest of the general public in this major political event and mirrors the trends we see in the global data from Twitter.

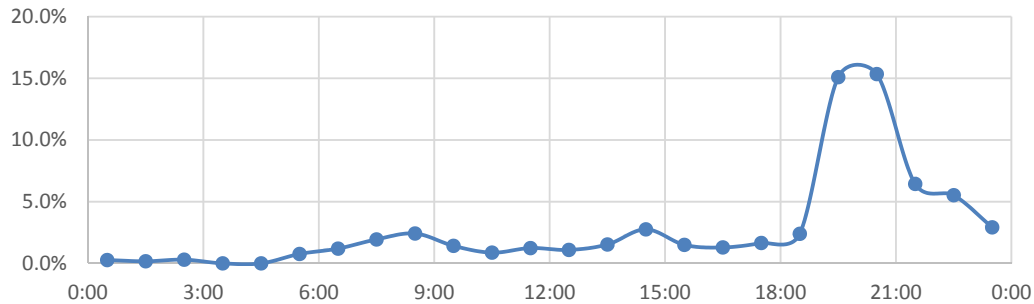


Figure 12: Percentage of tweets in Australia with "budget"

Source: Twitter.com, collected by NATSEM, data points are calculated based on the 60 minutes interval.

We also extracted the trending key words, hour by hour on tweets related to the budget (see Figure 13). The phrase "tax cut" was a trending term one hour before the budget speech was delivered and remained so throughout the evening. This may be related to the widely reported information that the budget would contain a tax cut for both upper middle income earners and small businesses (a category which this budget also revises). As the specific nature of the cuts became clear, "cut to" became a trending phrase at 8pm, persisting throughout the evening.

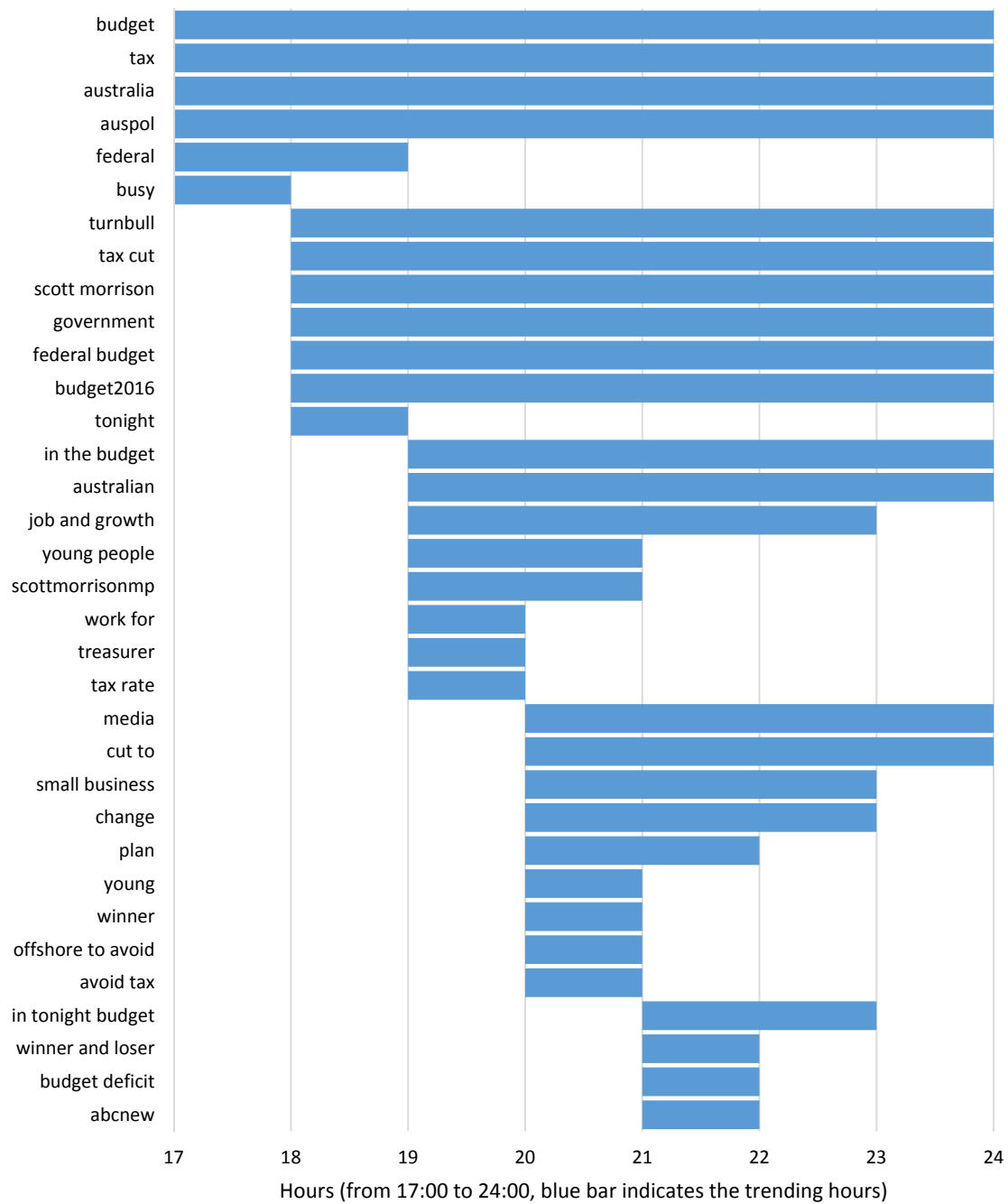


Figure 13: Selected trending keywords on Twitter between 5pm and 12am

PARTING SHOT – WHO DO YOU TRUST TO RUN THE COUNTRY?

Unsurprisingly given the ideological complexion of the Coalition, the budget still overloads opportunity towards the top end of town. Although our analysis shows that, in contrast with the last budget, the combined effects from both the superannuation and the income tax system change translate to a minor reduction of tax for some households, the highest income group will experience an increased tax due to the reduced concessional super contribution limit. Moreover, Turnbull and Morrison have learned from the Abbott-Hockey budgets and have introduced no punitive measures that scapegoat particular groups in Australian society with the exception of what has been termed the “Google crackdown” on multi-national companies and smokers.

It is also unsurprising, given that there is an election on the horizon, that there are few *big* losers from this budget (with the evident example once again of the Australian Public Service and probably, by implication, Canberra) when compared with the last budget. However, concerns will be expressed regarding the government’s contention that they’re not increasing tax as it is a difficult one to square with the evidence and some of the assumptions underpinning the government’s growth forecasts may prove problematic.

When the budget reckoning is over and Australian households have made marginal adjustments to their spending plans, one fundamental question will remain – *who do you trust to run the country?* Is this the right budget for uncertain times?

Typically elections are won by political parties that can demonstrate their capacity to manage the economy hence budget time provides government and opposition with an opportunity to pilot their key campaign messages and prove their credentials as the best managers of the Australian economy. The Morrison-Turnbull budget has certainly displayed a degree of fiscal responsibility and balance but without engaging in the radical adjustments required to transform Australia’s economy. There was much kite flying of new policy in the run-up to budget and it is now clear that the Government decided to leave out the tough decisions that would require significant negotiation, particularly around what can be termed the devolution reforms – the series of reforms necessary to get federalism working in the national interest – City deals, tax reform powers for the states, as well as populist issues such as higher education deregulation.

So will this be enough this time around? Will Australians trust the government’s narrative that this is an economic plan for jobs and growth when the budget will continue to be in deficit for the next four years? Will it trust some of the more contestable assumptions underpinning the government’s growth forecasts and the contention that they’re not increasing tax? Crucially, given what we said at the outset, are there sufficient trust building measures in this budget to reconnect government and the citizen and make them care once more? Or can the opposition win the war of ideas on economic matters – a significant challenge given its track record since 2007? We will see on July 2.

APPENDIX: METHODS AND CAVEATS

The model used for estimating the impact of the 2016/17 budget reforms is a microsimulation model called STINMOD+. Microsimulation models apply the Commonwealth Government tax and transfer rules to data at the individual and household levels. This means complex government tax and transfer policies can be modelled, incorporating complex interactions between different policies. STINMOD+ is the successor of the original STINMOD model, widely used since the mid 1990's by the Commonwealth government agencies. The new model STINMOD+ has incorporated many new modelling techniques and has improved its methodology, efficiency and the maintainability of the original STINMOD model.

Data used in this work is derived from multiple sources, including ABS Survey of Income and Housing, Household Income and Labour Dynamics of Australia, ATO Taxation Statistics – Individual sample files, ABS Labour Force Survey and other statistics published by the ABS. All numbers presented are preliminary 2016 estimates, assuming the increases in income and wealth are similar to recent years and may be subject to revisions. These estimates may be different from the actual characteristics of the population because of sampling and non-sampling errors in the microdata and because of the assumptions underlying the modelling techniques. The microdata used does not contain any information that enables identification of the individuals or families to which they refer.

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