

21 October 2008

Media release

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Tax increase on million dollar incomes could raise \$450 million

The top tax threshold has not kept pace with the astronomical increases in executive salaries according to a paper entitled *The Case for an Increase in the Top Tax Rate* released today by The Australia Institute, an independent think tank based in Canberra.

“Some executives in Australia earn more than \$20,000,000 per year, that’s nearly \$80,000 per day. What that means is that they can reach the top tax rate in just three days”, said Dr Richard Denniss, report author and Executive Director of The Australia Institute.

“Introducing a new tax rate of 50 per cent for income over \$1 million per year would make the system fairer, raise more than \$400 million per year and send a real signal that the era of ‘excessive capitalism’ is coming to an end.”

The paper, which forms part of the Institute’s submission to the Henry Tax Review, argues that high income earners in Australia have enjoyed significant growth in their incomes over the past decade but that the tax system has not kept pace.

“The richest one per cent of Australians earn more 35 per cent of all dividends in Australia and more than 38 per cent of all capital gains.”

“The Prime Minister has said that it is ‘game over’ for excessive CEO salaries. Introducing a new tax rate of 50 per cent on incomes over \$1 million would assist in ensuring there is no extra time”, concluded Dr Denniss.