

Polling - Stage 3 income tax cuts

September 2022

Key results

The Australia Institute surveyed a nationally representative sample of 1,409 Australians about their views on the stage 3 income tax cuts.

The results show that the stage 3 tax cuts are not widely supported.

- Respondents were most likely to correctly identify that high income earners would benefit most from stage 3 income tax cuts (46%).
- Almost twice as many Australians support the Labor Government repealing stage 3 income tax cuts (41%) than oppose (22%).
- More Labor (43%), Greens (54%) and Independent/Other (46%) voters support the Labor Government repealing stage 3 income tax cuts than Coalition (35%) or One Nation (19%) voters.
- A majority of Australians (61%) think that adapting economic policy to suit the changing circumstances, even if that means breaking an election promise, is more important than keeping an election promise regardless of how economic circumstances have changed.
- Just 15% of Australians say proceeding with stage 3 income tax cuts is better for Australia's long term national interests than increased spending on health and education, or increased defence spending.
- When asked how the Federal Government should fund the expansion of aged care, childcare, the NDIS and defence services, collecting more tax revenue was the single most popular choice for Labor and Greens voters. Cutting spending on other public services was the single most popular choice for Coalition, One Nation and Independent/Other voters.

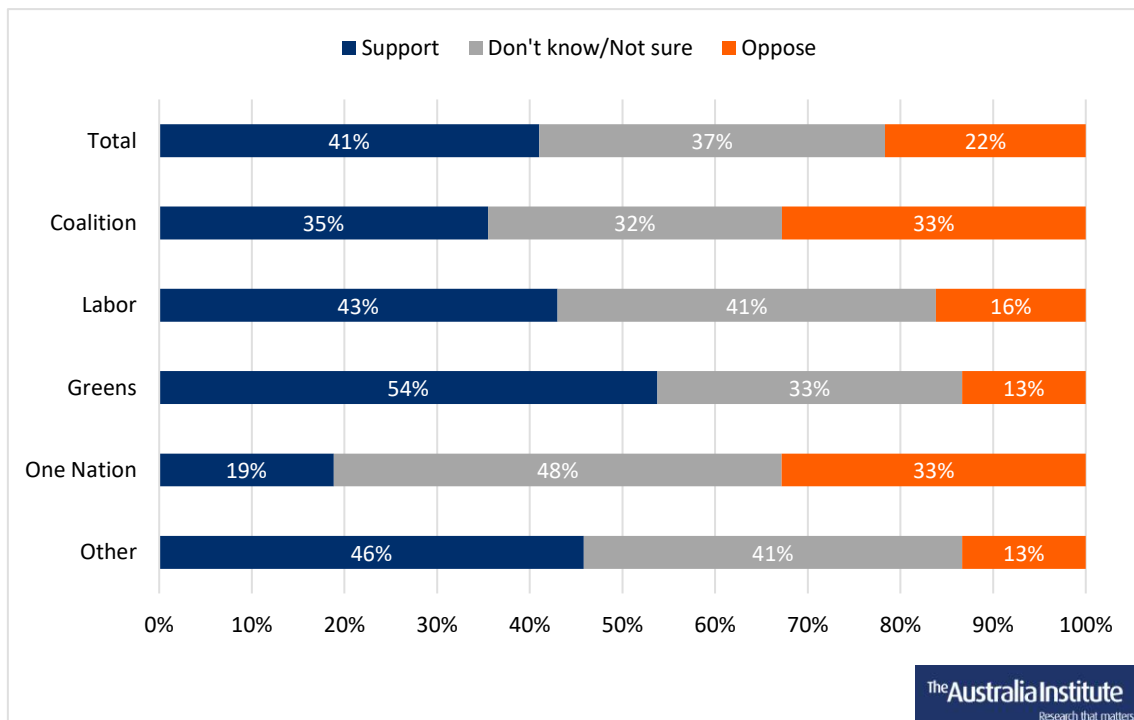


**Australian
Polling Council
Quality Mark**

Support for the Labor Government repealing the stage 3 income tax cuts

- Two in five Australians (41%) support the Labor Government repealing the stage 3 income tax cuts.
- More Australians don't know or are not sure whether the Labor Government should repeal the stage 3 income tax cuts (37%) than oppose the Labor Government repealing the stage 3 income tax cuts (22%).
- Most Greens voters (54%) support the Labor Government repealing the stage 3 income tax cuts, compared to 13% opposed.
- More Labor voters support the Labor Government repealing the stage 3 income tax cuts than oppose (43% vs 16%).
- Coalition voters are as likely to support the Labor Government repealing the stage 3 income tax cuts as oppose (35% vs 33%).
- Nearly half (46%) of Independent/Other voters support the Labor Government repealing the stage 3 income tax cuts, 13% oppose.
- Nearly half (48%) of One Nation voters aren't sure if they would support the Labor Government repealing the stage 3 income tax cuts. One in five (19%) support, and one in three (33%) oppose.

Figure 1: Support for Labor Govt repealing the stage 3 tax cuts, by voting intention

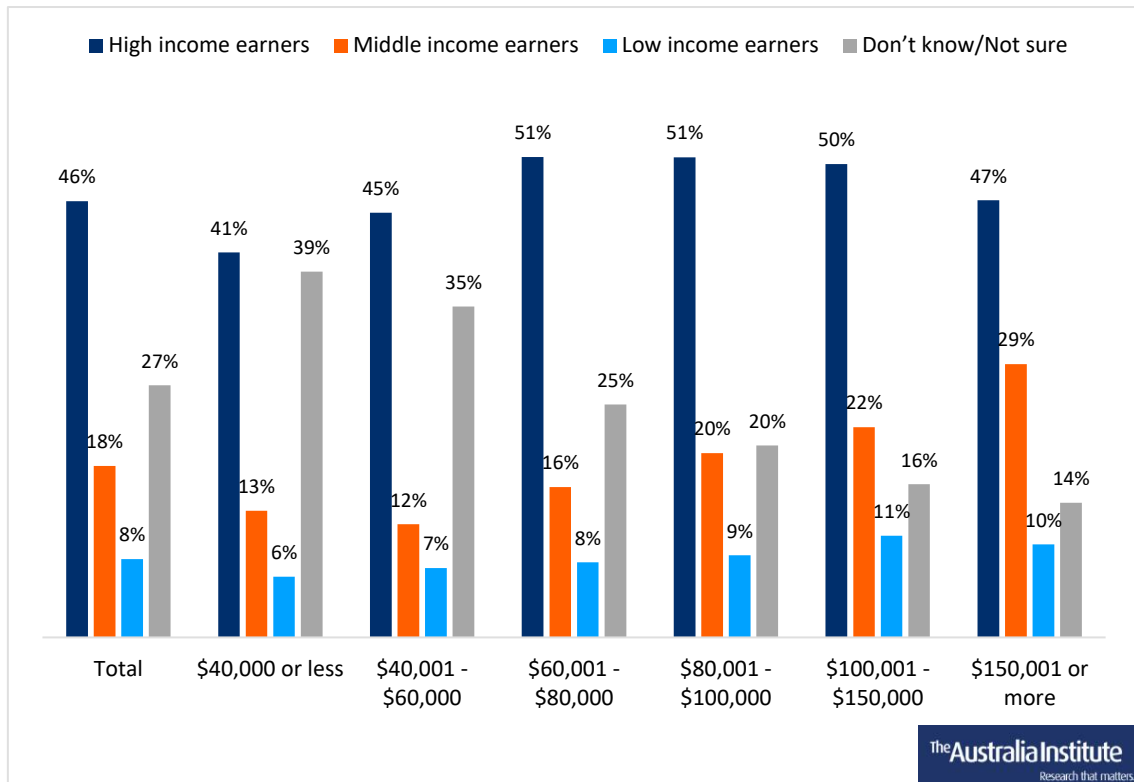


Who is thought to benefit most from the stage 3 income tax cuts

Respondents were asked who they thought would benefit most from the stage 3 income tax cuts.

- Just under half of Australians (46%) correctly identified that high income earners would benefit most from stage 3 income tax cuts.
- One in five thought that middle income earners (18%) would be the biggest beneficiaries, whereas one in ten thought it would be low income earners (8%).
- One in four Australians (27%) weren't sure who would benefit most.
- Australians from households earning between \$60,000 and \$150,000 were most likely to correctly identify that high income earners would benefit the most, with half saying high income earners would benefit most.

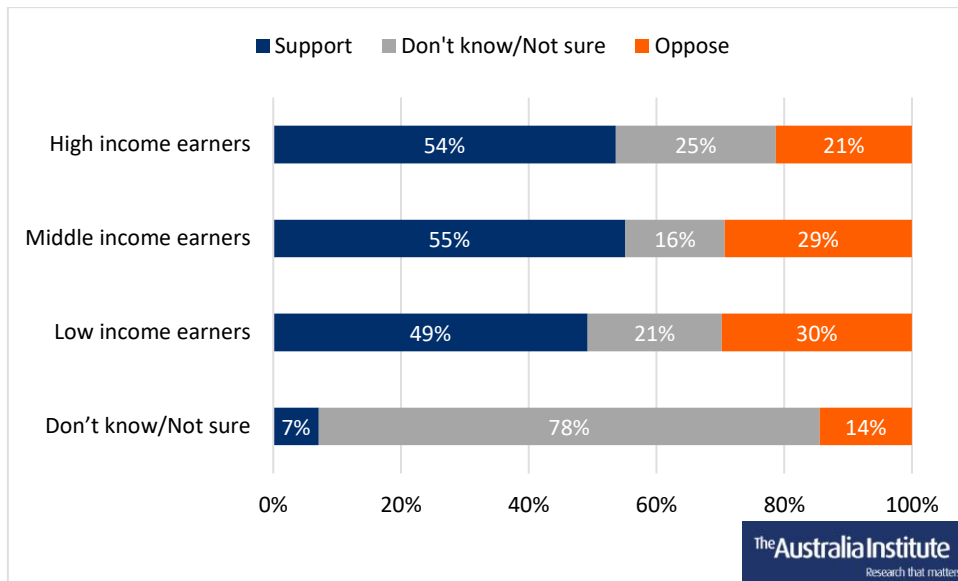
Figure 2: Who is thought to benefit most from stage 3 tax cuts, by household income



Support for repealing the tax cuts does not vary significantly regardless of whom respondents thought would benefit most from the tax cuts.

- More than half of Australians who thought high (54%) or middle (55%) income earners would benefit most from stage 3 income tax cuts support the Labor Government repealing them, 21% and 29% oppose respectively.
- Half (49%) of Australians who thought low income earners would benefit most support repealing the stage 3 income tax cuts, compared to 30% who oppose.

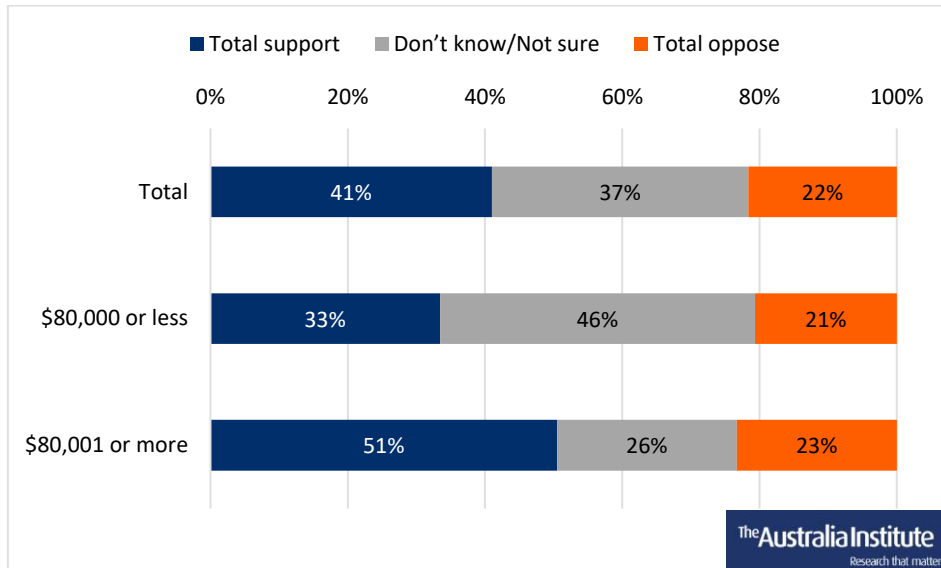
Figure 3: Support for repealing the stage 3 tax cuts, by perceived beneficiaries of cuts



Australians with household incomes of \$80,001 and higher were more likely to support the Labor Government repealing the stage 3 income tax cuts than those with lower incomes.

- Half of Australians (51%) from households earning \$80,001 and more support the Labor Government repealing stage 3 tax cuts, twice as many as oppose (23%).
- One in three Australians (33%) from households earning \$80,000 or less support the Labor Government repealing stage 3 tax cuts. One in five (21%) oppose.
- One in four Australians (26%) from households earning \$80,001 or more and almost half of Australians (46%) from households earning \$80,000 or less don't know or aren't sure whether they support repealing the stage 3 tax cuts.

Figure 4: Support for repealing the stage 3 tax cuts, by household income



Importance of election promises compared to adaptability

Respondents were then shown the following text:

The stage 3 income tax cuts will cost the budget \$240 billion over the next 10 years and will mostly benefit high income earners.

Respondents were then asked:

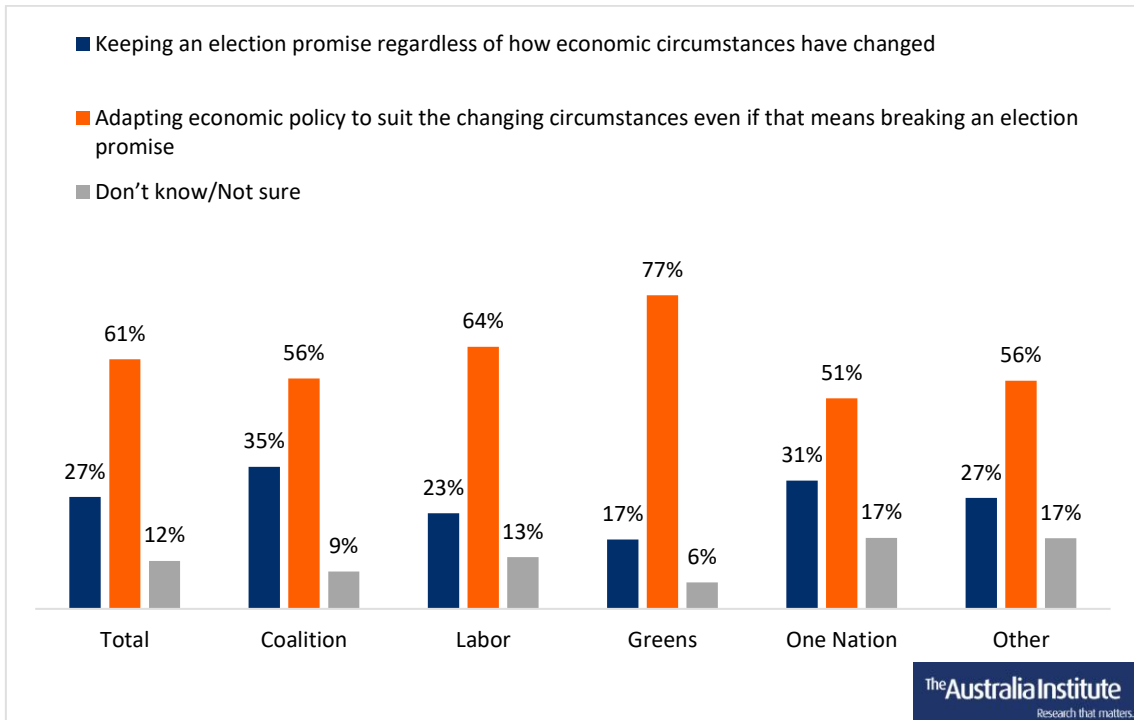
Some have called for the Labor Government to repeal the stage 3 income tax cuts because economic circumstances have changed since they were legislated. During the election Labor committed to keep the tax cuts.

Which do you think is more important?

Across all measured demographics, Australians thought it was more important to adapt economic policy to suit changing circumstances over keeping election promises regardless of how economic circumstances of changed.

- Three in five Australians (61%) think that adapting economic policy to suit the changing circumstances, even if that means breaking an election promise, is more important.
 - One in four Australians (27%) think that keeping an election promise is more important than adapting economic policy to suit the changing circumstances.
- Across all voting intentions, a majority think that adapting economic policy to suit the changing circumstances is more important than keeping an election promise.
- Greens voters are most likely to prefer adapting economic policy to keeping an election promise (77% vs 17%), followed by Labor voters (64% vs 23%).
- Coalition voters were most likely to prefer keeping an election promise, but even among them more supported adapting economic policy (56% for adapting economic policy vs 35% for keeping an election promise).

Figure 5: Adapting policy vs keeping election promises, by voting intentions



Preferences for Australia’s long term national interests

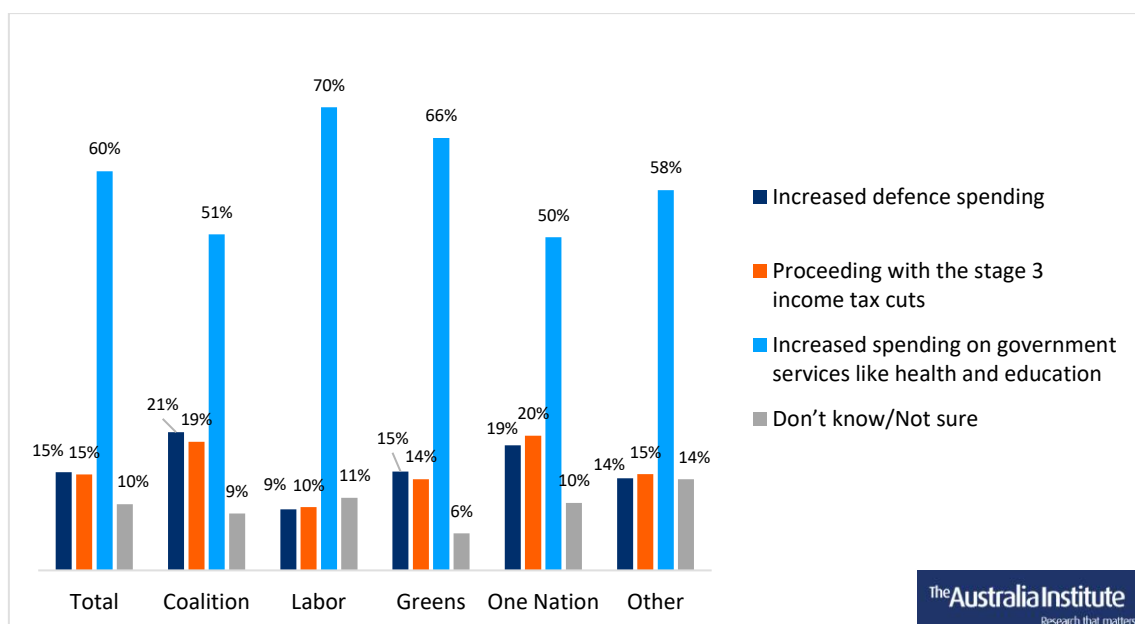
Respondents were then asked which is better for Australia’s long term national interests, between:

- Increased defence spending
- Proceeding with the stage 3 income tax cuts
- Increased spending on government services like health and education.

Increased spending on government services is preferred by most Australians.

- A majority of Australians (60%) choose increased spending on government services like health and education.
 - 15% choose proceeding with stage 3 income tax cuts, the same share who choose increased defence spending.
- Half or more of Australians choose increased spending on government services chosen regardless of voting intention, including 51% of Coalition and 50% of One Nation voters.
 - 19% of Coalition voters and 20% of One Nation voters choose proceeding with stage 3 tax cuts.
 - 21% of Coalition and 19% of One Nation voters choose increased defence spending.
- Seven in ten (70%) Labor voters say increased spending on government services is better for Australia’s long term national interests, compared to 10% who choose proceeding with stage 3 income tax cuts and 9% who choose increased defence spending.

Figure 6: Better for Australia’s long term national interests, by voting intention



Funding expansion of services

Respondents were presented with the following question:

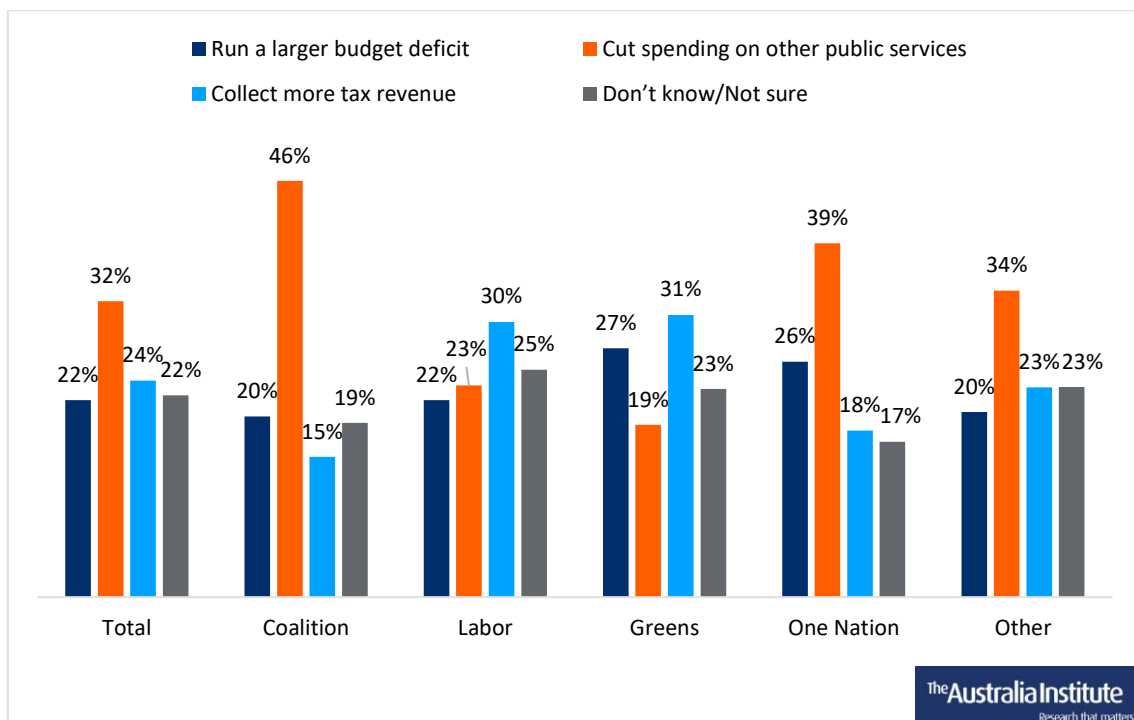
The Federal Government has made commitments to expand aged care, childcare, the NDIS and defence. How should they fund this expansion of services?

The results show that Australians are divided on the answer to this question.

- Just over one in five (22%) say the Federal Government should run a larger budget deficit.
- One in three (32%) say the Federal Government should cut spending on other public services.
- One in four (24%) say the Federal Government should collect more tax revenue.
- One in four (24%) say the Federal Government should collect more tax revenue.

Collecting more tax revenue was the single most popular choice for Labor and Greens voters. Cutting spending on other public services was the single most popular choice for Coalition, One Nation and Independent/Other voters.

Figure 7: How to fund expansion of services, by voting intention



Method

Between 6 and 9 September 2022, The Australia Institute surveyed 1,409 adults living in Australia, online through Dynata’s panel, with nationally representative samples by gender, age group and state/territory.

Voting crosstabs show voting intentions for the House of Representatives. Those who were undecided were asked which way they were leaning; these leanings are included in voting intention crosstabs.

The research is compliant with the [Australian Polling Council Quality Mark standards](#). The long methodology disclosure statement follows.

Long disclosure statement

The results were weighted by three variables (gender, age group, and state or territory) based on Australian Bureau of Statistics [“National, state and territory population”](#) data, using the raking method. This resulted in an effective sample size of 1,340.

The margin of error (95% confidence level) for the national results is 3%.

Results are shown only for larger states.

Voting intention questions appeared just after the initial demographic questions, before policy questions. Respondents who answered “Don’t know / Not sure” for voting intention were then asked a leaning question; these leanings are included in voting intention crosstabs. “Coalition” includes separate responses for Liberal and National. “Other” refers to Independent/Other, and minor parties in cases where they were included in the voting intention but represent too small a sample to be reported separately in the crosstabs.



Detailed results

No preceding questions in the poll are expected to have influenced the results of the questions published here.

Respondents were asked to answer the following demographic question:

Which of these categories best describes your annual household income before tax?
Please make your best estimate.

Please select one response only

1. \$20,000 or less
2. \$20,001 - \$40,000
3. \$40,001 - \$60,000
4. \$60,001 - \$80,000
5. \$80,001 - \$100,000
6. \$100,001 - \$150,000
7. \$150,001 - \$200,000
8. More than \$200,000
9. Not sure/Rather not say

These categories were used to create a crosstab to look at the results. The results from the \$20,000 or less category were collapsed with the \$20,000 - \$40,000 category, and the results from the \$150,001 - \$200,000 category were collapsed with the More than \$200,000 category to allow for a larger sample.

Would you support or oppose the Labor Government repealing the stage 3 income tax cuts?

	<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>WA</i>
Strongly support	24%	37%	12%	25%	24%	19%	29%
Support	17%	17%	17%	17%	19%	19%	17%
Oppose	12%	12%	12%	13%	11%	15%	8%
Strongly oppose	9%	11%	8%	11%	8%	11%	5%
Don't know/Not sure	37%	23%	51%	34%	38%	37%	41%

	<i>Total</i>	<i>Coalition</i>	<i>Labor</i>	<i>Greens</i>	<i>One Nation</i>	<i>Other</i>
Strongly support	24%	19%	22%	30%	12%	37%
Support	17%	16%	21%	24%	7%	9%
Oppose	12%	17%	11%	8%	14%	7%
Strongly oppose	9%	16%	5%	5%	18%	6%
Don't know/Not sure	37%	32%	41%	33%	48%	41%

	<i>Total</i>	18-29	30-39	40-49	50-59	60+
Strongly support	24%	38%	33%	21%	18%	13%
Support	17%	21%	21%	16%	14%	14%
Oppose	12%	9%	9%	12%	12%	17%
Strongly oppose	9%	7%	7%	10%	9%	13%
Don't know/Not sure	37%	25%	31%	41%	47%	43%

	<i>Total</i>	<\$40K	\$40- \$60K	\$60- \$80K	\$80- \$100K	\$100- \$150K	\$150K+	Not sure/ Rather not say
Strongly support	24%	13%	16%	25%	35%	33%	30%	11%
Support	17%	12%	20%	20%	17%	19%	17%	15%
Oppose	12%	11%	13%	14%	14%	10%	14%	6%
Strongly oppose	9%	8%	6%	11%	8%	10%	15%	9%
Don't know/Not sure	37%	56%	44%	30%	25%	28%	24%	59%

	<i>Total</i>	Who will benefit most ...			Don't know/Not sure
		High income earners	Middle income earners	Low income earners	
Strongly support	24%	38%	22%	24%	2%
Support	17%	16%	33%	25%	5%
Oppose	12%	13%	16%	15%	8%
Strongly oppose	9%	9%	14%	15%	6%
Don't know/Not sure	37%	25%	16%	21%	78%

Crosstabs based on the question below.

Who do you think will benefit the most from the stage 3 income tax cuts?

	<i>Total</i>	Male	Female	NSW	VIC	QLD	WA
High income earners	46%	52%	41%	46%	48%	44%	44%
Middle income earners	18%	21%	16%	22%	16%	18%	18%
Low income earners	8%	7%	9%	7%	10%	7%	12%
Don't know/Not sure	27%	20%	34%	25%	26%	31%	26%

	<i>Total</i>	<i>Coalition</i>	<i>Labor</i>	<i>Greens</i>	<i>One Nation</i>	<i>Other</i>
High income earners	46%	42%	51%	45%	44%	47%
Middle income earners	18%	24%	14%	20%	15%	16%
Low income earners	8%	8%	7%	11%	5%	9%
Don't know/Not sure	27%	25%	28%	24%	36%	27%

	<i>Total</i>	<i>18-29</i>	<i>30-39</i>	<i>40-49</i>	<i>50-59</i>	<i>60+</i>
High income earners	46%	51%	47%	40%	46%	47%
Middle income earners	18%	20%	22%	22%	17%	13%
Low income earners	8%	13%	10%	5%	8%	6%
Don't know/Not sure	27%	16%	21%	33%	29%	34%

	<i>Total</i>	<i><\$40K</i>	<i>\$40- \$60K</i>	<i>\$60- \$80K</i>	<i>\$80- \$100K</i>	<i>\$100- \$150K</i>	<i>\$150K+</i>	<i>Not sure/ Rather not say</i>
High income earners	46%	41%	45%	51%	51%	50%	47%	33%
Middle income earners	18%	13%	12%	16%	20%	22%	29%	13%
Low income earners	8%	6%	7%	8%	9%	11%	10%	5%
Don't know/Not sure	27%	39%	35%	25%	20%	16%	14%	49%

The stage 3 income tax cuts will cost the budget \$240 billion over the next 10 years and will mostly benefit high income earners.

Some have called for the Labor Government to repeal the stage 3 income tax cuts because economic circumstances have changed since they were legislated. During the election Labor committed to keep the tax cuts.

Which do you think is more important?

Response options were presented in random order.

	<i>Total</i>	<i>Male</i>	<i>Female</i>
Keeping an election promise regardless of how economic circumstances have changed	27%	31%	24%
Adapting economic policy to suit the changing circumstances even if that means breaking an election promise	61%	61%	60%
Don't know/Not sure	12%	7%	16%

	<i>Total</i>	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>WA</i>
Keeping an election promise regardless of how economic circumstances have changed	27%	28%	26%	28%	25%
Adapting economic policy to suit the changing circumstances even if that means breaking an election promise	61%	60%	61%	61%	67%
Don't know/Not sure	12%	13%	13%	11%	8%

	<i>Total</i>	<i>Coalition</i>	<i>Labor</i>	<i>Greens</i>	<i>One Nation</i>	<i>Other</i>
Keeping an election promise regardless of how economic circumstances have changed	27%	35%	23%	17%	31%	27%
Adapting economic policy to suit the changing circumstances even if that means breaking an election promise	61%	56%	64%	77%	51%	56%
Don't know/Not sure	12%	9%	13%	6%	17%	17%

	<i>Total</i>	<i>18-29</i>	<i>30-39</i>	<i>40-49</i>	<i>50-59</i>	<i>60+</i>
Keeping an election promise regardless of how economic circumstances have changed	27%	32%	32%	27%	27%	21%
Adapting economic policy to suit the changing circumstances even if that means breaking an election promise	61%	61%	55%	63%	57%	65%
Don't know/Not sure	12%	7%	13%	10%	16%	13%

Which is better for Australia's long term national interests?

Response options were presented in random order.

	<i>Total</i>	<i>Male</i>	<i>Female</i>
Increased defence spending	15%	20%	10%
Proceeding with the stage 3 income tax cuts	15%	18%	11%
Increased spending on governments services like health and education	60%	54%	67%
Don't know/Not sure	10%	8%	12%

	<i>Total</i>	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>WA</i>
Increased defence spending	15%	17%	11%	16%	13%
Proceeding with the stage 3 income tax cuts	15%	15%	14%	13%	20%
Increased spending on governments services like health and education	60%	57%	64%	62%	58%
Don't know/Not sure	10%	11%	11%	9%	8%

	<i>Total</i>	<i>Coalition</i>	<i>Labor</i>	<i>Greens</i>	<i>One Nation</i>	<i>Other</i>
Increased defence spending	15%	21%	9%	15%	19%	14%
Proceeding with the stage 3 income tax cuts	15%	19%	10%	14%	20%	15%
Increased spending on governments services like health and education	60%	51%	70%	66%	50%	58%
Don't know/Not sure	10%	9%	11%	6%	10%	14%

	<i>Total</i>	<i>18-29</i>	<i>30-39</i>	<i>40-49</i>	<i>50-59</i>	<i>60+</i>
Increased defence spending	15%	18%	16%	11%	12%	16%
Proceeding with the stage 3 income tax cuts	15%	23%	18%	16%	13%	6%
Increased spending on governments services like health and education	60%	54%	56%	59%	61%	68%
Don't know/Not sure	10%	5%	10%	14%	14%	9%

The Federal Government has made commitments to expand aged care, childcare, the NDIS and defence. How should they fund this expansion of services?

Response options were presented in random order.

	<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>WA</i>
Run a larger budget deficit	22%	21%	22%	21%	21%	22%	22%
Cut spending on other public services	32%	36%	30%	34%	31%	33%	31%
Collect more tax revenue	24%	29%	19%	24%	25%	22%	28%
Don't know/Not sure	22%	15%	29%	21%	24%	23%	20%

	<i>Total</i>	<i>Coalition</i>	<i>Labor</i>	<i>Greens</i>	<i>One Nation</i>	<i>Other</i>
Run a larger budget deficit	22%	20%	22%	27%	26%	20%
Cut spending on other public services	32%	46%	23%	19%	39%	34%
Collect more tax revenue	24%	15%	30%	31%	18%	23%
Don't know/Not sure	22%	19%	25%	23%	17%	23%

	<i>Total</i>	<i>18-29</i>	<i>30-39</i>	<i>40-49</i>	<i>50-59</i>	<i>60+</i>
Run a larger budget deficit	22%	32%	27%	20%	18%	14%
Cut spending on other public services	32%	34%	32%	29%	30%	35%
Collect more tax revenue	24%	22%	23%	21%	24%	27%
Don't know/Not sure	22%	12%	19%	30%	27%	24%