

Additional material and comments:

1. On page 36 of the Hansard extract, where it says:

Dr Morawetz: I would say that Australia is at about a middle level of inequality at the moment, but the rate of increase of inequality is second only to the United States. So we are moving very rapidly towards becoming more and more unequal. One measure of that: the top seven individuals in Australia now have wealth equal to the bottom **1.4 million households**—if I have that number right; I will just see if I can dredge it up.

The correct figure is **1.73 million households**. See for example this brief article in the Sydney Morning Herald (SMH):

<http://www.smh.com.au/federal-politics/political-news/wealth-of-seven-richest-australians-exceeds-that-of-173-million-households-20140707-3bj0q.html>

2. The original source for the **1.73 million households** figure is the following important 27-page report by The Australia Institute (TAI) on Income and Wealth Inequality in Australia. This report was launched in July 2014, one month AFTER the launch of the Australia21 report of which I was a co-author, in time for the visit to Australia by Prof Stiglitz in July 2014. This TAI report contains mostly additional **new** material, and it may be of significant interest to your Committee:

<http://www.tai.org.au/content/income-and-wealth-inequality-australia>

3. “Boosting retirement incomes the easy way”. This is another important report by The Australia Institute (TAI) that I mentioned in my evidence. I left with you on the day a photocopy of this report. The address from which this 13-page report can be **downloaded** is:

<http://www.tai.org.au/content/boosting-retirement-incomes-easy-way-0>

4. “Sustaining us all in retirement”. This is another important report by The Australia Institute (TAI) that I referred to on the day. This report demonstrates that, if each person’s income from superannuation is taxed at that person’s marginal tax rate, you can give the aged pension to everyone without exception (with no means test), raise it by 25% so it is a liveable amount, and still have \$10 billion a year left over to tackle the budget deficit. The address from which this 30-page report can be **downloaded** is:

<http://www.tai.org.au/content/sustaining-us-all-retirement>

5. I was asked if I had data on **gender inequality** in Australia, and I said I would try to provide some.

(a) The TAI report mentioned in 2 above contains a brief section on Gender Inequality of Incomes (pp. 16-17):

<http://www.tai.org.au/content/income-and-wealth-inequality-australia>

(b) Another important TAI report titled “What’s choice got to do with it” is subtitled “Women’s lifetime disadvantage and the superannuation gender pay gap” (23 pages). It can be downloaded at

<http://www.tai.org.au/content/whats-choice-got-do-it-0>

(c) A more recent brief report from TAI has some more data on gender inequality as a result of the recent budget, and it is reproduced BELOW (as well as in the second ATTACHMENT to this email titled “What Crisis?”). (There is more detail on several of the points if you click on the embedded links).

"Budget saves its biggest hits for women"

There's been a lot of talk about the inequity of the Abbott Government's budget in the four months since it was released. Up until recently, the debate has focused on the burden being asked of the poorest Australians, as we draw the curtains on what the Treasurer refers to as the "age of entitlement". But there's a side to the budget that hasn't been looked at. Who are these disadvantaged Australians? They are being asked to foot the bill, after all. It's only polite to learn their names.

Using NATSEM modelling results, ABS household surveys and the [most recent census data](#), The Australia Institute revealed that across the board, it is women who are most disadvantaged by this budget. In every income quintile, women are asked to shoulder more of the savings burden than men. Women in the poorest 20 per cent of Australian households are left \$2566 worse off as a result of the decisions made by this government. This compares with the poorest males in Australia, who are \$1847 worse off.

Across the board, women are bearing 55 per cent of the brunt of the budget's impacts.

It's no secret that women face disadvantages that Australian men simply don't. Women earn on average [17.5 per cent less](#) than what a man would doing the same job. Women, on average, [retire with less than two-thirds the savings of men](#). Today, there are [16 per cent more women than men living in poverty](#).

If the Abbott government wanted to depict the country as being in bad shape, it did not need to concoct an imaginary "budget emergency". Gender equality is a problem crying out for a solution, and finding one is a matter of national urgency.

But our research reveals that the Abbott/Hockey budget has instead taken aim squarely at women, compounding an already bad situation into bigger one. It's asked the country's poorest single mothers to tighten the purse strings to the tune of \$4,242 while proudly trumpeting its wealth transfer to the country's richest.

The government has professed a commitment to "equality of opportunity", not "equality of outcome". For women, it seems, it's a case for equality for some."

6. There were a number of items from the Committee's "Briefing Book" that you wanted me to look at and offer comments. **If you still want me to do that, could you please email me ASAP (or send me by express-post) a copy of the briefing book or the relevant pages, tables etc?** The urgency is because I will be going overseas for several weeks on 5 October, so the sooner I can receive these, the more likely it is that I will be able to try to answer your questions. As you would understand, I can't answer those questions without seeing the relevant parts of the briefing book that they refer to. Of course, if the questions have already been answered by others, or if they are no longer relevant, no problem, and no need to send me these materials.

7. As you know, I have already sent you an email to answer another question that was asked on the day:

"What is the source of my statement that inequality is growing in Australia at a rate that is second only to the United States?"

For the sake of having everything in one place, here is a summary of that email:

(a) I said on the day:

"The rate of growth in inequality in Australia has been second only to the United States"

(b) Or more precisely:

“The rate of growth of the share of the top 1% in Australia has been second only to the USA, 1980-2012.” (32 years)

(c) The **secondary source** for this statement is a very clear chart in the Oxfam report that was prepared for the World Economic Forum meeting in Davos earlier in 2014 (Fig 1, page 6):

Oxfam (2014) *Working for the Few: Submission on Inequality to the Davos World Economic Forum* (Figure 1, page 6)

<http://www.oxfam.org/sites/www.oxfam.org/files/bp-working-for-few-political-capture-economic-inequality-200114-en.pdf>

(d) The **original source** for this chart is stated below the chart in the Oxfam report:

F.Alvaredo, A.B.Atkinson, T.Piketty and E.Saez (2013) “The World Top Incomes Data Base”. <http://topincomes.g-mond.parisschoolofeconomics.eu>

FYI-Together with Prof Joseph Stiglitz, Sir Anthony B Atkinson has long been among the world’s leading economists in the field of income distribution and its measurement, and his three co-authors are experts in the field of income distribution as well.