

## Senate Standing Committee on Economics

### ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

19 – 20 October 2011

Question No: SBT 664

Topic: Income and Wealth Inequality

Hansard Page: Written

Senator Bob Brown asked:

664. A number of studies (such as Andrew Leigh, 'Deriving long run inequality series from tax data' , *Economic Record*, August 2005) have shown that income and wealth inequality narrowed from around 1900 to the 1970s but have since widened. What does Treasury see as the main reasons for this, and what could be done to address it?

Answer:

664. The *2010 Intergenerational Report* (refer to page 95 to 97) included some recent analysis of income inequality for the period 1984 to 2004. This analysis has not since been updated and does not include wealth, nor does it assess the reasons for changes in income and wealth inequality and possible policy responses. Treasury has not conducted long-term analysis of income and wealth inequality going back to 1970 or 1900.