Per Capita Tax Survey 2025

Community Sentiments 2010-2025

percapita
FIGHTING INEQUALITY IN AUSTRALIA

Lucas Lewit-Mendes,
Dr Michael D'Rosario
and Dr Wesa Chau

TAX SURVEY – 2025 SPECIAL EDITION

Table of Contents

About Per Capita 3
About the authors 3
Acknowledgements 3

Executive Summary 4

1 Introduction 6

2 Methodology 7
2.1 Sampling and Data Collection 7
2.2 Question Design and Measurement Approach 7
2.3 Analytical Approach 8
2.4 Limitations 8

3 Section I – Australian attitudes toward taxation levels and willingness to pay 10
3.1 Attitudes towards Australia's Public Services 10
3.2 Willingness to Pay Higher Taxes for Improved Outcomes 10
3.3 Willingness to Pay to Address Inequality 15
3.4 Preferred Approaches to Raising Additional Revenue 16
3.5 Attitudes Towards Government Borrowing for Long-Term Investment 19

4 Section II: Personal Tax, Fairness and System Performance 21
4.1 Perceived Personal Tax Burden 21
4.2 Perceptions of Tax Burden Across Different Groups 22
4.3 Corporate Tax Avoidance and System Fairness 26
4.4 Minimum Tax for High-Income Earners ("Buffett Rule") 26

5 Section III: Tax System Context 28
5.1 Perception of Australia's Tax Level Compared to Other Countries 28

6 Section IV: Current issues in policy debates 30
6.1 Negative Gearing 30
6.2 Retirement Income Funding 32
6.3 Windfall Tax on Excess Profits 33
6.4 Decarbonisation policies 35

7 Concluding thoughts and consideration for policy makers 38

About Per Capita

Per Capita is an independent public policy think tank, dedicated to addressing inequality in Australia through building a new vision based on fairness, shared prosperity, community and social justice.

Our research is rigorous, evidence-based and long-term in its outlook. We consider the national challenges of the next decade rather than the next election cycle. We ask original questions and offer fresh solutions, drawing on new thinking in social science, economics and public policy.

Our audience is the interested public, along with experts and policymakers. We engage all Australians who want to see rigorous thinking and evidence-based analysis applied to the issues facing our country's future.

About the authors

Michael D'Rosario is an experienced economist/econometrician and interdisciplinary research lead with longstanding associations and experience working with the not-for-profit sector, universities and social impact focused organisations.

Lucas Lewit-Mendes is a Research Associate at Per Capita's Centre for Equitable Housing. Lucas previously worked at Victoria's Department of Treasury and Finance, focusing on property tax policy.

Wesa Chau is the Executive Director of public policy think tank Per Capita. Wesa is a respected leader with over two decades of experience across not-for-profit, government and university sectors. She has advised governments, corporations, and community organisations on inclusive policy and governance, with a particular focus on building pathways for people with intersectional diversity. Her leadership and impact have been recognised through numerous honours, including induction into the Victorian Honour Roll of Women and the Victorian Multicultural Honour Roll. She has also been named one of the 40 under 40 Most Influential Asian-Australians and honoured as Young Victorian of the Year.

Acknowledgements

Per Capita acknowledges:

- Dr David Morawetz and his Social Justice Fund for his generous support of the Tax Survey since its inception in 2010
- Chifley Research Centre for supporting this longitudinal special edition of the Tax Survey

Executive Summary

While economic conditions, fiscal settings, and policy debates have shifted significantly over the past fifteen years, public expectations of Australia's tax system have remained broadly consistent. Australians continue to expect a system that is fair, progressive, and capable of addressing inequality, while also funding high-quality public services that support everyday life. The 2025 Per Capita Tax Survey confirms the resilience of these expectations, even as economic pressures and policy complexity have intensified.

Respondents express clear support for increased government spending, particularly on health and aged care services, reflecting their centrality to social wellbeing and prosperity. The majority of respondents said they would personally pay more tax for better health and aged care services. However, in other areas of government services, support for higher spending is tempered by more ambivalent views about personal tax contributions. While Australians broadly endorse higher spending in principle, willingness to personally pay higher taxes to fund these services is mixed, highlighting a persistent tension between collective expectations and individual financial pressures.

Preferences around revenue raising remain highly consistent with previous years. The most popular options continue to be cracking down on corporate tax avoidance, increasing taxes on high-income earners, introducing or expanding inheritance and wealth taxes, and reforming capital gains tax and negative gearing concessions. These findings reinforce a long-standing public belief that those with greater capacity to pay; particularly large corporations and high-income individuals; should shoulder a greater share of the tax burden.

What has changed over time is not what Australians want from the tax system, but how confidently and cohesively those preferences are expressed. The 2025 results reflect a modest but meaningful recalibration shaped by cost-of-living pressures, particularly housing affordability and essential goods. Support for reform remains, but it is expressed with greater caution and conditionality.

Key findings from the 2025 Survey include:

- Persistent support for fairness and progressivity: A strong majority continue to support minimum tax rates for high-income earners and stronger action on corporate tax avoidance, with results remaining within long-term historical ranges.
- High regard for public services: Australians rate public services positively across quality, access, value for money, and usefulness, reinforcing expectations of an active and capable public sector.
- Willingness to pay: Support for higher spending on health and aged care remains strong, but personal willingness to pay higher taxes for other government services is more restrained than in earlier years.

- Targeted concern about inequality: Housing and income inequality continue to attract the highest levels of concern and willingness to contribute, while support declines for more abstract or less immediate forms of inequality.
- Fragmented reform preferences: While reform is widely supported, consensus on specific policy pathways—such as negative gearing reform or decarbonisation measures—is weaker and more dispersed.
- Cautious openness to new instruments: Policies such as windfall taxes attract majority support but are accompanied by large neutral segments, indicating openness without firm consolidation.

Three dynamics define the current position. First, enduring principles remain firmly embedded. Across all major questions, Australians consistently prioritise fairness, redistribution, and the role of government in shaping economic outcomes. Second, the intensity of support has softened at the margins. Compared with the years immediately following the pandemic, Australians are less emphatic in their support for redistributive measures, reflecting tighter household budgets and heightened awareness of economic trade-offs rather than a rejection of core values. Third, policy preferences have become more fragmented. Agreement on the need for reform remains strong, but there is less consensus on how reform should be implemented.

A further theme emerging from the 2025 results is the growing importance of perception and understanding. Long-standing beliefs, such as the perception that Australia is a high-tax country, remain influential but are now less uniformly held. This fragmentation complicates policy communication, requiring reform proposals to engage with a broader and more diverse set of assumptions.

Across the survey, a consistent pattern emerges. Australians support increased public spending, particularly in health and aged care services, believe large corporations and high-income earners do not contribute sufficiently, and recognise economic inequality; especially housing and income inequality, as a central challenge. At the same time, they remain cautious about increasing their own tax burden and selective about which inequalities they are willing to fund through higher taxation.

This combination of stability and nuance defines the current policy environment. While the case for reform remains strong at the level of principle, it is weaker and more contested at the level of specific policy design, with support becoming more diffuse, conditional, and sensitive to framing. The Tax Survey shows that Australians are not resistant to change; they support reform when it aligns with shared expectations of fairness and delivers clear outcomes. In 2026, the challenge is therefore not to shift public values, but to translate them into credible policy designs suited to a more fragmented and economically constrained environment, reflecting a more mature and conditional mandate for reform that demands closer alignment between principle and practice.

1 Introduction

The *December 2025 Per Capita Tax Survey* (Tax Survey) provides invaluable insight into the views held by Australians across the country on the role of the tax and transfer system, and on the value and performance of essential public services in national life. Drawing on fifteen years of consistent data, the survey offers a rare longitudinal perspective on public attitudes to taxation, redistribution, and government responsibility.

Now in its 15th iteration, this special edition reflects on how those attitudes have evolved over time. Its release coincides with growing pressure on governments to reform Australia's federal tax system in response to rising income and wealth inequality, both within and between generations. In 2025, tax reform returned to the centre of national policy debate with the release of the Productivity Commission's inquiry into creating a more dynamic and resilient economy, which highlighted the interconnections between productivity, investment, fiscal sustainability, and tax design. At the same time, the Superannuation Guarantee reached 12%, marking the completion of a major reform trajectory and intensifying public discussion about the adequacy, equity, and long-term role of superannuation in retirement income policy.

Alongside formal policy processes, civil society has played an increasingly prominent role in shaping Australia's tax conversation. Unions, community organisations, think tanks, economists, and advocacy groups have expanded public debate on issues such as capital gains tax, negative gearing, corporate tax avoidance, wealth concentration, retirement incomes, housing affordability, and the distributional impacts of tax concessions. These contributions have helped broaden the discussion beyond technical settings to questions of fairness, intergenerational equity, and the social purpose of taxation, reinforcing the importance of public consent and legitimacy in any future reform agenda.

The 2025 survey was conducted in December 2025, prior to the Bondi incident and the escalation of conflict in the Middle East, both of which contributed to renewed cost of- living pressures, particularly through higher fuel and basic goods prices. At the time of the survey, Australia's unemployment rate remained historically low at 4.1%, rising modestly to 4.3% by February -2026.[1] This context is important for interpreting the results.

Against this backdrop, the 2025 Edition of Per Capita Tax Survey provides a timely and nuanced picture of how Australians assess the tax system's fairness, effectiveness, and capacity to meet current and future demands. It captures not a retreat from support for taxation or redistribution, but a public increasingly attentive to outcomes, trade-offs, and the credibility of reform.

[1] Australian Bureau of Statistics, 'Unemployment rate rises to 4.3% in February' (Media Release, 19 March 2026) <https://www.abs.gov.au/media-centre/media-releases/unemployment-rate-rises-43-february>.

2 Methodology

The Per Capita Tax Survey is a repeated cross-sectional survey designed to measure Australian attitudes towards taxation, public spending, inequality, and the role of government. Since its inception in 2010, the survey has been administered annually or near-annually, using a largely consistent instrument. This continuity enables meaningful comparison across time, allowing for the identification of persistent patterns, cyclical shifts, and emerging structural changes in public opinion.

The survey covers four principal domains:

- Perceptions of public services and government performance
- Attitudes towards government spending and revenue generation
- Judgements about fairness and the distribution of tax burdens
- Support for specific policy instruments and reform options

While minor refinements have been introduced over time, the underlying conceptual framework and wording of key questions have been preserved to maintain comparability across waves.

2.1 Sampling and Data Collection

Each survey wave is conducted using a nationally representative sample of Australian adults. Sampling is typically stratified by key demographic characteristics, including age, gender, and geographic location, to ensure alignment with population benchmarks.

Data are collected through online panels, with weighting applied post-collection to correct for any sampling imbalances. These weights ensure that results reflect the broader Australian population rather than the composition of the respondent pool.

As with all survey-based research, results should be interpreted within a standard margin of sampling error. While point estimates provide a useful indication of central tendencies, the analysis presented in this report places greater emphasis on:

- Directional trends over time, rather than single-year movements
- Relative differences between response categories, rather than marginal percentage changes
- Consistency across related questions, as an indicator of underlying attitudes

2.2 Question Design and Measurement Approach

The survey instrument combines attitudinal and evaluative questions, using a mix of Likert scales, categorical responses, and binary choices. Questions are designed to capture both:

- Normative positions, such as beliefs about fairness or appropriate tax burdens
- Instrumental preferences, such as support for specific policy options

This distinction is critical to the interpretation of results. Across the survey series, Australians have often expressed strong normative support for redistribution and fairness, while showing more variability in their support for specific mechanisms or funding approaches. Together, these provide a multi-dimensional view of public attitudes, rather than relying on a single measure.

2.3 Analytical Approach

The analysis in this report adopts a longitudinal interpretive framework, rather than a purely descriptive or cross-sectional approach. The primary objective is not simply to report 2025 results, but to situate them within the broader trajectory of public opinion over the life of the survey.

Three analytical principles guide this approach:

1. Emphasis on Patterns
   Where possible, findings are interpreted in relation to long-run patterns rather than single-year changes. Stable relationships, such as consistent support for progressive taxation or persistent concern about fairness, are treated as features of Australian public opinion.

2. Distinction Between Direction and Intensity
   A key analytical distinction is made between:
   - Direction of sentiment: whether respondents support or oppose a given idea
   - Intensity of sentiment: how strongly that support or opposition is expressed

   Many of the shifts observed in 2025 relate to changes in intensity rather than direction. For example, support for redistributive policies remains present, but is expressed with less conviction or greater uncertainty.

3. Integration Across Questions
   Individual questions are not interpreted in isolation. Instead, responses are analysed across the full survey to identify, patterns, contradictions, and underlying behavioural dynamics.

2.4 Limitations

While the longitudinal design of the survey is a key strength, several limitations should be acknowledged:

1. As a repeated cross-sectional survey, the data do not track the same individuals over time, and therefore cannot capture individual-level attitudinal change
2. Some year-to-year variation may reflect short-term contextual factors rather than durable shifts in opinion

3. The interpretation of questions may evolve over time as public discourse changes, even where wording remains consistent
4. Some questions were only asked in specific years, or have new response options in more recent years. This results in some instances where data is available for specific terms.
5. No survey was conducted in 2013. By contrast, two surveys were conducted in 2020 — capturing attitudes to tax before the pandemic, and then during it.

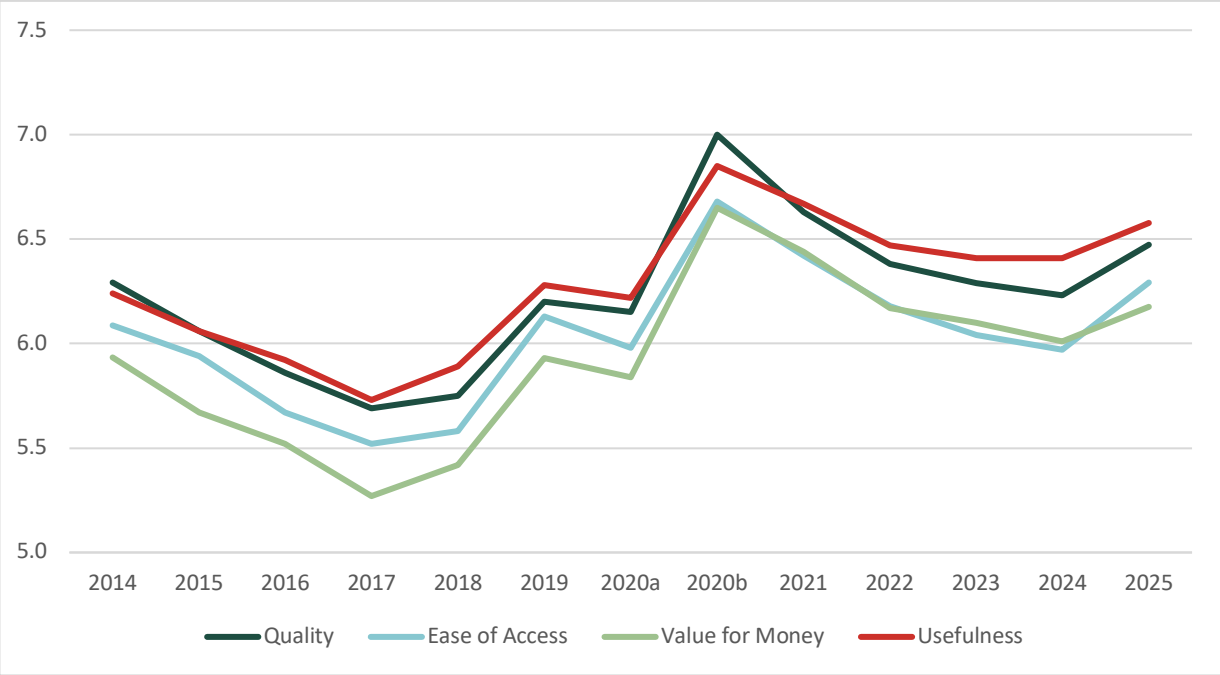
Despite these limitations, the consistency of the instrument and the stability of many findings provide a robust basis for analysing long-term trends.

3 Section I – Australian attitudes toward taxation levels and willingness to pay

3.1 Attitudes towards Australia's Public Services

Australians continue to report high levels of trust in the quality, accessibility, value for money, and usefulness of public services. Overall sentiment has improved over the past decade, peaking in 2020 during the pandemic. Although confidence has declined slightly since then, it remains stronger than it was ten years ago.

Figure 1: Attitude of Australia's public services generally (e.g. health, education, social security/welfare)



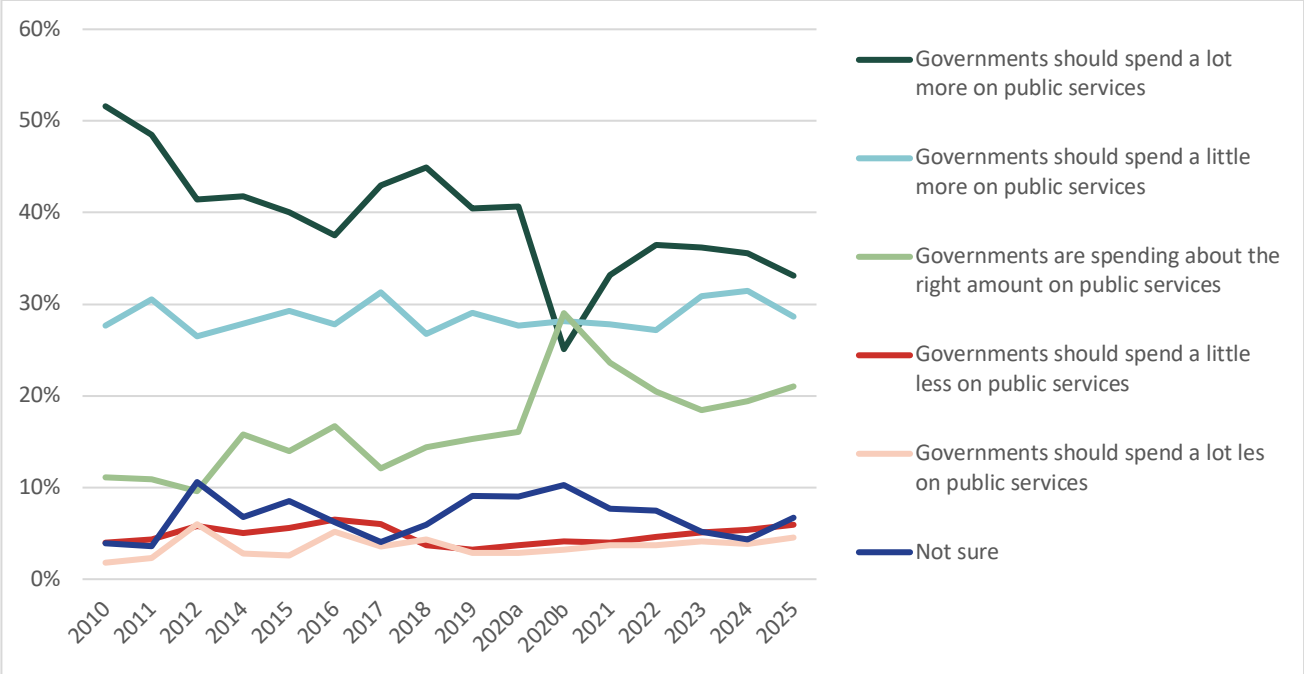
Question: Thinking about Australia's public services generally (e.g. health, education, social security/welfare), on a scale of 0 – 10 how would you rate them on the following factors (where 0 = poor and 10 = excellent)?

3.2 Willingness to Pay Higher Taxes for Improved Outcomes

Maintaining a strong public service requires ongoing public contribution, which in turn necessitates higher taxes to support better outcomes. In general, most Australians believe governments should spend a little more or a lot more on public services (see Figure 2). This sentiment continues to be strong for health and education, while defence spending has seen an uptick in support (see Figure 3).

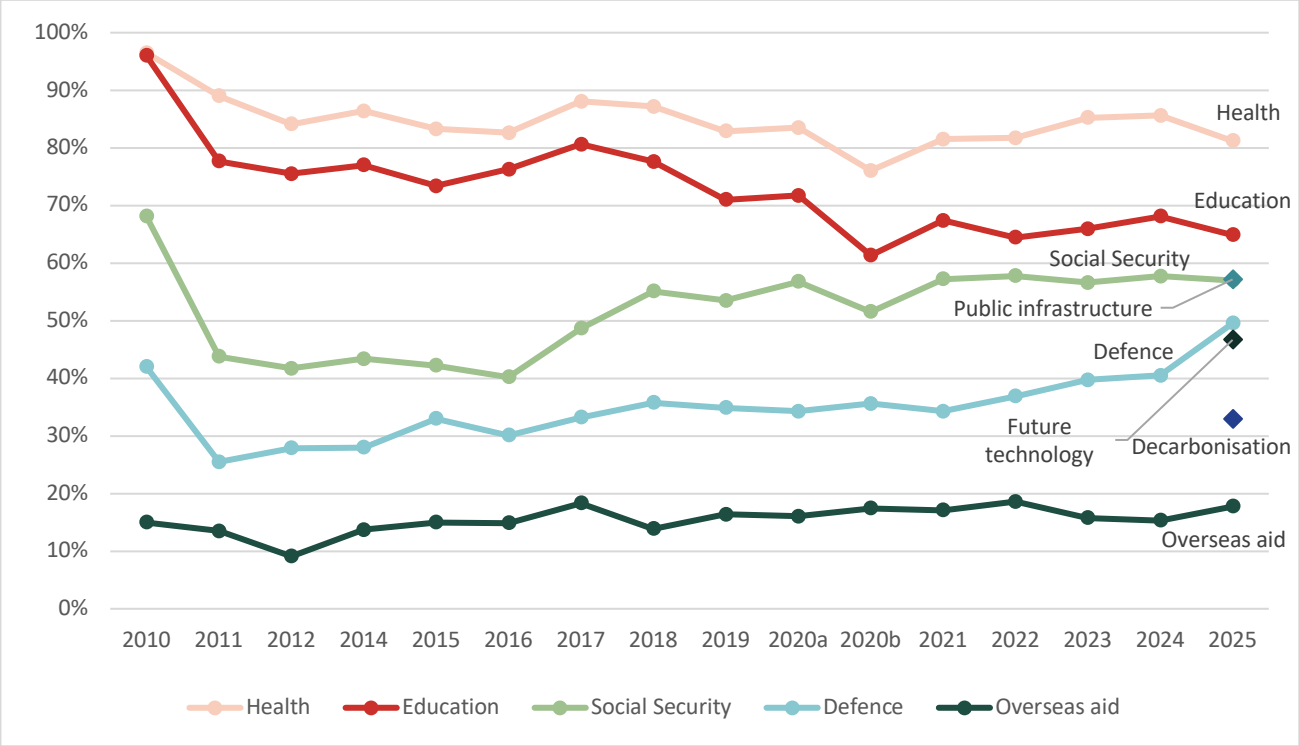
In the 2025 special edition, reflecting the growing need to address decarbonisation, emerging technologies (such as AI), and public infrastructure, we introduced new spending options. Support for increased government spending on decarbonisation and future technology is relatively low, while support for public infrastructure spending is comparable to that for social security.

Figure 2: Australian governments' spending on public services



Question: Which of the following statements best describes your views on Australian governments' spending on public services?

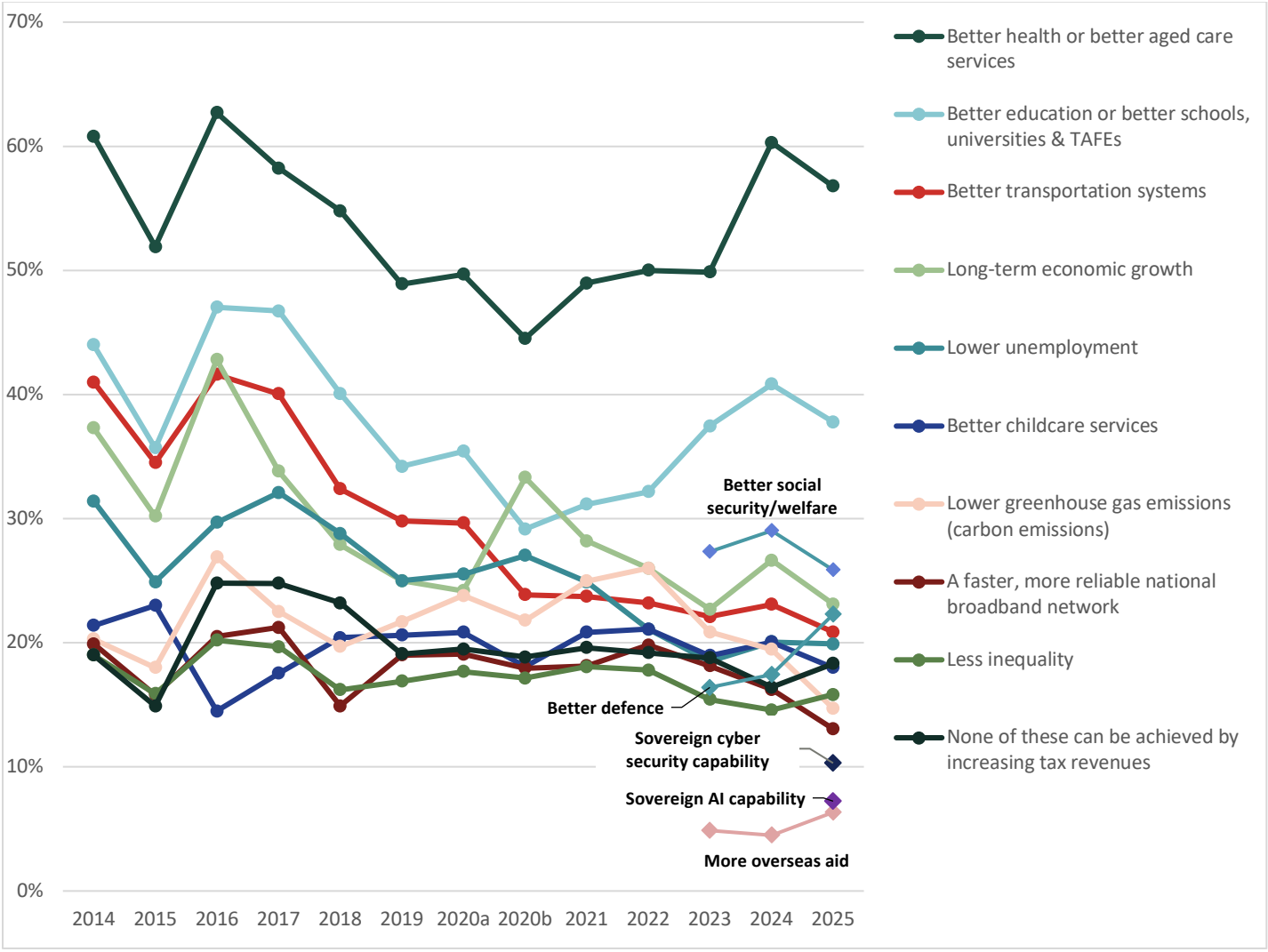
Figure 3: Would like **much more or a little more** spending in different areas



Question: Would you like to see more or less government spending in each of these areas? ['Much more' + 'A little more' combined]

However, the question of whether taxpayers are willing to personally pay more for these services is more complex. Figure 4 highlights whether people are willing to accept higher personal taxation to support various areas of spending.

Figure 4: Outcomes people are prepared to pay higher taxes for



Question: Which of these outcomes would you be prepared to pay higher taxes for?
Note: In 2023, an additional response option of "better education" was added. This has been combined with the response option "better schools, universities, and TAFEs". The share of respondents who ticked either response option is presented.

Across the full life of the survey, this has been one of the most variable and context-sensitive measures. Australians consistently express support for improved public outcomes, but their willingness to fund those outcomes through higher taxes fluctuates in line with economic conditions.

Historically, willingness to pay higher taxes has been strongest when:

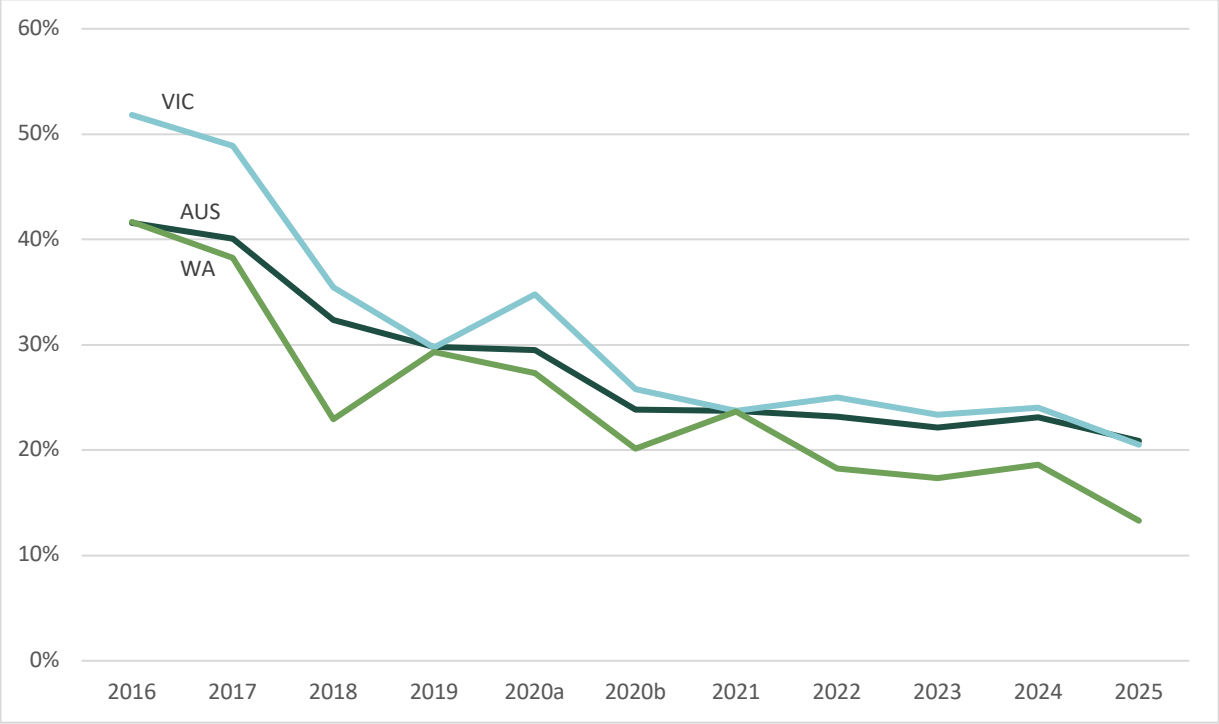
- The outcome is clear, tangible, and widely experienced, such as health or aged care
- The policy is framed as directly improving service quality or access
- Economic conditions allow for perceived fiscal headroom at the household level

The 2025 results show continued high willingness to pay additional tax for better aged care and health services. Importantly, more than 50 per cent of respondents were willing to personally pay additional tax to fund these services. There is also strong willingness to pay for better education. There was a large (5 percentage point) uptick in willingness to pay for defence spending in 2025, likely due to global instability.

Willingness to pay more for better transport, long-term economic growth, and lower unemployment have declined over the course of the survey, likely reflecting the considerable government investment in transport and historically low unemployment over this period. In particular, Victorian and Western Australian respondents have significantly decreased their willingness to pay for transport spending (see Figure 5).

Willingness to pay for decarbonisation, overseas aid, and sovereign capability were all below 15%. Later survey results (see section 6.4) suggest that support for government action on decarbonisation may be much higher when respondents believe it will not increase their personal tax burden, such as when polluters are charged for their own emissions.

Figure 5: Share of respondents prepared to pay higher taxes for better transport



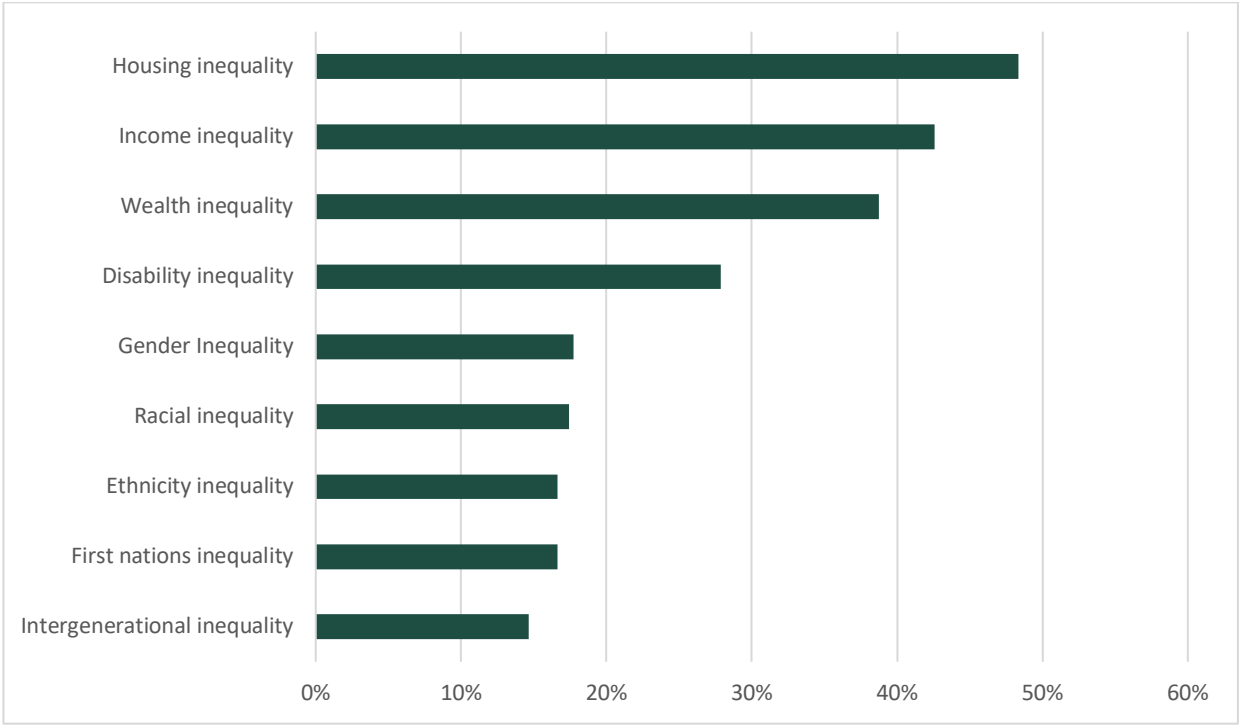
Australians consistently support better public outcomes. Their willingness to fund those outcomes is contingent on economic context and perceived personal cost. Support for government is not unconditional, but it is also not fragile. It is situationally elastic. When conditions allow, Australians

are prepared to endorse higher taxation. When conditions tighten, that support narrows but does not disappear.

3.3 Willingness to Pay to Address Inequality

Figure 6 highlights that people are willing to pay higher taxes to address inequality, by disaggregating willingness to pay across different types of inequality. It reveals both the structure of concern and the limits of fiscal commitment.

Figure 6: Types of inequality to reduce



Question: I would be willing to pay higher taxes if I knew the money would be spent on reducing...

The 2025 results reveal a clear and consistent hierarchy in Australians' willingness to pay to address different forms of inequality. Housing inequality emerges as the dominant concern, with 48% of respondents willing to contribute, followed by income inequality at 43% and wealth inequality at 39%. Willingness declines for other forms of inequality, including disability inequality (28%), gender inequality (18%), racial inequality (17%), ethnicity inequality (17%), First Nations inequality (17%), and intergenerational inequality (15%).

Several layers of interpretation arise from this distribution. First, there is a strong concentration of willingness around core economic inequalities. The three most supported categories all relate directly to material economic conditions, with housing inequality standing out as the most pressing issue, attracting support from nearly half of respondents. The gap between concern for

housing inequality and intergenerational inequality exceeds 33 percentage points, underscoring the prominence of immediate, tangible economic pressures over longer-term structural concerns.

Second, willingness to pay declines as inequality issues become more specific, more closely associated with particular identities, or less directly connected to everyday financial experience. These issues may also be perceived as more complex or less amenable to straightforward policy solutions, which may temper public support for additional taxation.

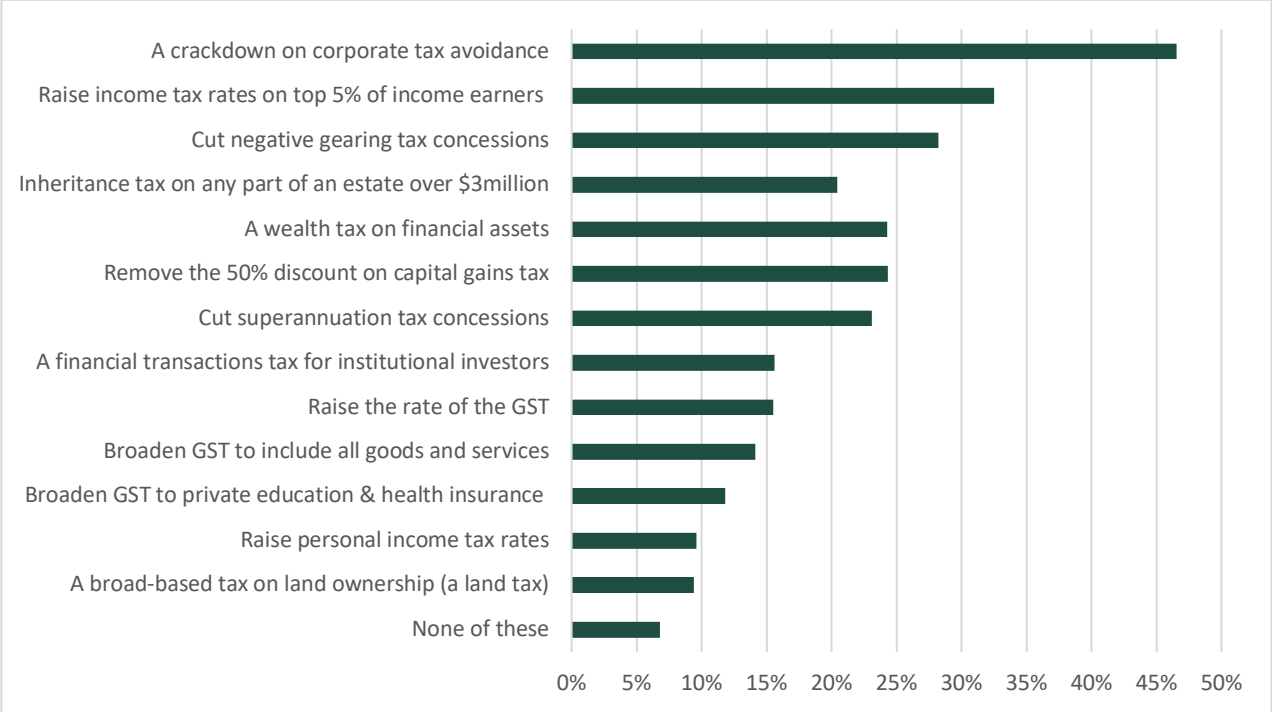
Finally, the 2025 results indicate a modest decline in overall willingness to pay compared with 2024. For example, support for paying more to address income inequality fell from 46% in 2024 to 43% in 2025. This softening aligns with broader trends observed across the survey, suggesting a slight easing in public readiness to support increased taxation, even where concern about inequality remains high.

Willingness to fund redistribution is highest where inequality is immediate, visible, and economically proximate, and declines as issues become more abstract or indirect.

3.4 Preferred Approaches to Raising Additional Revenue

Building on whether Australians are willing to pay higher taxes for public services, illustrates how respondents would prefer additional revenue to be raised. This question has consistently revealed a clear preference to raise revenue through a stronger crackdown against corporate tax avoidance.

Figure 7: Approaches to raising additional revenue



Question: If you wanted to raise more tax in Australia to pay for quality public services, which of the following approaches would you support?

Across the full survey series, Australians have demonstrated a strong preference for revenue measures that are:

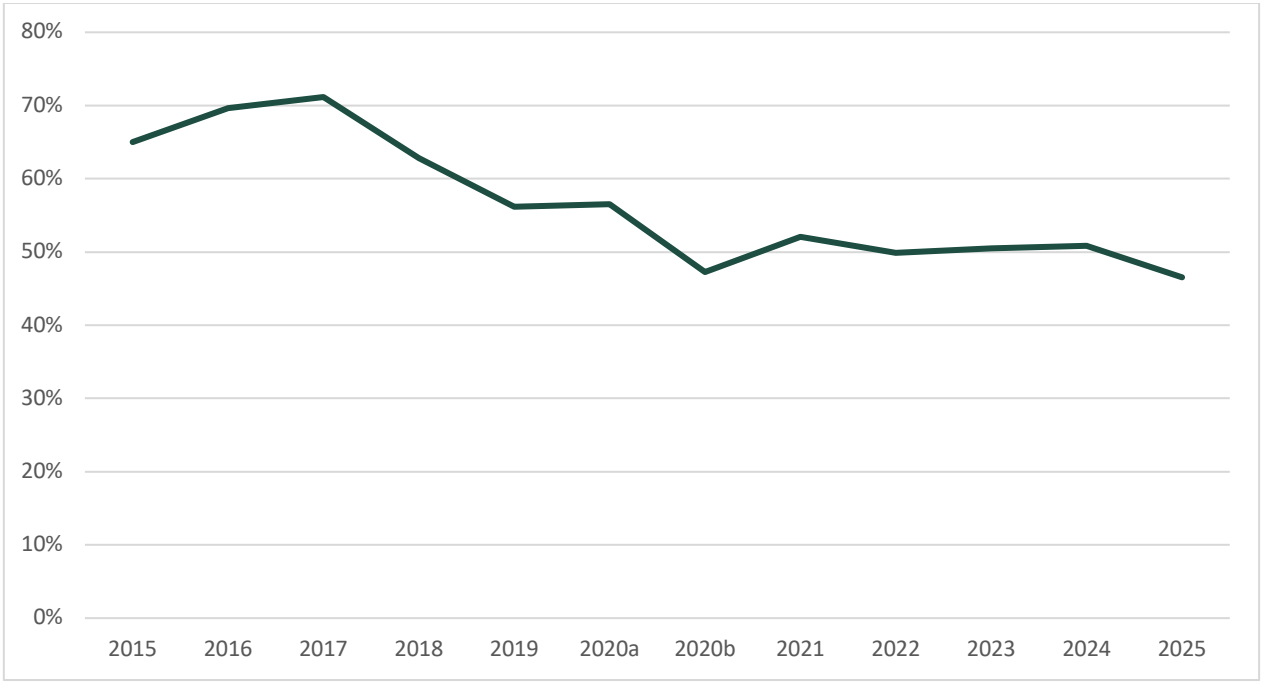
- Progressive, targeting those with higher incomes or wealth
- Corrective, addressing perceived loopholes or avoidance
- Targeted, rather than broadly applied across the population

The 2025 results reinforce this structure.

- 47% support cracking down on corporate tax avoidance. However, it should be noted that this option reduced from 51% in 2024.
- 33% support higher tax rates for the top 5% of income earners
- Around 20–25% support measures such as:
    - Removing or reducing negative gearing concessions
    - Removing capital gains tax discounts
    - Reducing superannuation tax concessions
- There is relatively low support for GST increases (even where applied selectively)

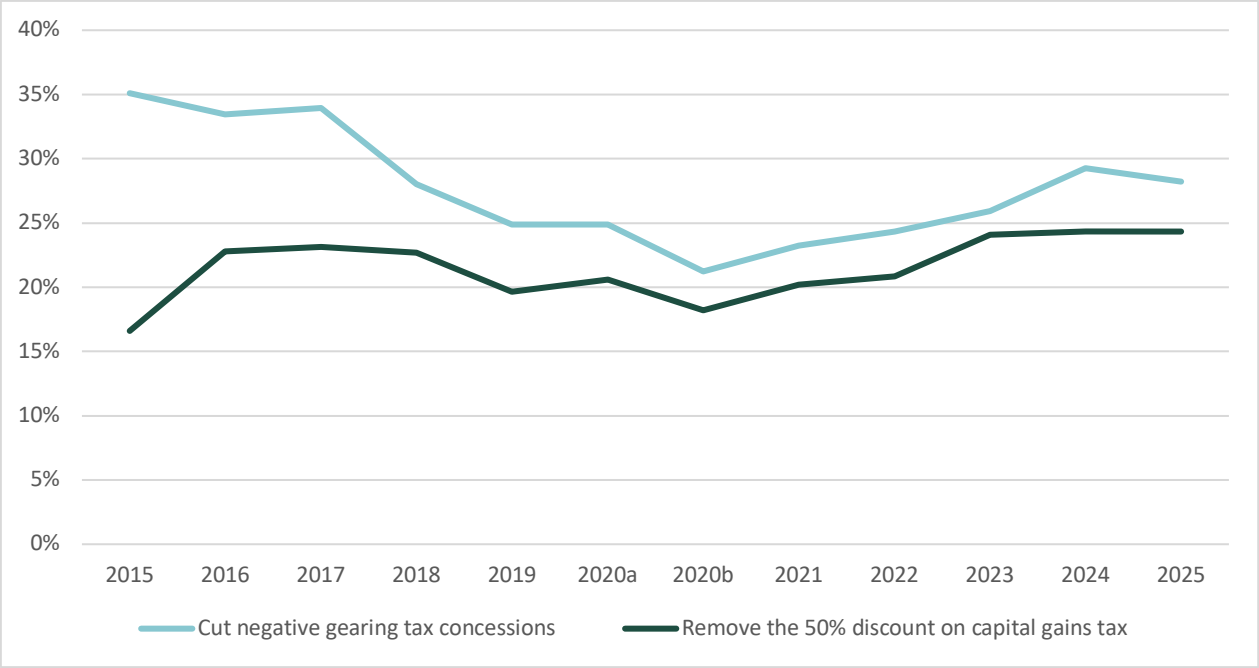
While support for a crackdown on corporate tax avoidance is high, it has been falling over the course of the survey. This may reflect a growing appreciation of the complexity of corporate tax in a global tax environment.

Figure 8: Support **a crackdown on corporate tax avoidance** to raise more tax in Australia (2015 to 2025)



Support for reforming the capital gains tax discount and negative gearing has been rising consistently in recent years, perhaps reflecting the increase in public attention and widespread housing insecurity. It appears that debate around these policies during the 2019 election campaign may have stymied public support, but these policies have now returned to almost their highest levels over the course of the survey.

Figure 9: Support for **reforming the capital gains tax discount and negative gearing** to raise more tax in Australia (2015 to 2025)



The enduring insight is that Australians are not neutral about tax design. Australians have consistently preferred targeted and progressive revenue measures over broad-based taxation, and they hold a clear and persistent view that additional revenue should be raised from those perceived to have:

- Greater capacity to pay, or
- Greater ability to minimise or avoid tax under current settings.

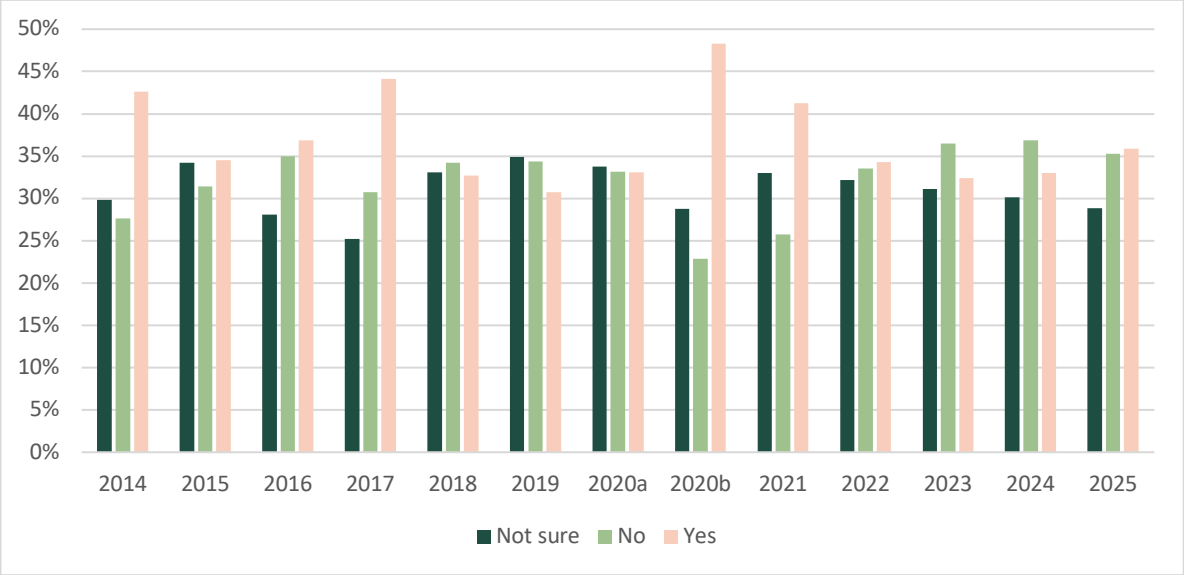
3.5 Attitudes Towards Government Borrowing for Long-Term Investment

Figure 10 showcases a different dimension of fiscal policy, moving beyond taxation to consider public debt and borrowing. This question has shown more volatility than most others in the survey, reflecting the more complex and less intuitive nature of debt as a policy tool.

Historically, attitudes towards borrowing have been shaped by context.

- During periods of economic stability, borrowing tends to attract mixed or cautious support.
- During crises, particularly the COVID-19 pandemic, support increases significantly. The surveys taken late 2020 and 2021 highlight such increase of support.
- Post-crisis, attitudes often revert to a more divided or uncertain position.

Figure 10: Favour of such government borrowing for long term investment



Question: In the past, and again during the pandemic, governments have borrowed for long-term investment the same way people take out a mortgage for a house. Are you in favour of such borrowing?

The 2024 results showed a decline in support for borrowing following the pandemic peak, accompanied by high levels of uncertainty. The 2025 data suggest that this ambivalence persists.

- Opinion remains divided between support and opposition
- A significant share of respondents remains uncertain
- There is no clear majority position

This distinguishes borrowing from taxation in important ways. While Australians have relatively stable views on how tax should be structured, they appear less settled in how they evaluate public debt. There are several factors that is likely to contribute to this:

- Debt is less directly experienced than taxation
- Its benefits are often long-term and diffuse
- Public understanding of debt sustainability is less developed

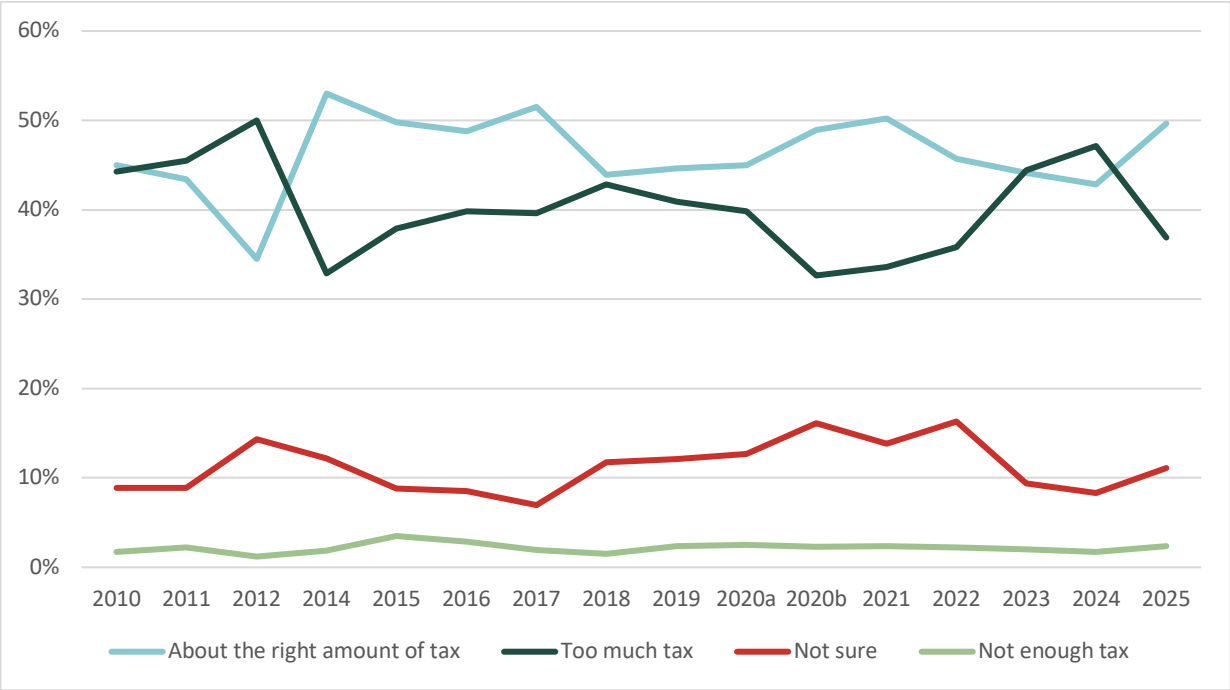
The findings suggests that the public support for government borrowing is context-dependent and narrative-driven, rather than structurally embedded. Australians are willing to accept borrowing when it is clearly linked to crisis response or visible investment. However, they are less comfortable with borrowing as a routine feature of fiscal policy.

4 Section II: Personal Tax, Fairness and System Performance

4.1 Perceived Personal Tax Burden

Figure 11 provides a direct window into how Australians position themselves within the tax system, and over the life of the survey it has consistently revealed a relatively stable distribution of sentiment. Respondents tend to cluster between those who believe they pay "too much tax" and those who believe they pay "about the right amount", with only a very small minority indicating that they pay too little.

Figure 11: Opinion of tax level



Question: In your opinion, do you pay...?

The 2025 results reveal an interesting shift within this long-standing pattern. The proportion of respondents who believe they are paying too much tax fell to 37%. This represents a substantial shift from 2024, where approximately 47% of respondents believed they paid too much tax. The decline of over 10 percentage points is one of the more notable single-year movements in the dataset.

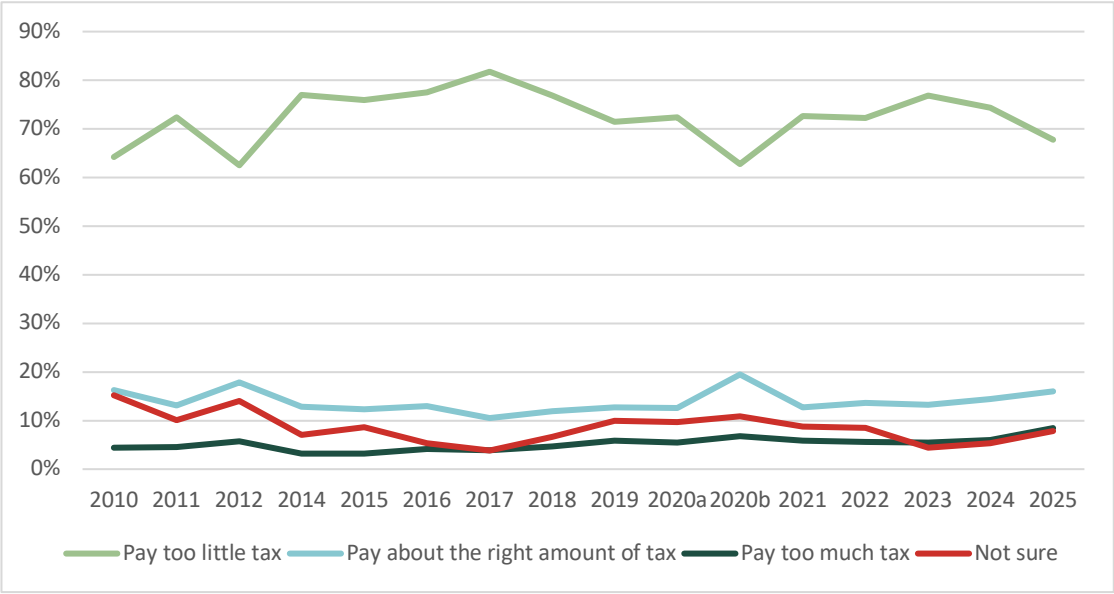
At the same time, 50% reported paying about the right amount, representing an increase from the previous year. Only a very small residual share indicated that they are paying too little tax, a view that has remained largely consistent over time.

It is also notable that 11% of respondents report being unsure about this question. This level of uncertainty was similarly elevated during the pandemic and the years immediately following it, suggesting that periods of heightened reliance on public services may coincide with greater uncertainty about personal taxation obligations.

4.2 Perceptions of Tax Burden Across Different Groups

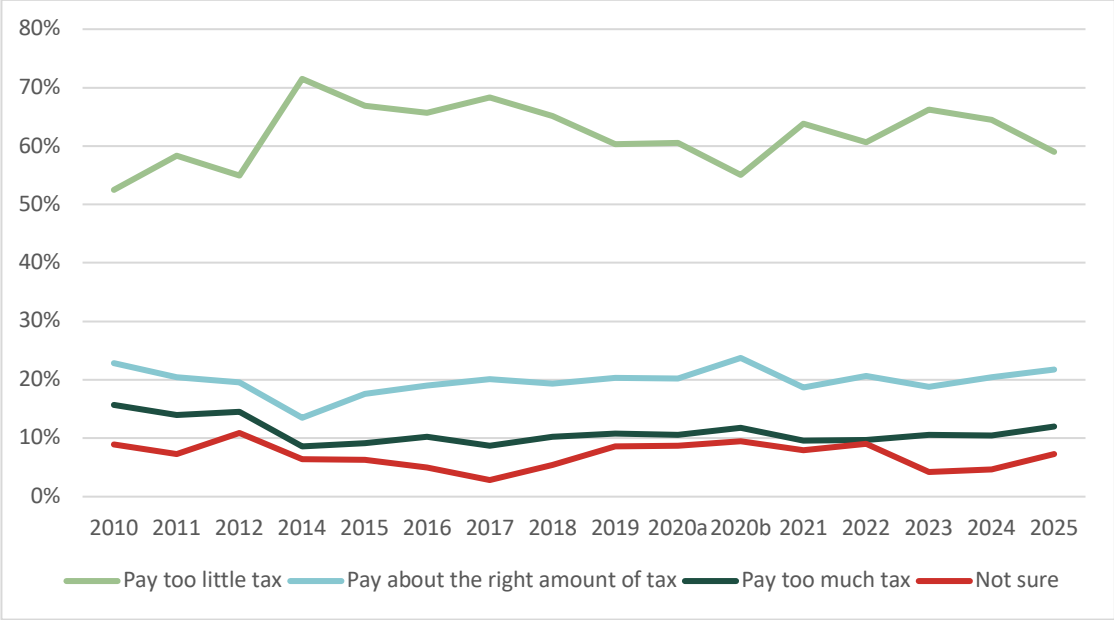
Australians overwhelmingly identify under-taxation at the top end of the income and wealth distribution as a key concern. Reflecting the strong support for raising revenue through tougher action on corporate tax avoidance, we also asked respondents whether big businesses and corporation (Figure 12) and high-income earners (Figure 13) pay too little or too much tax.

Figure 12: Do **big businesses and corporations** pay too little or too much tax?



Question: In thinking about the overall fairness of the tax system, do big businesses and corporations pay too little or too much tax?

Figure 13: Do **high-income earners** pay too little or too much tax?



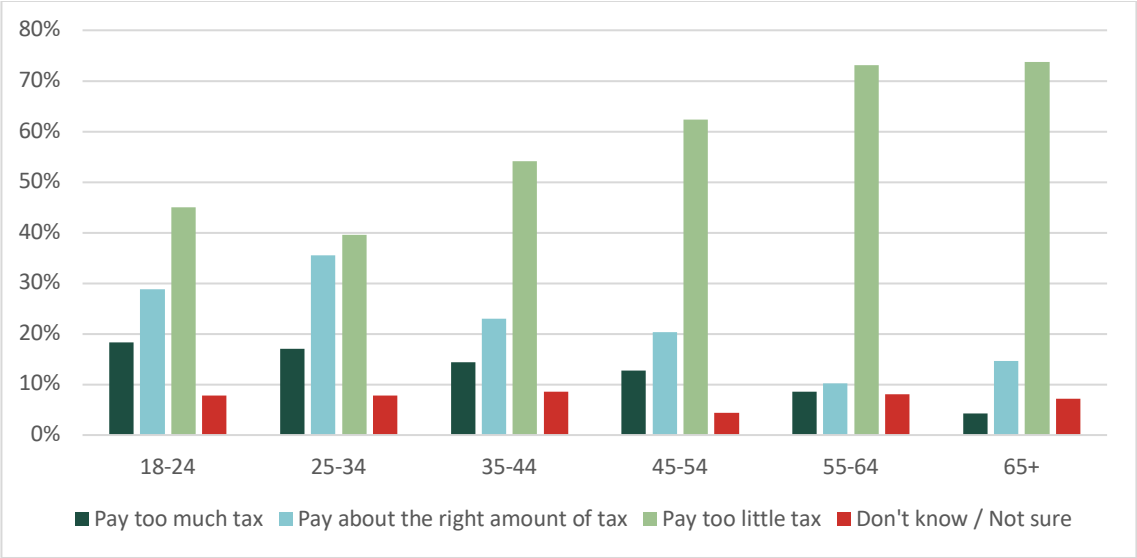
Question: In thinking about the overall fairness of the tax system, do high-income earners pay too little or too much tax?

In 2025, perceptions moderated compared with 2024 levels. The share of respondents who believe large corporations pay too little tax declined to 68% (from 74%), while those holding the same view about high-income earners fell to 59% (from 64%). Despite this reduction of approximately 5–7 percentage points, the underlying pattern of perceptions remains largely unchanged.

Interestingly, older voters were more likely to support higher taxes on high-income earners (74%). This may reflect the rising income tax burden falling on younger voters as a result of bracket creep.[2]

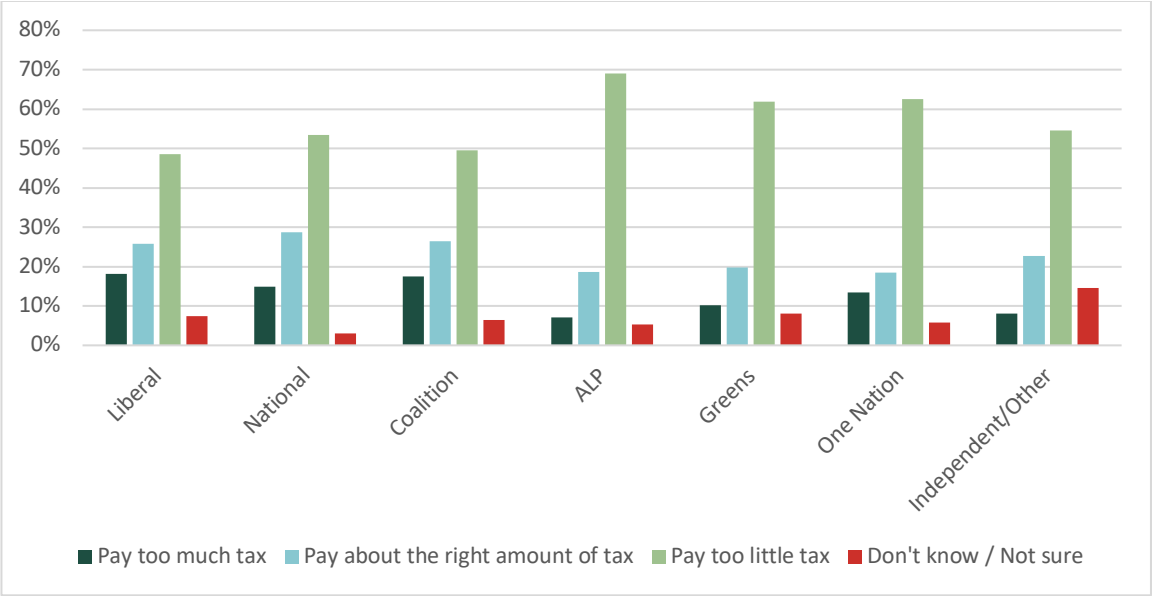
[2] Roger Wilkins, 'Australians are losing more of their income to tax than in decades, new report shows', The Conversation (online, 19 September 2025) <https://theconversation.com/australians-are-losing-more-of-their-income-to-tax-than-in-decades-new-report-shows-265482>.

Figure 14: Do **high-income earners** pay too little or too much tax? - categorised by age of respondent



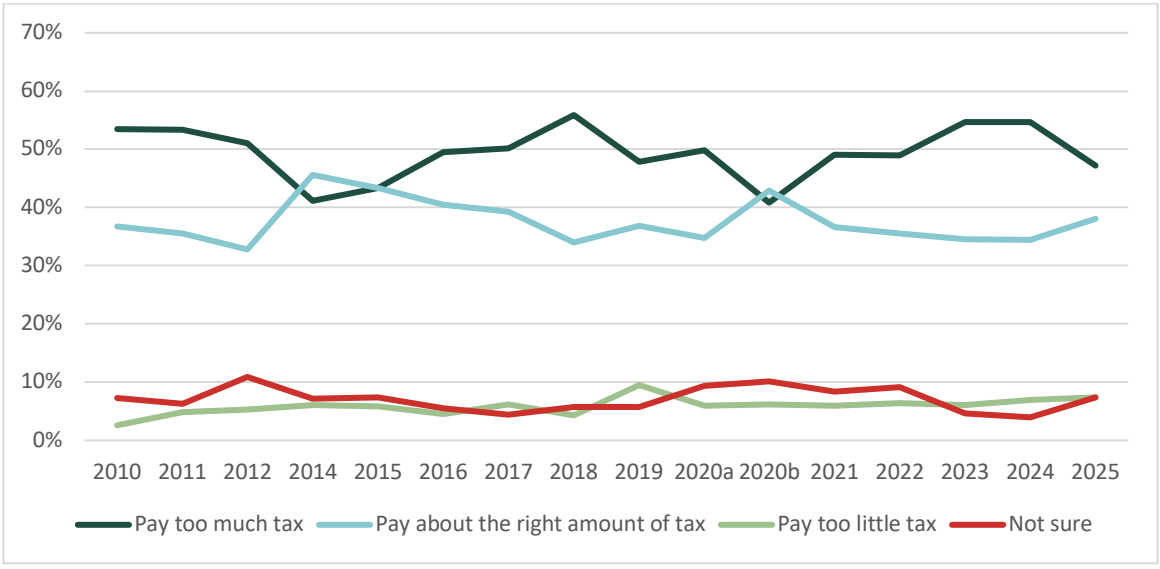
In the context of One Nation's rising popularity, it is worth noting that the majority of One Nation voters believe high-income earners should pay more tax. This share is similar to Greens and Labor party voters at the other end of the political spectrum. This likely reflects discontent about economic inequality on both sides of politics.

Figure 15: Do **high-income earners** pay too little or too much tax? - categorised by voting intention



As expected, lower-income groups are rarely identified as being under-taxed (see Figure 16). This finding is important, as it reveals a core fairness framework underpinning responses to the survey: namely, the view that tax contributions should be aligned with individuals' capacity to pay.

Figure 16: Do **low-income earners** pay too little or too much tax?

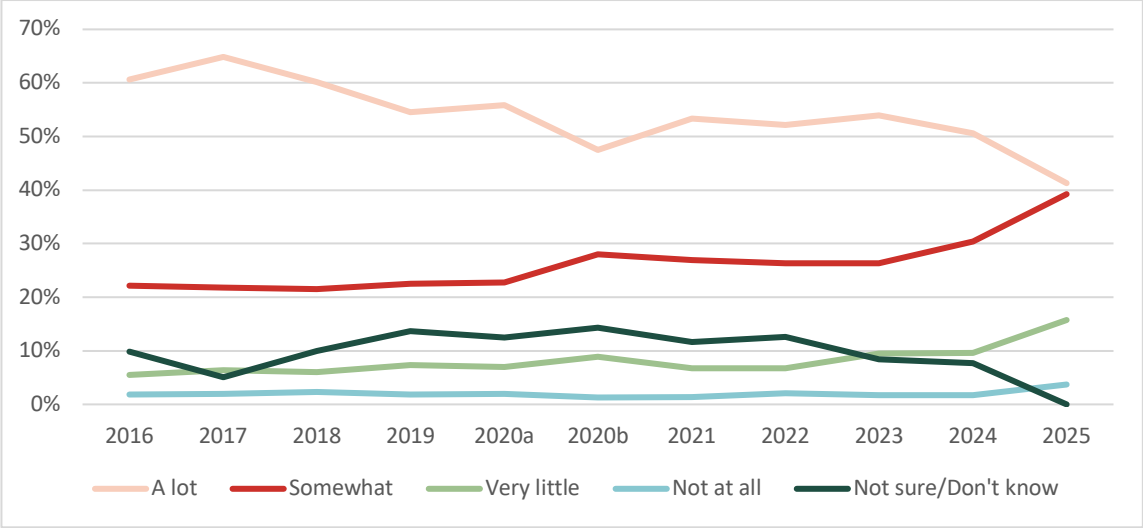


Question: In thinking about the overall fairness of the tax system, do high-income earners pay too little or too much tax?

4.3 Corporate Tax Avoidance and System Fairness

Perceptions of corporate tax avoidance play an important role in shaping views of tax fairness. To explore this further, we examined Australians' perceptions of the impact of corporate tax avoidance on the fairness of the tax system. Historically, responses to this question have been strongly skewed, with a majority indicating that corporate tax avoidance undermines fairness "a lot." In 2025, the distinction between responses of "a lot" and "somewhat" has narrowed, indicating a modest softening in the intensity of concern. However, the combined concern remains approximately 80% (see Figure 17).

Figure 17: Corporate tax avoidance impact on the overall fairness of the taxation system



Question: To what extent do you think corporate tax avoidance affects the overall fairness of the taxation system?

The implication is not that Australians are less concerned about corporate avoidance, but that the issue is now held with less urgency. Concern about corporate tax avoidance remains high, but is expressed with less intensity.

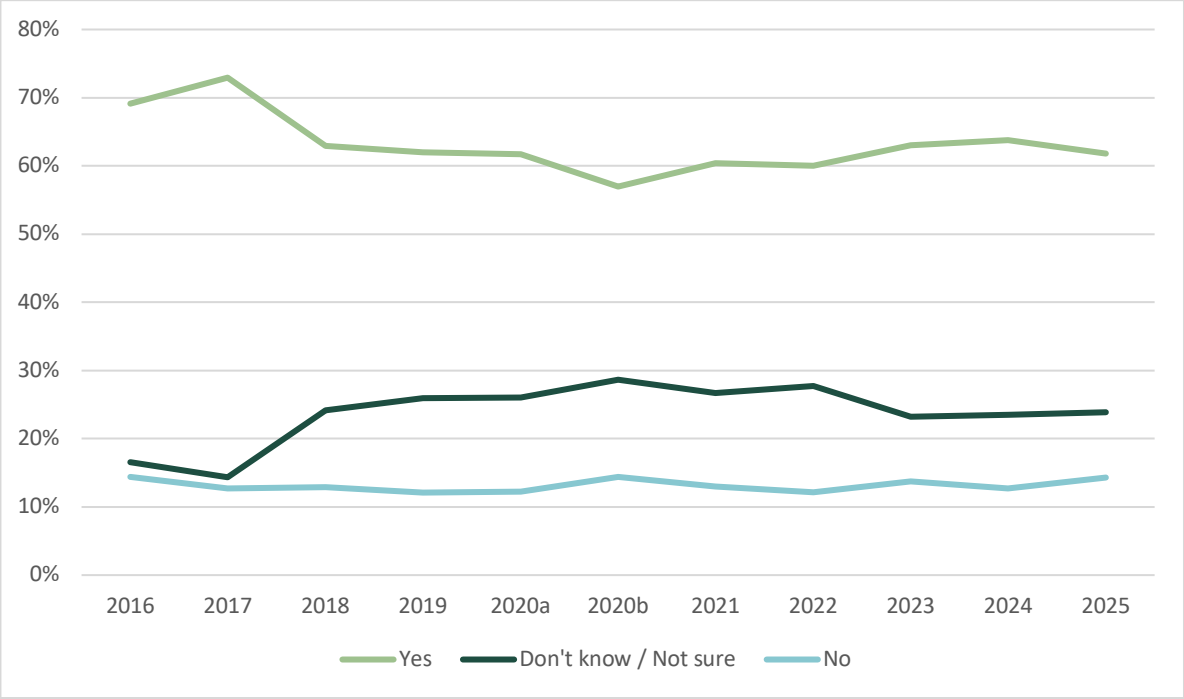
4.4 Minimum Tax for High-Income Earners ("Buffett Rule")

Minimum tax requirements for high-income earners remain one of the clearest and most stable indicators of support for progressive taxation across the entire survey (see Figure 18). In 2025, 62% of respondents support the introduction of a minimum tax rate for high-income earners, while 14% oppose such a measure. A further 24% report being unsure.

These results sit squarely within the long-term range observed throughout the history of the survey. Support for a minimum tax has consistently remained between 55% and 65%, opposition has rarely exceeded 15%, and a substantial undecided segment has persisted over time. Support declined very slightly from 64% in 2024 to 62% in 2025.

The key insight from these results is not short-term fluctuation, but long-term stability. Support for a minimum tax on high-income earners remains well above majority levels, opposition continues to be structurally limited, and the undecided cohort represents a sizable but largely uncommitted segment whose views may be sensitive to future policy framing or public debate.

Figure 18: Minimum rate of tax for very high-income earners



Question: Should there be a minimum rate of tax for very high-income earners?

5 Section III: Tax System Context

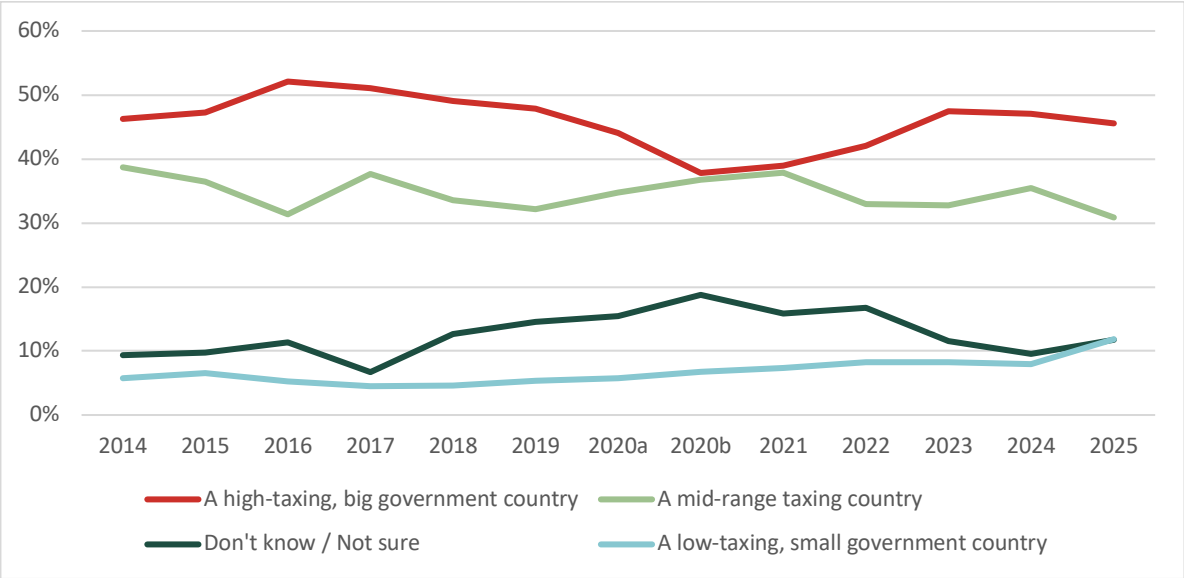
5.1 Perception of Australia's Tax Level Compared to Other Countries

The perception of Australia's tax burden in comparison with other countries remains one of the most revealing and enduring findings across the survey series. This measure captures how Australians position their tax system relative to other advanced economies and has consistently shown a systematic tendency to overestimate both the overall level of taxation and the size of government in Australia.

The 2025 results continue this long-standing pattern. Nearly half of respondents (46%) identify Australia as a high-tax, big-government country, while 31% place it in the mid-range relative to comparable nations. A smaller share (12%) regard Australia as a low-tax country, and 12% report being unsure (see Figure 19).

Across the full survey series, perceptions of Australia as a "high-tax" country have remained remarkably stable, typically ranging between 45% and 50%, even as fiscal policy settings and international benchmarks have evolved. This consistency highlights the durability of this belief, regardless of changes in the broader economic or policy environment.

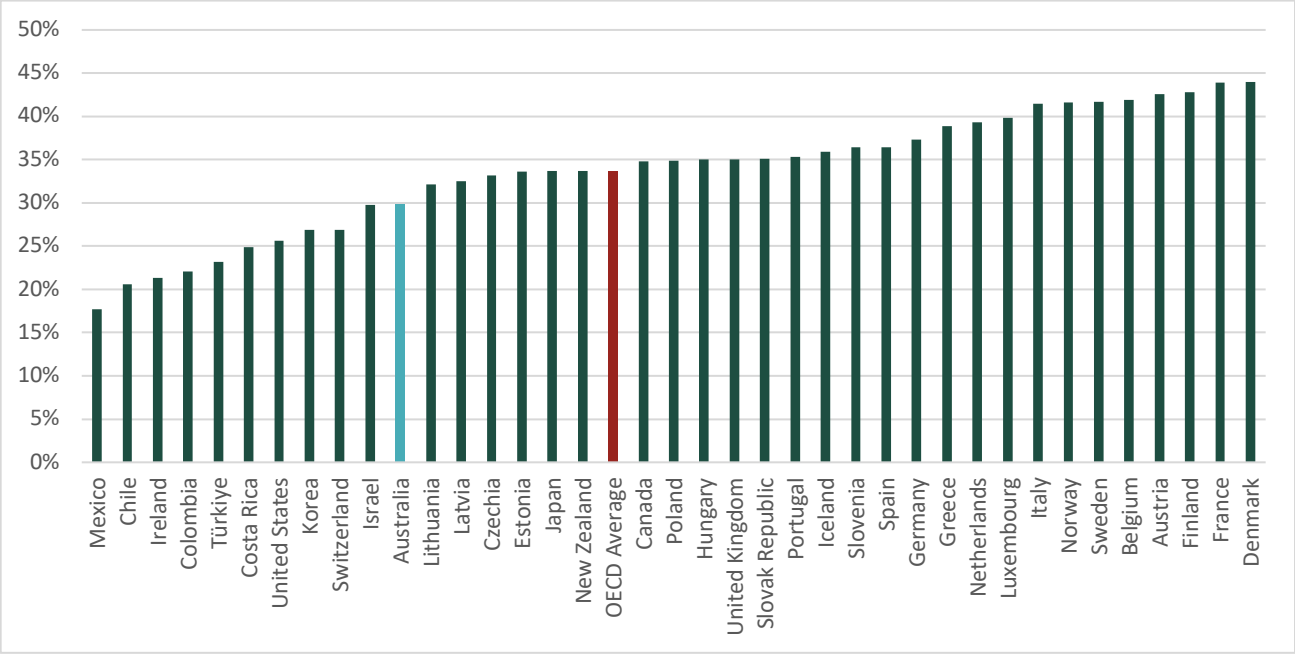
Figure 19: Perception of Australia's tax level compared to other countries



Question: When compared with other developed countries, do you think Australia is...?

Yet Australia's tax-to-GDP ratio is below the OECD average (30% compared to 34% - see Figure 20). Together, these findings highlight a persistent misperception about Australia's relative tax position.

Figure 20: Tax revenue as % of GDP, 2013, OECD countries



Source: OECD, Revenue Statistics 2025: Disentangling Personal Income Tax Revenue in OECD Countries

In 2025, the proportion identifying Australia as a mid-range tax country has declined by approximately 4–5 percentage points, while the share characterising Australia as a low-tax country has risen to its highest level observed in the survey. The proportion of respondents who report being unsure has also increased. Taken together, the low-tax and unsure categories now account for roughly 24% of responses, pointing to greater dispersion and uncertainty in public perceptions of Australia's relative tax position.

This shift suggests that while the dominant perception of Australia as a high-tax country remains intact, the shared narrative underpinning that view is weakening. Australians appear less unified in how they interpret the size and role of government, with a broader range of perspectives emerging than in previous years.

This suggests public understanding of the tax and fiscal system is becoming more heterogeneous, with competing narratives about taxation gaining greater traction. As a result, the baseline assumptions from which policy proposals are evaluated are becoming less stable, potentially shaping both public debate and the reception of future tax reforms.

6 Section IV: Current issues in policy debates

This section of the 2025 Tax Survey examines public views on key tax and transfer policies that continue to feature prominently in public debate. This edition retains questions from previous survey waves on negative gearing and the funding of retirement incomes, reflecting the ongoing relevance of these issues to the Australian tax system.

In response to sustained public concern about corporate pricing practices and high profits amid ongoing cost-of-living pressures, the question gauging support for a temporary "super profits tax" during periods of financial hardship has been retained in the 2025 survey.

This section outlines Australians' views on these contested policy areas, highlighting how public attitudes continue to evolve in response to changing economic and policy conditions.

6.1 Negative Gearing

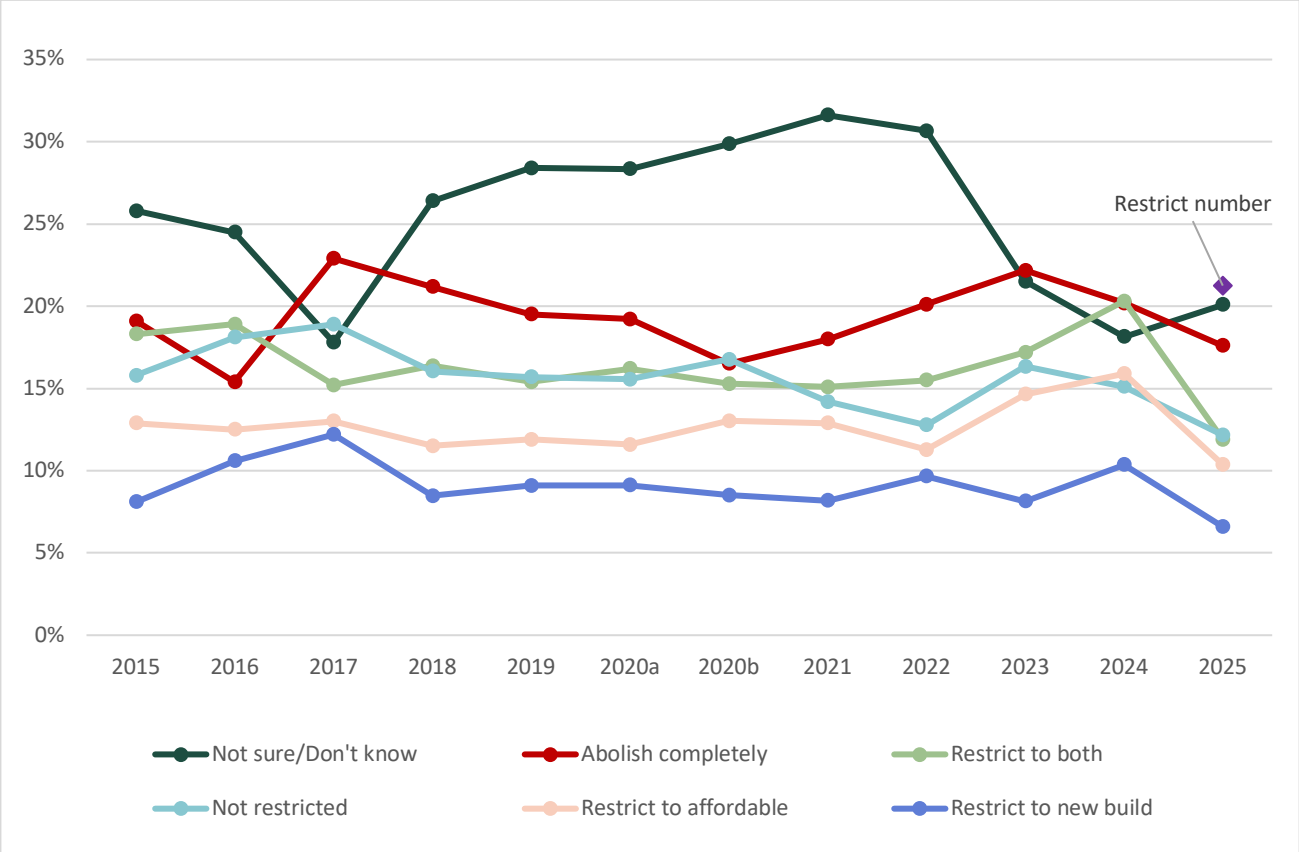
Negative gearing has long been recognised as a controversial feature of the tax system, and earlier waves of the survey revealed relatively concentrated support for reform. It remains one of the clearest illustrations of how public opinion has evolved and become more nuanced over time.

During and immediately after the 2019 election campaign, in which negative gearing was a prominent policy issue, more respondents were unsure about their position on negative gearing. However, in more recent years, as housing insecurity has become increasingly widespread, public discussion and media attention has re-intensified. This heightened focus appears to have contributed to a decline in the proportion of respondents who report being unsure about the policy setting, suggesting increased public familiarity and engagement with the issue.

In 2025, a new survey response option—restricting the number of properties eligible for negative gearing—was introduced and attracted the highest level of support, with 21.25% of respondents selecting it. This suggests a preference among respondents for limiting the number of properties over other forms of restriction. The inclusion of an additional response option resulted in lower support for other options, because each respondent could only select one option.

It should be noted that no single option commands more than a quarter of responses, and the top three categories are tightly clustered within a 4-percentage point range.

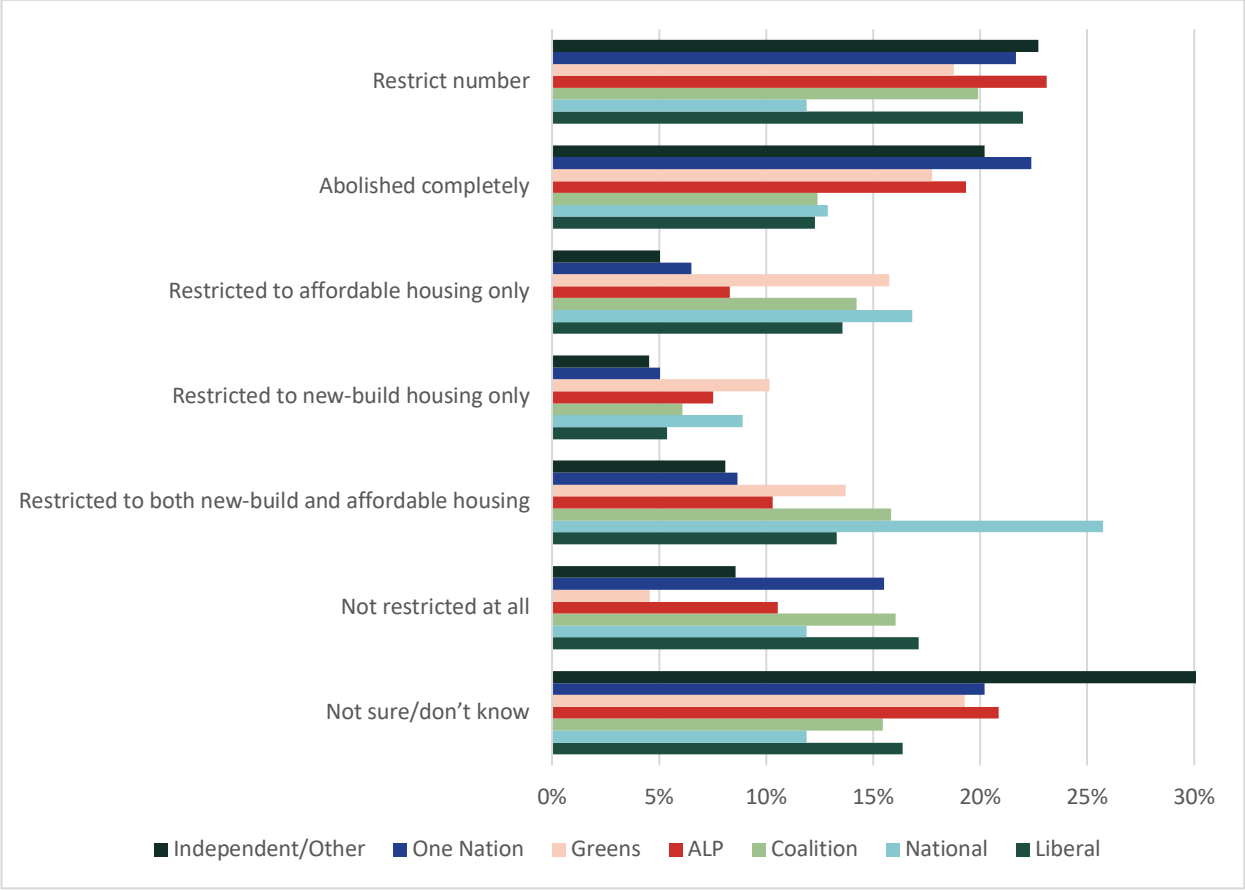
Figure 21: Changes that should be made to negative gearing



Question: Negative gearing is a tax concession for those who own investment properties, making property investment more attractive. Which of the following changes, if any, do you think should be made to negative gearing?
Note: Respondents may only select one option.

Figure 22 presents support for negative gearing reform by voting intention. Support for reform is strongest among Labor, Greens, and Independent voters. One Nation voters display a more polarised pattern, with sizeable proportions both supporting the complete abolition of negative gearing and favouring no restrictions at all. Notably, a relatively high share of Independent voters (30%) report being unsure, indicating greater uncertainty within this group.

Figure 22: Negative gearing - by voting intention



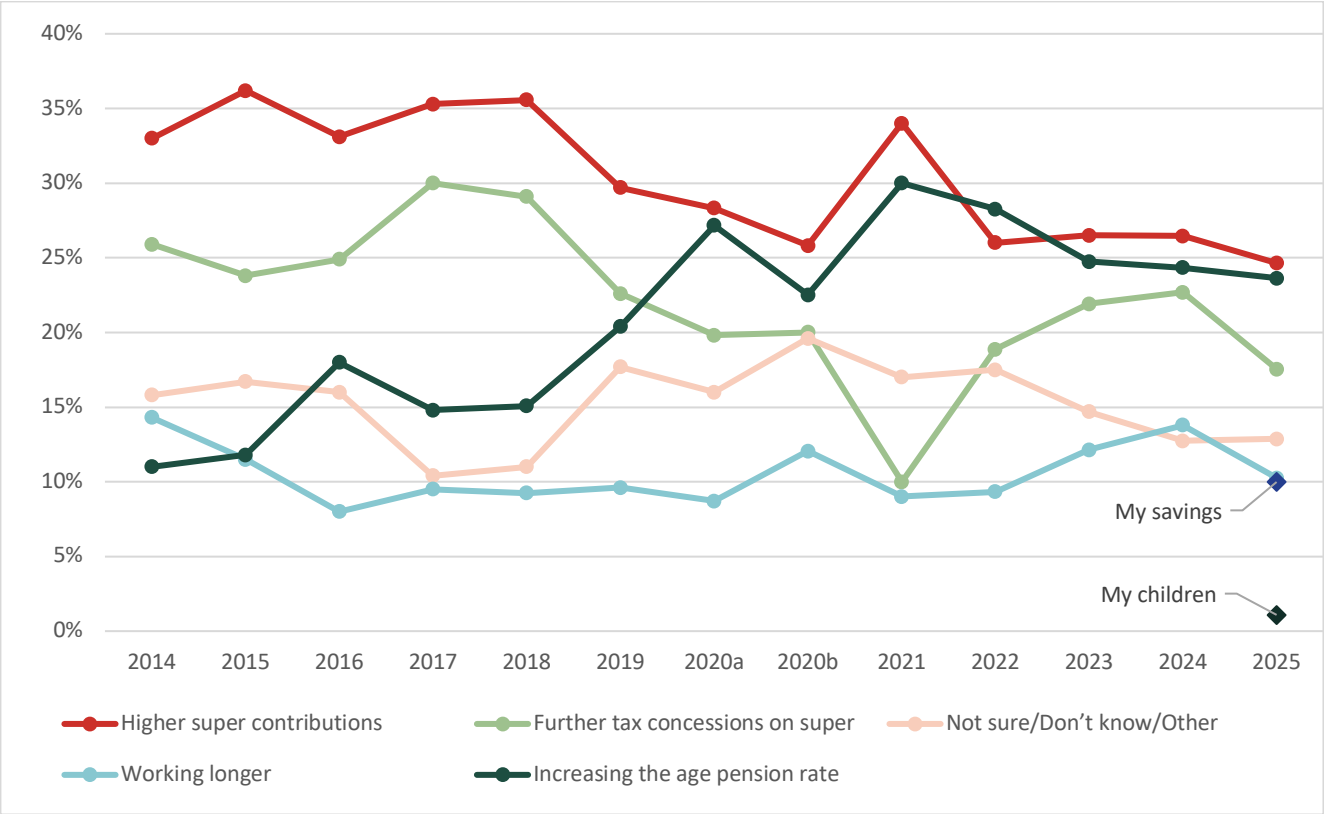
6.2 Retirement Income Funding

Since 2025, the Superannuation Guarantee (SG) has increased to 12%. Despite Australia having one of the most comprehensive retirement savings systems in the world, many people continue to retire into poverty. This has sustained a significant public debate between those who argue that the current SG rate is sufficient and those who contend that it will not meet the needs of current and future retirees, or is fundamentally inequitable and should instead be replaced with a more generous universal Age Pension.

Against this backdrop, the Tax Survey's long-standing question on retirement incomes continues to provide valuable insight into public attitudes. This question asks respondents how they believe retirement incomes should be improved to support longer life expectancies (see Figure 23).

Higher superannuation contributions remain the most popular option, supported by 25% of respondents, although this represents the lowest level of support recorded since the survey began. In 2025, two new response options were introduced—greater reliance on personal savings (10%) and support from children (1%). The inclusion of these options resulted in lower support for other options, because each respondent could only select one option.

Figure 23: Retirement income funding



Question: When thinking about retirement income to provide for longer life expectancies, do you think this income should be funded by...?
Note: Respondents may only select one option.

The leading two options together account for nearly 48% of responses, indicating a strong preference for structured, institutional solutions. Across the full survey series, the share of respondents who support increasing the age pension rate has increased significantly.

Individualised approaches have consistently been considered secondary. This pattern reflects a stable underlying expectation about the role of the state and institutional frameworks in managing life-cycle risk.

- Retirement income is seen as a collective responsibility
- Risk should be pooled and managed through policy settings
- Reliance on individual adjustment is viewed as less appropriate

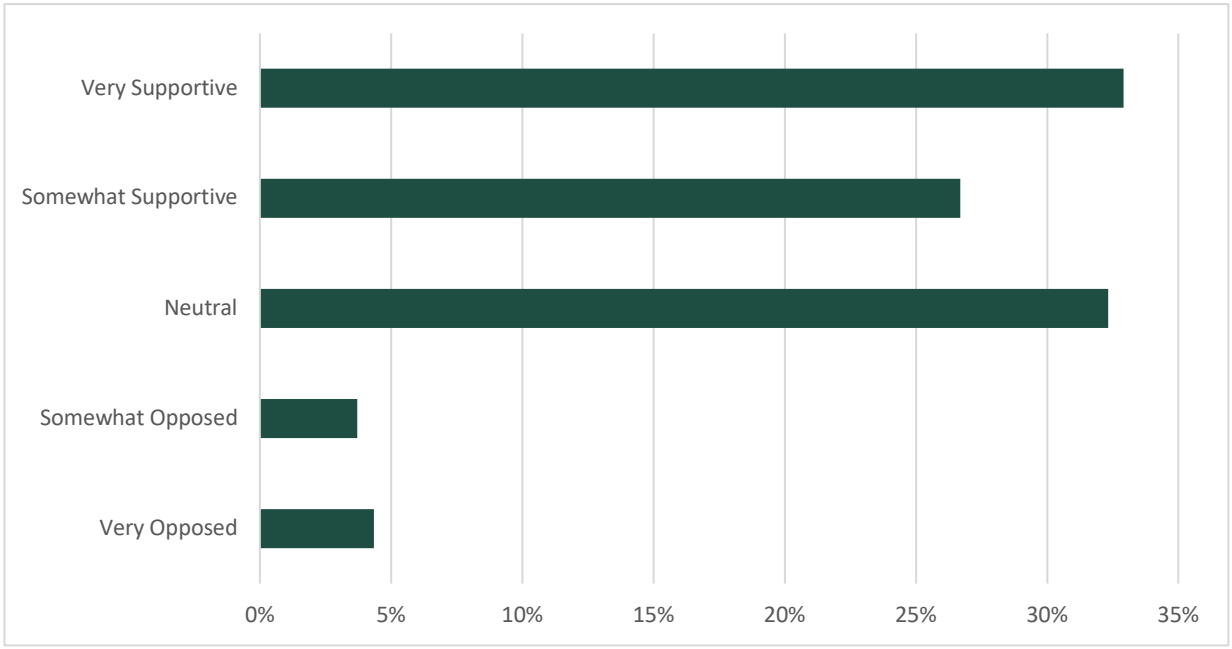
6.3 Windfall Tax on Excess Profits

A windfall tax is a one-off tax applied when a company or asset owner makes an unusually large profit due to circumstances beyond their control, rather than through normal business activity.

This can happen, for example, when prices suddenly rise or when government decisions increase asset values. Internationally, windfall taxes are often discussed in relation to energy companies making large profits during price spikes. Figure 24 highlights the support for a windfall tax.

Proposals for a windfall tax have recently focused on the energy sector. Advocates—including unions, some politicians, and economists—have argued for a substantial levy on liquefied natural gas (LNG) exports to capture extraordinary profits generated by global energy price shocks. Proposals have centred on a "war-time" style windfall tax of around 25%, with proponents suggesting it could raise significant public revenue and address concerns that existing arrangements, such as the Petroleum Resource Rent Tax (PRRT), allow very large resource companies to contribute relatively little in tax. It is noted that the survey was conducted prior to the war in the Middle East, therefore it does not reflect the sentiments after the war began.

Figure 24: Support for a windfall tax



Question: Across the world, countries like the UK have introduced a windfall tax so that companies don't make excessive profits on essential items during times of hardship, like the current rapid increase in the cost of living.

The 2025 results indicate a clear majority in favour of the policy. About one-third of respondents (33%) report being very supportive, while a further 27% are somewhat supportive, bringing total support to 60%. This is a reduction from 2024, where 64% were very supportive or somewhat supportive. Around 32% of respondents adopt a neutral position, and opposition remains low at approximately 8%.

This distribution is notable for combining strong overall support with a high level of neutrality. Support levels approach 92%. At the same time, opposition is structurally limited and remains

below 10%. The size of the neutral category—exceeding one-third of respondents—suggests that while many Australians are open to the policy, a substantial share has not yet formed a firm view.

Taken together, these results indicate broad appeal but limited consolidation of opinion. The underlying principle of the policy aligns with established fairness norms, particularly concerns about excess profits and the pricing of essential goods. However, the policy mechanism itself is less familiar than more traditional tax instruments. As a result, many respondents may support the idea in principle while remaining uncertain about how it would operate in practice.

Windfall taxation appears to enjoy broad public acceptance but limited intensity of support, with a substantial share of respondents remaining open yet uncommitted. This pattern illustrates how new policy instruments tend to enter public opinion. When proposals are framed around widely shared fairness principles, they can attract majority support relatively quickly. However, they often lack the durability and deep social embeddedness of long-established ideas such as progressive taxation. Their longer-term success is therefore more sensitive to context, policy design, and the clarity with which they are communicated.

In the 2025 results, the presence of a large neutral segment suggests that public support for windfall taxation remains fluid. Depending on how the policy is developed, explained, and linked to concrete outcomes, support may either consolidate over time or dissipate as attention shifts or uncertainties persist.

6.4 Decarbonisation policies

The 2025 survey includes two new questions on Australians' support for decarbonisation policies, including policies to make clean energy more affordable and help businesses invest in low-emission solutions (see Figure 25) and policies that would raise the cost of activities that create a lot of greenhouse gas emissions (see Figure 26).

The number of respondents who did not support any decarbonisation policy was very low:

- Only 5% did not support any policy that would raise the cost of activities that create a lot of greenhouse gas emissions.
- Only 4% did not support any policy that would raise the cost of activities that create a lot of greenhouse gas emissions.

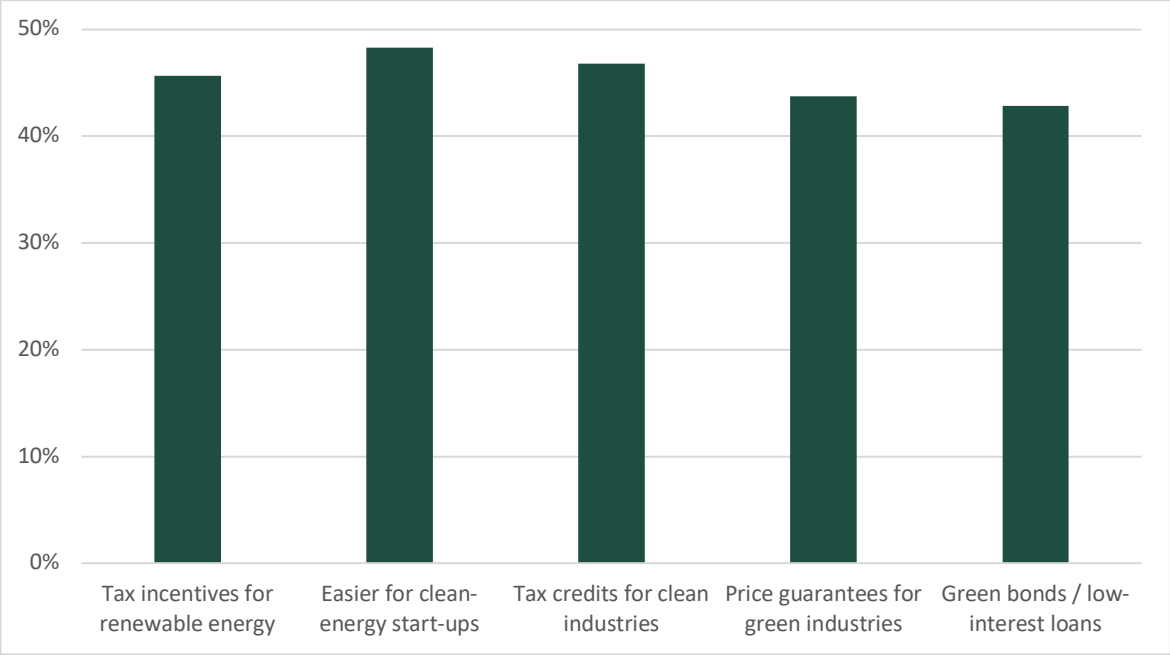
Close to 50 per cent of respondents supported each decarbonisation policy. This may suggest that most Australians support decarbonisation in principle, but do not have a strong view as to which policies will be most effective at reducing carbon emissions at the lowest cost.

Interestingly this is higher than the share of Australians who would like the government to spend much more or a little more on decarbonisation (33%, see Question: *Which of the following statements*

best describes your views on Australian governments' spending on public services? Figure 3). This may suggest that Australians would like the government to take more action to address climate change, but they prefer policies that are net positive for the budget, or do not require explicit government spending.

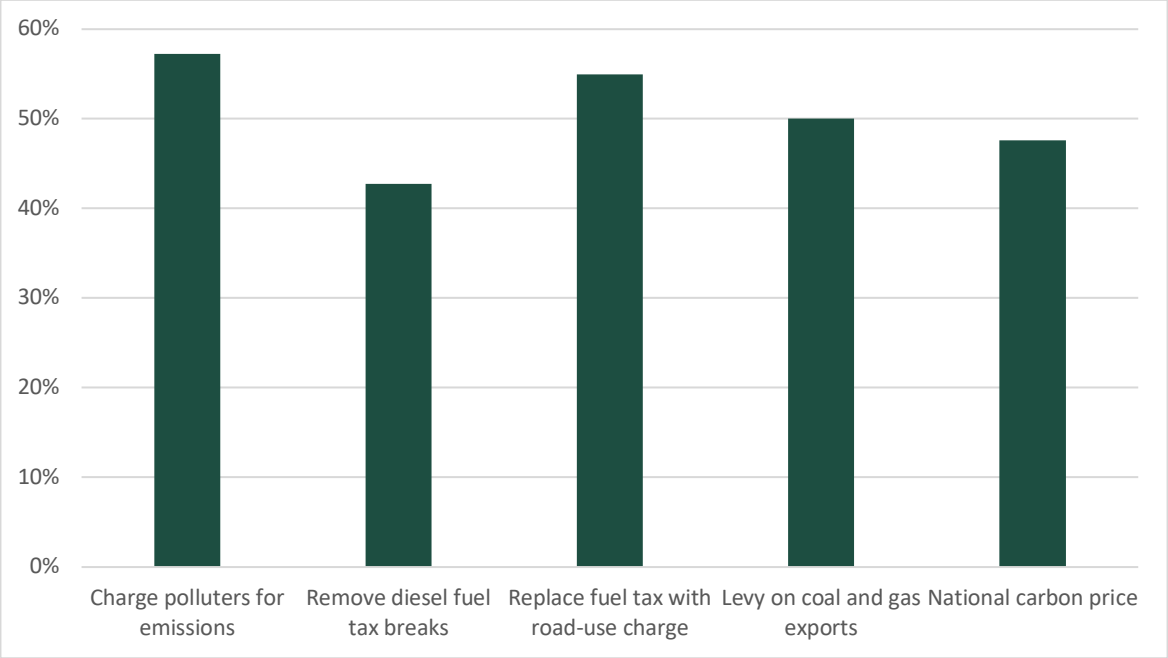
The least supported policy was the removal of diesel fuel tax breaks, which may either reflect support for the heavy trucking industry, or simply a lack of awareness of the policy context.

Figure 25: Supportive of these decarbonisation measures



Question: Some policies aim to make clean energy more affordable and help businesses invest in low-emission solutions... [very supportive + quite supportive]

Figure 26: Supportive of raising the cost of activities that increase carbon emissions



Question: *Some policies would raise the cost of activities that create a lot of greenhouse gas emissions... [very supportive + quite supportive]*

7 Concluding thoughts and consideration for policy makers

Over fifteen years, the Per Capita Tax Survey has consistently revealed a public whose underlying values are far more stable than is often assumed. Australians have not turned away from taxation, nor have they rejected the principle of redistribution. On the contrary, one of the most striking features of the survey series is the durability of public expectations about what the tax system should do and how it should operate.

Across every wave of the survey, respondents have returned to the same core proposition: the tax system should be fair, it should reflect capacity to pay, and it should play a meaningful role in addressing inequality. The 2025 results do not challenge this foundation. Support for a minimum tax on high-income earners remains strong at 62%, and the persistent view that large corporations are under-taxed, held by 68% of respondents, sits comfortably within long-term historical ranges. These are not transient or reactive attitudes. They are embedded features of public opinion.

What has changed is not what Australians believe, but the way those beliefs are expressed under contemporary economic and policy conditions. The 2025 survey reveals a public that remains broadly supportive of reform, but is less emphatic, less unified, and more attentive to trade-offs. Across multiple questions, the intensity of responses has softened. The share of respondents who believe corporate tax avoidance affects fairness "a lot" has declined from 51% in 2024 to 41% in 2025. Support for redistributive measures remains present, but is more cautious and more conditional. Even where support is high—such as for windfall taxation, which attracts 60% support—it is accompanied by a substantial neutral segment (32%), signalling openness without consolidation.

This pattern appears consistently across the survey. In the case of negative gearing, support for reform remains clear, but preferences are dispersed across multiple policy options, with no single approach attracting more than 21% support. In questions about funding redistribution, willingness to contribute remains strongest where inequality is immediate and visible—most notably housing inequality, supported by 48%—and declines as issues become more abstract or indirect. Perceptions of personal tax burden have also shifted, with the proportion reporting that they pay too much tax falling sharply from 47% in 2024 to 37% in 2025, suggesting a recalibration in how Australians situate taxation within broader cost-of-living pressures.

Taken together, these movements point to a more complex and evaluative form of public opinion. Australians are not withdrawing support for taxation or redistribution. Rather, they are engaging with these issues in a more conditional and discerning way, weighing costs, benefits, and delivery more carefully than in earlier periods.

At the heart of this shift lies a persistent and unresolved tension. Australians continue to perceive the tax system as substantial—46% still identify Australia as a high-tax country—yet they do not believe it is delivering outcomes commensurate with that scale. Across questions on inequality, fairness, and system performance, a consistent pattern emerges: the system is viewed as falling short.

This disconnect—between what is collected and what is achieved—represents the critical finding of the 2025 survey. Public dissatisfaction is not rooted in opposition to taxation or redistribution themselves, but in uncertainty about effectiveness. Taxation is perceived as significant; outcomes are perceived as insufficient. The growing gap between the two has become the defining feature of contemporary public scepticism.

This helps explain the apparent coexistence of positions that might otherwise appear contradictory. Australians support increased public spending, particularly in health, aged care, and education. They support raising revenue from corporations and high-income earners. They support redistribution, especially where it addresses immediate economic pressures. Yet they remain cautious about paying more tax themselves, divided on the role of borrowing, and fragmented in their preferences for specific reforms.

These are not inconsistencies. They are the logical outcome of a system perceived as misaligned. Australians are not resisting reform; they are demanding reform that is credible, targeted, and demonstrably effective.

This context is especially important in light of developments in 2025, particularly the Productivity Commission's final report into creating a more dynamic and resilient economy. The Commission's focus on productivity, business investment, and corporate tax reform underscores many of the same tensions revealed in the survey: concerns about economic performance, doubts about whether existing tax settings are delivering value, and an urgent need to reconcile fairness with effectiveness. While the Commission's proposals are framed around growth and efficiency, the survey results indicate that public support for reform will depend not only on economic rationale, but on whether changes are perceived to improve outcomes and distribute burdens fairly.

Viewed over the longer term, the 2025 survey marks not a turning point, but a progression. Earlier waves suggested a public strongly committed to fairness, but less engaged with the mechanics of policy. The 2025 results point to a public that remains committed to fairness, yet is more aware of complexity, trade-offs, and implementation challenges. Support remains, but it is more qualified. Preferences remain structured, but are more dispersed. Expectations remain high, but are increasingly tied to measurable outcomes.

In this sense, the survey does not signal a weakening of the public mandate for tax reform. Instead, it signals a tightening of the conditions under which that mandate can be realised. For policymakers, the task is no longer to persuade Australians that the tax system should be fairer or more redistributive. That case has been sustained for over fifteen years.

The challenge now is to demonstrate that reform can deliver outcomes that are visible, credible, and proportionate; that burdens are shared in ways that align with public expectations; and that the system can function effectively amid ongoing fiscal, demographic, and productivity pressures.

Policies that meet these conditions are likely to find support, even in a more cautious environment. Those that do not may struggle to consolidate backing, even when they align with long-standing public values. The 2025 Tax Survey therefore confirms that Australians continue to want a fairer and more effective tax system—but also that they are becoming more discerning in judging whether it is being delivered.