

Tax Working Group Public Submissions Information Release

Release Document

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taxworkinggroup.govt.nz/key-documents

Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people;
- [2] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage.

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, a [1] appearing where information has been withheld in a release document refers to section 9(2)(a).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

- What do you see as the main risks, challenges, and opportunities for the tax system over the medium- to long-term? Which of these are most important?

Risks and challenges

1 Tax evasion and corruption.

There are many people in my community who work on a cash only basis. This is insidious and undermines society. It is also very unfair increasing the financial burden on honest people who pay their taxes.

The challenge is to detect tax evasion efficiently and prosecute, recover lost income plus fines. I don't see this as happening much if at all in my local community.

Personal rationalizations such as "everyone else is doing it", are not OK. The growing problem needs to be dealt with, if not it will spread wider and into power and governance structures in NZ eroding economic growth, general societal welfare and social justice.

2 Climate change.

Business as usual equals failure to adapt to coming environmental changes and the consequences of this include national economic decline, and more frequent business failures. The welfare states ability to cushion severe personal hardships will lessen as the ratio of wealth generating to loss making activities increases.

3 Epidemics.

An epidemic could infect a large proportion of the population and disable or kill hundreds of thousands if not millions of New Zealanders putting an impossible to recover from burden on welfare, health, and governance infrastructure and personnel.

Which of these are most important?

The above 3 points are equally important.

1 and 2 are developing slowly and at an accelerating rate.

3 is almost certain to happen and could occur at any future time within a period of weeks to months.

Ideas on how the tax structure could help ameliorate these risks.

By incentives stimulate innovation and diversity in economic, business activity and research and development.

For examples

1 Further research into agrichemicals, potential pharmaceuticals, anti viral and antibiotics from plants and other natural biota. eg from Feijoa fruit see

<https://www.ruraldelivery.net.nz/stories/Feijoa-Research-at-Victoria-University>

and

<https://hikurangi.enterprises/2017/11/18/drugs-from-feijoas/>

and

RURAL DELIVERY SERIES 14, EPISODE 1 March 24 2018

Bio-pesticides are being created to fight pastoral pests at AgResearch Lincoln
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2 My project breeding Feijoa plants with long storing fruit for exports in shipping containers. see <https://www.ruraldelivery.net.nz/stories/Feijoa-Breeding>

3 Link the NZ Intellectual Property Office activity, funding and goals to real business and research activity.

The NZ taxpayer pays for buildings and staff in the NZ Intellectual Property Office which has little real connection to actual business and economic activity or research.

Eg Current and past VUW work on feijoa fruit extracts from fruit from my land has found new compounds and ultra potent fungicides that have international market potential value in the billions of dollars **but** to date the University has insufficient funds or it appears commercial expertise to file for provisional patents. This is going to produce a potential loss to the NZ taxpayer of gigantic scale.

Regards,
Nigel Ritson