

Tax Working Group Public Submissions Information Release

Release Document

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

From: Jeremy Thompson [1]
Sent: Sunday, 8 April 2018 4:51 PM
To: TWG Submissions
Subject: Submission
Attachments: NZPublicSuperannuationPolicyOct17.docx

To The Tax Working Group
NZ Govt.

Dear Sirs

Please accept this submission in abbreviated form. Time precludes a more eloquent form.

For each question I list elements for consideration during policy formation. My special area of expertise and experience is personal financial planning with experience of long term savings infrastructures in UK and NZ with familiarity of the Aussie system.

1. Productivity
 - Medium and long term R&D fiscal settings for NZ organisations;
 - Reliable Govt spend as % of GDP on “long term science”;
 - Co-ordination of linkages with overseas R&D to assist collaboration;
 - Education;
 - Health;
 - Infrastructure.
2. Globalisation
 - Keep NZ relevant, connected;
 - Trade agreements with compatible countries based on ‘Values’ not population;
3. Changing Demographics
 - Start debate of population control;
 - Health spend and National Superannuation. Long term both cannot exist ‘as is’ – John Key was wrong. See attached Word Doc submission. Demonstrates how lessons may be learned from NZ’s past, UK and Aussie present to form a New Zealand Superannuation Infrastructure that: a) delivers integrity of financial security for future NZ retirees while eventually allowing for the eventual redirection of the bulk of the current cost of National Superannuation into the public health sector. This document lacks polish but I’m happy to contribute to the discussion further;
4. Te Maori & Future Role
 - Finality of settlement process essential;
 - Charitable/tax free status of Maori Trusts/corps to be phased out over time;
5. Inequality
 - Equality of opportunity (public education and public health essential contributors) vital;
 - Capitalism and entrepreneurial drivers vital BUT regulations required to counter greed. Regulation to apply ratio of remuneration of top execs to that of average employee in Co (eg. Band of 10 to 15x with these a requirement of accounts);
 - Remove tax loopholes, specifically, multinationals to be taxed on NZ revenue with strict limits on offshore IP deductions, preferably in harmony with OECD-wide approach;
 - Superannuation outcomes for parents (predominantly women to date) or disabled – covered in attached submission;
 - NZ retailers that employ NZ citizens and residents to experience equal or better GST treatment than offshore Online retailers.
6. Changing Nature of Work
 - Employment is a vital source of self-esteem and social interaction – must flow through to policy settings;

- Per above, NZ retailers to be favoured relative to offshore online retailers via GST. Employment opportunities in NZ vital;
 - NZ Agriculture and employment to be future orientated, Eg. Threat of factory meat and milk production a reality in short to medium term. Govt to lead research and collaboration with selected overseas countries (compatible values) to seize the opportunity to harness NZ's 'Clean green' brand and identify alternative agri crops/products;
7. Environment
- Exploration permits for fossil fuels a thing of the past;
 - Electric vehicle infrastructure to be rolled out quickly via public/private partnerships;
 - Fiscal settings to get NZ to 100% renewable energy production by 2030 – A Govt Plan. Inclusion of Tidal power in the mix;
 - NZ transport, local and national to become electric eg. Light rail, rail and EVs. Incentives and disincentives required;
 - Per 6 above, shift away from reliance on milk and meat towards crops reduces methane production;
8. Technology
- International linkages for education and R&D to keep NZ at the cutting edge;
 - CO2 and Methane production to be reduced via policy settings (above) and adoption of technology.

Summary:

NZ needs to be a bastion of fair play with its treatment of tax that respects equality, opportunity and the inevitable negative outcomes from capitalism – greed. Eg. Multinationals exploiting IP loopholes and technology's challenge to NZ jobs eg GST on overseas online retailers at higher rate.

Thank you for the opportunity to share these thoughts.

Jeremy Thompson BSc (Agr)