

Tax Working Group Public Submissions Information Release

Release Document

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- [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.

Submission to the Tax Working Group: Future of Tax

Thank you for the opportunity to comment on the Future of Tax. I am submitting as a taxpayer with a comfortable income, and as someone with many years' experience in public health and social research.

1. I want to see greater income and wealth equity in New Zealand. This is important for the wellbeing of our country as a whole (not just about 'helping the poor'). I see this as the most important challenge for the tax system in coming years. The system is currently unfair: wealth generates more wealth while many people are on the breadline with little prospect of improving their circumstances since the minimum wage does not even cover basic costs of living, let alone allow savings. I would be happy to pay higher personal income tax, to allow redistribution to those with lower incomes.
2. I support the use of tikanga Māori to underpin the principles and practices of taxation in Aotearoa New Zealand. Tikanga Māori provides wisdom and principles that all New Zealanders can understand and live by.
3. Lack of affordable (dry, warm) housing in NZ is a major health and humanitarian problem. I support a capital gains tax, because it will reduce speculation, encourage people to invest in more productive areas of the economy, and make the family home more affordable. Long term, it will help to reduce wealth inequality by allowing a greater proportion of NZers to own their own home.
4. I support the use of taxes to modify behaviour, provided this is done in a 'smart' way (e.g. with accompanying mass media campaigns and other policy measures that also encourage behaviour change) and accompanied by tax-breaks or other measures to put more money in the pockets of low income households, and ensure the material needs of children are met. Done well, they can encourage all New Zealanders (including disadvantaged communities and individuals) to live healthier, happier lives, while still allowing freedom of choice. Done poorly, they further 'punish' the poor and exacerbate child poverty. They need to be framed as health policies (not revenue-generation policies) and implemented as such, using an evidence-based approach to maximise their effectiveness.
5. I support continued increases in tobacco tax, provided that the additional revenue generated is earmarked for a) community-based and workplace/industry-based initiatives to denormalise smoking in low-income, Māori and Pacific communities and certain industries where smoking is still the norm, b) mass media campaigns to prevent smoking uptake and support quitting. Quit rates could be much increased if mass media campaigns were tied in to price rises. There is also evidence that a big tax increase every two years could be more effective than smaller increases every year, because of the 'shock' value. Along with continued tax increases is also important to introduce minimum pricing, as the tobacco industry has, to date, managed to keep budget brands cheap by cross-subsidising, thereby

reducing the effectiveness of tax increases. It is also important to ensure that children of smokers do not suffer as a result of tobacco tax increases, e.g. via the continuation and expansion of fruit in schools, milk in schools and other initiatives to ensure children's material needs are met.

6. I support the introduction of a sugar tax because evidence from other countries suggests such taxes can a) lead to product re-formulation and lower sugar content, and b) reduce sugar consumption, resulting in lower obesity rates and a healthier population. Attention needs to be given to discouraging substitution with equally unhealthy products. I support using the revenue to remove GST from fresh fruit and vegetables.
7. I support the increase of tax on alcohol, and argue that the revenue gained should be used to greatly expand the provision of alcohol and drug services.
8. I support the use of tax to discourage private car use and protect the environment from pollution/degradation.
9. As noted above I would like to see GST excluded from fresh and frozen (i.e. unprocessed) fruit and vegetables. Sugar should be taxed to make up for lost revenue.

Yours sincerely,

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