

## **Tax Working Group Public Submissions Information Release**

### **Release Document**

**September 2018**

**[taxworkinggroup.govt.nz/key-documents](http://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.

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Dear Tax Working Group,

Thank you for the opportunity to submit on the future of tax in Aotearoa New Zealand.

Poverty Action Waikato has a vision of flourishing communities, valuing hauora, social justice, equity, and diversity. Our mission is to be bold and courageous in pursuit of our vision. In our mission we will engage with Te Tiriti O Waitangi and follow tikanga. We will also, challenge neoliberalism, connect with individuals and communities, research and inform through stories and statistics, discuss and debate, advocate with community to decision makers and each other, encourage and support participatory democracy, model inclusive language and we will support one another respecting our unity and diversity.

Poverty Action Waikato functions as an open and inclusive working group, comprised of a diverse range of committed individuals who share PAW's vision and mission.

Poverty Action Waikato supports a more progressive tax system, and supports a tax and transfer system that reduces inequality to pre-1980 levels. New Zealand has one of the lowest top personal tax rates and we believe that this should be increased. We support the government introducing a tax-free threshold at the bottom of the income tax scale first and then reduce and simplify rates in the middle bands of the tax scale. We want to ensure that beneficiaries receive the benefits of the proposed changes by passing tax cuts on to those on benefits and adjusting benefit abatement rates.

Poverty Action Waikato supports a comprehensive capital gains tax on inflation adjusted capital gains at the time the capital gains are realised. We ask that the family home be exempt from capital gains tax.

We support Oxfam New Zealand's call for the government to crack down on tax avoidance.

Poverty Action Waikato supports the tobin tax. We ask that the government joins the group of countries working to agree on a tax on international currency movements, to set up a fund to provide capital for poor countries to improve their social and

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environmental wellbeing. This would discourage currency speculation without being high enough to impede genuine trade.

Poverty Action Waikato supports the government to implement a suite of measures – developed in cooperation with other OECD countries – that will further strengthen the rules for taxing income from investment in NZ.

Poverty Action notes that the policies recommended by the Productivity Commission to mitigate Climate Change could increase the costs of household energy, food and transport. Poverty Action supports the Commission’s recommendation to reduce the adverse impact of such increases on the real incomes of vulnerable households through the tax and welfare system. We also support the Commissions’ recommendation for the government to monitor energy, food and transport price trends to ensure that the benefits and tax credits adjustments are being appropriately adjusted over time.

Thank you for the opportunity to call for a tax system that we believe will reduce poverty and achieve greater equality in Aotearoa New Zealand.

Nгаа mihi,

Poverty Action Waikato