

The Treasury

Budget 2024 Information Release

September 2024

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Information Withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to sections of the Act under which information has been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [27] 9(2)(ba)(ii) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest
- [31] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting collective and individual ministerial responsibility
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;
- [36] 9(2)(h) - to maintain legal professional privilege
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [40] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

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From: [Jean Le Roux \[TSY\]](#)
To: [Mario DiMaio \[DPMC\]](#); [^Parliament: Emma Grigg](#)
Cc: [Michael Eglinton \[TSY\]](#); [Meghan Stephens \[TSY\]](#); [Claire McLellan \[TSY\]](#)
Subject: Share of government spend by household equivalised disposable income quintiles, tax year 2027
Date: Wednesday, 27 March 2024 11:19:00 am
Attachments: [Government spend by quintiles.xlsx](#)

Kia ora Mario (Emma fyi as mentioned)

Please find attached as requested by Mario a table showing the share of government spend by Household Equivalised Disposable Income (HEDI) quintiles, tax year 2027 using TAWA estimates. Please note Treasury fiscal estimates are for fiscal years and include official estimates using Inland Revenue. TAWA provides distributional results for tax years only.

The key assumptions are:

- The PIT tax threshold changes are: 10.5% for \$0-15.6k; 17.5% for \$15.6-53.5k, 30% for \$53.5-78.1k, 33% for \$78.1k-180k; 39% for \$180k+.
- The IETC change updates the upper limit of eligibility to \$70,000 with abatement from \$66,000
- The IWTC change increases the In-Work Tax Credit by \$25 to \$97.50 a week
- Introduction of Family Boost
- [33]

A huge thanks to Mike (cc'd) from A&I for turning this around so quickly.

Please let us know if you have any questions.

Cheers

Jean

Share of government spend by household equivalised disposable income (HEDI) quintiles, tax year 2027 using TAWA estimates.

HEDI Quintile	Share
	1 7%
	2 16%
	3 22%
	4 27%
	5 28%

Note that Treasury fiscal estimates are for fiscal years and include official estimates using Inland Revenue. TAWA provides distributional results for tax years only.

This package includes changes to PIT, IETC, IWTC, and FB

The PIT tax threshold changes are: 10.5% for \$0-15.6k; 17.5% for \$15.6-53.5k, 30% for \$53.5-78.1k, 33% for \$78.1k-180k; 39% for \$180k+.

The IETC change updates the upper limit of eligibility to \$70,000 with abatement from \$66,000

The IWTC change increases the In-Work Tax Credit by \$25 to \$97.50 a week

FB is the introduction of Family Boost

Quality Assurance

The QA process applied to this analysis was: **standard**. This means these results were independently produced by two TAWA analysts.

Key modelling assumptions

This analysis was carried out using Treasury's micro-simulation model of the tax and welfare system - TAWA. All calculations should be considered as estimations.

Estimates are for the specified tax year using HES 2020/21 augmented using IDI data, inflated and population adjusted with HYEUFU 2023 inflation estimates. Results are sensitive to particular data and EFU inflation estimates, and TAWA routinely updates its data and EFU inflation estimates.

This can result in differences when comparing analysis requests.

Status quo results correspond to the currently legislated tax and welfare system.

The modified OECD equivalisation scale is used to calculate household equivalised disposable incomes (HEDI).

When analysing reforms, quantile boundaries are calculated within each tax year based on all households in the status quo.

Risk/reliability assessment

The Treasury considers these results to have medium reliability and medium risk.

Disclaimer

These results are not official statistics. They have been created for research purposes from the Integrated Data Infrastructure (IDI) which is carefully managed by Stats NZ. For more information about the IDI please visit <https://www.stats.govt.nz/integrated-data/>. The results are based in part on tax data supplied by Inland Revenue to Stats NZ under the Tax Administration Act 1994 for statistical purposes. Any discussion of data limitations or weaknesses is in the context of using the IDI for statistical purposes, and is not related to the data's ability to support Inland Revenue's core operational requirements.