

# The Treasury

## Budget 2024 Information Release

### September 2024

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- [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
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- [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

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**From:** Jean Le Roux [TSY]  
**Sent:** Friday, 21 June 2024 12:35 pm  
**To:** ^Parliament: Emma Grigg; Lonnie Liu  
**Cc:** ^Parliament: Angela Graham; ^Parliament: Grant Johnston  
**Subject:** RE: Tax at a glance  
**Attachments:** Aide Memoire\_ Personal Income Tax Modelling Note(4965906.1).pdf

Hi all

Please find below some context around both how the scenarios in the TaaG have been developed but also how TAWA distributional analysis has been used for the analysis of the impact of the package. This is hopefully helpful background material.

The examples in the “What could this mean for me” section of the Tax at a Glance are illustrative and have been developed using the tax calculator. These examples show the savings a household with these characteristics would receive.

These scenarios have not been developed using distributional analysis from the TAWA (Tax and Welfare Analysis) model. Due to the fact they don’t rely on distributional analysis, we don’t have the numbers of families under each example. The exact circumstances of a given family are relatively unique, and there is likely to be a small number of families that exactly meet any given values for main earner income, partner income, number of children, ages of children, etc.

We could attempt to quantify the number of families in NZ that are similar to the illustrative examples, but the nature of the model and the number of potential combinations mean that we would need to make some value judgements which can take a lot longer than typical modelling requests.

Our approach in those situation is generally to provide the number of families meeting certain criteria (e.g. number of households with children gaining at least \$X, households with senior who will benefit from the package).

To help understand the impact of the final budget package on the NZ population, TAWA provided distributional impacts for individuals, households, households with children, and households with seniors. These impacts included the percentage of the population gaining from the package and the average gain (Table 1 below). In addition, TAWA provided the number of gaining households and households with children for different fortnightly gains, e.g., gains < \$25, gain between \$25 to \$50, etc. (Table 2 below).

This information was provided to the Minister of Finance on 29 May 2024 (T2024/1464 attached to this email).

In addition, during the budget development process, TAWA advice included average gains/losses and numbers of gaining/losing households at different household income levels and the distribution of effective marginal tax rates. These results were provided for different types of households and different combinations of policy settings.

**Table 1: Distributional impacts**

	Total number	Total number	Percentage	Average
		gaining	gaining	fortnightly gain
<b>All households</b>				
Tax year 2025/26	2,000,000	1,865,000	93%	\$58
Tax year 2026/27	2,019,000	1,888,000	94%	\$60
<b>Households with children</b>				
Tax year 2025/26	629,000	581,000	92%	\$78
Tax year 2026/27	629,000	584,000	93%	\$78
<b>Households with seniors</b>				
Tax year 2025/26	637,000	629,000	99%	\$40
Tax year 2026/27	657,000	649,000	99%	\$46
<b>Individuals</b>				
Tax year 2025/26	4,219,000	3,469,000	82%	\$32
Tax year 2026/27	4,267,000	3,521,000	83%	\$32

**Table 2: Number of households gaining different amounts from tax changes**

	< \$25	\$25-50	\$50-75	\$75-100	\$100-200	\$200+	Total gaining
<b>2025/26</b>							
All households	424,000	518,000	221,000	524,000	159,000	19,000	1,865,000
Households with children	48,000	125,000	77,000	234,000	83,000	14,000	581,000
<b>2026/27</b>							
All households	317,000	576,000	268,000	540,000	168,000	19,000	1,888,000
Households with children	46,000	128,000	76,000	233,000	86,000	15,000	584,000

Note: Figures are rounded to the nearest 1,000. Only gaining households are included (i.e., the less than \$25 category does not include households gaining \$0 or less).

Many thanks

Jean

**From:** Emma Grigg <Emma.Grigg@parliament.govt.nz>

**Sent:** Thursday, June 20, 2024 12:24 PM

**To:** Lonnie Liu <Lonnie.Liu@parliament.govt.nz>; Jean Le Roux [TSY] <Jean.LeRoux@treasury.govt.nz>

**Cc:** ^Parliament: Angela Graham <angela.graham@parliament.govt.nz>; ^Parliament: Grant Johnston <Grant.Johnston@parliament.govt.nz>

**Subject:** RE: Tax at a glance

Thanks Lonnie – have copied in Jean who had to field similar questions in the Treasury FEC hearing yesterday. It is tricky as one line of questioning was around whether these were real families and how many of the exact family set ups were there. This is not information that is available. Jean do you think that the answer is to give the household numbers per the aide memoire from Treasury that is grouped into households with and without children and goes in bands of dollars better off?

Happy to discuss.

Emma

**From:** Lonnie Liu <Lonnie.Liu@parliament.govt.nz>

**Sent:** Thursday, June 20, 2024 11:54 AM

**To:** Emma Grigg <Emma.Grigg@parliament.govt.nz>

**Cc:** Angela Graham <[Angela.Graham@parliament.govt.nz](mailto:Angela.Graham@parliament.govt.nz)>

**Subject:** Tax at a glance

Hi Emma,

A question that was raised at the Estimates hearing yesterday was around the number of families in each of the categories in the *Tax at a Glance* document. The Minister has asked whether Treasury could provide an estimate of the number of families for each example.

I understand the MoF may have asked for the same thing? If so, it would be good to be looped in when you receive a response.

Kind regards

**Lonnie Liu**

**Private Secretary Revenue**

Office of the Hon Simon Watts| MP for Northshore

Minister of Climate Change | Minister of Revenue

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