



# Income Tax and Transfer Policy Changes in New Zealand: 1988-2013

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## **Abstract**

The goal of this paper is deliver an outline of the primary income tax and transfer policy settings in New Zealand between 1988 and 2013. The 1988-2013 period saw significant change in the tax and benefit systems, as the dual principles of a *broad-base low rate* tax system and increased targeting and work testing of benefits were implemented. By outlining the ways the tax and transfer structure changed in terms of thresholds, rates, and eligibility criteria this paper allows for structural modelling of tax and transfer payments. Furthermore, it provides a resource that lists policy changes with reference to the initial legislation which can be used to inform discussion of the tax-transfer changes of this period.

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# 1 Introduction

This paper provides an outline of changes to primary tax and transfer policies in New Zealand between 1988 and 2013. The purpose of such an outline is to provide descriptive context to the tax-transfer policy changes that occurred over this period, and to outline the policies that form the basis for extending the time horizon of Treasury's tax-transfer microsimulation model (TAXWELL).

Since 1984 there has been a raft of changes to social and economic policy settings in New Zealand. A broad outline of these changes is given in Evans et al. (1996) and Massey (1995). Adjustments to the scope and structure of the welfare state made up an important element of these reforms. These changes have been written about widely, and are usually separated into discussions of welfare system reform (McClure 1996) and tax reform (Stephens 1993, Treasury 2001).

Tax reforms were focused on providing a *broad-base, low rate* tax system (Treasury 2001). A narrow base of (predominantly) income tax had to finance government spending prior to 1984 and as a result increasing the size of the tax base and reducing tax rates was seen as a way to increase the fairness of the tax system and reduce variability in government revenue. However, by 1988 the base broadening had already taken place. As noted by Stephens (1993) the debate switched in 1987 towards what rates, and thereby what size of government, was desired.

When it comes to the provision of social welfare, these policy changes shifted social support in New Zealand away from the traditional Australasian model of *worker income support*<sup>1</sup> (Castles 1994) towards the Swedish model of *government expenditure support*<sup>2</sup> (Davidson 1989). However, New Zealand's focus on targeted support - as compared to the more universal payments in Sweden - remained in place, and was in fact reinforced by the reforms from 1991 onwards.<sup>3</sup>

Increasing pressure on the cost of income support during the 1970s had led to a change in views about the purpose of income support among the

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<sup>1</sup> Examples of the Australasian model of income support are job guarantees, minimum wages, and targeted payments to those who were seen as in need.

<sup>2</sup> The Swedish model refers to providing income support through direct tax-transfer payments.

<sup>3</sup> New Zealand has traditionally focused more on expenditure support than Australia, so it is important to not overemphasise this change.

public and in policy circles. This culminated in the 1991 Budget with increased enforcement of work testing for beneficiaries and a stratification of benefit types based on the perceived *need* or *deserving characteristics* of the individual requiring support. Although primary payment levels remained unchanged in real terms up until 2013, work testing criteria were continuously tightened.

The only area of income support that saw a reduction in targeting during 1988-2013 was National Superannuation. Although support was tightened through the increase in the age of eligibility (from 60 to 65), the superannuation surcharge was removed and the real value of superannuation payments increased.

In order to evaluate the change in policy focus in New Zealand, the literature has focused on the observed outcomes during the reform period (eg Podder and Chatterjee 2002, Hyslop and Mare 2005, Ball and Creedy 2015). Although these exercises provide important insight into the changes New Zealand has experienced, given the number of confounding factors during this period an understanding of the change in the structure of the tax and transfer system is an essential starting point for additional analysis of tax-transfer policy since 1988. As a result, this paper will provide a breakdown of the structure of income tax and transfer policy changes over the 1988 to 2013 period.<sup>4</sup>

Such an exercise is a first step towards an evaluation of the efficiency and equity principle of a tax-transfer system, and as a result it is important take this descriptive exercise as an evaluation of tax-transfer changes. One of the purposes of the paper is to provide this information so further analysis of the redistributive and equity effects of policy can be undertaken.

Furthermore, an analysis that focuses only on changes in first tier tax and benefits can only capture some elements of the full change in tax-transfer policy. Changes in other taxes and benefits, the culture of welfare agencies, implicit targeting, screening, and considerations of what constitutes needs are all relevant to understanding a tax and benefit system but are not part of this paper.

Prior discussions of New Zealand tax-transfer policy change over part of

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<sup>4</sup>This implies that changes to indirect taxes (eg GST) will be excluded. Corporate taxes are also excluded from analysis. Furthermore, it should be noted that some forms of social assistance - such as supplementary benefits and the accommodation benefit/supplement will not be outlined here - even though they also contributed to the change in income support to households over this period.

this period exist in the literature, although they tend to focus on a subset of these changes. An outline of policy change with respect to family assistance was provided in Nolan (2002) and extended to include Working for Families by Mercante and Mok (2014), the outline of benefit changes in 1991 and pre-2001 tax reforms is given in Nolan (2005), and a description of superannuation policy change is outlined in St John (2013). These papers outlined the changes in transfer setting for the policy of interest in detail with links to primary sources.

The outline of the paper is as follows. In Section 2 changes to the income tax system are outlined and discussed. Section 3 covers first tier benefits (eg the unemployment benefit), first for single people and then for couples. Section 4 outlines the change in superannuation payments and policies between 1988 and 2013. Section 5 briefly concludes, while Section 6 provides links to the primary sources used for this analysis.

Links to primary legislation are denoted with a [X], where X stands for the number of the legislation in the Appendix. An electronic copy of this paper includes hyperlinks to the noted legislation on Knowledge Basket.

## **2 Income tax rates, thresholds, and coverage**

In the discussion that follows the notation TYXX refers to the tax year for the year denoted. For example TY93 is the 1993 tax year, which denotes the period between April 1992 and March 1993.

Between TY84 and TY88 the income tax system changed significantly. A clear example of this change was the adjustments to tax rates and thresholds. The reduction in tax rates and changes in tax thresholds can be seen in Table 1.<sup>5</sup>

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<sup>5</sup> The TY84 and TY85 scales include a surcharge introduced in TY82, which had to be approved each year - legislative rate was 41.1%. The surcharge made permanent in TY86. The TY87 scale is a composite scale, given that the tax changes occurred in October 1986 to "compensate for the introduction of GST".

Table 1: Tax thresholds and rates: TY84-88

Thresholds	TY84		TY85		TY86	
	Threshold	Rate	Threshold	Rate	Threshold	Rate
Zero income	-	20%	-	20%	-	20%
First threshold	\$6,000	31.25%	\$6,000	32%	\$6,000	33%
Second threshold	\$24,000	45.1%**	\$24,000	41.1%	\$25,000	45.1%
Third threshold	\$30,000	56.1%	\$25,000	45.1%	\$30,000	56.1%
Fourth threshold	\$38,000	66%	\$30,000	56.1%	\$38,000	66%
Fifth threshold	-	-	\$38,000	66%	-	-

  

Thresholds	TY87		TY88	
	Threshold	Rate	Threshold	Rate
Zero income	-	17.5%	-	15%
First threshold	\$6,000	24%	\$9,500	30%
Second threshold	\$9,500	31.5%	\$30,000	48%
Third threshold	\$25,000	37.55%	-	-
Fourth threshold	\$30,000	52.05%	-	-
Fifth threshold	\$38,000	57%	-	-

However, looked at in isolation the rate and threshold changes give a misleading indication of what happened to the tax system.

There was tax base broadening with the introduction of a fringe benefit tax in March 1985 at 45% [1] before rising to 48% in April 1986 [2]. Furthermore, the Transitional Tax Allowance was introduced in October 1986 [3] as a replacement for the Principal Income Earner Rebate. These changes happened in the face of the introduction of GST as a partial replacement for an income tax [4] - initially at 10% in October 1986, but rising to 12.5% in July 1989 [5]. Finally inflation, which ran at an average rate of over 11%pa during this period, significantly reduced the real value of tax thresholds. According to Stephens (1987) when these changes are combined the overall progression of the tax system was intended to remain unchanged between 1984 and 1987 while the tax base this scale was applied on was widened.

The focus of this paper is on the period TY88-TY13. During this period the changes to the income tax schedule were more gradual.

The first change from TY88 was the introduction of the Low Income Rebate LIR and tax cuts in the 1988 Budget [6]. Excluding this rebate the tax schedule had been changed to a two rate schedule - 24% on income below



\$30,875pa and 33% above this threshold. However, the LIR reduced effective tax rates to 15% for income below \$9,500 and then was clawed back pushing the effective tax rate between \$9,501 and \$30,875 up to 28%.

The purpose of the LIR was to ensure that the tax rate on low income wage earners did not rise even though the tax rate on the lowest income bracket had increased. With investment income sources not eligible for the LIR (unless you were retired) these would be taxed at a different rate than labour income. The rates and thresholds discussed below are for personal wage income and so incorporate the LIR. The scale including the LIR is termed the gross tax scale.

In nominal terms, the income tax system remained broadly unchanged until July 1996.<sup>6</sup> However, as a result of fiscal drag, the real value of the tax thresholds had fallen - the 1990 thresholds were equivalent to \$11,043 and \$35,890 in 1996 prices.

Rather than adjusting for this fiscal drag, prior to the election in 1996 the government introduced reductions to tax rates with corresponding adjustments to the LIR and increased the abatement rate on temporary benefits (eg the unemployment and sickness benefit) - changes that were expected to increase labour supply (Treasury 1996). The tax rate and threshold changes were not set to take place all at once, instead being phased in during July 1997 and July 1998. As a result, both TY97 and TY98 involved composite scales - with the tax scale only settling again in TY99 (IRD 1996).

In 1999 the new government introduced a new top tax bracket [7] with a 39% rate applied to each dollar earned above \$60,000pa. The rate of FBT was also increased from 49% to 64% to be consistent with this new higher top tax rate.

In TY01 an alternate multi-rate option for FBT introduced [8], where if the employer could attribute fringe benefits to individual workers they would be taxed on the basis of the income of the specified worker. The purpose of this was to stop the fringe benefits of employees earning below the top tax rate getting overtaxed - given that the single rate was set to make the tax liability for the employer the same whether paying in cash or through the provision of fringe benefits (Carr and Chan 2004).

A tax review was then undertaken in 2001 (Treasury 2001), but in terms of

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<sup>6</sup> During this period the Income Tax Act 1994 was introduced - which modernised the 1976 Act and tidied up the series of amendments that had been passed in the meantime.

tax rates and thresholds the income tax system was left unchanged until 2008.

At the end of its third term in 2008 the government introduced cuts to the bottom tax rate [9] (from 15% to 12.5%) and changes to the first two gross thresholds. When the next government came into power in late 2008, threshold and rate changes were made for the top tax bracket [10] but the other changes (which came in the month before the election) were kept in place.

Although there were threshold adjustments, there had been a significant period of fiscal drag between the introduction of the previous tax scale in 1999 and these changes in 2008<sup>7</sup>. Comparing the real value of thresholds in TY01 to TY10 (the first full tax year for both tax systems) indicates that the TY01 thresholds were equivalent to \$11,985, \$47,940, and \$75,694 in 2010 dollars. As a result, in real terms the adjustments increased the lowest threshold relative 2001, but the top tax threshold was at a lower real level.

Comparing these thresholds to both wage growth and median incomes reinforces this story about the top tax rate, as they provide an indication of the change in where in the income distribution the thresholds fall. In 2001 this threshold was at 199% of median labour market income for individuals in employment and 143% of household median income. By 2010, after the threshold increase, the threshold was at 175% of median labour market income for individuals in employment and 108% of household median income.<sup>8</sup>

Following a report by the Tax Working Group (Victoria University of Wellington Tax Working Group 2010), the government undertook more significant changes in tax rates [11] which came in place from October 2010. The 2010 tax changes were also outlined and analysed in Creedy and Mok (2015). Although the tax thresholds remained unchanged, tax rates were reduced - more than compensating for the increase in the GST rate from 12.5% to 15% [12]. With personal income tax rates cut, the rates of fringe benefit tax were also cut.

Changes in the gross income tax scale are outlined in Table 2.

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<sup>7</sup> During this period of stability in tax thresholds and rates a new updated tax acts were introduced, the Income Tax Act 2004 and the Income Tax Act 2007.

<sup>8</sup> These figures were estimated using weighted Household Economic Survey data.

Table 2: Tax thresholds and rates: TY88-13

Thresholds	TY88		TY90		TY98	
	Threshold	Rate	Threshold	Rate	Threshold	Rate
Zero income	-	15%	-	15%	-	15%
First threshold	\$9,500	30%	\$9,500	28%	\$9,500	21.75%
Second threshold	\$30,000	48%	\$30,875	33%	\$34,200	24%
Third threshold	-	-	-	-	\$38,000	33%

Thresholds	TY01		TY10		TY13	
	Threshold	Rate	Threshold	Rate	Threshold	Rate
Zero income	-	15%	-	12.5%	-	10.5%
First threshold	\$9,500	21%	\$14,000	21%	\$14,000	17.5%
Second threshold	\$38,000	33%	\$48,000	33%	\$48,000	30%
Third threshold	\$60,000	39%	\$70,000	38%	\$70,000	33%

### 3 First tier benefits

The legislative structure of the system of government benefit payments, including the naming convention of benefits, was largely unchanged between the introduction of the Social Security Act in 1938 and 2013. The key changes since 1938 were to do with the implementation of these payments and the nature of eligibility (McClure 1996). Even when the naming of benefits was changed<sup>9</sup> the overarching structure of benefits based on payments stratified by unemployment, disability, and family structure, remained in place.

Although the structure of government assistance remained unchanged the size of these payments - and the obligations associated with receiving them - did change sizeably between TY88 and TY13.

The benefit system can be viewed as having three tiers of assistance. The first tier is made up of the main benefits. During the 1988-2013 period these were the Unemployment Benefit (UB)<sup>10</sup>, the Sickness Benefit (SB), Domestic Purposes Benefit (DPB)<sup>11</sup>, and the the Invalid's Benefit (IB).

<sup>9</sup> The naming conventions were changed temporarily between 1998-2001 and permanently from July 2013.

<sup>10</sup> The UB discussed here includes the Independent Youth Benefit from 1996.

<sup>11</sup> Carers benefits, Orphan's/Unsupported Child Benefit, Emergency Benefits, and Widow's Benefit are being included in the IB and DPB here.

The second tier is made up of *cost related payments* - Working for Families(WfF) and the Accommodation Supplement fall into this category, along with childcare subsidies. The third tier includes *hardship payments* (eg unrecoverable special needs grants, or recoverable interest free loans/benefit advances) and payments related to *employment intervention*. The second and third tiers can be grouped together and are often termed *supplementary assistance*.

In this paper the focus is only on first tier payments, as the extension to TAXWELL only models first tier payments for families and WfF. As a result, the following description of changes to the benefit system misses some important changes in the focus of benefit provision which need to be taken into account when considering welfare reforms. The welfare reforms of the early to mid 1990s explicitly focused on increased targeting by increasing the provision of supplementary assistance - which was intended to reduce the cost of supporting those in need (McClure 1996). Furthermore, the Working for Families reforms included a significant increase in Accommodation Supplement payments which was justified on increasing assistance to those in need.

As a result, through the period of interest there has been a direct shift in payments away from first tier payments towards towards more targeted supplementary assistance. If we were to try to evaluate the level of support associated with the benefit system using this information, looking at only first tier payments would bias downwards any estimate of social support.

For a comprehensive outline of the evolution of family assistance payments the work of Nolan (2002) and Mercante and Mok (2014) already provide a summary of changes to assistance to families with dependants over this period.

An outline of many of the qualitative policy changes that are in the legislation (work testing, stand down periods) is given below. These are not elements of policy change that are modelled by TAXWELL, but they still an important part of the policy changes that have been experienced.

## 3.1 Single people

### 3.1.1 Unemployment Benefit

Between 1982 and 1987 the unemployment benefit was cut, the stand-down period for receiving a benefit was increased to two weeks, and the youth age for receiving a benefit for a single period was increased to 18. With government job schemes being wound down over the 1980s<sup>12</sup> and unemployment climbing from the start of 1988, the unemployment benefit became a more important and more costly part of the social security safety net over this period. As a result, questions about the cost and eligibility for this benefit became pertinent (McClure 1996).

From March 1989 the training benefit was introduced [5]. Although it remained within the schedules of unemployment benefit payments, it required that the individual was independent and undertaking training (rather than solely looking for work) and was only available for up to 26 weeks. In essence the training benefit introduced an additional youth tier for unemployment benefit payments - on top of the distinction between young adults and adults that already existed. Furthermore, the distinction only held for those who were single. As of March 1989, this lower training benefit was for individuals who were newly on the unemployment benefit and were aged between 16 and 18 - once the individual turned 18 they were eligible for the young adult payment.

From December 1990, the minimum age for UB increased from 16 to 18 (or 16 if married) [13]. However, this was due to the introduction of the job search allowance and the independent youth benefit - which essentially function in the same way for the youth age group.

The 1991 Budget, dubbed the Mother of All Budgets at the time, saw significant reductions in weekly payments for most benefits [14]. All weekly payments on the unemployment benefit were cut, with the percentage size of the reductions for single adult families varying from 5.8% for a young adult to 13% for a sole parent with one child.

Also in TY92 the definition of young adult for the unemployment benefit changed, with the adult age rising from 20 to 25 [14]. As a result, unemployment payments for those aged between 20-24 fell more sharply

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<sup>12</sup> An example of this was the Project Employment Program which was cancelled in 1985.

than for other groups, with weekly benefit payments declining by nearly 25%.

From TY92 onwards unemployment benefit payments rose roughly in line with the consumer price index, keeping real payments steady through until 2013 - but also ensuring that benefit payments compared to the average wage earner would consistently decline.<sup>13</sup> This link was followed implicitly between 1992 and 2010, and was set into legislation in 2010 [15]

Payments and thresholds for the unemployment benefit for single adults are outlined in Table 3.

Table 3: Unemployment benefit (net of tax): Single Adult no dependants

<b>Tax year</b>	<b>Weekly Payment</b>	<b>First Threshold</b>	<b>Second Threshold</b>	<b>Minimum Age</b>
TY88	\$126.23	\$2,600	\$4,160	20
TY92	\$129.81	\$2,600	\$4,160	25
TY98	\$146.13	-	\$4,176	25
TY07	\$173.92	-	\$4,176	25
TY13	\$204.96	-	\$4,176	25

Table 4: Unemployment benefit 2013 prices (net of tax): Single Adult no dependants

<b>Tax year</b>	<b>Weekly Payment</b>	<b>First Threshold</b>	<b>Second Threshold</b>	<b>Minimum Age</b>
TY88	\$240.56	\$4,955	\$7,928	20
TY92	\$206.04	\$4,127	\$6,603	25
TY98	\$207.22	-	\$5,922	25
TY07	\$201.80	-	\$4,845	25
TY13	\$204.96	-	\$4,176	25

<sup>13</sup> Due to the fact that average wage growth consistently outpaces growth in consumer good prices.

Until TY98 income above the first threshold faced an abatement rate of 30%, while income above the second threshold faced an abatement rate of 70%. From TY98 onwards there was only a single abatement rate of 70%.

Although they are listed separately in the legislation, the unemployment benefit for sole parents and the domestic purposes benefit had the same weekly payment over the entire period of interest. Payments to carers through the DPB were at a higher rate than the standard DPB payment from TY92 onwards.<sup>14</sup> Following the changes to abatement thresholds in July 1996 the DPB payment for sole parents was abated using the same income test as the unemployment benefit, while for carers the more gradual abatement schedule used for the Invalid's Benefit was applied.

In TY88, there was a single payment for the DPB along with a broad per child payment that was given to beneficiaries [16]. Per child payments were removed in TY90 and a new sole parent payment for beneficiaries with 2 or more dependants was listed in the legislation [5]. The payments depending on the number of children remained in place until Working for Families was introduced in 2005. An outline of DPB payments is give in Table 5.<sup>15</sup>

Table 5: Domestic Purposes benefit: Sole parent

Tax year	Weekly Payment	First Threshold	Second Threshold	Second Child payment
TY88	\$192.08	\$2,600	\$4,160	\$16.00
TY92	\$185.93	\$2,600	\$4,160	\$15.73
TY98	\$228.34	-	\$4,176	\$19.04
TY07	\$249.10	-	\$4,176	\$0.00
TY13	\$293.58	-	\$4,176	\$0.00

Table 6: Domestic Purposes benefit 2013 prices (net of tax): Sole parent

Tax year	Weekly Payment	First Threshold	Second Threshold	Second Child payment
TY88	\$375.05	\$4,955	\$7,928	\$30.49
TY92	\$295.11	\$4,127	\$6,603	\$24.97
TY98	\$296.80	-	\$5,922	\$27.00
TY07	\$289.03	-	\$4,845	\$0.00
TY13	\$293.58	-	\$4,176	\$0.00

These figures exclude family related payments. As a result this excludes: the Family Benefit (in TY88) Family Support (in TY88, TY92, and TY98)

<sup>14</sup> The carer payment remained at the Invalid's Benefit rate.

<sup>15</sup> The \$16 payment in TY88 was for each additional child, not just the second child.

and Family Tax Credits (in TY07 and TY13) which provide additional support to sole parent households. With the family tax credit households are eligible for the entire credit - not just the difference between their gross and net income. As a result, it is similar to the earlier family support program.

### **Work testing of the UB and DPB**

Prior to 1989 a married person or sole parent was eligible to receive an unemployment benefit 8 days after becoming unemployed<sup>16</sup>, and a single adult was eligible after 15 days.<sup>17</sup> However, there was also discretion - if the person had been earning a sufficient salary (and had not been made redundant) payments could be delayed for 4 weeks. Furthermore, if the person appeared unwilling to find work payments could be delayed for 6 weeks.

The first benefit with a longer default stand-down period was the training benefit, which was introduced in 1989. The training benefit was kept separate from the standard unemployment benefit [17], with a 27 week stand-down period.

However, it was Budget 1991 that saw large scale changes in eligibility and work testing criteria. Section 60H was introduced in an amendment following the Budget [18]. This new section was partially a reorganisation of text that had been elsewhere in the Social Security Act. However, it also introduced the 26 week stand-down period for someone who voluntarily left their job or failed to meet the conditions of staying on a government benefit. The failure to accept employment - even of a temporary or seasonal nature - was also now grounds for being removed from the benefit, albeit on discretionary grounds.

Furthermore, stand-down periods in the face of redundancy now depended upon whether the net of tax income (including government support) received by the person exceeded average net weekly income. If the person was earning enough prior to being fired, the stand-down period could increase to 10 weeks.

Finally, if a redundancy payment was given the person would be ineligible for a benefit for the period of time that would have given that same benefit payment (up to 26 weeks).

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<sup>16</sup> Assuming that they apply for the benefit immediately.

<sup>17</sup> This marital status distinction was removed in Social Security Amendment Act (No. 2) 1990.



The community taskforce scheme was introduced in August 1991 [19]. Following the introduction of this scheme a beneficiary, who had been on the benefit for 26+ weeks, could be told to undertake community work for up to 26 weeks - and if the beneficiary refused they could have their benefit cancelled for 26 weeks. In this form, the offer of community work did need to be judged as suitable for the beneficiary, such that it was deemed unreasonable for them to refuse to do it.

Work testing then stayed largely unchanged until TY97. In TY97 the section "further conditions of entitlement for the unemployment benefit, etc" which was introduced in 1991 was extended [20], with the stated goal of clarifying the reciprocal obligations of work-tested beneficiaries to look for work. Mandatory interviews and further work testing were introduced in this amendment. The mandatory interviews could not take place for the first year on a benefit, or within a year of each other. Also compulsory interviews, which were already used for those on the unemployment benefit, were extended to people who were on the domestic purposes benefit and window's benefit.<sup>18</sup>

The reduction in benefits associated with a failure to turn up to mandatory interviews or to undertake work testing was also listed in the TY97 legislation. A single failure saw benefit payments cut by 20%, with further 20% reductions for every 28 days where the failure was not remedied. A second failure saw an initial 40% reduction in the benefit payment, and the benefit cut by 100% after 28 days if the failure is not remedied. A third failure would see the benefit cancelled completely - and future applications would be treated as if they were a new benefit applicant with the associated stand-down (non-entitlement) periods. However, involvement in a community task force project could be used to reduce this non-entitlement period.

A final related change was made in the TY97 amendment, with a reduction in the period someone was allowed to be on a work-tested benefit before they could be requested to take part in a community task force project. This minimum period was reduced from 26 weeks to 13 weeks. The twenty-eighth schedule was introduced in this amendment, to provide a clear run-down on benefit stand-down periods subject to prior income earned.

In 1998 further changes were made. There was a rewrite of the the un-

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<sup>18</sup> Those with a dependent aged over 14 would face work testing, and sole parents with a dependent aged over 7 had to attend mandatory interviews.

employment legislation with the youth rate for those below 25 now called the young job seekers allowance [21]. After 13 weeks a recipient of this allowance would, if the individual was eligible, move onto the unemployment benefit.<sup>19</sup> Furthermore, the age of eligibility for a single person without dependants for the training benefit rose from 16 to 18.

From October 1998 the *community wage* was introduced as a replacement for the varying unemployment benefits and the sickness benefit [22]. Furthermore, the community taskforce scheme was removed and replaced with community work - which was pinned to the organised work initiatives tied to the community wage.

Sanctions were increased for work test failures [23]. A one week suspension of payment occurred following the first failure and then the benefit was cancelled with the second failure - with a 13 week stand down period introduced following the cancellation of a benefit. Furthermore, a distinction between *part-time* and *full-time* work-tested beneficiaries was introduced.

Starting February 1999 the work testing on the DPB and widow's benefit for those with a dependant child was changed [22], now occurring when the child turned 6. Furthermore, once the child was aged 14 job search required looking for full time work.

Many of these changes during 1998/99 were due to be reversed once the new government came into power in 1999 [24]. The 13 week stand down after benefit cancellation was removed, parents of minors were no longer work tested, and the work tests were loosened somewhat - with the removal of the obligation to undertake voluntary work as a form of organised activity for benefit purposes [25], and the payment of the existing participation allowance for such work. However, the eventual amendment that did get passed continued to include a 13 week stand down period, although now it was after a third successive work test failure. As part of this amendment the community wage was removed, and was again replaced with the unemployment and sickness benefit.

Further assistance for finding work through personal development plans

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<sup>19</sup> At this point the legislation is unclear on what the youth age was. The related amendment Social Security Amendment Act (No. 3) 1997 and the Act as of 1994 Social Security Act 1964 both suggest it was 20 - when Social Security Amendment Act 1991 has reference to an age of 25. Given [19] use the age of 25 from 1992, and the fact that the UB payment would have been larger than the SB payment for those aged between 20 and 24 if the youth age was 20, we have taken 25 as the age that was actually applied.

for those who were eligible for the widows benefit or DPB was introduced in 2003 [27] and was extended to include those on the invalid's benefit, sickness benefit, and the partners of those on a work-tested benefit in 2007 [28]. This amendment also saw the introduction of pre-benefit activity in order to access the unemployment benefit (eg attending an employment related seminar) and the reduction of stand-down periods for those who had been earning higher incomes, with a maximum stand-down based on previous labour market income of 2 weeks (compared to 10 weeks previously).

In 2010, the question of benefits and work obligations reappeared. In August 2010 work testing for those on the DPB was reintroduced [29] - as with the reforms in 1998 there was an increasing focus on the use of child care services to get parents back into work. However, the penalty for the first failure of a work test was eased slightly - from a full suspension of payments to a 50% reduction for the first 4 weeks.

2012 saw the government increase its focus on changing eligibility for youth and young parents [30]. The age of eligibility for the unemployment benefit and DPB rose to 19 for those with dependants (with a young parent payment for those aged 16-18 who are unsupported by their parents), while youth payments were more heavily tied to undertaking education.

The 2011 Welfare Working Group report had a significant influence on the direction the government took with welfare reform Welfare Working Group 2011. This led to the large scale changes in the benefit system in July 2013 through the Social Security (Benefit Categories and Work Focus) Amendment Act 2013. At this point the unemployment benefit was renamed Job Seeker Support and the DPB became Sole Parent Support.

### **3.1.2 Sickness and Invalid's benefits**

In the late nineteenth century there was a growing agreement that a person should not be expected to work past a certain age for health reasons. There was an increasing number of people reaching this age, who were employed in physical labour and who had limited savings - a situation that people felt was unfair. As a result, an old age pension was introduced.

By the early 20th century a similar argument was used for those injured

in the mining industry<sup>20</sup>, for widows, and for the blind. With the Social Security Act (1938) many of these payments were entrenched, and broader Invalid's Benefit (IB) and Sickness Benefit (SB) payments were introduced.

The IB was an extension of the blindness benefit and was given for those who would not be able to work permanently for health reasons. The SB on the other hand referred to temporary departures from work for health reasons. Although the payment to someone on the SB was the same as the payment on the UB and below the payment given on the IB in 1938, the justification that both the SB and IB were given for what were seen as deserving reasons had seen the two benefits pay the same rates by the 1980s (Belgrave 2012).

One of the key areas of the benefit system that has seen significant change since the 1980s was the distinction between the SB and IB. In TY88, the sickness benefit, miners benefit, and invalids benefit all provided the same primary payment - the difference was instead based on eligibility criteria.

With conditionality of benefit provision, and an increasing expectation of work, a principal that gained precedence in New Zealand the payments for the sickness and invalid's benefits began to diverge.

Following the 1991 Budget, sickness benefit payments were cut significantly. In percentage terms the smallest decline among single individuals was for sole parents with two children (reduced by over 11%), while the largest cut occurred for the youth payment (reduced by nearly 18%).

Meanwhile, the invalid's benefits was the one first-tier benefit that was not cut in the 1991 Budget. In theory the invalid's benefit combined with more focus on supplementary assistance was intended to improve the targeting of those in dire need, however it took several years before these systems were properly in place to provide sufficient supplementary assistance (McClure 1996).

Over the 1990s views around the eligibility for the sickness benefit continued to evolve. The full adult payment was now only available from the age of 25, compared to 18 previously. This compares to a similar lift for the unemployment benefit (20 to 25) and no change in the adult age for the invalids benefit (18), as the role of the sickness benefit was increasingly seen as similar to the unemployment benefit. The introduction of young

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<sup>20</sup> This was predominantly justified to help those with pneumoconiosis.

adult payment for those between 18 and 24 occurred from April 1991 [18]. People between 18 and 24 who were subject to this new young adult rate saw, in conjunction with the general cut in weekly payments, their sickness benefit payments decline by 20%. From August 1991 [19], the youth payment was no longer available for 15 year olds.<sup>21</sup> The Invalid's benefit was also made unavailable for 15 year olds.

In 1993 the miners benefit was repealed [31], due to claimants being sufficiently covered by the sickness and invalid's benefits.

Weekly payments for unemployment and sickness benefit were set equal [22] in the 1998 Budget. This change took place from July 1998 and saw single adult payments for people on sickness benefits fall 4.0% while payments to sole parents were unchanged. However, young adult and youth payments were cut sharply - falling by 17% and 20% respectively.

As the sickness benefit was seen as providing support for a temporary departure from work, the increasing policy focus on work testing post-1991 did impact upon how this benefit was handed out. In this context, the sickness benefit was defined as a work-tested benefit. As a result, the tightening in work testing regimes for the unemployment benefit that were discussed above also held for the sickness benefit and stand down periods for both the sickness and invalid's benefit were increased in line with increases to the unemployment benefit stand down period.

Explicit reviews of people's eligibility for the invalid's benefit [22] also appeared in 1998. Although a medical test had always been required [32], the benefit now required a date for review of the permanency and/or severity or the disability. The distinction between a sickness and invalid's benefit often based on the estimated permanency - namely whether the individual is expected to be unavailable for work for 2 or more years - and so reviews were consistent with this definition. However, legislation does not make fully clear the nature of the certificates provided for varying levels of physical and mental disabilities which makes the implementation and quality of any reviews unclear. Finally, the work testing regime was also expanded [23], with invalid's and emergency benefits added to the list of work tested benefits. However, much of this work testing was removed with the new government in 1999.

In 2010, new policy regarding benefits and work obligations appeared with some of the previously removed work testing conditions for those

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<sup>21</sup> This reverted the age of a dependent back to where it was in the SSA (1938) through the Social Security Amendment Act 1991 (2).

on the sickness benefit reintroduced [29].

Overall, these changes cannot be seen in isolation from the Accident Compensation System in New Zealand (ACC). The introduction of workplace insurance started in 1900 but by 1974 this was extended out more widely on a no-faults basis through ACC [34], including coverage for non-earners. By the 2002 Injury Prevention, Rehabilitation, and Compensation Act [35] eligibility to ACC payments had been stretched out to cover a large number of non-work related non-gradual injuries - both physical and mental. As a result, targeted ACC payments can be seen as an at least partial replacement for such benefit payments.

By 2013 both the unemployment and sickness benefit were seen as temporary, offered the same payments, and involved work testing. As a result, they were combined in the July 2013 benefit reforms into Job Seekers Support. The Invalid's Benefit was also renamed and combined with the carer rate from the DPB, the new benefit was termed the Supported Living Payment.

Table 7: Sickness benefit (net of tax): Single Adult no dependants

Tax year	Weekly Payment	First Threshold	Second Threshold	Minimum Age
TY88	\$139.25	\$2,600	\$4,160	18
TY92	\$135.22	\$2,600	\$4,160	25
TY98	\$152.21	-	\$4,176	25
TY07	\$173.92	-	\$4,176	25
TY13	\$204.96	-	\$4,176	25

Table 8: Sickness benefit 2013 prices (net of tax): Single Adult no dependants

Tax year	Weekly Payment	First Threshold	Second Threshold	Minimum Age
TY88	\$271.90	\$4,955	\$7,928	18
TY92	\$214.63	\$4,127	\$6,603	25
TY98	\$215.84	-	\$5,922	25
TY07	\$201.80	-	\$4,845	25
TY13	\$204.96	-	\$4,176	25

### 3.2 Couples

Unlike the tax system, the level of payment depends on the persons relationship status, while the abatement scale on benefits also depends on

Table 9: Invalids benefit (net of tax): Single Adult no dependants

Tax year	Weekly Payment	First Threshold	Second Threshold	Minimum Age
TY88	\$139.25	\$2,600	\$4,160	18
TY92	\$162.26	\$2,600	\$4,160	18
TY98	\$182.85	\$4,176	\$9,396	18
TY07	\$217.38	\$4,176	\$9,396	18
TY13	\$256.19	\$5,220	\$10,440	18

Table 10: Invalids benefit 2013 prices (net of tax): Single Adult no dependants

Tax year	Weekly Payment	First Threshold	Second Threshold	Minimum Age
TY88	\$271.90	\$4,955	\$7,928	18
TY92	\$257.54	\$4,127	\$6,603	18
TY98	\$259.29	\$5,922	\$13,324	18
TY07	\$252.23	\$4,845	\$10,902	18
TY13	\$256.19	\$5,220	\$10,440	18

family - rather than individual - income. As a result, even though the payment of a benefit is to the individual, benefits are targeted to the family.

When someone is in a relationship, the benefit payment per person is less than when someone is single. This is motivated by the idea of *economies of scale within the household*, where the sharing of resources and specialisation of tasks implies that the family does not require double the income of a single person to cover the basic needs of the couple (Nelson 1988). Furthermore, this implies that the payment level of couples benefits is set in relation to the single person rates - as a result, the evolution of the transfer system described for single person payments also holds for couples and will not be repeated below. Instead the focus is on when this relationship with the single person rate was adjusted, and when working testing of spouses changed.

Until the introduction of Working For Families in 2005 benefit payments for couples directly varied based on whether there were dependants in the family. In TY88, this led to the interesting situation where someone who qualified for the sickness or invalid's benefit would receive less in their main benefit than they would if they did not have children - with family support and the family benefit filling the gap. What this did imply was that someone in a relationship with children would receive the same payment irrespective of the type of main benefit received - with eligibility

and work testing conditions the only difference. This situation remained in place until the family benefit was removed and main benefits were cut in TY92.

### 3.2.1 Unemployment benefit

During the entire period of interest a person’s eligibility did not depend on their partners employment status. However, the income test used [16] (and subsequent abatement of unemployment benefit payments) does depend on the income earned by both people.

In TY88 the single person payment was 66% of what a couple on the unemployment benefit would receive. As a result, the per person couple payment was 75% of the single person payment. This relative per person rate crept up over the next few years, and following the benefit changes in the 1991 Budget the single person payment was 60% of what a couple would receive in TY92. With both payments increasing in line with growth in consumer prices from then onwards, this ratio of the single adult payment to the couple payment stayed in place all the way through until TY13.

In 1997 the special married rate of training benefit was removed [36]. Furthermore, the mandatory work testing for those on the unemployment benefit was also applied to the spouse of the person receiving the benefit [20].

Table 11: Unemployment benefit (net of tax): Coupled Adult no dependants

<b>Tax year</b>	<b>Weekly Payment</b>	<b>First Threshold</b>	<b>Second Threshold</b>
TY88	\$95.04	\$2, 600	\$4, 160
TY92	\$108.17	\$2, 600	\$4, 160
TY98	\$121.77	-	\$4, 176
TY07	\$144.92	-	\$4, 176
TY13	\$170.80	-	\$4, 176



Table 12: Unemployment benefit 2013 prices (net of tax): Coupled Adult no dependants

<b>Tax year</b>	<b>Weekly Payment</b>	<b>First Threshold</b>	<b>Second Threshold</b>
TY88	\$181.82	\$4,955	\$7,928
TY92	\$171.69	\$4,127	\$6,603
TY98	\$172.68	-	\$5,922
TY07	\$168.15	-	\$4,845
TY13	\$170.80	-	\$4,176

### 3.2.2 Sickness and Invalid's benefits

During the entire period of interest a persons eligibility did not depend on their partners employment status. However, the income test used [16] (and subsequent abatement of sickness benefit payments) did depend on the income earned by both people.

In TY88 the single person payment was 60% of a couple on the sickness benefit would receive. This ratio remained in place until TY92, when it fell to 55%. The sickness benefit was increased with inflation up until TY98 and as a result this ratio stayed in place until then.

However, the weekly payment between unemployment and sickness benefit was set equal in 1998 Budget through the Social Security Amendment Act 1998. The cut in couple payments was larger than for single adults (hence why the ratio rose), with weekly couple payments falling by 13%. A couple with dependants on the sickness benefit saw their weekly payment fall by 6.5%. This also pushed the ratio of single person to couple sickness benefit payments back up to 60%.

The work testing of the spouse of those on the unemployment benefit and sickness benefit was extended to the partners of those on invalid's benefit from February 2000.

For the most part the work testing changes introduced match those introduced for single people. However, the mandatory work testing for those on the sickness and invalid benefits was also applied to the spouse of the person receiving the benefit in 1997 [20].

Table 13: Sickness benefit (net of tax): Coupled Adult no dependants

<b>Tax year</b>	<b>Weekly Payment</b>	<b>First Threshold</b>	<b>Second Threshold</b>
TY88	\$118.90	\$2,600	\$4,160
TY92	\$122.93	\$2,600	\$4,160
TY98	\$138.39	-	\$4,176
TY07	\$144.92	-	\$4,176
TY13	\$170.80	-	\$4,176

Table 14: Sickness benefit 2013 prices (net of tax): Coupled Adult no dependants

<b>Tax year</b>	<b>Weekly Payment</b>	<b>First Threshold</b>	<b>Second Threshold</b>
TY88	\$226.58	\$4,955	\$7,928
TY92	\$195.12	\$4,127	\$6,603
TY98	\$196.25	-	\$5,922
TY07	\$168.15	-	\$4,845
TY13	\$170.80	-	\$4,176

Table 15: Invalid's benefit (net of tax): Coupled Adult no dependants

<b>Tax year</b>	<b>Weekly Payment</b>	<b>First Threshold</b>	<b>Second Threshold</b>
TY88	\$118.90	\$2,600	\$4,160
TY92	\$135.22	\$2,600	\$4,160
TY98	\$152.21	\$4,176	\$9,396
TY07	\$181.86	\$4,176	\$9,396
TY13	\$213.49	\$5,220	\$10,440

Table 16: Invalid's benefit 2013 prices (net of tax): Coupled Adult no dependants

<b>Tax year</b>	<b>Weekly Payment</b>	<b>First Threshold</b>	<b>Second Threshold</b>
TY88	\$226.58	\$4,955	\$7,928
TY92	\$214.63	\$4,127	\$6,603
TY98	\$215.84	\$5,922	\$13,324
TY07	\$210.20	\$4,845	\$10,902
TY13	\$213.49	\$5,220	\$10,440

## 4 Superannuation

A comprehensive description of changes in superannuation policy settings during this period can be found in St John (2013). Furthermore, a concise summary of recent reports on superannuation can be found in Littlewood (2015).

The TY88-TY13 period saw a variety of changes to superannuation policy within New Zealand, given persistent concerns about the affordability of National Superannuation.

As of April 1985 a 25% surcharge was introduced on National Superannuation payments [37] based on other income earned above a given threshold.<sup>22</sup> The surcharge was cut to 18% in August 1986 [38], and then increased to 20% at the end of July 1988 [39].

In October 1988 changes were made to the payments to married couples where only one partner qualified for superannuation (NQS) [40]. Prior to October 1988, a person with a non-qualifying spouse would be eligible for the single person superannuation payment (60% of the married rate) unless their partner was receiving a benefit or other government pension in which case they would receive half of the married rate. From October 1988, the payment was set to 50% irrespective of benefit status for anyone who becomes eligible from October 1988 onwards. If a couple had been receiving 60% of the married rate they would still be eligible for the same nominal payment (\$183.89) as long as this was greater than 50% of the married rate - a gap that held until TY97. Furthermore, couples who were eligible for NQS payments before October 1986 could continue to receive the single person rate<sup>23</sup> with a 45% abatement rate on their personal income.

The next large change in National Superannuation took place in TY91 with the introduction of *Guaranteed Retirement Income* [41] as a replacement for National Superannuation.

From TY91 onwards, NQS superannuation payments were given to the couple, and abated with family income, rather than paid to the individual who was eligible as they were previously. In other words, a couple with a NQS would be paid the full married rate but it would abate in the same way as a standard benefit.

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<sup>22</sup> As given in the IRD description of policy

<sup>23</sup> or half the married rate

Prior to this policy change net superannuation payments for a couple were intended to stay close to 80% of net average wages<sup>24</sup>. But as part of the change in name, this link was repealed as of April 1990. After the removal of this provision, superannuation payments remained unchanged in nominal terms until April 1993 - except for those who are single and live alone. In the middle of TY91 a living alone payment of \$20 per week was introduced [42].

In April 1992 the name of the transfer was reverted to National Superannuation [43]. In the same amendment the age of entitlement for National Superannuation stated to rise - increasing by six months every quarter following April 1992, where the age had been increased by a full year to 61. This significantly moved forward the increases in the retirement age that had been legislated by the prior government [41], which would have begun in in 2007.

In the same amendment the government had also transformed National Superannuation to be more like a standard benefit - with abatement of all superannuation payments to take place from October 1991 [44] (replacing the surcharge) alongside a general cut in the base payment rate [45]. By April 1992 a distinction would have been made between those who were under 70 and those who are 70 and above, with a minimum annual payment remaining in place from this 70 and above.

However, this scheme was never implemented and was repealed in a following amendment [46] and the surcharge was then also reintroduced at a rate of 25% [47]. The cuts in NQS and married rate payments [45] from the cancelled scheme were kept in place for people retiring from October 1991, and the rate paid to those who retired earlier has continued to be adjusted upwards. This has ensured a difference in rates paid to these two groups of retirees.

As part of the repeal, from April 1993 a new provision was introduced that would see National Superannuation increase with prices (via CPI), and as a result nominal payments started to rise again. A new, lower, bipartisan floor for superannuation payments to net wages was agreed at 65% [48].

In TY95 the Transitional Retirement Payment (TRP) was introduced [49]. This payment was to support those who were near the retirement age when it increased and who are ineligible for NQS payments. Although

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<sup>24</sup> The single person rate was set at 60% of the couple rate - as in Social Security Amendment Act 1988.

the TRP was less than National Superannuation<sup>25</sup> and was income tested it can be seen as a cushion for those who had insufficient notice to save when the retirement age increase was announced.

The TRP provided a means tested benefit to single people, and married people with a non-qualifying spouse, for the three years prior to National Superannuation eligibility for those who turned 60 during TY95. The age of eligibility then rose at the same rate as the superannuation age (increasing by 3 months every half year), until it was irrelevant by TY02.

Prior to the TRP, policy had been focused on cutting the cost of National Superannuation, but with the introduction of the TRP policy changes became more mixed.

The surcharge remained extremely unpopular (St John 2015) and as a result the election of a new coalition government in 1996 led to changes in the surcharge in TY97. In both July 1996 and April 1997 the income threshold where the surcharge kicked in was increased with further plans to increase the other income threshold through the next two years. Then in 1998 the superannuation surcharge was removed completely for TY99 [50].

However, the government also tried to reduce costs by cutting the lower bound on the couples weekly National Superannuation payment to 60% of the average wage, from 65% previously<sup>26</sup>. After several years of adjusting superannuation payments by growth in consumer goods prices the lower bound on these payments had become binding - implying that the government would either need to start increasing weekly payments by growth in average wages, or the bound would need to be cut. This cut in the peg was due to come into effect in TY00.

The election of a new government in 1999 saw a change in the payment peg to the average wage back to 65% from October 2001 [53]. As the payment floor was now binding this effectively ensured that superannuation payment would now rise with average wages instead of consumer prices.

This change in the peg was part of the passing of the 2001 New Zealand Superannuation Act 2001. This Act saw the introduction of direct hospital

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<sup>25</sup> Weekly payments for the TRP were set at the same level as the Invalid's Benefit. As a result, the single person payment was 28% lower and the couple payment 19% lower. However, for sole parents rates were more comparable to standard superannuation payments.

<sup>26</sup> This is noted both as a bill and a following amendment.

and disability payments through National Superannuation. The act was later renamed the New Zealand Superannuation and Retirement Income Act in 2005, with language in the act modernised for new forms of cohabitation and relationships (eg civil unions).

This act also left the floor for National Superannuation payments at 65% of the average wage - although governments have committed to a 66% floor over time (Littlewood 2015).

With National Superannuation payments effectively tied to the average wage their value has been rising at a time where other transfer payments have moved sideways in real terms. This can be seen in Table 17.

The payments reported below include the living alone payment, which was introduced in the middle of TY91 and increased the payment to single people who lived alone to 65% of the married rate. Payments to single people who lived in shared arrangements remained at 60% of the married rate.

Table 17: National Superannuation (Gross of tax): Single Adult

<b>Tax year</b>	<b>Weekly Payment</b>	<b>Minimum Age</b>
TY88	\$172.12	60
TY92	\$227.07	60
TY98	\$252.82	63
TY07	\$320.13	65
TY13	\$400.07	65

Table 18: National Superannuation (Gross of tax) 2013 prices: Single Adult

<b>Tax year</b>	<b>Weekly Payment</b>	<b>Minimum Age</b>
TY88	\$328.01	60
TY92	\$360.41	60
TY98	\$358.52	63
TY07	\$371.45	65
TY13	\$400.07	65

Table 19: National Superannuation (Gross of tax): Partnered Adult

Tax year	Weekly Payment	Minimum Age
TY88	\$143.44	60
TY92	\$169.45	60
TY98	\$189.52	63
TY07	\$243.06	65
TY13	\$302.58	65

Table 20: National Superannuation (Gross of tax) 2013 prices: Partnered Adult

Tax year	Weekly Payment	Minimum Age
TY88	\$273.35	60
TY92	\$268.96	60
TY98	\$268.75	63
TY07	\$282.03	65
TY13	\$302.58	65

## 5 Conclusion

This paper has provided an outline of changes to income taxes and the first tier benefit system between 1988 and 2013, with links to relevant primary sources.

Since 1988 the income tax system has seen an overall reduction in tax rates, while fiscal drag has pushed down the real value of thresholds. After the sharp cut in the top tax rate in TY90, the reduction in rates predominantly took place in the middle of the tax scale in the 1990s and at the lower end of the tax scale during the 2000s.

In terms of the benefit system the real value of payments were relatively stable during this period, apart from a significant cut in benefit payments in TY92 and a second cut in sickness beneficiary payments in TY98. However, the 1988-2013 period did see a progressive increase in work testing criteria for benefits with work testing introduced for the DPB and Invalid's benefits. By 1998 the sickness benefit was largely equivalent to the unemployment benefit, with eligibility criterion the only difference.

Although the superannuation age increased from 60 to 65 during this period, payments did rise in real terms - especially over the 2000s when they

were effectively indexed to average wage growth. The removal of the superannuation surcharge bucked the trend of increasing conditionality for other government transfers, by removing what was effectively means testing from National Superannuation.

As well as providing a description of what has happened with tax and benefit policy between 1988-2013, the information about income tests (including abatement scales, abatement rates, and assessable income) and payment rates can be used to model individuals net tax liability. Treasury's TAXWELL model does this by taking the characteristics reported in Household Economic Survey (HES) data and calculating the tax and benefit payments of these individuals.

This type of modelling allows analysts to do two things: Impute the tax paid and benefits received by individuals when the reported survey data is untrustworthy<sup>27</sup> and model the net tax payments of individuals in a given HES year if they faced a different years tax-transfer system.

As a result, the characteristics of the tax-transfer system discussed in this paper can and will be used to improve the reliability of net income measures for the 1988-2013 period and perform counterfactual analysis which allows an analyst to consider the role policy changes have had in influencing the income distribution.

## 6 Appendix

Below is the list of legislation used to source the above figures, with links to online versions of the legislation. The documents are listed in the order they were referenced in this paper. Access to Knowledge Basket is required to access the documents.

[1] Income Tax Amendment Act (No. 2) 1985

[2] Income Tax Amendment Act (No. 4) 1985

[3] Income Tax Amendment Act (No 2) 1986

[4] Goods and Services Tax Act 1985

[5] Finance Act 1989

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<sup>27</sup> As suggested for the HES survey by Hyslop and Mare (2005) and Ball and Ormsby (2017).



- [6] Income Tax Amendment Act (No. 3) 1988
- [7] Taxation (Tax Rate Increase) Act 1999
- [8] New Scale - Taxation (FBT, SSCWT and Remedial Matters) Act 2000
- [9] Taxation (Personal Tax Cuts, Annual Rates, and Remedial Matters) Act 2008
- [10] Taxation (Urgent Measures and Annual Rates) Act 2008
- [11] Taxation (Budget Measures) Act 2010
- [12] Taxation (Budget Measures) Act 2010: GST rate increase
- [13] Social Security Amendment Act (No. 2) 1990
- [14] Social Security Amendment Act 1991 - First Schedule
- [15] Social Security (New Work Tests, Incentives, and Obligations) Amendment Act 2010
- [16] Social Security Amendment Act (1986)
- [17] Social Security Amendment Act 1989
- [18] Social Security Amendment Act 1991
- [19] Social Security Amendment Act (No. 2) 1991
- [20] Social Security Amendment Act 1996
- [21] Social Security Amendment Act (No. 3) 1997
- [22] Social Security Amendment Act 1998
- [23] Social Security (Work Test) Amendment Act 1998
- [24] Social Security (Work Testing and Community Wage) Amendment
- [25] Social Security (Participation Allowance) Regulations
- [26] Social Security Amendment Act 2001
- [27] Social Security (Personal Development and Employment) Amendment Act 2002
- [28] Social Security Amendment Act 2007
- [29] Social Security (New Work Tests, Incentives, and Obligations) Amendment Act 2010

- [30] Social Security (Youth Support and Work Focus) Amendment Act 2012
- [31] Social Security Amendment Act (No. 3) 1993
- [32] Social Security Act 1964-1994 (By Parliamentary Counsel)
- [33] Workers' Compensation for Accidents Act (1900)
- [34] Accident Compensation Act (1972)
- [35] Injury Prevention, Rehabilitation, and Compensation Act (2001)
- [36] Social Security Amendment Act (No. 3) 1996
- [37] Income Tax Amendment Act 1984
- [38] Income Tax Amendment Act (No. 3) 1986
- [39] Income Tax Amendment Act (No. 3) 1988
- [40] Social Security Amendment Act 1988
- [41] Social Welfare (Transitional Provisions) Act 1990
- [42] Social Welfare (Transitional Provisions) Amendment Act 1990
- [43] Social Welfare (Transitional Provisions) Amendment (No. 2) Act 1991
- [44] Income Tax Amendment Act (No. 5) 1991
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- [47] Income Tax Amendment Act (No. 6) 1991
- [48] Social Welfare (Transitional Provisions) Amendment (No. 2) Act 1993
- [49] Social Welfare (Transitional Provisions) Amendment (No.2) Act 1993
- [50] Taxation (Superannuitant Surcharge Abolition) Act 1997
- [51] Social Welfare (Transitional Provisions) Amendment Bill (No. 2)
- [52] Social Welfare (Transitional Provisions) Amendment Act 1998
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