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Debates put topical issues under the microscope

Arguments for and against taxing internet sales, setting up a social insurance fund to cover welfare payments and user charges for new infrastructure will be thrashed out at a series of debates to be hosted by Victoria University over the next three months.

Experienced economists, academics and policy advisors from a range of organisations will discuss three propositions, to highlight the strengths and weaknesses of opposing perspectives on topical issues.

The debates are being organised by Victoria University's Chair in Public Finance, Professor Norman Gemmell and the Government Economics Network.

"The debates tackle some of the real-world policy choices that are on the Government's agenda and are stimulating public discussion," says Professor Gemmell. "The goal is to challenge people's thinking and get them to take a fresh look at these issues."

The first debate, on 23 October, will discuss the pros and cons of GST exemption for goods bought from foreign internet retailers.

"On one hand, exempting some suppliers and not others is seen as unfair and a distortion of the tax system while on the other, there is an argument that exempting foreign internet retailers allows them to be competitive with domestic suppliers, given the costs of sending goods to New Zealand from distant markets."

The second debate, on 12 November, examines the arguments for and against user charges to part fund big infrastructure projects, such as the proposed rapid transit network in Auckland and Transmission Gully in Wellington.

Professor Gemmell says up for discussion will be the pros and cons of congestion charges and other similar schemes to enable greater infrastructure investment than a financially constrained government could otherwise afford.

The topic for the third and final debate, on 2 December, is *It's time New Zealand adopted a social insurance approach to welfare*.

"A number of European countries collect taxes that are dedicated to providing welfare payments," says Professor Gemmell.

"This can be through a general fund, as in the United Kingdom, or it can be more targeted, as in The Netherlands, where people effectively have their own welfare accounts and can draw down what they have paid in from their earnings.

"There is some evidence that people are more positive about paying taxes when they know it is for something that they may eventually benefit from."

Professor Gemmell says the debates will be a-political and speakers have been chosen because of their expertise and their respect for the way in which research can support policy.

Visit www.victoria.ac.nz/sacl/about/cpf/events/upcoming-public-finance-debates-2013 for details of speakers, venues, dates and times for the three debates.

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