



NEW ZEALAND PUBLIC FINANCE



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Editorial



Happy New Year and welcome to 2015!

We hope that you have all had a relaxing festive break and can't wait to get started on a new year.

This issue of the New Zealand Public Finance Newsletter will bring you up to date with news related to public finance in New Zealand and around the globe; detail some of the various events happening internationally in 2015; provide an overview of the most recent Working Papers in Public Finance; and offer a sneak peek into our final event of 2014: The Great Festive Debate! This issue, we also have a research report from two senior analysts at the New Zealand Treasury on the effects of fiscal policy in New Zealand.

We are very much looking forward to a busy and productive year here with the Chair in Public Finance, our research associates and sponsors. Remember to keep an eye on the NZPF website for further information on ongoing research

and upcoming events for 2015. If you are not already on our mailing list, [sign up](#) to get event invitations and newsletters delivered straight to your inbox.

We aim to present the following in each of our newsletters:

- summaries of recent research
- a forum for discussion of topical public finance policy issues
- short articles by guest contributors
- updates on recent and upcoming events
- useful web links to other public finance organisations in New Zealand and overseas



If you would like to make a contribution to the newsletter or website, request some insight on a specific area of public finance, provide any feedback, or advertise an upcoming event, please do not hesitate to get in touch at one of the emails below.

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New Zealand Public Finance (NZPF) www.nzpublicfinance.com is an apolitical website dedicated to promoting research and informed policy debate on public finance issues in New Zealand. The NZPF Newsletter is an extension of the website promoting recent public finance research, news and events. To contribute to the website or the newsletter, please contact the [editor](#).

Research Report

The effects of fiscal policy in New Zealand: Evidence from a VAR model with debt constraints

Oscar Parkyn and Tugrul Vehbi

An old debate about fiscal multipliers...

The long-standing debate among economists about the effectiveness of fiscal policy as a counter-cyclical tool has spawned a large literature about the response of GDP to changes in government spending or taxes (i.e., the size of fiscal multipliers). This is still a hotly contested question as evidenced by the recent global debate about the effects of austerity.

Having a clear answer to the question of how macroeconomic variables respond to government spending or tax shocks is not straightforward. Much of the recent theoretical literature on fiscal policy has emphasised that “it depends”: on factors such as a country’s openness, the monetary and exchange rate regime, the state of the economy (e.g., boom or recession) and the sustainability of the public finances. A major challenge for empirical work is an endogeneity problem since causality runs both ways between fiscal aggregates (taxes and government spending) and economic activity.

...requires new methods to provide empirical answers

A popular empirical approach, originally proposed by Blanchard and Perotti (2002), is to employ a structural vector auto regression (VAR) framework. Identification of fiscal shocks is achieved by using institutional information about the tax and transfer systems to identify the automatic response of taxes and spending to GDP. Previous work on New Zealand fiscal policy has used Blanchard and Perotti’s three-equation framework (Claus, Gill, Lee, and McLellan, 2006).

Favero and Giavazzi (2007) show that one potential problem with many fiscal VAR studies is that they rely on potentially misspecified models as they fail to include any feedback from the level of debt, a stock variable, to the variables that enter the government’s intertemporal budget constraint. Using US data covering the period 1960:1-2006:2, they show that the misspecification arises since fiscal multipliers computed in the absence of modelling the intertemporal budget constraint imply that debt reaches unsustainable levels following a fiscal shock. The solution is to allow variables to respond to debt in the VAR so that impulse responses are consistent with the government’s intertemporal budget constraint.

Results for New Zealand indicate small fiscal multipliers...

A paper by Tugrul Vehbi and Oscar Parkyn recently published in the Economic Record offers further empirical evidence for New Zealand. Following the above considerations, this paper makes a contribution to the New Zealand fiscal VAR literature in several ways. Vehbi and Parkyn allow for the possibility that taxes, spending and interest rates might respond to the level of debt over time. This is implemented by enriching the model dynamics to include the additional variables of the long-term interest rates and inflation as well as including the

government's intertemporal budget constraint as an identity. Additionally, they extend the dataset to 1983 to 2010 to allow for a more up-to-date analysis of the effects of fiscal policy on the New Zealand economy.

The results show that the fiscal multipliers from changes in government spending in New Zealand appear to be positive but small in the short-run. Specifically, shocks to government spending (consumption and investment) had a positive impact on output for 7 quarters but the estimated impulse responses are mostly insignificant. The immediate impact of a one percent of GDP increase in spending on output is around 0.25 percent. The peak impact occurs in the third quarter after the shock with a multiplier of 0.38. The cumulative output multiplier is approximately 0.46 in the first year. The GDP response turns slightly negative after 2 years possibly due to the persistently higher level of real interest rates. The results show that a fiscal expansion leads to a statistically significant increase in the long-term interest rate which results in crowding-out in the medium and long-term. The corresponding effect on inflation is modest that may be the result of monetary policy that moderates the inflationary effects of fiscal shocks.

The sign of the short-run effects of tax changes is less clear cut, but the magnitude of the effect on GDP is similarly modest. Tax increases are found to drag economic activity in the medium term. The responses of output to both types of fiscal shocks are largely insignificant. The immediate response of a one percent of GDP increase in net tax is to decrease GDP by 0.18 percent and the effect is statistically significant. GDP increases in the following two quarters and then becomes negative throughout the whole horizon. As expected, the medium and long-run impact of a positive tax shock on GDP is negative. The positive and significant increases in GDP in the second and third quarters are counter-intuitive but are a common finding in the fiscal VAR literature. For example, this is similar to studies for the UK, Germany, Australia, Spain and Italy (but not the US). This 'tax puzzle' is something that requires further investigation and is discussed in the paper.

It is important to note that the approach adopted only portrays average estimates of fiscal multipliers across the sample time period. A useful extension would be to extend this framework to a time-varying VAR setting to investigate possible state dependence.

The contribution of fiscal shocks to past business cycles was analysed through a historical decomposition of the shocks in the model. The results suggest that discretionary fiscal policy has had an often pro-cyclical impact on GDP over 1998 to 2010 and a material impact on long-term interest rates.

...that are broadly in line with international studies

The theoretical and empirical literature suggests that fiscal multipliers can differ across countries and time (International Monetary Fund, 2012). Ilzetzki, Mendoza, and Vegh (2013) use a structural VAR with a panel of 44 countries (not including New Zealand) to show that the impact of government expenditure shocks depends on several country-specific factors. The results show that fiscal multipliers are larger in industrial rather than developing countries. They also find that the multiplier is relatively large in economies operating under fixed exchange rate but zero in economies operating under flexible exchange rates. Fiscal multipliers in open economies are found to be lower than in closed economies and fiscal multipliers in high-debt countries are also small. The New Zealand study finds the New Zealand estimate for the government spending multiplier on impact is 0.25 and reaches its

peak of 0.38 in the third quarter. The impact multiplier is lower than the value of 0.39 reported in Ilzetki, et al. (2013) for high-income countries. Since New Zealand is a small, open economy with a floating exchange rate, our findings fit with the stylised result that the output multipliers from fiscal policy are likely to be small.

International Monetary Fund (2012) presents summary statistics of US and European fiscal multipliers from 34 studies between 2002 and 2012 with large outliers excluded. The studies use either VAR or dynamic stochastic general equilibrium (DSGE) methodology. The multipliers that are estimated for New Zealand by Parkyn and Vehbi are within the range of the estimates found in this literature. Both the expenditure and revenue multipliers are smaller in magnitude (closer to zero) than found in the mean, median and mode of this literature. In the VAR literature for the US, the median of the first-year government spending and revenue multipliers are 0.9 and 0.7 respectively. In the DSGE literature for the US, the median of the first-year government spending and revenue multipliers are 0.7 and 0.3 respectively. In the New Zealand study, the comparable first-year spending and revenue multipliers for New Zealand are estimated to be 0.46 and -0.03 respectively.

References

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Claus, I., Gill, A., Lee, B. and McLellan, N. (2006), 'An Empirical Investigation of Fiscal Policy in New Zealand', New Zealand Treasury Working Paper No. 06/ 08, New Zealand Treasury, Wellington, New Zealand.

Favero, C. and Giavazzi, F. (2007), 'Debt and the Effects of Fiscal Policy', NBER Working Papers 12822, National Bureau of Economic Research, Inc., Cambridge, MA.

Ilzetki, E., Mendoza, E.G. and Vegh, C.A. (2013), 'How Big (Small?) are Fiscal Multipliers?', *Journal of Monetary Economics*, Elsevier, 60(2), 239–54.

International Monetary Fund (2012), 'Fiscal Monitor', World economic and financial surveys.

Oscar Parkyn and Tugrul Vehbi are Senior Analysts at the New Zealand Treasury in Wellington, New Zealand.

Read their full paper: Parkyn, O. and Vehbi, T. (2014), [The Effects of Fiscal Policy in New Zealand: Evidence from a VAR Model with Debt Constraints](#). *Economic Record*, 90: 345–364.

Event Report

Public Finance Great Festive debate, 11 December 2014

In December 2014, The Chair in Public Finance at Victoria University of Wellington and the Government Economics Network hosted the entertaining Great Festive Debate, at the Ministry of Business, Innovation & employment. The motion for the debate was:

This House Believes the Christmas Extravaganza is a Waste of Time and Money.

At this event the two teams debated the lessons that economics provides on this festive season. Using research published in the American Economic Review showing the deadweight losses of Christmas gifts, various points were considered, such as should people simply give cash instead? What rights should people who don't enjoy Christmas have to negotiate this season away? And, more generally, is the Christmas extravaganza a waste of time and money?

Eric Crampton (Head of Research, New Zealand Initiative) and Patrick Nolan (Principal Advisor, New Zealand Productivity Commission) argued for the motion that the Christmas Extravaganza was a waste of time and money. The wastefulness of gift exchange was strongly championed, the difference in value placed on the gift by giver and recipient discussed, as was the inherent issue of clustering all holidays at the same time of year.– Bah Humbug!



Figure 1 Eric Crampton opening for the affirmative team



Figure 2 Anne Marie Brook closing the rebuttal.

Bronwyn Croxson (Chief Economist, Ministry of Health) and Anne-Marie Brook (Principal Advisor, Treasury) argued against the motion, highlighting sentimentality and the emotional appeal of Christmas. They also cleverly utilised a Christmas themed bribe: scorched almonds for the audience! At the end of the debate, the audience voted in favour of the team championing the idea that Christmas is NOT a waste of time or money. Phew.

All of the speakers drew laughs from the crowd and the audience participation was fantastic. The afternoon was capped off by drinks, nibbles and some suitably festive merriment. Thank you to all who were able to attend.

Check out the [NZPF website](#) for further information and photos from the debate.

Remember to look out for news on our [upcoming events](#) or sign up to the Chair in Public Finance mailing list for invitations delivered straight to your inbox.

Conference Reports

Norman Gemmell

In November 2014, I attended and presented at two workshops in Australia. These were:

- ‘Pension Taxation, Population Ageing and Globalisation’, organised by the Centre of Excellence in Population Ageing Research (CEPAR), University of New South Wales, Sydney, on 17-18 November.
- ‘What really happens in the tax and transfer system? New Empirical Research using Administrative Data’, organised by the Tax and Transfers Policy Institute (TTPI), Australian National University, Canberra, on 20th November.

‘Pension Taxation, Population Ageing and Globalisation’, University of New South Wales, Sydney, 17-18 November 2014.

This workshop, jointly organised by the Centre of Excellence in Population Ageing Research (CEPAR) at the University of New South Wales with CESifo (Munich), brought together experts on pension taxation to address three main issues in pension taxation research.

There are:

1. How can the taxation of individuals’ accumulated pension wealth and pay-outs be integrated with prevailing tax regimes to deliver efficient and equitable outcomes?
2. How can pension taxation help address the challenges of old age poverty, longevity and intergenerational equity within retirement income policies?
3. How can traditional national-level principles of taxation (such as objectives of efficiency, sustainability and equity) accommodate full portability of pension rights/benefits when workers are internationally mobile?

Following an excellent overview of the latest pensions taxation literature by Alan Woodland (CEPAR), various papers covered pension taxation in individual countries; including papers by Paul Johnson (IFS) and Hans Fehr (CESifo) on the UK; and by Hazel Bateman and George Kudrna (CEPAR) on Australia.

One clear lesson to emerge for New Zealand is that, if we are tempted to go down the route of greater tax concessions for private pension schemes (towards which Kiwisaver takes a first step) then: beware! Many and varied distortions have arisen from such concessions in other countries which, for a variety of political, institutional and economic reasons, are proving hard to limit or reverse.

The [ARC Centre of Excellence in Population Ageing Research \(CEPAR\)](#) is a unique collaboration bringing together academia, government and industry to address one of the major social challenges of the twenty first century. Based at the University of New South Wales (UNSW), CEPAR is producing world-class research on population ageing. See their website for further information on [CEPAR events](#).

Norman’s [presentation](#) is available to view at nzpublicfinance.com.

'What really happens in the tax and transfer system? New empirical research using administrative data', Australian National University, Canberra, 20 November 2014.

The TTPI workshop brought together academic researchers and Australian and New Zealand government tax officials with the aim of demonstrating the value of empirical research on tax-transfer systems from various countries using detailed administrative data such as tax and social security unit records.

Three examples of recent research based on such data, and presented at the workshop, included:

- Georgia Maffini (Oxford) on measuring how UK businesses responded to changes in corporate tax investment allowances;
- Peer Skov (Copenhagen) on how data on tax-deductible charitable contributions can help identify individuals' responses to taxation in Denmark; and
- Norman Gemmell (VUW) on measuring taxpayers' responses to changes in top income tax rates in New Zealand using unit record data from the 2000-01 tax reform.

The workshop provided an excellent springboard from which to develop future research agendas on Australian and New Zealand taxpayer databases, including opportunities to begin benchmarking of our tax systems internationally.

The [Tax and Transfer Policy Institute](#) (TTPI) carries out research on tax and transfer policy, law and implementation for public benefit in Australia. The research of TTPI focuses on key themes of economic prosperity, social equity and system resilience. Responding to the need to adapt Australia's tax and transfer system to meet contemporary challenges, TTPI delivers policy-relevant research and seeks to inform public knowledge and debate on tax and transfers in Australia, the region and the world.

Further information on the workshop and future events to be held by TTPI is available on their [website](#).

View Norman's [presentation](#) from the conference on [nzpublicfinance.com](#).

Chartered Accountants Australia and New Zealand (CAANZ) Tax Conference, Auckland, 31 October -1 November 2014

Carolyn Palmer

The CAANZ Tax Conference provides an opportunity for tax practitioners to hear about global and domestic tax developments and network and share ideas with key members of the tax community. The 2014 conference marked the inaugural New Zealand Tax Conference for Chartered Accountants Australia and New Zealand, with a broader trans-Tasman and international perspective on tax issues. This was evident in the conference programme with a strong focus on base erosion and profit shifting (BEPS), international initiatives to address it and implications for New Zealand and Australia.

Another strong focus was tax administration, the design of the tax system to achieve consistency and flexibility and the impact of the 'digital economy', reflecting that Inland Revenue's Business Transformation project is gathering pace and will offer New Zealand an opportunity to lead the world in tax administration design and systems.

Other plenary sessions covered the state of the economy and tax avoidance. The programme also included concurrent sessions on GST, customs, case law, leases, debt restructuring, natural disasters and the review of closely held companies.

I presented the session on tax and natural disasters. Recent years have seen natural disasters place significant social and fiscal strain on a number of economies, including New Zealand and Australia. Determining the appropriate response to a natural disaster involves multiple complex decisions that often need to be made with time pressures and limited information. While natural disasters are predicted to become more frequent and costly, there has been little focus on the links between taxation and natural disasters. This session discussed tax policy lessons from the Australian and New Zealand Government responses to recent natural disasters based on semi-structured interviews with tax policy makers (from central, state and regional government, professional organisations, policy think tanks, tax practitioners, tax academics and representatives from the insurance industry) and a review of policy advice documents, Government commentary, and media reports.

View Carolyn's [presentation](#) and the accompanying paper, WP15/2014 '[Flood and Fire and Famine: Tax policy lessons from the Australian responses to natural disasters](#)' on the New Zealand Public Finance Website for further information.

Upcoming Events

8-11 January 2015

Western Economic Association
International
[WEAI 11th International Conference](#)
Wellington, New Zealand

21-23 January 2015

[11th International Conference on
Environmental, Cultural, Economic and
Social Sustainability](#)
Copenhagen, Denmark

20-21 February

[CESifo Area Conference on Macro,
Money and International Finance](#)
Munich, Germany

March 2015

[Government Economics Network
Training – Labour Economics](#)
Wellington New Zealand

12-13 March 2015

Arizona State University
[Annual Public Finance Conference](#)
Phoenix, Arizona

20 April – 22 May 2015

[Unitar](#)
[Economics of the Public Sector](#)
Online

27-28 April 2015

[The Centre for European Economic
Research \(ZEW\)](#)
[2015 Annual Public Finance Conference –
European Tax Policy](#)
Mannheim, Germany

4-5 May 2015

[Government Economics Network](#)
Introduction to Cost-Benefit Analysis
Wellington, New Zealand

April 2015

[Tax Administration Research Centre
\(TARC\)](#)
[3rd Annual Workshop](#)
Exeter, UK

10-11 June 2015

[OECD International Tax Conference](#)
Washington D.C, USA

18 June 2015

[2015 Internal Revenue Service Tax Policy
Center Research Conference](#)
Washington D.C, USA

1-3 July 2015

[International Conference on Public Policy](#)
Milan, Italy

23-26 July 2015

Institute for Public Economics II
[The 4th Shadow Conference](#)
Exeter, United Kingdom

20-23 August 2015

[International Institute of Public Finance](#)
[2015 IIPF Congress](#)
Dublin Ireland

3-4 September 2015

[CEPAR & CESifo](#)
Workshop: Pension Taxation, Population
Ageing, and Globalisation
Munich, Germany

Recent Public Finance News

New Zealand News

- 07 January 2015, [Kiwi dollar up against Aussie after dairy price jump](#), The New Zealand Herald
- 03 January 2015, [Living Standards in NZ show modest rise](#), The New Zealand Herald
- 26 December 2014, [Kiwi closes gap on Aussie dollar](#), The New Zealand Herald
- 16 December 2014, [Half Year Economic and Fiscal Update](#), New Zealand Treasury
- 10 December 2014, [Income Inequality stunts NZ growth – OECD](#), The New Zealand Herald
- 8 December 2014, [Big public service pay gap for women](#), The New Zealand Herald.
- 20 November 2014, [Guarding the Public Purse: Faster Growth, Greater Fiscal Discipline](#), New Zealand Initiative
- 17 November 2014, [NZ expects to benefit from G20 economic growth pledge](#), The New Zealand Herald
- 13 November 2014, [Spring house price surge in October](#), The New Zealand Herald
- 12 November 2014, [Financial Stability Report](#), Reserve Bank of New Zealand
- 11 November, [Fighting fund to finance TPP battle](#), The New Zealand Herald
- 9 November 2014, [Thousands gather to protest trade agreement](#), The New Zealand Herald
- 7 November 2014, [Government deficit on track as tax take grows](#), The New Zealand herald
- 30 October 2014, [OCR unchanged at 3.5 percent](#), Reserve Bank of New Zealand
- 22 October 2014, [South Korea-NZ free trade deal tipped to be imminent](#), The New Zealand Herald.
- 21 October 2014, [Migration soars to new record in September](#), The New Zealand Herald
- 17 October 2014, [Chinese investment in NZ Housing tipped to rise](#), The New Zealand Herald
- 16 October 2014, [Kiwis wealthier thanks to dollar](#), The New Zealand Herald.

Overseas News

- 07 January 2015, [House prices will drop across the UK in 2015, says CEBR](#), The Guardian
- 06 January 2015, [Russia faces perfect storm as reserves vanish](#), The Telegraph
- 06 January 2015, [GST on fresh food would make Australia sick: Health groups](#), The Sydney Morning Herald
- 02 January 2015, [RBA plays the confidence game](#), The Sydney Morning Herald
- 01 January 2015, [French 'rock star' economist Thomas Piketty refuses highest honour](#). The Telegraph
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- 30 December 2014, [How the world fell back into economic meltdown: 2014 in charts](#), The Telegraph
- 19 December 2014, [Iceland pays back IMF loan after banking crisis](#), Public Finance International
- 19 December 2014, [Housing market coming off the boil, with growth set to slow in 2015](#), The Sydney Morning Herald
- 17 December, [Economic Survey of Australia 2014](#), OECD
- 16 December 2014, [Budget update may be further drag on consumer confidence](#), the Sydney Morning Herald.
- 15 December 2014, [Mid-Year Economic and Fiscal Outlook](#), Australian Government
- 11 December 2014, [More in work, more unemployed and the unemployment rate at a long-term high](#), Sydney Morning Herald
- 10 December 2014, [Islamic State to cause Iraq economy to shrink](#), The Telegraph
- 5 December 2014, [The G20 is keeping the focus on tax transparency](#), Public Finance International
- 26 November 2014, [Governments need to act on debt: Economist](#), Yahoo Finance
- 24 November 2014, [OECD: social spending remains at 'historic high'](#), Public Finance International
- 19 November 2014, [Overcoming Indigenous Disadvantage: Key Indicators 2014](#), Australian Government Productivity Commission
- 16 November 2014, [Global economy to suffer as Putin quits G20 early](#), The Telegraph
- 16 November 2014, [G20 summit: Leaders pledge to grow their economies by 2.1%](#), BBC News
- 14 November 2014, [Multinational tax details to be kept secret](#), The Sydney Morning Herald
- 12 November 2014, [Median asking price for Sydney house tops \\$1 Million](#), The Sydney Morning Herald
- 11 November 2014, [G20: Australia criticised for removing commitment to 'fair' economic growth](#), The Guardian
- 4 November, [RBA leaves rates on hold](#), The Sydney Morning Herald
- 31 October 2014, [Call to update international tax rules](#), Public Finance International
- 22 October 2014, [Devo max and giving power to cities will boost UK productivity – thinktank](#), The Guardian
- 21 October 2014, [APEC Finance Ministers in Beijing to revive growth](#), APEC
- 20 October 2014, [China GDP Growth Rate is slowest in five years](#), The Wall Street Journal
- 20 October 2014, [ECB to spend €1 Trillion on covered bonds to kick-start euro economy](#), The Guardian
- 16 October [EU Auditors and policymakers continue accountability dialogue](#), Public Finance International

Working Papers in Public Finance

Latest papers from the Victoria University of Wellington series available on the NZPF website.

WP14/2014

Creedy, J., [A note on Inequality-Preserving Distributional Changes.](#)

This note considers the problem of distributing a fixed amount of money ('income') among a given number of people, such that inequality (measured by either the Gini or Atkinson measure) takes a specified value. It is well known that simultaneous equations admit of many solutions where the number of variables exceeds that of equations (constraints). However, the approach examines cases where there are just one or two degrees of freedom, clarifying the resulting range of distributions. The properties of simultaneous disequalising and equalising transfers are discussed.

WP15/2014

Palmer, C., ['Flood, Fire and Famine': Tax Policy Lessons from the Australian responses to Natural Disasters.](#)

This paper outlines the tax responses to the 2010-2011 Queensland floods and identifies potential tax policy lessons as a useful resource for future tax policy makers, both in Australia and elsewhere. The initial conclusions drawn in the paper are based on 24 semi-structured interviews with Australian tax policy makers and a review of policy advice documents, Government commentary, and media reports.

WP16/2014

Creedy J, and Eedrah, J., [Income Redistribution and Changes in Inequality in New Zealand from 2007 to 2011: Alternative Distributions and Value Judgements.](#)

This paper illustrates the effects of using different distributions and summary measures, using New Zealand data for the period 2007 to 2011. Using an annual accounting period, alternative welfare metrics and units of analysis are investigated. In addition, the sensitivity to assumptions about economies of scale within households is examined, and changes in inequality are decomposed into those arising from population and tax structure changes.

WP01/2015

Creedy, J., Gemmell, N., and Scobie, G., [Pensions, Savings and Housing: A Life-cycle Framework with Policy Simulations.](#)

The objective of the paper is to explore the saving and consumption responses of a representative household to a range of policy interventions such as changes in taxes and pension settings. To achieve this, it develops a two-period life-cycle model. The representative household maximises lifetime utility through its choice of optimal levels of consumption, housing and saving. A key feature of the approach is modelling the consumption of housing services as a separate good in retirement along with the implications for saving.

WP02/2015

Creedy, J., [The Welfare Gain from a New Good: An Introduction.](#)

This note provides an elementary introduction to the measurement of welfare gains from the introduction of a new good, based on the concept of the 'virtual price' and standard expressions for welfare changes arising from price changes.

Publications

Recent publications from NZPF research associates

Creedy, J., Gemmell, N. and Scobie, G. (*Forthcoming 2015*) Pensions, Savings and Housing: A lifecycle framework with policy simulations. **Economic Modelling**.

Aziz, O., Gemmell, N. and Laws A. (*Forthcoming 2015*) Income and Fiscal Incidence by age and gender: Some evidence from New Zealand. **Review of Income and Wealth**.

Gemmell, N., Kneller, R. and Sanz, I. (*Forthcoming 2015*) 'The growth effects of tax rates in the OECD' **Canadian Journal of Economics**, vol. 47, no. 4.

Misch, F., Gemmell, N. and Kneller, R. (2014) Using surveys of business perceptions as a guide to growth-enhancing fiscal reforms, **Economics of Transition**, 22, 683-4725.

Gemmell, N. and Hasseldine, J. (2014) Taxpayers' behavioural responses and measures of tax compliance gaps: A critique and a new measure, **Fiscal Studies**, 35, 275-296.

Creedy, J. and Gemmell, N. (2014) Can fiscal drag pay for the public spending effects of ageing?, **New Zealand Economic Papers**, 48, 2, 183-195.

Useful Links

Institutions Working on Public Finance Research or Policy

New Zealand

[Centre for Accounting, Governance & Taxation Research \(CAGTR\)](#)

Victoria University of Wellington

The CAGTR was established within the School of Accounting and Commercial Law to advance and apply knowledge germane to the accounting and legal professions, commerce and industry and the public sector.

[Retirement Policy & Research Centre \(RPRC\)](#)

The University of Auckland

“The Retirement Policy and Research Centre (RPRC) is an academically focused centre specialising in the economic issues of demographic change.”

[Chair in Public Finance \(CPF\)](#)

Victoria University of Wellington

The Chair in Public Finance (CPF) is a joint venture between Victoria University and four sponsoring institutions with an interest in public finance The Treasury, the Inland Revenue Department, PricewaterhouseCoopers, and the Ministry of Social Development. The Chair conducts research and organises events to increase awareness and discussion around public finance issues.

World

[Tax and Transfer Policy Institute](#)

Canberra, Australia

“The Tax and Transfer Policy Institute (TTPI) carries out research on tax and transfer policy, law and implementation for public benefit in Australia.”

[CESifo Group Munich](#)

Munich, Germany

Centre for Economic Studies, the ifo Institute and the Munich Society for the Promotion of Economic Research in Germany.

[Institute for Fiscal Studies](#)

London, UK

The Institute for Fiscal Studies aims to promote effective economic and social policies by better understanding how policies affect individuals, families, businesses and the government's finances.

London School of Economics Public Economics Programme (PEP)

London, UK

The PEP's activities include "theoretical and empirical work on the economics of taxation, the provision of public goods, social insurance and the economics of income distribution.

Oxford University Centre for Business Taxation

Oxford, UK

"The Oxford University Centre for Business Taxation is an independent research centre which aims to promote effective policies for the taxation of business."

University of Exeter, Tax Administration Research Centre

Exeter, UK

"The Tax Administration Research Centre undertakes research on tax administration in order to strengthen the theoretical and empirical understanding of tax operations and policies. The Centre is operated in partnership by the University of Exeter and the Institute for Fiscal Studies."

Office of Tax Policy Research

Michigan, USA

The Office of Tax Policy Research (OTPR) is a research office at the Stephen M. Ross School of Business at the University of Michigan. OTPR supports and disseminates academic research on all aspects of the tax system, with the goal of informing discussion about the future course of policy.

OECD Centre for Tax Policy and Administration

Paris, France

The Centre for Tax Policy and Administration (CTPA) is the focal point for the OECD's work on all taxation issues, both international and domestic.

Congressional Budget Office

Washington, DC, USA

The Congressional Budget Office (CBO) has produced independent analyses of budgetary and economic issues to support the Congressional budget process. The agency is strictly nonpartisan and conducts objective, impartial analysis.

National Institute of Public Finance and Policy

New Delhi, India

The National Institute of Public Finance and Policy (NIPFP) is a centre for research in public economics and policies. The institute undertakes research, policy advocacy and capacity building in areas related to public economics.

Centre for Public Finance Research

Washington, DC, USA

The Center for Public Finance Research (CPFR) offers research and education in public budgeting and finance, public financial management, public economics, and benefit-cost analysis at the local, regional, national, and international levels.

Public Finance Journals

1. [FinanzArchiv](#)
2. [International Tax and Public Finance](#)
3. [Journal of Public Economics](#)
4. [Journal of Public Economic Theory](#)
5. [National Tax Journal](#)
6. [Public Budgeting and Finance](#)
7. [Public Finance Review](#)
8. [Public Finance and Management](#)
9. [Tax Notes International](#)

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