



VICTORIA UNIVERSITY OF
WELLINGTON
TE HERENGA WAKA

ANNUAL REPORT 2019

CHAIR IN PUBLIC FINANCE

**CAPITAL
THINKING.
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MAI I TE IHO KI TE PAE



HIGHLIGHTS OF 2019



Last year's annual report looked forward to "assessing the work and forthcoming final report of the Government's [2019] Tax Working Group [TWG] and potential policy initiatives in response". What a damp squib that turned out to be! After a huge commitment of resources by the Labour-led Government, extensive TWG deliberations on tax reform, and a substantial report recommending a new capital gains tax, the Government essentially disavowed its recommendations. How the Government intends to deal with the "perceived unfairness" of the current tax system remains to be seen. Perhaps it will be revealed in the run-up to the 2020 election, to be held on 19 September.

A major focus in 2019 has been completing the final phase of our Ministry of Business, Innovation and Employment (MBIE)-supported project building models of income taxation for New Zealand, including a number of workshops and policy engagement events. This led to a major new modelling opportunity to build a 'stand-alone' tax-transfer microsimulation model for New Zealand, supported by funding from the Treasury and Inland Revenue. This model, located at Victoria University of Wellington and independent of its Treasury predecessor, is being developed to enable researchers outside of government to examine outcomes of a range of income tax and social welfare policy scenarios. The model is being constructed as part of Chris Ball's PhD and in conjunction with Professor John Creedy and Dr Nazila Alinaghi. Following completion and testing of the initial version, expected in early 2020, it will be released for more general use.

November 2019 saw the start of another major three-year project supported by MBIE's Smart Ideas fund. With popular debate, public policy, and academic studies increasingly focusing on inequality and poverty outcomes in New Zealand and elsewhere, this project aims to develop new measures of income mobility and poverty persistence over time, using new longitudinal family income data

constructed within Statistics New Zealand's Integrated Data Infrastructure (IDI). Some initial results are expected from the middle of 2020.

Two successful public economics workshops (in March and November) provided opportunities to share research with Australian tax research colleagues and with researchers in New Zealand government departments, including a joint tax microsimulation workshop at the Tax Administration Research Centre (held at the University of Exeter, UK). We were delighted to have leading public economics researchers from Australia, the UK, Europe, and New Zealand at the March workshop to help us test the policy relevance of our tax models.

Two other new ventures in 2019 were initial research with PhD student Amy Cruickshank on tax incentives for charitable giving in New Zealand, and joining Professors Bob Buckle and John Creedy in their investigations into the research quality of New Zealand's tertiary education system, achieved via the Performance-Based Research Fund (PBRF) scheme.

A personal highlight was participating in the International Institute of Public Finance 75th Annual Congress in Glasgow, Scotland, in August. This was a chance to present recent papers on tax compliance and income mobility in the city of my birth. A city that, even with its many improvements, retains much of its 19th century aura, in the architecture of its famous public buildings and residential 'tenement' housing.

Finally, special congratulations are due to Nazila Alinaghi for her excellent presentation at the New Zealand Association of Economists Annual Conference in July of our joint paper (with John Creedy), 'The Redistributive Effects of a Minimum Wage Increase in New Zealand: A Microsimulation Analysis', which received the New Zealand Economic Policy Prize at the conference.



Image: Athfield Architects

PLANS FOR 2020

Looking ahead to 2020, a number of exciting developments are in prospect. These include:

- building a broader public finance team, or 'Centre', at Victoria University of Wellington, which will bring together expertise in public economics, public financial management, and public sector accounting, with potential new appointments to provide expanded research and graduate training in public finance
- further public economics research days for Australasian researchers to facilitate feedback on new research and provide a forum for young academic and government researchers to share and develop their expertise
- general release of the public finance team's new tax-transfer microsimulation model, TaxSimNZ, hosted at Victoria University of Wellington
- generating initial results from work with Nazila Alinaghi and John Creedy on measuring household income mobility and poverty persistence in New Zealand using Statistics New Zealand's Integrated Data Infrastructure
- the visit of Dr David Cashin from the US Federal Reserve Board in Washington DC in early 2020.

Norman Gemmell
Chair in Public Finance

AIMS AND OBJECTIVES

The CPF was established in 2011 at Victoria University of Wellington with sponsorship for five years from four external sponsors. The beginning of 2017 saw a new five-year term of sponsorship with the New Zealand Treasury, Inland Revenue department, Ministry of Education, and Productivity Commission joining the University in supporting the Chair.

The Chair is located in Victoria Business School (renamed in November 2019 as the Wellington School of Business and Government) within the School of Accounting and Commercial Law and reports to an advisory board. The Chair aims to build up expertise in the area of public finance and to promote research, debate, policy analysis, and advice on public finance matters. Specifically, the Chair's objectives are:

- to advance rigorous, respected public finance research in New Zealand
- to improve the quality of public finance analysis and discussion among key stakeholders in New Zealand
- to develop public finance research and teaching capabilities in New Zealand
- to research these topics, focusing on broad conceptual, empirical, and policy issues and on specific applications to New Zealand public finance and social welfare policy debates
- to strengthen collaboration between the University and the public and private sectors on public finance issues.

ADVISORY BOARD

The CPF is supported by an advisory board that includes senior representatives from the University and partner and sponsoring organisations. The role of the board is to advise and support:

- the research work programme of the CPF
- links with key stakeholders
- policy and public engagement initiatives
- the financial underpinning of the Chair.

The Chair reports regularly to the advisory board on research, public and executive education, and other matters relevant to its work programme.

The advisory board consists of the following representatives of external sponsors and heads of school within the Victoria Business School:

- **Mr Gerald Minnée**
Ministry of Business, Innovation and Employment
(Advisory Board Chair)
- **Mr Phil Whittington**
Chief Economist, Inland Revenue
- **Dr Patrick Nolan**
Director, Economics and Research, New Zealand Productivity Commission
- **Mr Tim Ng**
Chief Economic Adviser, Treasury
- **Dr Philip Stevens**
Group Manager Analysis and Research, Ministry of Education
- **Professor Ian Williamson**
Pro-Vice-Chancellor and Dean, Victoria Business School

- **Associate Professor Carolyn Fowler**
Head of the School of Accounting and Commercial Law
- **Professor Girol Karacaoglu**
Head of the School of Government
- **Associate Professor Jack Robles**
Head of the School of Economics and Finance



RESEARCH

RESEARCH HIGHLIGHTS 2018–2019

The Size and Scope of the Public Sector in New Zealand

Researchers Norman Gemmell, Derek Gill, and Loc Nguyen

This project began by documenting the changing size and scope of the public sector in New Zealand since the early 20th century, using a variety of metrics to assess government size. Using a public expenditure to GDP ratio metric, the project examined how far short- and long-term changes in size since the 1970s can be explained by existing theories of public expenditure applied to New Zealand. The work was undertaken in conjunction with the New Zealand Institute of Economic Research (NZIER) and contributed to their public data project at www.data1850.com

Published paper Gemmell, N., Gill, D., and Nguyen, L. (2019) Modelling public expenditure growth in New Zealand, 1972-2015. *New Zealand Economic Papers*, 53, 3, 215-244.

Local Taxes and Auckland Agglomeration

Researchers Norman Gemmell, Arthur Grimes, and Mark Skidmore

In 2010, the Auckland super city was formed through the amalgamation of seven local authorities, consisting of around 200 suburban entities and towns. The amalgamation resulted in communities' using capital values as the basis for local taxation (rates), whereas some communities had previously used land values. The new city also transitioned to a single system of 'development contributions' paid by developers. This project examines how far the changes in the Auckland property tax regime affected the location and intensity of building development. This research was undertaken with the support of Lincoln Institute of Land Policy, Cambridge, Massachusetts, USA, and Motu Economic and Public Policy Research, Wellington, New Zealand.

Published paper Gemmell, N., Grimes, A., and Skidmore, M. (2019) Do local property taxes affect new building development? Results from a quasi-natural experiment in New Zealand. *The Journal of Real Estate Finance and Economics*, 58, 2, 310-333.

Public Service Productivity

Researchers Norman Gemmell, Patrick Nolan, and Grant Scobie

This project reviews current evidence on public sector productivity in New Zealand at both the aggregate level and for key sectors, drawing on international literature on concepts, measurement, and evidence. It aims to develop a principled framework for the analysis of public sector productivity with a focus on the micro level. This micro focus began in 2015–16 with public education. Specifically, the project reviewed existing evidence on productivity in the New Zealand education sector and assessed new approaches to adjusting for quality in measuring education sector productivity in New Zealand. In 2016–17, the project examined similar issues for public sector health services.

Published paper Gemmell, N., Nolan, P., and Scobie, G. (2018) Quality adjusting education sector productivity. *Policy Quarterly*, 14, 3, 46-51.

Tax Compliance and Behavioural Responses

Researchers Nazila Alinaghi, Ana Cabral, Norman Gemmell, and Marisa Ratto

Early research under this project (2012–16) examined the reliability of alternative measures of taxpayer compliance: the so-called 'tax gap'. Having reviewed conventional methodologies, current research is concentrating on assessing new methods proposed by the International Monetary Fund and OECD and on how taxpayers' behavioural responses can be suitably recognised. Recent research has focused on two aspects. Firstly, compliance enforcement and penalties, testing for the effects of both actual and perceived penalty rates on late payment compliance based on an experiment involving New Zealand GST payers. Secondly, measuring income gaps for self-employed taxpayers using both survey and administrative (register) data, allowing for differences in measurement error across datasets.

Published paper Gemmell, N., and Ratto, M. (2018) The effects of penalty information on tax compliance: evidence from a New Zealand field experiment. *National Tax Journal*, 71, 3, 547-588.

Working papers Cabral, A., Gemmell, N., and Alinaghi, N. (2019) Are survey-based self-employment income under-reporting estimates biased? New evidence from matched register and survey data. *Working Papers in Public Finance*, 07/2019, Victoria Business School, Victoria University of Wellington.

Cabral, A., and Gemmell, N. (2018) Estimating self-employment income-gaps from register and survey data: evidence for New Zealand. *Working Papers in Public Finance*, 07/2018, Victoria Business School, Victoria University of Wellington.

Measuring Research Quality in Tertiary Education

Researchers Bob Buckle, John Creedy, and Norman Gemmell

Extensive previous research by Buckle and Creedy has examined the characteristics and outcomes of academic research at New Zealand universities, following the introduction of the Performance-Based Research Fund (PBRF) scheme. Using individual-level data, the current project is looking at how far the PBRF scheme encouraged convergence or divergence in research quality across New Zealand's universities and academic disciplines during 2003 to 2012. Future research will further examine this issue in light of the 2018 PBRF round, as data from the round become available.

Published paper Buckle, R., and Creedy, J. (2019) The 'disciplinary effect' of the performance-based research fund process in New Zealand. *New Zealand Economic Papers*. <https://doi.org/10.1080/00779954.2019.1636122>

Working paper Buckle R., Creedy, J., and Gemmell, N. (2019) Is external research assessment associated with convergence or divergence of research quality across universities and disciplines? Evidence from the PBRF process in New Zealand. *Working Papers in Public Finance*, 05/2019, Victoria Business School, Victoria University of Wellington.

Income Inequality, Income Mobility and the Tax/Benefit System in New Zealand

Researchers	Nazila Alinaghi, Christopher Ball, John Creedy, and Norman Gemmell
	This project aims to identify the extent of income inequality and income mobility among New Zealand taxpayers over several decades, including annual estimates of income inequality since the 1930s. Current research is focusing on conceptual and empirical linkages between alternative inequality and mobility measures and the roles of taxes, transfers, and other forms of social welfare spending in mitigating or enhancing income mobility and inequality.
Published papers	<p>Creedy, J., Gemmell, N., and Laws, A. (2019) Relative income dynamics of individuals in New Zealand: new regression estimates. <i>New Zealand Economic Papers</i>. https://doi.org/10.1080/00779954.2019.1665574</p> <p>Creedy, J., and Gemmell, N. (2019) Illustrating income mobility: new measures. <i>Oxford Economic Papers</i>, 71, 3, 733-755.</p> <p>Creedy, J., and Gemmell, N. (2019) Income inequality in New Zealand: why conventional estimates are misleading. <i>Agenda—A Journal of Policy Analysis and Reform</i>, 26, 1, 5-22.</p> <p>Creedy, J., Gemmell, N., and Nguyen, L. (2018) Income inequality in New Zealand 1935-2014. <i>Australian Economic Review</i>, 51, 1, 21-40.</p> <p>Creedy, J., and Gemmell, N. (2018). Income dynamics, pro-poor mobility and poverty persistence curves. <i>Economic Record</i>, 94, 306, 316-328.</p>
Working paper	Creedy, J. (2019) The Atkinson inequality measure and inequality aversion. <i>Working Papers in Public Finance</i> , 01/2019, Victoria Business School, Victoria University of Wellington.

Estimating the Elasticity of Taxable Income (ETI) in New Zealand

Researchers	Nazila Alinaghi, John Creedy, Norman Gemmell, and Josh Teng
	This project investigates two aspects of the ETI concept: the impact of different econometric approaches on estimates of the elasticity of taxable income, based on the New Zealand 2001 reform; and analysis of the 2010 tax reforms that reduced all marginal income tax rates and simultaneously raised the rate of GST.
Published papers	<p>Creedy, J., and Gemmell, N. (2019) The elasticity of taxable income of individuals in couples. <i>International Tax and Public Finance</i>. https://doi.org/10.1007/s10797-019-09581-6</p> <p>Creedy, J., Gemmell, N., and Teng, J. (2018) Income effects and the elasticity of taxable income. <i>New Zealand Economic Papers</i>, 52, 2, 185-203.</p>
Working paper	Alinaghi, N., Creedy, J., and Gemmell, N. (2019) Estimating elasticities of taxable income and adjustment costs from tax kink bunching: evidence from register data for New Zealand. <i>Working Papers in Public Finance</i> , 08/2019, Victoria Business School, Victoria University of Wellington.

Modelling and Benchmarking Personal Income Taxes and Transfers in New Zealand

Researchers	Nazila Alinaghi, Chris Ball, John Creedy, Norman Gemmell, Nicolas Héroult, Penny Mok, and Matt Nolan
	This project began in mid-2016 and is developing new behavioural microsimulation models of personal income taxes and transfers in New Zealand. These are being 'benchmarked' internationally by comparing with similar models for Australia and a number of European countries. The project aims to improve the evidence base for tax policy advice in practice, and is being conducted in collaboration with modellers at the New Zealand Treasury. It is also supported by a three-year Endeavour Fund grant from the Ministry of Business, Innovation and Employment (MBIE). Current applications of the microsimulation model include examining optimal income tax reforms and the inequality impacts of changes to minimum wage rates versus taxes and transfers. During 2019, tax modelling developments included establishing a 'stand-alone' microsimulation model, TaxSimNZ, based on a new synthetic dataset and hosted at Victoria University of Wellington.
Published paper	Creedy, J., Gemmell, N., Héroult, N., and Mok, P. (2019) Microsimulation analysis of optimal income tax reforms. An application to New Zealand. <i>International Tax and Public Finance</i> . https://doi.org/10.1007/s10797-019-09558-5
Working papers	<p>Ball, C., and Huseynli, G. (2019) The wage equation estimates for microsimulation modelling in New Zealand: a microsimulation analysis. <i>Working Papers in Public Finance</i>, 04/2019, Victoria Business School, Victoria University of Wellington.</p> <p>Alinaghi, N., Creedy, J., and Gemmell, N. (2019) The redistributive effects of a minimum wage increase in New Zealand: a microsimulation analysis. <i>Working Papers in Public Finance</i>, 02/2019, Victoria Business School, Victoria University of Wellington.</p> <p>Nolan, M. (2018) Income-leisure preferences in New Zealand: 1988-2013. <i>Working Papers in Public Finance</i>, 09/2018, Victoria Business School, Victoria University of Wellington.</p> <p>Nolan, M. (2018) New Zealand wage equations: 1988-2013. <i>Working Papers in Public Finance</i>, 05/2018, Victoria Business School, Victoria University of Wellington.</p> <p>Nolan, M. (2018) Income tax and transfer policy changes in New Zealand: 1988-2013. <i>Working Papers in Public Finance</i>, 02/2018, Victoria Business School, Victoria University of Wellington.</p> <p>Nolan, M. (2018) Horizontal and vertical equity in the New Zealand tax-transfer system: 1988-2013. <i>Working Papers in Public Finance</i>, 01/2018, Victoria Business School, Victoria University of Wellington.</p>

PUBLICATIONS 2018–2019

JOURNAL ARTICLES, BOOKS AND BOOK CHAPTERS

Alinaghi, N. (2019) Mobile money, risk sharing, and transaction costs: A replication study of evidence from Kenya's mobile money revolution. *Journal of Development Effectiveness*, 11, 4, 342-359.

Creedy, J., and Gemmell, N. (2019) Income inequality in New Zealand: why conventional estimates are misleading. *Agenda—A Journal of Policy Analysis and Reform*, 26, 1, 5-22.

Creedy, J., and Gemmell, N. (2019) Illustrating income mobility: new measures. *Oxford Economic Papers*, 71, 3, 733-755.

Creedy, J., and Gemmell, N. (2019) The elasticity of taxable income of individuals in couples. *International Tax and Public Finance*. <https://doi.org/10.1007/s10797-019-09581-6>

Creedy, J., Gemmell, N., and Laws, A. (2019) Relative income dynamics of individuals in New Zealand. *New Zealand Economic Papers*. <https://doi.org/10.1080/00779954.2019.1665574>

Creedy, J., Gemmell, N., Herault, N., and Mok, P. (2019) Microsimulation analysis of optimal income tax reforms. An application to New Zealand. *International Tax and Public Finance*. <https://doi.org/10.1007/s10797-019-09558-5>

Gemmell, N., Gill, D., and Nguyen, L. (2019) Modelling public expenditure growth in New Zealand, 1972–2015. *New Zealand Economic Papers*, 53, 3, 215-244.

Gemmell, N., and Ratto, M. (2018) The effects of penalty information on tax compliance: evidence from a New Zealand field experiment. *National Tax Journal*, 71, 3, 547-588.

Gemmell, N., Nolan, P., and Scobie, G. (2018) Quality adjusting education sector productivity. *Policy Quarterly*, 14, 3, 46-51.

Creedy, J., and Gemmell, N. (2018) Long-term changes in income inequality in New Zealand. *Australian Tax Policy Blog*.

Creedy, J., and Gemmell, N. (2018) Income dynamics, pro-poor mobility and poverty persistence curves. *Economic Record*, 94, 306, 316-328. <https://doi.org/10.1111/1475-4932.12426>

Creedy, J., Gemmell, N., and Nguyen, L. (2018) Income inequality in New Zealand, 1935-2014. *Australian Economic Review*. <https://doi.org/10.1111/1467-8462.12240>

Alinaghi, N., and Reed, W.R. (2018) Meta-analysis and publication bias: How well does the FAT-PET-PEESE procedure work? *Research synthesis methods*, 9, 2, 285-311.

POLICY/MEDIA ARTICLES

Gemmell, N. (2019) Here's what Government needs to think about if it's borrowing to invest. *Stuff*, 18 November.

Gemmell, N. (2019) It's only fair that taxes should be adjusted for inflation. *Stuff*, 12 February.

Gemmell, N. (2018) Taking GST off fruit and veg will not help low income earners—expert. *RadioLIVE*, 25 January.

Creedy, J., and Gemmell, N. (2018) Long-term changes in income inequality in New Zealand. *Aus Tax Policy Blog*, 14 June.

Gemmell, N. (2018) Government seems to want a second source of fiscal advice. *New Zealand Herald*, 20 November.



CONFERENCE AND SEMINAR PRESENTATIONS

Lead presenter in bold

- Elasticities of taxable income for couples and NZ bunching estimates. Chair in Public Finance Research Day, Victoria Business School, Victoria University of Wellington, 4 November 2019. (**N. Alinaghi**, J. Creedy, and N. Gemmell.)
- An introduction to TaxSimNZ. Chair in Public Finance Research Day, Victoria Business School, Victoria University of Wellington, 4 November 2019. (**J. Creedy**, and C. Ball.)
- Illustrating income mobility: two new measures. 75th Annual Congress of the International Institute of Public Finance, Glasgow, UK, 21–23 August 2019. (J. Creedy, and **N. Gemmell**.)
- Are survey-based self-employment income under-reporting estimates biased? New evidence from register and survey data. 75th Annual Congress of the International Institute of Public Finance, Glasgow, UK, 21–23 August 2019. (A.G. Cabral, and **N. Gemmell**.)
- The redistributive effects of a minimum wage increase in New Zealand: a microsimulation analysis. New Zealand Association of Economists Annual Conference, Victoria University of Wellington, 3–5 July 2019. (**N. Alinaghi**, J. Creedy, and N. Gemmell.)
- A microsimulation analysis of welfare improving income tax reforms for New Zealand. 7th Annual Conference of the Tax Administration Research Centre, University of Exeter, UK, 11–12 April 2019. (J. Creedy, **N. Gemmell**, N. Herault, and P. Mok.)
- The redistributive effects of a minimum wage increase in New Zealand: a microsimulation analysis. Modelling Tax Policy and Compliance Workshop, Tax Administration Research Centre, University of Exeter, UK, 23 March 2019. (**N. Alinaghi**, J. Creedy, and N. Gemmell.)

WORKING PAPERS IN PUBLIC FINANCE

The Working Papers in Public Finance series includes papers by the Chair, New Zealand Public Finance (NZPF) research associates, and other public finance researchers.

Papers in the 2019 series

Number	Authors	Title
WP08/2019	Alinaghi, N., Creedy, J., and Gemmell, N.	Estimating Elasticities of Taxable Income and Adjustment Costs from Tax Kink Bunching: Evidence from Register Data for New Zealand
WP07/2019	Cabral, A., Gemmell, N., and Alinaghi, N.	Are Survey-Based Self-Employment Income Under-Reporting Estimates Biased? New Evidence from Matched Register and Survey Data
WP06/2019	Thomas, A.	Who Would Win from a Multi-rate GST in New Zealand: Evidence from a QUAIDS Model
WP05/2019	Buckle, R., Creedy, J., and Gemmell, N.	Is External Research Assessment Associated with Convergence or Divergence of Research Quality Across Universities and Disciplines: Evidence from the PBRF Process in New Zealand
WP04/2019	Ball, C., and Huseynli, G.	The Wage Equation Estimates for Microsimulation Modelling in New Zealand
WP03/2019	Buckle, R., and Creedy, J.	The 'Disciplinary Effect' of the Performance-based Research Fund Process in New Zealand
WP02/2019	Alinaghi, N., Creedy, J., and Gemmell, N.	The Redistributive Effects of a Minimum Wage Increase in New Zealand: A Microsimulation Analysis
WP01/2019	Creedy, J.	The Atkinson Inequality Measure and Inequality Aversion

NEWSLETTERS

This year saw three Chair in Public Finance newsletters produced, in March, August, and December, available at www.wgtn.ac.nz/sacl/centres-and-institutes/cpf/publications/newsletters. Each newsletter aims to provide summaries of recent research, discussion of topical public finance policy issues, and reports on recent and forthcoming events.

The 2019 newsletters included reports on:

- the Government's Tax Working Group final report and recommendations (March)
- the Treasury's Wellbeing Budget (August)
- the success of 'Team public finance' at Victoria University of Wellington with the award of a three-year MBIE Endeavour Fund grant to study the income mobility of New Zealand families (December).

Anyone interested in receiving future issues of the newsletter should email cpf-info@vuw.ac.nz with a request to be added to the newsletter email list.



PUBLICATION OUTREACH

The CPF uses various tools to track the number of publication downloads and citations to show which research areas are generating most interest. Citations of journal publications are tracked by Publish or Perish software using Google Scholar. The Working Papers in Public Finance (WPPF) series is tracked via Research Papers in Economics (RePEc) and Victoria Research Archives.

Total number of citations

	Dec 2012	Dec 2013	Dec 2014	Dec 2015	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Increase (%) 2018–19
2011	41	56	80	112	151	173	198	239	21%
2012	8	26	26	59	90	120	162	222	37%
2013		7	20	59	96	137	164	240	46%
2014			0	9	34	54	75	104	39%
2015				9	27	19*	32	37	16%
2016					5	34	45	74	64%
2017						7	27	36	33%
2018							14	33	136%
2019								12	-

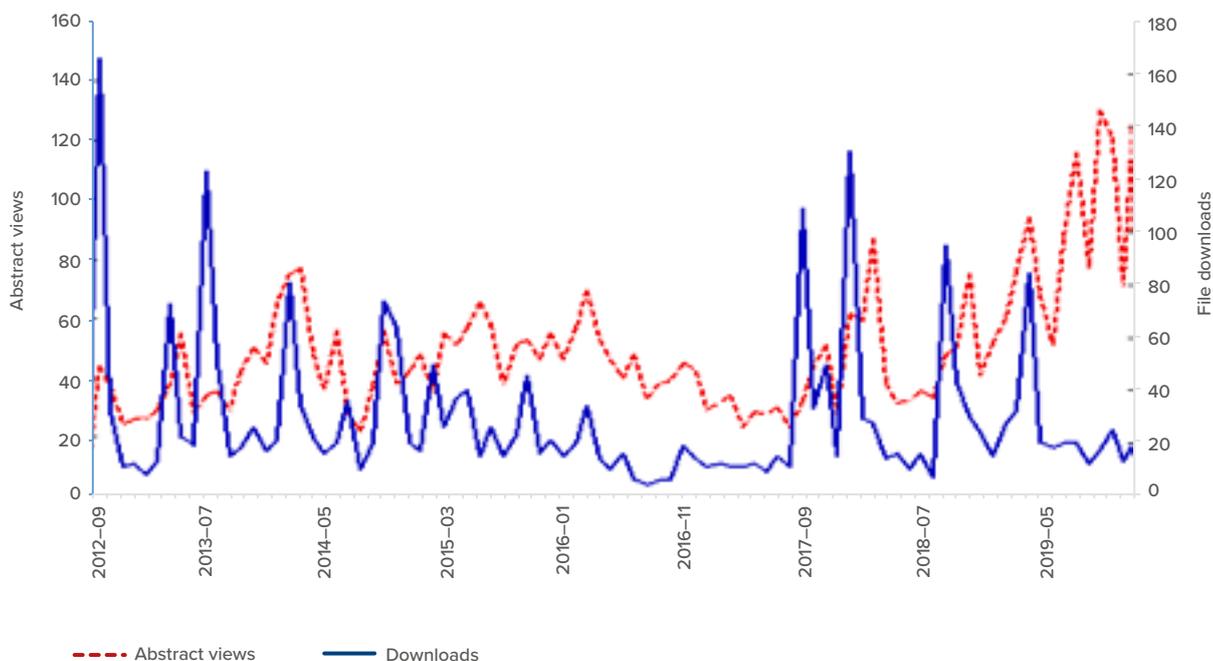
*Due to a change in the Publish and Perish software this appears to not be comparable.

Downloads for the WPPF series began in September 2012. The table below shows the download statistics through the Victoria University of Wellington Research Archive and RePEc for each calendar year, from September 2012 to December 2019.

WPPF series downloads (annual)

As of:	Dec 2012	Dec 2013	Dec 2014	Dec 2015	Dec 2016	Dec 2017	Dec 2018	Dec 2019
RePEc	211	397	418	311	175	299	442	304
Victoria Research Archives	1,100	2,182	2,135	2,777	2,361	2,775	1,925	1,906

The full RePEc abstract view and download statistics for the WPPF series are shown in the chart below.

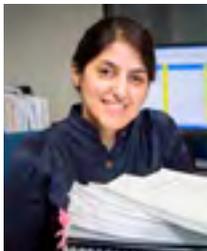


Source: <https://logec.repec.org/scripts/seriesstat.pf?item=repec:vuw:vuwcpf>

RESEARCH SUPERVISION

RESEARCH FELLOW

Nazila Alinaghi



Research Fellow in Public Finance

Dr Nazila Alinaghi joined the Chair in Public Finance in October 2017 after completing her PhD on the topic of taxes and economic growth at University of Canterbury, where she was awarded a UC PhD Scholarship and several other prizes for her papers. Since joining the CPF, Nazila has been working on several topics, including tax and transfer microsimulation modelling (minimum wage policy), estimating taxable income elasticities, and tax compliance. During 2019, she has produced three working papers. One of these (produced with Professors Creedy and Gemmell) was awarded the New Zealand Economic Policy Prize at the New Zealand Association of Economists Annual Conference. She also completed a project for which she received a research grant from the International Initiative for Impact Evaluation (3ie), funded by the Bill & Melinda Gates Foundation (Washington DC, USA), with the project outcome published in a peer-reviewed journal. Nazila contributed to the successful application to the 2019 MBIE Endeavour Fund, helping the CPF team secure over \$1 million to undertake a three-year research project on measuring income inequality, poverty, and mobility in New Zealand.



PHD STUDENTS

Alastair Thomas, OECD Centre for Tax Policy and Administration



Research project: The distributional effects of consumption taxes in OECD countries

Abstract: This research investigates the distributional effects of consumption taxes in OECD countries. The analysis is based on consumption tax microsimulation models constructed using household expenditure microdata for 23 OECD countries, including New Zealand. The first part of the research investigates whether consumption taxes are regressive or progressive, by undertaking a detailed distributional analysis of consumption tax burdens across income and expenditure deciles. The models are then used to examine the effectiveness of reduced and zero GST/VAT rates at achieving redistributive goals. A third part of the research will be to simulate the redistributive effects of various hypothetical reforms, including removing poorly targeted reduced and zero GST/VAT rates identified in the prior analysis.

Status: Part-time PhD Student.

Amy Cruickshank, Abu Dhabi Department of Finance



Research project: Government policy toward charitable giving in New Zealand

Abstract: Amy's thesis, supervised by Norman Gemmell and Peer Skov (AUT), is exploring charitable giving behaviour in New Zealand and how this behaviour is influenced by government policy, in particular, the effectiveness of tax incentives for individual donations, payroll giving schemes, and direct government grants to registered charities. The research will be informative for policymakers when considering policy settings in relation to charitable giving and government grant schemes, as well as the philanthropic sector when devising fundraising strategies. The analysis will be based on unit record data of donation tax credit claims and workplace giving from Inland Revenue and data on charity grant applications and finances from the Department of Internal Affairs.

Status: Full PhD registration.

Chris Ball, Reserve Bank of New Zealand



Research project: Labour supply responses to policy reform using behavioural microsimulation modelling

Abstract: Chris's PhD research, supervised by John Creedy and Norman Gemmell, is examining labour supply responses to tax-and-transfer changes using microsimulation modelling. The research consists of four key contributions: 1) developing high-quality synthetic data for use in microsimulation modelling; 2) investigating parameter restrictions to ensure preference parameter estimates are consistent with economic theory; 3) extending the Random Utility Random Opportunity (RURO) discrete choice set to include transfer receipt; and 4) designing new methods to evaluate behavioural microsimulation modelling results.

Status: Full PhD registration.

EVENTS AND STAKEHOLDER ENGAGEMENT

- Modelling Tax Policy and Compliance Workshop, sponsored jointly with the Tax Administration Research Centre, University of Exeter, UK (March)
- CPF Public Economics Research Day (November)
- Member of Treasury's TAWA tax modelling Technical Advisory Group (Jan–Mar, Oct–Dec).

More details of those events are available at www.wgtn.ac.nz/sacl/centres-and-institutes/cpf/events

Other engagement activities in 2019 included:

- advice to Inland Revenue on tax and productivity (January)
- meetings with Bureau van Dijk and Inland Revenue on New Zealand business tax databases (March)
- presentation to the Productivity Commission on tax microsimulation (March)
- presentation to the Productivity Commission Future of Work Inquiry (June)
- advice to the Treasury on long-term fiscal modelling (October)
- meetings with Inland Revenue on charitable giving in New Zealand (November).

WORKING WITH SPONSORS

Financial support from sponsors in 2019 included core funding for the CPF from Victoria University of Wellington, Inland Revenue, the Ministry of Education, the Treasury, and the New Zealand Productivity Commission.

We have also received funding or in-kind support for specific events or pieces of work from the following organisations:

- Ministry of Business, Innovation and Employment Endeavour Fund: to support a research project on measuring income inequality and mobility in New Zealand (September 2019)
- Ministry of Business, Innovation and Employment and Tax Administration Research Centre (TARC), University of Exeter, UK: for research and workshop support on tax microsimulation (March 2019)
- Treasury and Inland Revenue Department: to support development of TaxSimNZ, a 'stand-alone' behavioural tax-transfer microsimulation model for NZ, hosted at Victoria University of Wellington.







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