Social Policy & Parliamentary Unit
Working for the eradication of poverty in New Zealand

The Future of Tax: Submission to the Tax Working Group: Te Awheahe Take
The Salvation Army New Zealand Fiji, Tonga Territory with Samoa

BACKGROUND:

1. The Salvation Army (The Army) is an international Christian and social services organisation that has worked in New Zealand for over one hundred and thirty years. The Army provides a wide-range of practical social, community and faith-based services, particularly for those who are suffering, facing injustice or those who have been forgotten and marginalised by mainstream society. We have over 90 Community Ministry centres and Churches (Corps) across the nation, serving local families and communities. The Army's Addiction, Supportive Accommodation & Reintegration Services (ASARS) provide services at more than 30 locations throughout the country. ASARS support people seeking help with alcohol, other drugs, and gambling related problems, emergency housing options and assisting people transitioning from prison into the community. We are passionately committed to our communities as we aim to fulfil our mission of caring for people, transforming lives and reforming society through God in Christ by the Holy Spirit's power[i].

2. This submission has been prepared by the Social Policy and Parliamentary Unit of The Salvation Army. This Unit works towards the eradication of poverty by encouraging policies and practices that strengthen the social framework of New Zealand.

3. This submission has been approved by Commissioner Andrew Westrupp, Territorial Commander of The Salvation Army's New Zealand, Fiji and Tonga Territory.

OUTLINE OF THE SALVATION ARMY'S SUBMISSION:

4. The Salvation Army is keen to be involved in the work of the Tax Working Group (TWG) and welcomes the publication of its background paper *The Future of Tax*. This background paper usefully frames some of the issues we face as a nation around tax and most likely remains true to the TWG's brief and terms of reference. The Army believes however the failure of this review to include income transfers such as working age benefits and New Zealand Superannuation (NZS) as at least a related issue is a significant shortcoming. We believe that this shortcoming should be addressed and will make reference to this in the topics we consider in this submission. This shortcoming, in our opinion arises around the interface between taxation and income support for those receiving working age benefits, supplementary benefits and Working for Families (WFF) payments. The myriad and complex ways in which these payments interact with income and income tax mean that low income people can face very high effective marginal tax rates (EMTR) and this in turn can become a poverty trap.

5. The Salvation Army will be addressing this matter in its submission. In addition The Army will be making comments on the following areas.

- **a.** The overall intent and structure of New Zealand's tax system.
- **b.** Taxation of charities.
- **c.** The taxation of wealth and the proposal for a capital gains tax.
- **d.** GST exemptions.
- **e.** Environmental and resource taxes.
- **f.** Taxes to shift behaviours
- **g.** Hypothecating taxes

THE OVERALL INTENT & STRUCTURE OF NEW ZEALAND'S TAX SYSTEM

6. The Salvation Army supports the overall intent of New Zealand's tax policies which is to provide a *'broad-based, low-rate system which succeeds at raising relatively high amounts of revenue with relatively low rates'* (p.5). Our system appears to be relatively straightforward in terms of its base relying as it does mainly on personal income tax and general consumption through GST. This is not to suggest that a broader tax base is not desirable, as we believe it is, but that a tax levied comprehensively and transparently across whichever base is chosen is a desirable approach for tax policy. Such an approach, as the TWG will be aware, achieves some level of horizontal equity and is efficient to a degree since it is less likely to distort peoples' decisions around how they earn income and spend their money.

7. While we note the comments in the background paper that New Zealand has a relatively high rate of company tax by international standards (p.13), we note also the comments around our imputation regime which we believe is entirely fair. This regime means of course that where the owners of companies are New Zealand residents this income is taxed at the top marginal tax rate paid by these owners. These income tax rates are acknowledged in the paper as low by international standards. The paper acknowledges too that there is a problem around multi-national companies engaging in practices such as transfer pricing in order to avoid paying taxes in New Zealand. Given this it would be good if the TWG could spend some time investigating the extent of such practices in order to determine what the effective tax rate being paid by foreign owned companies actually is.

8. The Salvation Army accepts that any set of public policies which aim to fulfil a number of sometimes conflicting, or at least inconsistent objectives, can generate inefficient and sometimes perverse outcomes. This constraint notwithstanding, we believe that tax policy is sufficiently broad in its application and that the impacts of this application are sufficiently well researched that we can realistically expect that our tax policies can efficiently and effectively work towards a range of objectives.

9. The primary objective of our current tax policies appears to be that of raising revenue for Government in a way which is economically and administratively efficient. In this respect our system can probably be seen as being quite successful. However the other potential objectives which can be sought from tax policies, and particularly those of re-distribution

and changing behaviour, may also be achieved efficiently if sufficient imagination and care is brought to the task. It is The Salvation Army's submission that these additional objectives of re-distribution and behaviour modification should also be pursed to a greater degree than they are at present. The basis of our submission supports this idea.

TAXATION OF CHARITIES:

10. The TWG background paper acknowledges that the not-for-profit sector plays an important role in both New Zealand society and its economy and The Salvation Army as a leading NGO concurs with this assessment. The charitable sector is both a significant employer and provider of services. These services are often provided on behalf of (or in conjunction with) Government agencies, for the betterment of society.

11. The current taxation concessions that the sector receives are vital in enabling Charities to provide the services to the community that they do. In addition to these concessions the charitable sector relies heavily on the kind support of the donating public. The current tax credit for donations that the Government provides is a generous encouragement to the public to support the community through the work of charities. This partnership between charities, the public and the Government ensures that New Zealand benefits as a whole for the best value.

12. As well as the generous donations of money, charities also receive support in the form of goods and services and many hours of volunteer time for which there are no tax benefits to the provider but which benefit the community. These donated goods, services and time mean that charities provide a very cost efficient service that is a great tangible benefit to society, often supporting Government initiatives and aims.

13. The current tax concessions are appropriate to supporting the mission of charities. Any surpluses produced by a charity's business enterprises are used in the provision of the mission of the charity. Also, these business enterprises are an opportunity to benefit society through the provision of goods and/or services and also to provide employment, rehabilitation and training in the community.

14. While charities are grateful for the tax concessions that they receive, these don't come without a cost. There are numerous rules and regulations to be aware of, often requiring levels of judgement to determine if they apply or how to apply them. This can lead to considerable compliance costs to ensure that charitable entities operate within the boundaries and spirit of the law.

15. The Salvation Army is a large and diverse charitable organisation. Its diversity is one of its strengths as it is able to address many of the issues it is presented with in a seamless way. This diversity also presents challenges, amongst which are the varying rules regarding taxation on various activities. For example The Salvation Army currently has to consider carefully the appropriate GST treatment of all transactions because its operations include

various accommodation situations where GST may be applied in different ways; overseas transactions, including those where we may need to assess GST on imported services under the reverse charge mechanism; various exempt activities including the sale of donated goods and services; donations (which are not subject to GST) as well as taxable activities where GST is applied in a more standard way. In assessing changes to the tax system our plea would be to keep things simple.

THE INTERFACE BETWEEN INCOME SUPPORT & TAXATION POLICIES:

16. As discussed above, The Salvation Army is concerned about the omission of income support programmes and policies such as Working for Families, the working age benefits and New Zealand Superannuation from the background paper. We accept that this omission is because it is outside the TWG's brief and that on any account a process which considered both tax policies and income support policies would be even more extended than the present work of the TWG and probably not workable. While such an expanded brief may not have been feasible, we believe that it is still incumbent on the TWG to consider the impact of the interface between income support programmes and taxation. The need for such a consideration is based the potential inefficiencies and likely perverse incentives set up by the current income tax/income support regimes.

17. A most obvious inefficiency arises around the need for Working for Families payments to compensate families with children for the taxes they pay. For example a single family household with two children only starts to receive a net income from the state where its annual income falls below $50,000. For incomes just above this threshold the value of WFF payments are less than the taxes such a household would pay so of course there is a targeting of assistance which may have some policy value. Such targeting however creates higher EMTR's so acts as a disincentive to working more. Such an effective disincentive was noticeable in the case of two income households which may be a good thing when considering the choices families make around time and effort spent working for wages and that spent caring for children[ii]. As a policy WFF has given families with children more choices around how they spend their time and effort although it costs perhaps $50 million per year to administer[iii] and involves time and effort for households to comply with entitlement rules and processes.

18. The TWG will be well aware of the stark differences between Australia and New Zealand around how reported personal income is taxed at very low levels. A person receiving wages of $18,200 per annum in Australia pays no income tax while an equivalent person in New Zealand pays $2500 in income tax.[iv] This difference is significant across the interface between work and benefits and contributes to the relative poverty experienced by 15 to 24 year olds as well.

19. At the interface between work and benefit dependency a person receiving a working age benefit faces a complex array of abatements and so very high EMRT's. For example as a person attempts to work part-time on a benefit, their principal benefit will abate along with

any supplementary assistance they receive through the Accommodation Supplement and special supplement assistance they may also receive. On top of this they will pay income tax at 15% for the first dollar they earn. This can mean that such people face EMTR's of more than 50%[v]. While the bulk of such a high EMRT is due to benefit rules rather than tax policies, the present taxation of very low levels of personal income does not assist. The Salvation Army believes that this matter should be considered by the TWG in its reconsideration of income tax policy settings**.**

20. Related to the taxation of the very low personal incomes is the relative poverty experienced by people earning and trying to live on such incomes. Most of the single people earning low personal incomes from wages will be young workers who are perhaps also trying to study and/or have casual entry-level jobs. It is notable that these people experience the highest and most persistent levels of relative poverty[vi] yet are seldom considered by poverty reduction programmes and often fall outside of most income support and housing support programmes. The lack of access to such programmes impacts on their poverty but so too does the fact that they pay income tax on such low incomes**.**

THE TAXATION OF WEALTH & A CAPITAL GAINS TAX:

21. The Salvation Army does not support the idea of a capital gains tax as such a tax is only a partial remedy to the problems we have around growing wealth inequalities. As well we believe that a capital gains tax will most likely not raise much revenue for the foreseeable future given that we appear to be at the top of an extended property price boom.

22. The Army notes the comments made in the background paper that wealth is distributed much less equally than income (p.36) and that the maldistribution of income has on any account got substantially worse since the 1980's and marginally worse since the mid 2000's. These trends are of course not entirely due to our tax system and will not be addressed entirely by our tax system either. However, there is scope to address both wealth and income inequalities through our tax and income transfer systems. The Salvation Army believes that such opportunities should be considered by the TWG.

23. Wealth inequality is, in The Salvation Army's opinion, a serious and growing problem for New Zealand. It is a serious problem in part because this inequality is a source of poverty, in part because this poverty undermines the potentials of those impacted by it and in part because this in turn undermines social cohesion. The data offered below demonstrates how wealth inequality is getting worse.

24. The 2015 Household Economic Survey showed the 52% of the wealth was owned by less than 9% of households while 51% of households owned less than 9% of the wealth[vii]. Tenant households which at that time made up 35% of households owned less than 8% of the wealth. Reserve Bank data on household wealth shows that the total net wealth of New Zealand households rose 46% in nominal terms or by $454 billion between 2012 and 2017 to $1440 billion. Of this increase, 86% or $396 billion was gained from increases in the value of

housing and land[viii]. While there is no data available on the distribution of these wealth gains, it seems likely that half or more went to the wealthiest 10% of households. In other words the wealthiest 10% of households saw their wealth grow by an average of $1.35 million between 2012 and 2017 while the poorest 90% saw their wealth grow by an average of around $150,000. Much of these gains would have been untaxed given that they have come from escalating land values.

25. To address growing wealth inequalities- such as these, it is The Salvation Army's view that wealth should be taxed as suggested by the French economist Tomas Piketty in his 2013 text *Capital in the 21st Century.* How such a capital tax might work should be investigated by the TWG although we recommend that some attention is given to re-considering the advice offered by the 2001 Tax Review which suggested applying a tax based on the risk free rate of return and on all wealth above a certain threshold[ix].

EXEMPTION OF SOME GOODS FROM GST:

26. The Salvation Army does not support the exemption of some preferred goods or services from the GST tax net. We believe that the present comprehensiveness of GST is one of its strengths and that this approach should be maintained. While some parties which are concerned about the cost of healthy foods to low-income groups argue for the exemption of such goods from GST this argument on balance has little merit we believe**.**

27. The exemption of fresh and healthy foods from GST is likely to generate odd and perhaps unexpected outcomes, would be difficult to administer and perhaps to comply with and would likely benefit higher income households more than the low-income households on whose behalf such an argument is often advanced. There is as well a moral standard being applied here on what is a good or service which deserves exemption and which don't. This moral standard may be based on where something is purchased rather than what is purchased. An example may be that food purchased in supermarkets is worthy while that purchased from takeaways is not.

28. The Salvation Army is concerned both with the absolute poverty faced by many poor New Zealanders and with the quality of the nutrition these people receive. The Army operates a network of 65 food banks across New Zealand and presently is providing 1200 food parcels each week to needy families and individuals. Many of whom have exhausted their supplementary assistance entitlements from MSD. During 2017 we experienced an unexpected and unprecedented 12% growth in demand for food parcels which we attribute to rising rents and an increase in housing related poverty[x].

29. The Army is concerned with this increase in demand for food aid, or with the underlying and persistent demand for such assistance and we work with families through such measures as budgeting advice to address this. This persistence and recent growth in such assistance however points to a need to re-consider state run income support programmes as well as housing support measures and controls on predatory lending and other social hazards. In

short if we are concerned about the well-being of the poorest New Zealanders we believe that we should address these concerns through better income and housing support programmes, stricter controls on social hazards and perhaps through a lower income tax burden on the poorest paid New Zealanders.

ENVIRONMENTAL & RESOURCE TAXES:

30. *Future of Tax* correctly identifies the pressure our natural resources are under (pp 14-15, 40) and in our opinion usefully focuses on natural capital and its value to human wellbeing (p.18). The Salvation Army supports in principle the idea that we should have a wider and more comprehensive range of environmental taxes in order to reduce environmental harms and resource depletions and to ensure that our resource uses are efficient and respectful**.**

31. The Army believes that a strong case can be made for imposing taxes on both air and water emissions, water use and perhaps carbon use. We believe that the current emissions control regime has too many exemptions to be effective and that what amounts to free access to resources such as water does not encourage their wise and efficient use.

32. However it is important not to see environmental taxes as entirely new sources of Government revenue but as an opportunity to either undertake mitigation measures – such as the reduction of transport emissions through emission free transport options, or to offset other tax burdens. Taxes on some resource uses while encouraging more efficient use are also a form of royalty which can generate significant sources of revenue for Government. These new revenue sources offer the opportunity to offset the taxes paid on other activities such as work or R&D. The Salvation Army believes that such a comprehensive approach to environmental taxes should be taken in order to maximise their value to the whole society and not just to the natural environment**.**

TAXES TO SHIFT BEHAVIOURS:

33. We note the comments made in Future of Tax that *'(U)nlike many other countries New Zealand does not use the tax system to deliberately modify behaviour – with the notable exceptions of alcohol and tobacco excise taxes which are intended to discourage drinking and smoking'* (p.5). The Salvation Army believes in general that such an approach is reasonable but that a case could be made for extending the use of taxation to modify behaviours (either of consumers or producers) around gambling and sugar consumption to name just two other social hazards. The Army however disputes that current excise taxes on alcohol actually modify drinking behaviours significantly and ask the TWG to reconsider current forms and levels of excise taxation on alcohol in order to modify harmful and risky drinking behaviours.

34. The Salvation Army has a long history in New Zealand and overseas for advocacy and treatment on alcohol related harm and issues. The Army itself promotes an abstinence policy for our Corps or church members based on our history as a Church, as well as on the

harmful effects of alcohol abuse for communities, families and individuals.[xi] We are also a leading provider addictions treatment, providing services to those facing alcohol and other drug addictions (Bridge services), or treatment to those suffering from gambling harm (Oasis services). Our abstinence policy does not limit or discriminate against our provision of these treatment services. The Bridge programme operates throughout New Zealand, Fiji, Tonga and now Samoa. Our residential programmes are run in six cities across New Zealand. Therefore, we have first-hand knowledge of the hugely damaging effects of alcohol abuse and addiction on New Zealand society, particularly on specific groups in society. For example, thirty-nine per cent of our Bridge clients in 2017 were of Maori descent.[xii]

35. The effects of alcohol harm and addiction are also evident as people use other services we provide. The needs and issues our clients face are becoming progressively more complex. For example, people often present to our service centres with a food welfare need (i.e. requiring food assistance or a food parcel). But their needs can be connected to an addiction to alcohol, other drugs or gambling, or to other multifaceted social issues like housing need (e.g. homelessness) or social disconnection. Alcohol harm, abuse and addiction can thus cause these other social issues, or be a result of these wider social issues.

36. In our 2018 State of the Nation report, *Kei a tatou,* we reported that even though alcohol consumption continues to decline on a per capita basis in New Zealand, problem or hazardous drinking has remained stable, particularly since the 2012 liquor law reforms.[xiii] The table below reports on hazardous drinking behaviours in our nation.

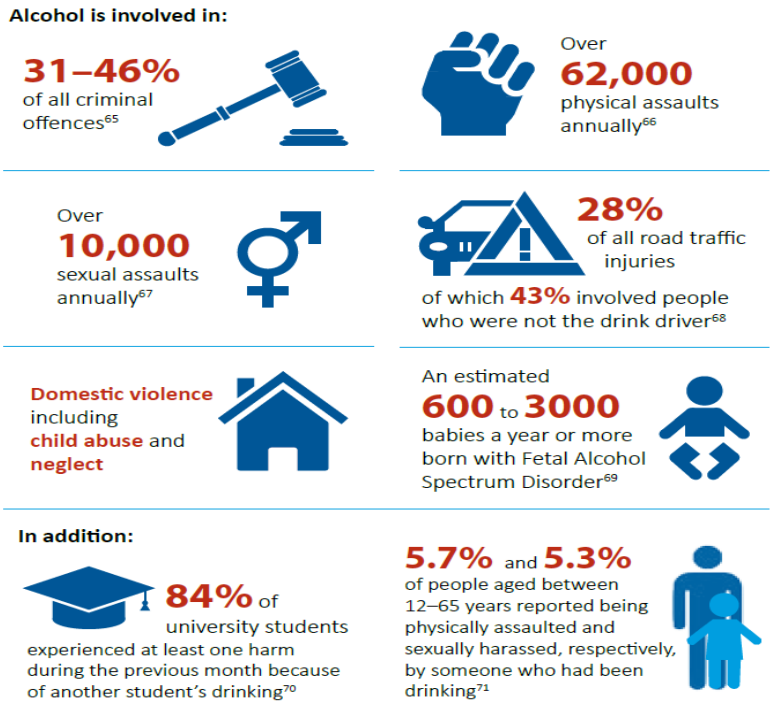
Table 20: Estimates of the proportion of population drinking hazardously—2007–2017[56]

	2006/07 ALAC	2015/16 HPA	2015/16 NZHS	2016/17 NZHS
Total population	18.0%	19.3%	20.8%	19.5%
Men	26.0%	26.6%	28.6%	27.1%
Women	10.6%	12.3%	13.4%	12.4%
15- to 17-year-olds	19.5%	11.5%	7.9%	7.6%
18- to 24-year-olds	43.2%	32.6%	37.1%	32.9%

[xiv]

37. The Salvation Army sees the harmful effects of this kind of drinking in various parts of our Corps/Church and social services across the country. *Kei a tatou* also reported that thirty-seven percent of Maori over 50 engage in hazardous drinking behaviours.[xv] This is almost in line with our own Salvation Army statistics wherein thirty-nine percent of our Bridge clients in 2017 were Maori.[xvi] Hazardous drinking is clearly detrimental to our communities, and especially to specific parts of our society. More specifically, alcohol harm is usually very prevalent for the communities we often work closely with in the lower socioeconomic areas of our country. Most of our Bridge services working with those with alcohol addictions and issues work primarily with the individual themselves. However, there are aspects of our services that work with or are open to the individual's whanau and social connections, such as our Recovery Church services.

38. Other groups in New Zealand civil society have effectively quantified the various costs of alcohol-related harm and abuse for our nation, particularly for people other than the drinker themselves. For example the New Zealand Medical Association (NZMA), in 2015, published a policy briefing paper titled *Reducing Alcohol-related Harm*.[xvii] In this paper, the NZMA plainly noted that *alcohol-related health and social harms constitute a significant burden in New Zealand. These harms are incurred by individual drinkers, those around them, as well as the wider society. Alcohol related harms are disproportionately high in selected population groups, particularly Māori and the most socio-economically deprived*.[xviii] The NZMA then published a powerful pictorial representation of some of the very damaging effects of alcohol on the wider community:



[xix]

39. In 2009, The Salvation Army released *Excising Excess: Options for using alcohol taxes to reduce New Zealanders' harmful drinking*.[xx] This report contended that alcohol excise tax should be focussed on reducing alcohol-related harm, rather than just collecting tax revenue for the Government.

40. For the purposes of the TWG's Inquiry, we recommend that **alcohol excise tax rates should increase by at least 25 to 50 per cent**. This is in line with our recommendations from 2009 in *Excising Excess*. But this approach is also based on:

41. Increasing the price of alcohol – Any increase in excise tax will logically result in an increase in the price of alcohol. Consumers are price sensitive and there is a clear link between price and alcohol consumption and also alcohol related harm. The Law Commission states that *[p]utting up the price of alcohol will reduce alcohol-related harm. It will also help to pay for the costs to society of those harms. The widespread availability of cheap alcohol products*

has encouraged excessive and harmful consumption of alcohol. It is cheap products that are most favoured by heavy, harmful and young drinkers.[xxi]

42. Reducing alcohol-related harm – This should be the focus of the alcohol excise tax regime. The Law Commission advocated for 50 per cent increase in alcohol excise tax as a key method of reducing alcohol-related harm in New Zealand.[xxii] Ideally, these alcoholic beverages should be taxed on their alcohol content because it is the alcoholic content that leads to the various harms we see daily in our work across New Zealand.

43. Ensuring the excise regime is fair – The excise regime is fractured and could potentially be leading to missed tax revenue being collected because there is little consistency across the regime. In *Excising Excess*, we noted the discrepancy between wine and other alcoholic beverages which could lead to lost tax revenue. We support a review of this regime, particularly to ensure the fairness of collecting and enforcing this tax.

44. Combatting myths – There are some arguments that alcohol taxes are bad for the economy and would cause a decrease in economic growth. We contend that people who would not purchase alcohol, or buy less alcohol, because of price sensitivity would still have that money to use and therefore continue to purchase other products in the economy. Additionally, there will be other economic benefits from this increase in price, including greater employee productivity, less resources being committed to addressing alcohol-related harm, less stress on hospitals, police and emergency services, and so on.

45. Financial and physical capital – As mentioned earlier, the financial costs of alcohol related harm are approximately $5 billion per year for our nation. This harm has a massive impact on the physical and financial capital of our nation, especially since the cost of this harm is usually significantly more than the excise collected on alcohol, and the huge stress alcohol-related harm places on our infrastructure, most notably hospitals.

46. Natural capital – Foreseeably, increased taxes would lead to reduced consumption and therefore production of alcohol. This would impact the water supply and other natural resources involved in the production process.

47. Social capital – Increased taxes will definitely affect our nation and society. Alcohol-related harm disproportionately impacts on Maori and Pacific communities, thereby disturbing their development as strong communities. Furthermore, there has been a lot of attention by the media, researchers and the wider public on the drinking culture, or binge drinking culture, in our nation. Increasing the tax excise on alcohol would signal to our nation that the severe influence of alcohol-related harm will no longer be tolerated and accepted, and that change is clearly needed.

48. Human capital – We have already stated above the impacts this harm has on people, particularly those from lower socioeconomic groups, and the more marginalised and vulnerable of society. Increasing alcohol tax excise should, in our opinion, lead to greater investment on

funding alcohol treatment and addictions services to ensure all of our citizens and communities are as strong as possible.

HYPOTHECATING TAXES:

49. The Salvation Army supports the idea of hypothecating taxes where such taxes are collected against specific goods as excise taxes. The most obvious examples presently are around fuel, gambling, tobacco and alcohol.

50. The Army supports the continuation of the Health Promotion Agency (HPA) and Problem Gambling levies. The HPA levy is vital to ensure that quality information and data, principally around reducing personal, social and economic harm, is provided for the public to endorse health and wellbeing in our communities. If the tax excise on alcohol is increased and also based on alcohol or ethanol content, then this HPA levy will also increase, meaning that their important work can continue.

51. However, we submit that increases in this tax regime should also lead to funding services and programmes working directly on alcohol-related harm issues. We have mentioned in Paragraph 40 the cancellation of funding for our *Hauora* programme with the Mongrel Mob. Such taxes as alcohol excise tax revenue should be directed to treatment and addictions services, in order to improve on the wellbeing of those facing these alcohol-related issues and addictions.

CONCLUSIONS:

52. The Salvation Army welcomes this opportunity to comment on the preliminary work of the TWG and will take part in further rounds of the Group's consultation and review. The Army believes that tax policies are a powerful tool to achieving a New Zealand which is more prosperous, fairer and safer. We believe that New Zealand will be a more prosperous country if we can change the focus of our taxation away from income, effort and production and toward wealth, consumption and resource use. We believe that a shift in emphasis away from taxing low incomes earned from wages and toward the benefits of owning significant wealth will make New Zealand a fairer society. We believe too that taxing social hazards and using these taxes to educate and in some cases treat those most afflicted by these social hazards will make New Zealand a safer place. Additionally, we submit that a tax system that is as simple and easily understood by New Zealanders is the most beneficial type of system. This type of system would also be cheaper to administer for the Government, and easier to manoeuver for the tax payer. We ask the TWG to cast its attention to these broader goals rather than just to the mechanisms of or barriers to collecting taxes.

REFERENCES:

[i] http://www.salvationarmy.org.nz/our-community/mission/

[ii] For example there is some evidence from the Household Labour Force Survey that labour market participation amongst couples with three or more children fell away after the introduction of Working for Families although this participation rate has bounced back more recently.

[iii] The 2017 Budget provided $115 million to Inland Revenue Department to provided 'Services to Process Obligations and Entitlements' (B5 Vol.5 p.208) which includes the administration of the various Working for Families programmes. This $50 million estimate is based on this total figure and is not reported separately within Budget documents.

[iv] See the Australian Federal Government's income tax tables at https://www.ato.gov.au/Rates/Individual-income-tax-rates/

[v] For example see St John, S. (2017) Tax and Family Assistance in *Progressive Thinking – ten perspectives on tax*; Public Service Association. Available at https://www.psa.org.nz/assets/Campaigns/stand-together/Tax-booklet/Tax-book-2017-LOW-RES.pdf.

[vi] See Perry, B. (2017) *Household incomes in New Zealand: Trends in indicators of inequality and hardship 1982 to 2016*; Table G.2 p.128 which shows relative poverty rates of 18 to 24 year olds of 17% compared with 14% for children, 5% for over 65's and 11% for the population overall.

[vii] See for example a report on the summary of wealth distribution reported in the 2015 Household Economic Survey at https://www.stats.govt.nz/news/top-10-percent-of-households-have-half-of-total-net-worth

[viii] See Reserve Bank statistics of household balance sheets at https://www.rbnz.govt.nz/statistics/c22

[ix] https://treasury.govt.nz/publications/information-release/tax-review-2001

[x] http://www.salvationarmy.org.nz/sites/default/files/uploads/20180214tsastateofthenation2018.pdf

[xi] http://www.salvationarmy.org.nz/our-community/faith-in-life/christian-ethics/abstinence-from-alcohol

[xii] The Salvation Army (2017), *Journeying Together: Annual Report 2017,* The Salvation Army New Zealand, Fiji, Tonga and Samoa, pg. 18.

[xiii] http://www.salvationarmy.org.nz/sites/default/files/uploads/20180214tsastateofthenation2018.pdf, pg. 51.

[xiv] Reproduced from *Kei a tatou* - http://www.salvationarmy.org.nz/sites/default/files/uploads/20180214tsastateofthenation2018.pdf, pg. 51.

[xv] Ibid.

[xvi] The Salvation Army (2017), *Journeying Together: Annual Report 2017,* The Salvation Army New Zealand, Fiji, and Tonga, pg. 18

[xvii] NZMA (2015), *Reducing Alcohol-related Harm*, NZMA, New Zealand.

[xviii] Ibid p.2

[xix] Ibid pg. 15. Note that the references for all of these statistics are found in this *Reducing Alcohol-related Harm* report.

[xx] Johnson, A. (2009), *Excising Excess: Options for using alcohol taxes to reduce New Zealanders'* harmful drinking, Social Policy and Parliamentary Unit, The Salvation Army.

[xxi] http://www.lawcom.govt.nz/sites/default/files/projectAvailableFormats/NZLC%20R114.pdf, pg. 21

[xxii] Ibid.