

# The Treasury

## Budget 2017 Information Release

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Reference: T2017/752 SH-13-5-2-3

Date: 24 March 2017

To: Minister of Finance (Hon Steven Joyce)  
Associate Minister of Finance (Hon Simon Bridges)  
Associate Minister of Finance (Hon Amy Adams)

Deadline: None



## Aide Memoire: Further tax and transfer package options – FTC phasing options (with amended fiscal costs)

*This is an amended version of T2017/694. Table 3 in the previous aide memoire presented fiscal costs that did not include the Accommodation Supplement or clawback. The fiscal costs now presented in Table 3 include the Accommodation Supplement component and account for the impact of clawback.*

We have previously provided analysis for the three tax and transfer package options presented in Table 1 (T2017/583, T2017/595, T2017/630 and T2017/691 refer). This note provides the fiscal cost and distributional analysis for Package 6a with three phasing options of the Family Tax Credit (FTC).

**Table 1: Tax and transfer packages**

|   | Package 4  | Package 5a   | Package 6a   |
|---|--|--|--|
| Tax thresholds                                      | Increase the \$14,000 threshold to \$18,000, and the \$48,000 to \$52,000.   | Increase the \$14,000 threshold to \$22,000, and the \$48,000 to \$55,000. | Increase the \$14,000 threshold to \$22,000, and the \$48,000 to \$52,000. |
| Independent Earner Tax Credit (IETC)                | Maintain the existing IETC.  | Remove the IETC.   |  |
| Family Tax Credit (FTC)                             | Align the FTC rates to the eldest child rates, increase abatement rate to 23.75% and reduce the abatement threshold to \$35,900. |  |  |
| Accommodation Supplement                            | Update the maxima to reflect 2016 median rents, while re-allocating areas to reflect rental costs.                               |  |  |
| <b>Fiscal cost<sup>1</sup> (including clawback)</b> | <b>\$2,000 m</b>   | <b>\$2,800 m</b>   | <b>\$2,350 m</b>   |

All of the results in this note are sourced from Taxwell. Suppressed results (\*) are because values must have more than 3000 counts (weighted) and 10 or more sample units.<sup>2</sup>

<sup>1</sup> Rounded to the nearest \$50 million.

<sup>2</sup> Access to the Household Economic Survey data was provided by Statistics New Zealand under conditions designed to give effect to the security and confidentiality provisions of the Statistics Act 1975. The results presented here are the work of the Treasury, not Statistics New Zealand.

## Phasing options for Package 6a

We have analysed three options for phasing FTC rate alignment to balance the fiscal costs and minimise the impact on families. All three options:

- freeze the eldest (first and subsequent) child rates, and
- phase an increase to the lower age bands so that alignment is achieved in the second year. The payment rates for the lower age bands increase one third of the way to alignment in year one and fully align in year two, as shown in Table 2:

**Table 2: Phasing payment rates**

| Year beginning                        | Status Quo | 1/4/2018 | 1/4/2019 |
|---------------------------------------|------------|----------|----------|
| <b>Family tax credit annual rates</b> |            |          |          |
| Eldest child, aged from 16 to 18      | \$5,303    | \$5,303  | \$5,303  |
| Eldest child, aged from 0 to 15       | \$4,822    | \$4,982  | \$5,303  |
| Subsequent child, aged from 16 to 18  | \$4,745    | \$4,745  | \$4,745  |
| Subsequent child, aged from 13 to 15  | \$3,822    | \$4,130  | \$4,745  |
| Subsequent child, aged from 0 to 12   | \$3,351    | \$3,816  | \$4,475  |

The fiscal costs presented in Table 3 for each phasing option include the Accommodation Supplement (AS) component of the package *and are adjusted for the impact of clawback*. Families with a combined income over the abatement threshold (of at least \$35,000 in the options considered) will face increasing abatement. However, if abatement changes occur at the same time as the tax threshold changes, it is possible to fully compensate families facing increased FTC abatement while reducing the overall fiscal cost of the FTC component.

Changes to the abatement threshold have a smaller effect relative to changes to the abatement rate.

**Table 3: Phasing options for FTC**

| Option  |                     | 1/4/2018 | 1/4/2019 |
|---|---------------------|----------|----------|
| Option 1 - Abatement threshold decreases \$1,350 to \$35,000 on 1/4/2018, and at the same time the abatement rate increases by 1.25%. | Fiscal Cost (m)     | \$1,930  | \$2,270  |
|   | Abatement threshold | \$35,000 | \$35,000 |
|   | Abatement rate      | 23.75%   | 23.75%   |
| Option 2 - Abatement threshold decreases \$450 on 1/4/2018 and 1/4/2019. The abatement rate increases 1.25% on 1/4/2018 and 1/4/2019. | Fiscal cost (m)     | \$1,960  | \$2,220  |
|   | Abatement threshold | \$35,900 | \$35,450 |
|   | Abatement rate      | 23.75%   | 25.00%   |
| Option 3 - Abatement threshold decreases \$1,350 to \$35,000 on 1/4/2018, and at the same time the abatement rate increases by 2.5%.  | Fiscal cost (m)     | \$1,880  | \$2,200  |
|   | Abatement threshold | \$35,000 | \$35,000 |
|   | Abatement rate      | 25.00%   | 25.00%   |

## Distributional analysis for phasing options

Tables 4 to 21 present the distributional analysis for the three phasing options.

For the first FTC phasing option:

- The first year (1 April 2018) cost and distributional impacts are provided (Table 4).
- The second year (1 April 2019) cost and distributional impacts are provided, relative to *current baselines*; i.e., these are the cost and distributional impacts assuming no FTC changes occur on 1 April 2018 (Table 5).
- The second year (1 April 2019) cost and distributional impacts are provided, relative to *new baselines*; i.e., assuming that FTC changes in Table 4 occur (Table 6).

The costs and distributional impacts are repeated in Tables 7 to 9 on an individuals basis. Note that Working for Families is assessed at the family level, and the methodology used to attribute FTC to individuals may artificially inflate the number of winners and losers.

Tables 10 to 21 provide similar breakdowns for FTC Options 2 and 3.

Although there appear to be fewer families gaining in the second year relative to the new baseline for all three options (Table 6 compared to Table 4), there are relatively more families gaining compared to the current baselines. In other words, year-on-year changes appear to have impacts on fewer FTC recipients (for FTC Options 1 and 3), but more recipients are impacted when compared to current settings.

All options would result in about 4,000 families who would lose an average of \$1 in the second year (Tables 5, 11, and 17) compared to current baselines.<sup>3</sup> However, FTC Option 2 results in more families disadvantaged in the second year relative to the new baseline.

The distributional analyses presented do not include the impact of the AS component as neither Treasury nor MSD models can appropriately capture all of the interactions between the various components of the package.

[34] . Analyst, Tax Strategy, [39]  
**Eina Wong**, Senior Analyst, Tax Strategy, [39]

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<sup>3</sup> These families are due to interactions between part-year beneficiaries and the tax threshold changes and are unrelated to the FTC component of the package.

Distributional tables for option 1 - abatement threshold decreases \$1,350 to \$35,000 on 1/4/2018, and at the same time the abatement rate increases by 1.25%

**Families**

**Table 4: Option 1 - Distribution of families that gain in the year beginning 1 April 2018**

| Income band         | Number of families in band | Number of families gaining | Average weekly gain for families that gain (\$) | Number of families losing | Average weekly loss for families that lose (\$) |
|---------------------|----------------------------|----------------------------|---|---------------------------|---|
| \$0-\$14,000        | 200,000                    | 17,000                     | \$12  | *                         | *   |
| \$14,000-\$31,000   | 249,000                    | 205,000                    | \$8   | *                         | *   |
| \$31,000-\$48,000   | 221,000                    | 221,000                    | \$5   | *                         | *   |
| \$48,000-\$60,000   | 136,000                    | 136,000                    | \$16  | *                         | *   |
| \$60,000-\$70,000   | 78,000                     | 78,000                     | \$17  | *                         | *   |
| \$70,000-\$100,000  | 241,000                    | 241,000                    | \$19  | *                         | *   |
| \$100,000-\$125,000 | 143,000                    | 143,000                    | \$26  | *                         | *   |
| \$125,000-\$150,000 | 88,000                     | 88,000                     | \$31  | *                         | *   |
| more than \$150,000 | 186,000                    | 186,000                    | \$34  | *                         | *   |
| ALL                 | 1,542,000                  | 1,314,000                  | \$18  | 4,000                     | \$-1  |

**Table 5: Option 1 - Distribution of families in year beginning 1 April 2019 compared to current baselines**

| Income band         | Number of families in band | Number of families gaining | Average weekly gain for families that gain (\$) | Number of families losing | Average weekly loss for families that lose (\$) |
|---------------------|----------------------------|----------------------------|---|---------------------------|---|
| \$0-\$14,000        | 196,000                    | 14,000                     | \$23  | *                         | *   |
| \$14,000-\$31,000   | 242,000                    | 198,000                    | \$15  | *                         | *   |
| \$31,000-\$48,000   | 213,000                    | 213,000                    | \$9   | *                         | *   |
| \$48,000-\$60,000   | 140,000                    | 140,000                    | \$21  | *                         | *   |
| \$60,000-\$70,000   | 83,000                     | 83,000                     | \$22  | *                         | *   |
| \$70,000-\$100,000  | 238,000                    | 238,000                    | \$26  | *                         | *   |
| \$100,000-\$125,000 | 146,000                    | 146,000                    | \$27  | *                         | *   |
| \$125,000-\$150,000 | 94,000                     | 94,000                     | \$31  | *                         | *   |
| more than \$150,000 | 198,000                    | 198,000                    | \$34  | *                         | *   |
| ALL                 | 1,550,000                  | 1,324,000                  | \$22  | 4,000                     | \$-1  |

**Table 6: Option 1 – Distribution of families in year beginning 1 April 2019 compared to new baselines**

| Income band         | Number of families in band | Number of families gaining | Average weekly gain for families that gain (\$) | Number of families losing | Average weekly loss for families that lose (\$) |
|---------------------|----------------------------|----------------------------|---|---------------------------|---|
| \$0-\$14,000        | 196,000                    | 14,000                     | \$21  | *                         | *   |
| \$14,000-\$31,000   | 242,000                    | 85,000                     | \$24  | *                         | *   |
| \$31,000-\$48,000   | 213,000                    | 44,000                     | \$22  | *                         | *   |
| \$48,000-\$60,000   | 140,000                    | 31,000                     | \$23  | *                         | *   |
| \$60,000-\$70,000   | 83,000                     | 22,000                     | \$19  | *                         | *   |
| \$70,000-\$100,000  | 238,000                    | 53,000                     | \$27  | *                         | *   |
| \$100,000-\$125,000 | 146,000                    | 9,000                      | \$25  | *                         | *   |
| \$125,000-\$150,000 | 94,000                     | *                          | *   | *                         | *   |
| more than \$150,000 | 198,000                    | *                          | *   | *                         | *   |
| ALL                 | 1,550,000                  | 259,000                    | \$23  | *                         | *   |

**Individuals**

**Table 7: Option 1 - Distribution of individuals that gain in the year beginning 1 April 2018**

| Income band         | Number of individuals in band | Number of individuals gaining | Average weekly gain for individuals that gain (\$) | Number of individuals losing | Average weekly loss for individuals that lose (\$) |
|---------------------|-------------------------------|-------------------------------|--|------------------------------|--|
| \$0-\$14,000        | 539,000                       | 101,000                       | \$6  | 53,000                       | \$-3   |
| \$14,000-\$31,000   | 408,000                       | 369,000                       | \$7  | 5,000                        | \$-2   |
| \$31,000-\$48,000   | 463,000                       | 463,000                       | \$4  | *                            | *  |
| \$48,000-\$60,000   | 305,000                       | 305,000                       | \$18   | *                            | *  |
| \$60,000-\$70,000   | 171,000                       | 171,000                       | \$20   | *                            | *  |
| \$70,000-\$100,000  | 327,000                       | 327,000                       | \$20   | *                            | *  |
| \$100,000-\$125,000 | 117,000                       | 117,000                       | \$20   | *                            | *  |
| \$125,000-\$150,000 | 57,000                        | 57,000                        | \$20   | *                            | *  |
| more than \$150,000 | 97,000                        | 97,000                        | \$20   | *                            | *  |
| ALL                 | 2,483,000                     | 2,006,000                     | \$13   | 58,000                       | \$-3   |

**Table 8: Option 1 - Distribution of individuals in year beginning 1 April 2019 compared to current baselines**

| Income band         | Number of individuals in band | Number of individuals gaining | Average weekly gain for individuals that gain (\$) | Number of individuals losing | Average weekly loss for individuals that lose (\$) |
|---------------------|-------------------------------|-------------------------------|--|------------------------------|--|
| \$0-\$14,000        | 527,000                       | 117,000                       | \$15   | 28,000                       | \$-1   |
| \$14,000-\$31,000   | 402,000                       | 367,000                       | \$11   | *                            | *  |
| \$31,000-\$48,000   | 445,000                       | 445,000                       | \$6  | *                            | *  |
| \$48,000-\$60,000   | 303,000                       | 303,000                       | \$20   | *                            | *  |
| \$60,000-\$70,000   | 186,000                       | 186,000                       | \$22   | *                            | *  |
| \$70,000-\$100,000  | 347,000                       | 347,000                       | \$22   | *                            | *  |
| \$100,000-\$125,000 | 129,000                       | 129,000                       | \$21   | *                            | *  |
| \$125,000-\$150,000 | 55,000                        | 55,000                        | \$20   | *                            | *  |
| more than \$150,000 | 104,000                       | 104,000                       | \$20   | *                            | *  |
| ALL                 | 2,499,000                     | 2,053,000                     | \$16   | 29,000                       | \$-1   |

**Table 9: Option 1 - Distribution of individuals in year beginning 1 April 2019 compared to new baselines**

| Income band         | Number of individuals in band | Number of individuals gaining | Average weekly gain for individuals that gain (\$) | Number of individuals losing | Average weekly loss for individuals that lose (\$) |
|---------------------|-------------------------------|-------------------------------|--|------------------------------|--|
| \$0-\$14,000        | 527,000                       | 137,000                       | \$13   | *                            | *  |
| \$14,000-\$31,000   | 402,000                       | 124,000                       | \$18   | *                            | *  |
| \$31,000-\$48,000   | 445,000                       | 69,000                        | \$14   | *                            | *  |
| \$48,000-\$60,000   | 303,000                       | 49,000                        | \$13   | *                            | *  |
| \$60,000-\$70,000   | 186,000                       | 22,000                        | \$14   | *                            | *  |
| \$70,000-\$100,000  | 347,000                       | 33,000                        | \$15   | *                            | *  |
| \$100,000-\$125,000 | 129,000                       | 4,000                         | \$9  | *                            | *  |
| \$125,000-\$150,000 | 55,000                        | *                             | *  | *                            | *  |
| more than \$150,000 | 104,000                       | *                             | *  | *                            | *  |
| ALL                 | 2,498,000                     | 441,000                       | \$15   | *                            | *  |

Distributional tables for option 2 - abatement threshold decreases \$450 on 1/4/2018 and 1/4/2019, and the abatement rate increases 1.25% on 1/4/2018 and 1/4/2019

**Families**

**Table 10: Option 2 - Distribution of families that gain in the year beginning 1 April 2018**

| Income band         | Number of families in band | Number of families gaining | Average weekly gain for families that gain (\$) | Number of families losing | Average weekly loss for families that lose (\$) |
|---------------------|----------------------------|----------------------------|---|---------------------------|---|
| \$0-\$14,000        | 200,000                    | 17,000                     | \$12  | *                         | *   |
| \$14,000-\$31,000   | 249,000                    | 205,000                    | \$8   | *                         | *   |
| \$31,000-\$48,000   | 221,000                    | 221,000                    | \$6   | *                         | *   |
| \$48,000-\$60,000   | 136,000                    | 136,000                    | \$17  | *                         | *   |
| \$60,000-\$70,000   | 78,000                     | 78,000                     | \$18  | *                         | *   |
| \$70,000-\$100,000  | 241,000                    | 241,000                    | \$20  | *                         | *   |
| \$100,000-\$125,000 | 143,000                    | 143,000                    | \$26  | *                         | *   |
| \$125,000-\$150,000 | 88,000                     | 88,000                     | \$31  | *                         | *   |
| more than \$150,000 | 186,000                    | 186,000                    | \$34  | *                         | *   |
| ALL                 | 1,542,000                  | 1,314,000                  | \$19  | 4,000                     | \$-1  |

**Table 11: Option 2 - Distribution of families in year beginning 1 April 2019 compared to current baselines**

| Income band         | Number of families in band | Number of families gaining | Average weekly gain for families that gain (\$) | Number of families losing | Average weekly loss for families that lose (\$) |
|---------------------|----------------------------|----------------------------|---|---------------------------|---|
| \$0-\$14,000        | 196,000                    | 14,000                     | \$23  | *                         | *   |
| \$14,000-\$31,000   | 242,000                    | 198,000                    | \$14  | *                         | *   |
| \$31,000-\$48,000   | 213,000                    | 213,000                    | \$9   | *                         | *   |
| \$48,000-\$60,000   | 140,000                    | 140,000                    | \$21  | *                         | *   |
| \$60,000-\$70,000   | 83,000                     | 83,000                     | \$21  | *                         | *   |
| \$70,000-\$100,000  | 238,000                    | 238,000                    | \$24  | *                         | *   |
| \$100,000-\$125,000 | 146,000                    | 146,000                    | \$27  | *                         | *   |
| \$125,000-\$150,000 | 94,000                     | 94,000                     | \$31  | *                         | *   |
| more than \$150,000 | 198,000                    | 198,000                    | \$34  | *                         | *   |
| ALL                 | 1,550,000                  | 1,324,000                  | \$22  | 4,000                     | \$-1  |

**Table 12: Option 2 - Distribution of families in year beginning 1 April 2019 compared to new baselines**

| Income band         | Number of families in band | Number of families gaining | Average weekly gain for families that gain (\$) | Number of families losing | Average weekly loss for families that lose (\$) |
|---------------------|----------------------------|----------------------------|---|---------------------------|---|
| \$0-\$14,000        | 196,000                    | 14,000                     | \$21  | *                         | *   |
| \$14,000-\$31,000   | 242,000                    | 85,000                     | \$24  | *                         | *   |
| \$31,000-\$48,000   | 213,000                    | 43,000                     | \$20  | *                         | *   |
| \$48,000-\$60,000   | 140,000                    | 26,000                     | \$20  | 9,000                     | \$-3  |
| \$60,000-\$70,000   | 83,000                     | 12,000                     | \$21  | 11,000                    | \$-4  |
| \$70,000-\$100,000  | 238,000                    | 43,000                     | \$19  | 11,000                    | \$-4  |
| \$100,000-\$125,000 | 146,000                    | 7,000                      | \$18  | *                         | *   |
| \$125,000-\$150,000 | 94,000                     | *                          | *   | *                         | *   |
| more than \$150,000 | 198,000                    | *                          | *   | *                         | *   |
| ALL                 | 1,550,000                  | 230,000                    | \$21  | 36,000                    | \$-3  |

**Individuals**

**Table 13: Option 2 - Distribution of individuals that gain in the year beginning 1 April 2018**

| Income band         | Number of individuals in band | Number of individuals gaining | Average weekly gain for individuals that gain (\$) | Number of individuals losing | Average weekly loss for individuals that lose (\$) |
|---------------------|-------------------------------|-------------------------------|--|------------------------------|--|
| \$0-\$14,000        | 539,000                       | 116,000                       | \$6  | 38,000                       | \$-2   |
| \$14,000-\$31,000   | 408,000                       | 371,000                       | \$7  | *                            | *  |
| \$31,000-\$48,000   | 463,000                       | 463,000                       | \$4  | *                            | *  |
| \$48,000-\$60,000   | 305,000                       | 305,000                       | \$19   | *                            | *  |
| \$60,000-\$70,000   | 171,000                       | 171,000                       | \$20   | *                            | *  |
| \$70,000-\$100,000  | 327,000                       | 327,000                       | \$20   | *                            | *  |
| \$100,000-\$125,000 | 117,000                       | 117,000                       | \$20   | *                            | *  |
| \$125,000-\$150,000 | 57,000                        | 57,000                        | \$20   | *                            | *  |
| more than \$150,000 | 97,000                        | 97,000                        | \$20   | *                            | *  |
| ALL                 | 2,483,000                     | 2,024,000                     | \$13   | 41,000                       | \$-2   |

**Table 14: Option 2 - Distribution of individuals in year beginning 1 April 2019 compared to current baselines**

| Income band         | Number of individuals in band | Number of individuals gaining | Average weekly gain for individuals that gain (\$) | Number of individuals losing | Average weekly loss for individuals that lose (\$) |
|---------------------|-------------------------------|-------------------------------|--|------------------------------|--|
| \$0-\$14,000        | 527,000                       | 117,000                       | \$14   | 26,000                       | \$-2   |
| \$14,000-\$31,000   | 402,000                       | 367,000                       | \$10   | *                            | *  |
| \$31,000-\$48,000   | 445,000                       | 445,000                       | \$5  | *                            | *  |
| \$48,000-\$60,000   | 303,000                       | 303,000                       | \$20   | *                            | *  |
| \$60,000-\$70,000   | 186,000                       | 186,000                       | \$22   | *                            | *  |
| \$70,000-\$100,000  | 347,000                       | 347,000                       | \$21   | *                            | *  |
| \$100,000-\$125,000 | 129,000                       | 129,000                       | \$20   | *                            | *  |
| \$125,000-\$150,000 | 55,000                        | 55,000                        | \$20   | *                            | *  |
| more than \$150,000 | 104,000                       | 104,000                       | \$20   | *                            | *  |
| ALL                 | 2,499,000                     | 2,053,000                     | \$15   | 28,000                       | \$-2   |

**Table 15: Option 2 - Distribution of individuals in year beginning 1 April 2019 compared to new baselines**

| Income band         | Number of individuals in band | Number of individuals gaining | Average weekly gain for individuals that gain (\$) | Number of individuals losing | Average weekly loss for individuals that lose (\$) |
|---------------------|-------------------------------|-------------------------------|--|------------------------------|--|
| \$0-\$14,000        | 527,000                       | 123,000                       | \$12   | 15,000                       | \$-2   |
| \$14,000-\$31,000   | 402,000                       | 117,000                       | \$18   | 8,000                        | \$-2   |
| \$31,000-\$48,000   | 445,000                       | 60,000                        | \$12   | 13,000                       | \$-2   |
| \$48,000-\$60,000   | 303,000                       | 38,000                        | \$11   | 13,000                       | \$-2   |
| \$60,000-\$70,000   | 186,000                       | 16,000                        | \$13   | 7,000                        | \$-2   |
| \$70,000-\$100,000  | 347,000                       | 26,000                        | \$11   | 8,000                        | \$-2   |
| \$100,000-\$125,000 | 129,000                       | *                             | *  | *                            | *  |
| \$125,000-\$150,000 | 55,000                        | *                             | *  | *                            | *  |
| more than \$150,000 | 104,000                       | *                             | *  | *                            | *  |
| ALL                 | 2,498,000                     | 382,000                       | \$13   | 65,000                       | \$-2   |

Distributional tables for option 3 - abatement threshold decreases \$1,350 to \$35,000 on 1/4/2018, and at the same time the abatement rate increases by 2.5%

**Families**

**Table 16: Option 3 - Distribution of families that gain in the year beginning 1 April 2018**

| Income band         | Number of families in band | Number of families gaining | Average weekly gain for families that gain (\$) | Number of families losing | Average weekly loss for families that lose (\$) |
|---------------------|----------------------------|----------------------------|---|---------------------------|---|
| \$0-\$14,000        | 200,000                    | 17,000                     | \$12  | *                         | *   |
| \$14,000-\$31,000   | 249,000                    | 204,000                    | \$8   | *                         | *   |
| \$31,000-\$48,000   | 221,000                    | 220,000                    | \$5   | *                         | *   |
| \$48,000-\$60,000   | 136,000                    | 134,000                    | \$16  | *                         | *   |
| \$60,000-\$70,000   | 78,000                     | 78,000                     | \$15  | *                         | *   |
| \$70,000-\$100,000  | 241,000                    | 236,000                    | \$17  | 5,000                     | -\$3  |
| \$100,000-\$125,000 | 143,000                    | 143,000                    | \$26  | *                         | *   |
| \$125,000-\$150,000 | 88,000                     | 88,000                     | \$31  | *                         | *   |
| more than \$150,000 | 186,000                    | 186,000                    | \$34  | *                         | *   |
| ALL                 | 1,542,000                  | 1,305,000                  | \$18  | 13,000                    | -\$2  |

**Table 17: Option 3 - Distribution of families in year beginning 1 April 2019 compared to current baselines**

| Income band         | Number of families in band | Number of families gaining | Average weekly gain for families that gain (\$) | Number of families losing | Average weekly loss for families that lose (\$) |
|---------------------|----------------------------|----------------------------|---|---------------------------|---|
| \$0-\$14,000        | 196,000                    | 14,000                     | \$23  | *                         | *   |
| \$14,000-\$31,000   | 242,000                    | 198,000                    | \$14  | *                         | *   |
| \$31,000-\$48,000   | 213,000                    | 213,000                    | \$8   | *                         | *   |
| \$48,000-\$60,000   | 140,000                    | 140,000                    | \$20  | *                         | *   |
| \$60,000-\$70,000   | 83,000                     | 83,000                     | \$20  | *                         | *   |
| \$70,000-\$100,000  | 238,000                    | 238,000                    | \$24  | *                         | *   |
| \$100,000-\$125,000 | 146,000                    | 146,000                    | \$27  | *                         | *   |
| \$125,000-\$150,000 | 94,000                     | 94,000                     | \$31  | *                         | *   |
| more than \$150,000 | 198,000                    | 198,000                    | \$34  | *                         | *   |
| ALL                 | 1,550,000                  | 1,324,000                  | \$22  | 4,000                     | -\$1  |

**Table 18: Option 3 - Distribution of families in year beginning 1 April 2019 compared to new baselines**

| Income band         | Number of families in band | Number of families gaining | Average weekly gain for families that gain (\$) | Number of families losing | Average weekly loss for families that lose (\$) |
|---------------------|----------------------------|----------------------------|---|---------------------------|---|
| \$0-\$14,000        | 196,000                    | 14,000                     | \$21  | *                         | *   |
| \$14,000-\$31,000   | 242,000                    | 85,000                     | \$24  | *                         | *   |
| \$31,000-\$48,000   | 213,000                    | 44,000                     | \$22  | *                         | *   |
| \$48,000-\$60,000   | 140,000                    | 31,000                     | \$23  | *                         | *   |
| \$60,000-\$70,000   | 83,000                     | 22,000                     | \$20  | *                         | *   |
| \$70,000-\$100,000  | 238,000                    | 49,000                     | \$28  | *                         | *   |
| \$100,000-\$125,000 | 146,000                    | 8,000                      | \$23  | *                         | *   |
| \$125,000-\$150,000 | 94,000                     | *                          | *   | *                         | *   |
| more than \$150,000 | 198,000                    | *                          | *   | *                         | *   |
| ALL                 | 1,550,000                  | 253,000                    | \$24  | *                         | *   |

**Individuals**

**Table 19: Option 3 - Distribution of individuals that gain in the year beginning 1 April 2018**

| Income band         | Number of individuals in band | Number of individuals gaining | Average weekly gain for individuals that gain (\$) | Number of individuals losing | Average weekly loss for individuals that lose (\$) |
|---------------------|-------------------------------|-------------------------------|--|------------------------------|--|
| \$0-\$14,000        | 539,000                       | 83,000                        | \$6  | 71,000                       | -\$5   |
| \$14,000-\$31,000   | 408,000                       | 367,000                       | \$6  | 7,000                        | -\$3   |
| \$31,000-\$48,000   | 463,000                       | 460,000                       | \$3  | 3,000                        | -\$2   |
| \$48,000-\$60,000   | 305,000                       | 304,000                       | \$18   | *                            | *  |
| \$60,000-\$70,000   | 171,000                       | 171,000                       | \$20   | *                            | *  |
| \$70,000-\$100,000  | 327,000                       | 325,000                       | \$20   | *                            | *  |
| \$100,000-\$125,000 | 117,000                       | 117,000                       | \$20   | *                            | *  |
| \$125,000-\$150,000 | 57,000                        | 57,000                        | \$20   | *                            | *  |
| more than \$150,000 | 97,000                        | 97,000                        | \$20   | *                            | *  |
| ALL                 | 2,483,000                     | 1,981,000                     | \$13   | 84,000                       | -\$4   |

**Table 20: Option 3 - Distribution of individuals in year beginning 1 April 2019 compared to current baselines**

| Income band         | Number of individuals in band | Number of individuals gaining | Average weekly gain for individuals that gain (\$) | Number of individuals losing | Average weekly loss for individuals that lose (\$) |
|---------------------|-------------------------------|-------------------------------|--|------------------------------|--|
| \$0-\$14,000        | 527,000                       | 113,000                       | \$14   | 30,000                       | -\$2   |
| \$14,000-\$31,000   | 402,000                       | 367,000                       | \$10   | *                            | *  |
| \$31,000-\$48,000   | 445,000                       | 445,000                       | \$5  | *                            | *  |
| \$48,000-\$60,000   | 303,000                       | 303,000                       | \$20   | *                            | *  |
| \$60,000-\$70,000   | 186,000                       | 186,000                       | \$21   | *                            | *  |
| \$70,000-\$100,000  | 347,000                       | 347,000                       | \$21   | *                            | *  |
| \$100,000-\$125,000 | 129,000                       | 129,000                       | \$20   | *                            | *  |
| \$125,000-\$150,000 | 55,000                        | 55,000                        | \$20   | *                            | *  |
| more than \$150,000 | 104,000                       | 104,000                       | \$20   | *                            | *  |
| ALL                 | 2,499,000                     | 2,049,000                     | \$15   | 32,000                       | -\$2   |

**Table 21: Option 3 - Distribution of individuals in year beginning 1 April 2019 compared to new baselines**

| Income band         | Number of individuals in band | Number of individuals gaining | Average weekly gain for individuals that gain (\$) | Number of individuals losing | Average weekly loss for individuals that lose (\$) |
|---------------------|-------------------------------|-------------------------------|--|------------------------------|--|
| \$0-\$14,000        | 527,000                       | 134,000                       | \$13   | *                            | *  |
| \$14,000-\$31,000   | 402,000                       | 123,000                       | \$18   | *                            | *  |
| \$31,000-\$48,000   | 445,000                       | 68,000                        | \$14   | *                            | *  |
| \$48,000-\$60,000   | 303,000                       | 48,000                        | \$13   | *                            | *  |
| \$60,000-\$70,000   | 186,000                       | 22,000                        | \$14   | *                            | *  |
| \$70,000-\$100,000  | 347,000                       | 29,000                        | \$15   | *                            | *  |
| \$100,000-\$125,000 | 129,000                       | *                             | *  | *                            | *  |
| \$125,000-\$150,000 | 55,000                        | *                             | *  | *                            | *  |
| more than \$150,000 | 104,000                       | *                             | *  | *                            | *  |
| ALL                 | 2,498,000                     | 427,000                       | \$15   | *                            | *  |

