



# Behavioural Tax Microsimulation Modelling in New Zealand

# The beginning ... (2004)

- Treasury Model: Taxmod-B
- Based on MITTS
- [<http://melbourneinstitute.unimelb.edu.au/research-programs/labour-economics-and-social-policy/behavioural-microsimulation>]
- Guyonne Kalb, Rosanna Scutella, Ivan Tuckwell

# Behavioural Microsimulation brought 'back to life' in Treasury in 2014

- ... owes much to Gerald Minee
- Joseph Mercante and Penny Mok (2014)
- **1.** Estimation of Labour Supply in New Zealand (WP 14/08)
- **2.** Estimation of Wage Equations for New Zealand (WP 14/09)
- **3.** Working for Families Changes: The Effect on Labour Supply in New Zealand (WP 14/18)

## Further applications ...

- John Creedy and Penny Mok
- **1.** Labour Supply in NZ and the 2010 Tax and Transfer Changes (WP 15/13)
- *New Zealand Economic Papers*, 51, no. 1, pp. 60-78 (2017)...
- **2.** The Marginal Welfare Cost of Personal Income Taxation in New Zealand (WP 17/01) and CPF WP 09/2017)
- *New Zealand Economic Papers* (forthcoming, available online)

- **3.** Labour Supply Elasticities in New Zealand (CPF WP 10/2017)
- **4.** [+ Joseph Mercante] The labour market effects of 'Working for Families' in New Zealand: a backward-looking simulation

## Current work ... Matt Nolan

- Re-estimation of wage functions
- Re-estimation of preference functions
- Inequality decompositions

## Further Work ...

- Treasury: rebuild of Taxwell-B (TAWA-B)
- **Modelling and Benchmarking Income Taxes & Transfers in New Zealand**
- Norman Gemmell (MBIE: three-year Endeavour Fund Grant)