

## New Zealand: Estimates of Top Shares for 2011/2012, and Revision for 2010/2011

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We have extended the series for New Zealand to 2011. It should be noted that 2011 refers to the income year ending on 31 March 2012. We have also revised the series for 2010 due to (i) updated income tax information; and (ii) revised National Accounts figures. We have followed exactly the same procedure as described for the years from 2000 in Atkinson and Leigh, 2007, with the following qualifications:

- a) The income distribution data are given in an XLS file on the Inland Revenue website. It should be noted that 2012 refers to the year ending 31 March 2012, and we have called this 2011 (see footnote 3 on page 334 of Atkinson and Leigh); the data are given in great detail (172 ranges), so the interpolation error is tiny; at the same time the top range includes some 0.52 per cent in 2011, so that we do not estimate the share of the top 0.1 per cent.
- b) Atkinson and Leigh (2007, page 336) used the total taxpayers from the IR data for the most recent years. As in the previous update (Alvaredo and Atkinson, 25 March 2013), we have followed this procedure, and have not calculated the total number of adults.
- c) Total income is based on National Accounts (Income and Expenditure): Latest Release Year ended March 2013, Table 2.11 Households Sector Accounts 1999-2013. From the updated tables, we have taken compensation of employees, farm and non-farm entrepreneurial income, interest, dividends, investment income from the rest of the world, social security benefits in cash, social assistance benefits in cash and pension fund benefits. As in Atkinson and Leigh (page 337), we have taken 95%.

For the new estimates, and a comparison of previous and revised series, see Table 1.

**Table 1. Top income shares in New Zealand 2010-2011**

<b>Year</b>	<b>Top 10%</b>	<b>Top 5%</b>	<b>Top 1%</b>	<b>Top 0.5%</b>
<b>2011</b>	30.88%	20.53%	8.13%	5.52%
<b>2010 revised</b>	29.19%	19.15%	7.40%	5.01%
<b>2010 previous</b>	29.03%	19.04%	7.35%	4.97%

## References

Alvaredo, Facundo Atkinson, Anthony B. (2013). New Zealand: Estimates of top shares for 2010/2011, and revision for 1999/2000-2009/2010, *WTID Methodological Notes*, 25 March.

Atkinson, Anthony B. and Leigh, Andrew (2007). The Distribution of Top Incomes in New Zealand; in Atkinson, A. B. and Piketty, T. (editors) *Top Incomes over the Twentieth Century. A Contrast Between Continental European and English-Speaking Countries*, Oxford University Press, chapter 8, pp. 333-364.