

New Zealand Greens advance fraudulent wealth tax policy

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On June 21, the New Zealand Green Party released a 2.5 percent wealth tax policy, which it claims will “make sure the super-rich and big corporations contribute their share,” reduce taxes for workers and boost public services.

It was the party’s first major policy announcement ahead of the election scheduled for November 7. Amid rising opposition to war and social inequality, and hostility towards the political establishment, the Greens—backed by the union bureaucracy and sections of the media—are seeking to steer workers and young people back behind illusions that capitalism can be reformed.

The National Party, which leads the current right-wing government, is polling around 29 percent and is being propped up by far-right coalition partners, ACT and NZ First. The government has made deep cuts to education, health and other public services, lowered taxes for the rich and funnelled billions of dollars to the military.

Unemployment has reached 5.3 percent and youth unemployment (under 25 years old) is at 17.3 percent, its highest level in more than 30 years. Almost one in five children lives in poverty.

The main opposition Labour Party is only polling around 32-35 percent. The working class turned against the last Labour government: The party received just 26.9 percent in the 2023 election, amid widening social inequality, homelessness and child poverty.

The Green Party, currently polling around 12 percent, served as a vital prop for Labour governments from 2002-2008 and 2017-2023, providing them with “left” window dressing. In election campaigns, the Greens advance modest reforms, sometimes with radical-sounding rhetoric, only to drop them once they sign a coalition deal with Labour.

2017 the party called for increased welfare benefits and in 2020 it proposed a mild wealth tax. In government, however, the Greens voted for budgets that starved public services, delivered tax breaks and other handouts to the rich, and increased spending on the military, police and intelligence agencies.

The Greens’ latest wealth tax proposal must be assessed in light of this record. Even if it was implemented, the tax would not substantially reduce the vast gulf between rich and poor.

It includes a 2.5 percent annual tax “on the net assets of the super-rich above \$10 million,” a new 33 percent tax on gifts and inheritances worth over \$1 million, and an increase in the top income tax rate from 39 to 45 percent. The wealth tax, however, does not apply to the family home, and the inheritance tax excludes both the family home and the family farm.

Corporate tax would increase from 28 to 33 percent, but only “for the 0.7 percent biggest corporations, like the supermarket duopoly, energy companies, and banks.”

The Green Party itself notes that this is well below the 48 percent tax paid by companies in the early 1980s. The tax was slashed to 33 percent in 1989 by the Labour Party government of David Lange, as part of its sweeping pro-corporate restructuring of the economy that plunged tens of thousands of people into poverty and unemployment.

Introducing the tax policy, Green Party co-leader Marama Davidson declared: “The system has been rigged over successive governments to prevent [society’s] resources going to where they are needed.” Co-leader Chlöe Swarbrick said the policy “will tackle inequality and corporate greed to rebuild our country.”

In reality, the Greens are not calling for radical wealth redistribution. It is a capitalist party backed by

significant sections of business. Its donors include Philip Mills, founder of the Les Mills gyms, tech entrepreneur Robert Morgan and investor Michael Lookman.

Its policy statement makes clear that the 2.5 percent tax on people with over \$10 million would only apply to “the richest 0.3 percent of New Zealanders.” As one journalist noted, it is a “watered down” version of the party’s 2023 proposal to tax assets worth more than \$2 million. It excludes the affluent upper middle class, who are Greens’ main constituency.

A new tax-free threshold would be introduced for the first NZ\$10,000 of a worker’s income—much lower than the A\$18,200 (NZ\$22,200) threshold in Australia. This and other income tax adjustments would deliver just \$10 to \$27 a week for most workers.

The Green Party has not called for removing the regressive Goods and Services Tax (GST), first introduced by the 1980s Labour government as a means of shifting the tax burden onto working people.

The Greens’ changes would boost net tax revenue by about \$5.15 billion in 2027/2028. To put this in perspective, New Zealand’s 10 richest billionaires alone own \$64 billion in assets.

The figure represents a 3.5 percent increase on the government’s forecast revenue for 2026/2027. This is not enough to even begin to address social inequality and poverty or to fix rundown, underfunded schools and hospitals.

Various middle class political tendencies are covering up this reality and glorifying the Greens’ proposals in an effort to politically disarm workers and prevent the development of a genuine anti-capitalist movement.

The “liberal” *Daily Blog*’s Martyn Bradbury wrote: “Surely this policy platform proves there is a God? And that God is a socialist.” The pseudo-left International Socialist Organisation is calling on people to vote Green and describes the party as “much more effective in criticising the Government than Labour.”

The Council of Trade Unions hailed the Greens’ policy as “a step toward fairness for working people.” This is the same union bureaucracy that recently enforced significant wage cuts for more than 100,000 teachers, nurses, doctors and other healthcare workers.

Despite the extremely modest character of the Greens’ proposals, Labour Party leader Chris Hipkins told TVNZ on June 23 that his party opposes wealth

and inheritance taxes and any increase in corporate tax. “Now’s not the time to be increasing corporate taxes and potentially driving investment offshore,” he declared. He expressed confidence that, as in the past, the Greens would not insist on tax changes as a precondition for supporting a Labour-led government.

As prime minister in 2023, Hipkins ruled out a wealth tax, despite figures showing the country’s richest 311 people paid an effective tax rate of 8.9 percent—less than half what most workers pay.

The Labour Party fully supports the current government’s plan to double spending and boost recruitment for the military, to integrate the country into US-led war plans against China. As part of the last government the Greens backed the expansion of the military and NZ’s alliance with US imperialism.

Workers should not be taken in by the Greens’ election-year rhetoric. Across the world all capitalist governments, whether openly right-wing or nominally progressive, are ratcheting up the exploitation of the working class by driving down wages and slashing social programs, while spending vast sums on militarism and war.

The only way to stop the descent into world war and mass poverty, is to build a party of the working class, based on the socialist and internationalist program of the Trotskyist movement. The vast wealth hoarded by the corporate and financial elite must be expropriated, not mildly taxed, and the banks and major corporations placed under public ownership and democratic workers’ control. We call on readers who agree with this perspective to join the Socialist Equality Group.



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