

# Statements of Objectives and Service Performance

## Summary of departmental output classes

Departmental output classes delivered by Inland Revenue during the year ending 30 June 2004, and their associated revenue, expenses and surplus or deficit are summarised below. All figures are GST-exclusive.

| Output class description                      | Revenue<br>\$000 | Expenses<br>\$000 | Net<br>surplus/<br>(deficit)<br>\$000 |
|---|------------------|-------------------|---------------------------------------|
| 1. Policy advice                              | 9,781            | 9,868             | (87)                                  |
| 2. Adjudication and Rulings                   | 6,905            | 6,545             | 360                                   |
| 3. Information services                       | 94,940           | 95,797            | (857)                                 |
| 4. Revenue assessment and collection          | 57,922           | 58,540            | (618)                                 |
| 5. Management of debt and outstanding returns | 58,728           | 59,439            | (711)                                 |
| 6. Taxpayer audit                             | 96,721           | 98,207            | (1,486)                               |
| 7. Assessment and collection of child support | 55,265           | 55,571            | (306)                                 |
| 8. Collection of ACC levies                   | 20,650           | 20,650            | 0                                     |
| <b>Total</b>                                  | <b>400,912</b>   | <b>404,617</b>    | <b>(3,705)</b>                        |

## OUTPUT CLASS 1 POLICY ADVICE

### Description

This output class involves:

- providing advice on laws impacting on the tax system
- providing assistance with the design and introduction of legislation that changes tax and social policy and rewriting of the current income tax legislation
- forecasting future tax flows
- ministerial servicing.

Financial performance for the year ended 30 June 2004 (GST-exclusive) \$000

| Revenue | Expenses | Net surplus/(deficit) |
|---------|----------|-----------------------|
| 9,781   | 9,868    | (87)                  |

### All policy advice outputs

The service performance objectives detailed below apply to all policy advice outputs.

#### Quantity

Provide the Minister with:

- tax and social policy advice
- tax legislation
- rewritten tax legislation
- revenue forecasts

in accordance with the agreed work programme.

#### Quality

All advice, legislation and forecasts comply with the following quality standards, where appropriate.

- Purpose:** Reports clearly state their purpose and answer any questions likely to be raised by the Minister.
- Logic:** The assumptions behind the advice are explicit and arguments are logical and supported by facts.
- Accuracy:** The facts are accurate and all material facts have been included.
- Coverage:** Advice accurately reflects revenue, economic and administrative implications, and compliance costs.
- Options:** An adequate range of options has been presented and each is assessed for benefits, costs and consequences to the Government and the community.
- Consultation:** Consultation with interested parties is undertaken and possible objections to proposals have been identified.
- Practicality:** The problems of implementation, technical feasibility, timing and consistency with other policies have been considered.

- Presentation:** The format meets with the Cabinet Office requirements and clearly states the deadline by which ministerial action is required. Material is effectively summarised and is concise, has short sentences in plain language, and is free of spelling and grammatical errors.
- Legislation:** All tax legislation is drafted in as simple, clear and concise manner as practicable. The required services and advice are provided to assist the passage of tax bills and non-tax bills with revenue or tax administration implications through the House.
- Forecasts:** Revenue forecasts take into account the economic outlook, historical patterns and trends and announced policy changes. They are based on the best available information, and development methods and techniques that reflect best practices in revenue forecasting.

The policy development process is managed in accordance with the generic tax policy process.

The Minister is satisfied with the quality of policy advice, tax legislation, revenue forecasts, rewritten legislation and ministerial servicing provided.

## Timeliness

Provide or deliver:

- all reports and advice
- the tax and social policy work programme
- tax legislation
- rewritten legislation
- revenue forecasts

within the agreed timeframes.

## Output 1.1 Policy advice in relation to tax and social policy

### Description

This output involves:

- providing advice on laws impacting on the tax system
- providing assistance with the design and introduction of legislation that changes tax and social policy
- developing tax and social policy in accordance with the generic tax policy process.

*The general service performance objectives detailed earlier in "All policy advice outputs" apply to this output.*

| Actual     |          |
|------------|----------|
| Quantity   | Achieved |
| Quality    | Achieved |
| Timeliness | Achieved |

## Output 1.2 Legislative drafting

### Description

This output involves drafting tax legislation for introduction in the House and providing assistance with its passage through the House.

*The general service performance objectives detailed earlier in "All policy advice outputs" apply to this output.*

| Actual     |          |
|------------|----------|
| Quantity   | Achieved |
| Quality    | Achieved |
| Timeliness | Achieved |

## Output 1.3 Forecasting and analysis

### Description

This output involves:

- forecasting future tax flows for the Government
- forecasting other non-tax Crown revenue
- reporting on revenue receipts against forecasts
- analysing revenue implications of changes in tax and social policy.

*The general service performance objectives detailed earlier in "All policy advice outputs" apply to this output.*

| Actual     |          |
|------------|----------|
| Quantity   | Achieved |
| Quality    | Achieved |
| Timeliness | Achieved |

## Output 1.4 Ministerial servicing

### Description

This output involves all activities associated with ministerial servicing and parliamentary questions. It includes all tax, child support, student loans, family assistance, supply of information and accident compensation correspondence.

### Ministerial correspondence and parliamentary questions

|  | Budget        | Actual   | Variance |
|--|---------------|----------|----------|
| <b>Quantity</b>  |               |          |          |
| We expect to draft responses to:   |               |          |          |
| <ul style="list-style-type: none"> <li>1,300 – 1,800 pieces of ministerial correspondence</li> </ul>   | 1,300 – 1,800 | 817      | -37.2%   |
| <ul style="list-style-type: none"> <li>300 – 500 parliamentary questions that concern the administration of the Inland Revenue Acts or relate to Inland Revenue business (volumes are demand driven).</li> </ul>   | 300 – 500     | 313      | Nil      |
| Ministerial correspondence remained at a similar level to last year, but more parliamentary questions were received. Forecast levels are based on experience over time, with the actual levels received being outside the department's direct influence. |               |          |          |
| <b>Quality</b>   |               |          |          |
| All responses will be accurate and free from material error.   |               | Achieved |          |
| All responses to parliamentary questions will meet the Standing Orders requirements.   |               | Achieved |          |
| <b>Timeliness</b>  |               |          |          |
| Replies to all ministerial correspondence received will be forwarded for ministerial signature:  |               |          |          |
| <ul style="list-style-type: none"> <li>80% within 6 working days</li> </ul>  | 80%           | 86.5%    | 8.1%     |
| <ul style="list-style-type: none"> <li>100% within 10 working days</li> </ul>  | 100%          | 98.2%    | -1.8%    |
| from the date received by Inland Revenue, where the information required to provide a response is readily available.   |               |          |          |

## Output statement: Policy advice for the year ended 30 June 2004

| Actual<br>2003<br>\$000 |  | Actual<br>2004<br>\$000 | Main<br>Estimates<br>2004<br>\$000 | Final<br>voted<br>2004<br>\$000 |
|-------------------------|--|-------------------------|------------------------------------|---------------------------------|
| <b>Revenue</b>          |  |                         |                                    |                                 |
| 7,600                   | Sale of outputs to the Crown                                   | 9,775                   | 8,710                              | 9,925                           |
| 1                       | Sale of outputs to others                                      | 6                       | 2                                  | 6                               |
| <u>7,601</u>            | <b>Total revenue</b>   | <u>9,781</u>            | <u>8,712</u>                       | <u>9,931</u>                    |
| <b>Expenses</b>         |  |                         |                                    |                                 |
| 7,473                   | Annual appropriations  | 9,868                   | 8,712                              | 9,997                           |
| 0                       | Other appropriations   | 0                       | 0                                  | 0                               |
| <u>7,473</u>            | <b>Total expenses</b>  | <u>9,868</u>            | <u>8,712</u>                       | <u>9,997</u>                    |
| <u>128</u>              | <b>Net surplus/(deficit)</b>                                   | <u>(87)</u>             | <u>0</u>                           | <u>(66)</u>                     |
| 4,676                   | Output 1.1: Policy advice in relation to tax and social policy | 6,509                   | 5,501                              | 6,595                           |
| 986                     | Output 1.2: Legislative drafting <sup>1</sup>                  | 1,169                   | 1,149                              | 1,159                           |
| 913                     | Output 1.3: Forecasting and analysis                           | 892                     | 1,009                              | 900                             |
| 898                     | Output 1.4: Ministerial servicing                              | 1,298                   | 1,053                              | 1,343                           |
| <u>7,473</u>            | <b>Output class cost</b>                                       | <u>9,868</u>            | <u>8,712</u>                       | <u>9,997</u>                    |

<sup>1</sup> Legislative drafting now includes the output "Rewrite of the tax Acts".

## OUTPUT CLASS 2 ADJUDICATION AND RULINGS

### Description

This output class involves:

- Adjudicating on behalf of the Commissioner on disputes between taxpayers and Inland Revenue's operational business groups, in respect of proposed assessments, to provide assurance of consistency and impartiality in the application of the tax law.
- Providing binding rulings and other guidance on the interpretation and application of the law administered by Inland Revenue, to facilitate business confidence by providing certainty and to encourage voluntary compliance.

Financial performance for the year ended 30 June 2004 (GST-exclusive) \$000

| Revenue | Expenses | Net surplus/(deficit) |
|---------|----------|-----------------------|
| 6,905   | 6,545    | 360                   |

### Output 2.1 Adjudication

#### Description

This output involves:

- providing a technical review of disputed notices of proposed adjustment referred to the Adjudication Unit
- issuing an adjudication report to the parties concerned
- issuing, where required, an assessment consistent with the conclusions of the technical review.

|   | Budget  | Actual   | Variance |
|---|---------|----------|----------|
| <b>Quantity</b><br>Complete 50 – 70 adjudication cases.   | 50 – 70 | 67       | Nil      |
| <b>Quality</b><br>All adjudication reports supporting each decision meet the purpose, logic and alternatives standards (defined at the end of this output class).   |         | Achieved |          |
| <b>Timeliness</b><br>Allocate all adjudication cases to an adjudicator on average within 20 working days of receipt by the Adjudication Unit.   | 100%    | 100%     | Nil      |
| Complete all adjudication cases on average within 16 weeks of receipt of all necessary information and allocation by the Adjudication Unit.   | 16      | 23.6     | -47.5%   |
| The timeliness target was not met as a result of a single project that took 51 weeks, and involved 14 separate statements of position/referrals. Excluding this project the average completion time was 15.7 weeks. |         |          |          |

## Output 2.2 Rulings

### Description

This output involves:

- considering applications for and providing binding public, private and product rulings
- the development and publication of non-binding statements on the Commissioner’s view of the law administered by Inland Revenue (such as interpretation statements and interpretation guidelines)
- the preparation and publication of statutory determinations and valuations (such as livestock valuations and taxpayer-specific accruals and depreciation determinations).

|   | Budget      | Actual | Variance |
|---|-------------|--------|----------|
| <p><b>Quantity</b></p> <p>Finalise the Commissioner’s ruling in relation to 800 – 1,200 technical issues contained in applications for private and product binding rulings, accrual determinations and taxpayer-specific depreciation determinations and technical correspondence.</p> <p>There were 139 more technical issues resolved in 2003–04 than last year. On average 55 issues were ruled on monthly, 11 issues ahead of 2002–03. Due to long-standing cases not being completed at year-end as anticipated, the target number of issues on which rulings were made was not met.</p> | 800 – 1,200 | 659    | -17.6%   |
| <p>Publish or finalise consideration of a total of 30 – 50 public items giving the Commissioner’s interpretation of the law. These include new and expiring public binding rulings, general statutory depreciation determinations, interpretation statements and interpretation guidelines, and questions we have been asked.</p>   | 30 – 50     | 41     | Nil      |
| <p><b>Quality</b></p> <p>In relation to private and product binding rulings, all reports supporting the decision to issue or decline to issue a ruling, or determination, and any letter setting out the reasons for these decisions, meet the purpose, logic, alternatives and practicality standards (defined at the end of this output class).</p>   | 100%        | 100%   | Nil      |
| <p>All public binding rulings (including the commentary to those rulings), statements, and general statutory depreciation determinations giving the Commissioner’s view of the law meet the purpose, logic, alternatives, consultation and practicality standards (defined at the end of this output class).</p>  | 100%        | 100%   | Nil      |
| <p>All technical correspondence meets the correctness, completeness and clarity standards (defined at the end of this output class).</p>  | 100%        | 100%   | Nil      |

|  | Budget | Actual | Variance |
|--|--------|--------|----------|
| <b>Timeliness</b>  |        |        |          |
| On average, applications for private and public binding rulings will be allocated to an analyst within 6 weeks of receipt of a complete application.   | 6      | 3.0    | 50.0%    |
| Deliver draft private and product binding rulings and draft taxpayer-specific statutory determinations in:   |        |        |          |
| • 50% of cases within three months   | 50%    | 63.0%  | 26.0%    |
| • 70% of cases within five months  | 70%    | 75.0%  | 7.1%     |
| • 80% of cases within nine months  | 80%    | 90.0%  | 12.5%    |
| of the receipt of any additional information necessary and the applicant accepting the cost estimate.  |        |        |          |
| Deliver draft private or product binding rulings or draft taxpayer-specific statutory determinations on or before the last agreed delivery date.   | 100%   | 100.0% | Nil      |
| <b>Cost</b>  |        |        |          |
| Where Inland Revenue provides an applicant for a private or product binding ruling with an estimate of the cost of the ruling, the actual cost will be in all cases, except where the ruling case is withdrawn, less than or equal to the last estimate agreed with the applicant. | 100%   | 100.0% | Nil      |

## Definitions of quality standards for Adjudication and Rulings

- Clarity:** The response will be communicated in a way that is clear to the enquirer.
- Completeness:** The response fully resolves all aspects of the enquiry.
- Consultation:** There is evidence of appropriate consultation with the public, and contrary legal arguments and practical difficulties identified have been considered.
- Correctness:** The law is correctly interpreted and the response is supported by the appropriate legal authority.
- Logic:** The assumptions used are explicit, and the argument is logical and supported by appropriate legal authority.
- Alternatives:** Alternative legal arguments and interpretations are adequately considered and their respective merits assessed.
- Practicality:** Compliance and administrative costs and problems for taxpayers and Inland Revenue arising from implementation, including feasibility, timing, and consistency with the general body of the Commissioner's interpretation and application of tax law, have been considered, and incorporated in the analysis insofar as they are relevant to the interpretation and are possible under the legislation.
- Purpose:** The subject matter and conclusions are clearly stated and guidance is provided in a manner useful to those affected by them.

## Output statement: Adjudication and Rulings

for the year ended 30 June 2004

| Actual          |                              | Actual       | Main         | Final        |
|-----------------|------------------------------|--------------|--------------|--------------|
| 2003            |                              | 2004         | Estimates    | voted        |
| \$000           |                              | \$000        | 2004         | 2004         |
|                 |                              |              | \$000        | \$000        |
| <b>Revenue</b>  |                              |              |              |              |
| 5,519           | Sale of outputs to the Crown | 5,968        | 5,518        | 5,818        |
| 922             | Sale of outputs to others    | 937          | 1,088        | 1,091        |
| <u>6,441</u>    | <b>Total revenue</b>         | <u>6,905</u> | <u>6,606</u> | <u>6,909</u> |
| <b>Expenses</b> |                              |              |              |              |
| 6,230           | Annual appropriations        | 6,545        | 6,606        | 6,942        |
| 0               | Other appropriations         | 0            | 0            | 0            |
| <u>6,230</u>    | <b>Total expenses</b>        | <u>6,545</u> | <u>6,606</u> | <u>6,942</u> |
| <u>211</u>      | <b>Net surplus/(deficit)</b> | <u>360</u>   | <u>0</u>     | <u>(33)</u>  |
| 1,654           | Output 2.1: Adjudication     | 1,363        | 1,814        | 1,617        |
| 4,576           | Output 2.2: Rulings          | 5,182        | 4,792        | 5,325        |
| <u>6,230</u>    | <b>Output class cost</b>     | <u>6,545</u> | <u>6,606</u> | <u>6,942</u> |

## OUTPUT CLASS 3 INFORMATION SERVICES

### Description

This output class involves advising taxpayers on new and existing tax laws as well as assisting them with enquiries on the tax system and social policy programmes administered by Inland Revenue.

Financial performance for the year ended 30 June 2004 (GST-exclusive) \$000

| Revenue | Expenses | Net surplus/(deficit) |
|---------|----------|-----------------------|
| 94,940  | 95,797   | (857)                 |

### Output 3.1 Public information services

#### Description

This output involves responding to public enquiries on tax and social policy matters through correspondence, telephone, personal appointments, official information requests and the Complaints Management Service.

|   | Budget            | Actual        | Variance |
|---|-------------------|---------------|----------|
| <b>Quantity</b>   |                   |               |          |
| Action between 7.0 and 7.7 million specific customer contacts during the year.  | 7.0 – 7.7 million | 8.590 million | 11.6%    |
| Phone and INFOexpress contacts were 26.8% over budget, with significantly higher demand on our tax agent and general lines. Correspondence was also 9% over budget with increased registrations, IRD number and loss attributing qualifying company requests. |                   |               |          |

|  | Budget   | Actual  | Variance |
|--|----------|---------|----------|
| <b>Quality</b>   |          |         |          |
| In all cases we aim to give taxpayers an answer that is correct, complete, clear, timely and appropriately referenced. The answer should also show an understanding of the business environment. This year we aim to improve our performance in this area by 1% from our 30 June 2003 result.  | 83%      | 77.5%   | -6.6%    |
| Compared to last year, there was a 4.5 percentage point decline in surveyed technical quality. To measure the technical quality of the information provided to taxpayers we survey phone, correspondence and over-the-counter communication, for completeness, correctness, timeliness and clarity.  |          |         |          |
| In the surveys at the start of the year there was a fall in the completeness factor of our correspondence. Our completeness standard refers to not just the answer to the customer but also the completeness of our record keeping. Since then we have undertaken training in this area, resulting in 85% of surveyed work meeting the completeness standard at the end of the year. We are also looking at new ways of doing quality surveys so that we receive feedback on a more regular basis. |          |         |          |
| At least 87% of taxpayers are satisfied with the quality of service we provide.  | 87%      | 86.0%   | -1.1%    |
| 85% of all calls will be fully resolved at the time, requiring no follow-up action.  | 85%      | 90.5%   | 6.5%     |
| In the 12 months to 30 June 2004, fewer than 16,800 recipients will incur a debt as a result of a fortnightly family assistance overpayment in the tax year ending 31 March 2003.  | 16,800   | 22,138  | -31.8%   |
| The performance target was to have less than 16,800 family assistance customers with an overpayment debt at year-end. The actual number was 22,138. When we calculated the performance target we did not correctly estimate the number of people who had received overpayments.  |          |         |          |
| Because people receiving family assistance have frequently gone into debt when their circumstances change, we take proactive steps (such as checking actual income against predicted earnings) to avoid debt being incurred. So, although this year the percentage of people receiving an overpayment has remained the same at 28%, preliminary results show that the average amount of indebtedness has decreased.  |          |         |          |
| Fewer than 10% of student loan borrowers will have defaulted on their repayment obligations in the 12 months to 31 March 2003, resulting in a debt incurred in the 2003–04 financial year.   | <10%     | 13.0%   | -30.0%   |
| This year 13% of student loan borrowers incurred a debt, above our target of less than 10%, but an improvement on the 14% achieved in 2002–03. The percentage of student loan debt that is overdue remains low at 2.3%, with 58% of this attributable to non-resident borrowers. Measures, including credit card payment facilities, and secure online account look up have been implemented to improve this result in 2004–05.  |          |         |          |
| Fewer than 445,000 new debt cases will be created in 2003–04.  | <445,000 | 437,147 | 1.8%     |

|   | Budget       | Actual       | Variance |
|---|--------------|--------------|----------|
| <b>Timeliness</b>   |              |              |          |
| Issue a substantive response, or action a reassessment for:   |              |              |          |
| • 85% of correspondence within 3 weeks  | 85%          | 88.8%        | 4.5%     |
| • 100% of correspondence within 6 weeks of receipt by Inland Revenue.   | 100%         | 97.4%        | -2.6%    |
| Answer 80% of enquiries within 20 seconds from:   |              |              |          |
| • Tax agents  | 80%          | 52.6%        | -34.3%   |
| <p>We received 21% more calls from tax agents this year than we forecast, affecting our response times. This appears to be linked to an increase in the number of tax agents and growth in their client base. Our average response time to answer a call was 1 minute 17 seconds, with 52.6% of calls being answered within 20 seconds.</p> <p>Although this performance level was below target, agents gave the service customer satisfaction ratings of between 94% and 96%. Because of the priority we place on tax agents to maintain service levels, we allocated more resources to respond to the increased demand.</p>   |              |              |          |
| • Employers   | 80%          | 76.7%        | -4.1%    |
| <p>The number of calls from employers were within 2% of forecast. Although we directed resources to our tax agent line during the year, further resources were trained for the employers' line. On average, employer calls were answered within 22 seconds.</p>   |              |              |          |
| • Returns and debt collection customers   | 80%          | 59.6%        | -25.5%   |
| <p>Although we received 9.4% fewer calls than forecast on our return and debt collection lines, our customer service representatives on these lines were required to assist managing the increase in tax agent calls. Customers did not always receive information on the dates we had forecast so we redirected resources to be available on different days to those required. We are continuing to streamline this process to ensure improved forecasting of resources. Our average response time was 56 seconds.</p>   |              |              |          |
| 50% of all other <sup>2</sup> calls will be answered within 60 seconds, except on days when the total number of calls exceed 17,500.  | 50%          | 43.4%        | -13.2%   |
| <p>Call volumes consistently exceeded those forecast, with 20.9% (462,086) more calls received than budgeted for. On days when our response times are lower than expected, a number of people call back. This in turn leads to increases in calls. During these peak times we increase the number of staff answering calls. The increase in calls, combined with a 30 second increase in our average call handling time, contributed to a lower than targeted timeliness measure.</p> <p>On days with fewer than 17,500 calls we took an average 3 minutes 15 seconds to answer a call. Customers did not always receive information on the dates we had forecast, so we redirected resources to be available on different days to those required. We are continuing to streamline this process to ensure improvements.</p> |              |              |          |
| For the days when total calls exceed 17,500:  |              |              |          |
| • the average speed-to-answer will be less than or up to 5 minutes, and   |              |              |          |
| • callers will be advised of the potential delay and offered alternative services.  | 5:00 min:sec | 4:35 min:sec | 8.3%     |
| <p>On 82 days out of 302 working days we answered over 17,500 calls.</p>  |              |              |          |
| In the year ended 30 June 2004, we will finalise at least 49% of returns before the due date.   | 49%          | 49%          | Nil      |

<sup>2</sup> "Other" calls are calls that are not tax agent, employer or return and debt collection calls.

## Output 3.2 Advisory services

### Description

This output involves providing proactive advice to the public and tax agents on tax and social policy matters through advisory visits, providing temporary tax offices and education visits and seminars.

|   | Budget               | Actual  | Variance |
|---|----------------------|---------|----------|
| <b>Quantity</b><br>Complete between 105,000 and 116,000 hours of advisory services.                         | 105,000 –<br>116,000 | 118,153 | 1.9%     |
| <b>Quality</b><br>At least 97% of customers are satisfied with the quality of advisory services we provide. | 97%                  | 97.0%   | Nil      |

## Output statement: Information services

for the year ended 30 June 2004

| Actual<br>2003<br>\$000 |   | Actual<br>2004<br>\$000 | Main<br>Estimates<br>2004<br>\$000 | Final<br>voted<br>2004<br>\$000 |
|-------------------------|---|-------------------------|------------------------------------|---------------------------------|
|                         | <b>Revenue</b>                          |                         |                                    |                                 |
| 88,407                  | Sale of outputs to the Crown            | 94,802                  | 90,683                             | 94,302                          |
| 119                     | Sale of outputs to others               | 138                     | 151                                | 220                             |
| <b>88,526</b>           | <b>Total revenue</b>                    | <b>94,940</b>           | <b>90,834</b>                      | <b>94,522</b>                   |
|                         | <b>Expenses</b>                         |                         |                                    |                                 |
| 88,318                  | Annual appropriations                   | 95,797                  | 90,834                             | 96,015                          |
| 0                       | Other appropriations                    | 0                       | 0                                  | 0                               |
| <b>88,318</b>           | <b>Total expenses</b>                   | <b>95,797</b>           | <b>90,834</b>                      | <b>96,015</b>                   |
| <b>208</b>              | <b>Net surplus/(deficit)</b>            | <b>(857)</b>            | <b>0</b>                           | <b>(1,493)</b>                  |
| 79,163                  | Output 3.1: Public information services | 84,875                  | 81,223                             | 85,163                          |
| 9,155                   | Output 3.2: Advisory services           | 10,922                  | 9,611                              | 10,852                          |
| <b>88,318</b>           | <b>Output class cost</b>                | <b>95,797</b>           | <b>90,834</b>                      | <b>96,015</b>                   |

## OUTPUT CLASS 4 REVENUE ASSESSMENT AND COLLECTION

### Description

This output class involves:

- issuing tax assessments and refunds
- banking tax payments
- processing applications and payments under social policies administered by Inland Revenue on behalf of the Government
- the supply of information to other government agencies
- accounting and reporting the collection of Crown revenue.

Financial performance for the year ended 30 June 2004 (GST-exclusive) \$000

| Revenue | Expenses | Net surplus/(deficit) |
|---------|----------|-----------------------|
| 57,922  | 58,540   | (618)                 |

### Output 4.1 Return and payment processing

#### Description

This output involves processing all tax returns and issuing assessments, refunds, notices of adjustment and statements of account, as well as processing and banking payments.

|  | Budget              | Actual        | Variance |
|--|---------------------|---------------|----------|
| <b>Quantity</b>  |                     |               |          |
| Process between 12.65 million and 13.95 million income tax returns, GST returns, FBT returns, rebate claim forms, employer monthly schedules, cheques, cash, direct credit payments.   | 12.65–13.95 million | 14.26 million | 2.2%     |
| <i>The growth in numbers of people filing returns and making payments exceeded our expectations. This was mainly due to more newly established businesses and immigration. Our forecasts for next year reflect these trends.</i> |                     |               |          |
| Receive at least 20% of returns electronically.  | 20%                 | 22.9%         | 14.5%    |
| Issue at least 40% of refunds by direct credit.  | 40%                 | 45.1%         | 12.8%    |
| All completed paid parental leave applications will be processed within 5 working days of receipt from the Department of Labour.   | 100%                | 96.6%         | -3.4%    |

|  | Budget | Actual   | Variance |
|--|--------|----------|----------|
| <b>Quality</b>   |        |          |          |
| All notices, statements, certificates of entitlement, and loan transfer letters are correctly processed.   |        | Achieved |          |
| Correctly process all payments to accounts.  |        | Achieved |          |
| <b>Timeliness</b>  |        |          |          |
| Assess and issue at least 80% of income tax returns within 6 weeks of receipt at a processing centre and the balance within 10 weeks.  | 80%    | 91.5%    | 14.4%    |
| Assess and issue no less than 95% of FBT returns, GST returns, and employer monthly schedules within 3 weeks of receipt at a processing centre and the balance within 6 weeks. | 100%   | 96.4%    | -3.6%    |
| Assess and issue no less than 95% of FBT returns, GST returns, and employer monthly schedules within 3 weeks of receipt at a processing centre and the balance within 6 weeks. | 95%    | 95.9%    | 0.9%     |
| Issue all non-queried GST refunds within 15 working days of receipt.   | 100%   | 98.7%    | -1.3%    |
| Issue all non-queried GST refunds within 15 working days of receipt.   | 100%   | 97.6%    | -2.4%    |
| Process and issue 90% of rebate claim refunds within 3 weeks of receipt at a processing centre and the balance within 8 weeks.   | 90%    | 93.3%    | 3.7%     |
| Process and issue 90% of rebate claim refunds within 3 weeks of receipt at a processing centre and the balance within 8 weeks.   | 100%   | 99.4%    | -0.6%    |

## Output 4.2 Supply of information to other agencies

### Description

This output involves the supply of information to other government agencies, in accordance with the agreements between Inland Revenue and those agencies.

|  | Budget | Actual | Variance |
|--|--------|--------|----------|
| <b>Quality and timeliness</b>  |        |        |          |
| All information and reports provided to outside agencies are accurate and provided in accordance with the agreed timeframes. | 100%   | 100.0% | Nil      |

Output statement: Revenue assessment and collection  
for the year ended 30 June 2004

| Actual                   |   | Actual        | Main          | Final         |
|--------------------------|---|---------------|---------------|---------------|
| 2003                     |   | 2004          | Estimates     | voted         |
| \$000                    |   | \$000         | 2004          | 2004          |
|                          |   |               | \$000         | \$000         |
| <b>Revenue</b>           |   |               |               |               |
| 56,640                   | Sale of outputs to the Crown                        | 56,302        | 58,654        | 57,052        |
| 1,341                    | Sale of outputs to others                           | 1,620         | 1,617         | 1,544         |
| <u>57,981</u>            | <b>Total revenue</b>                                | <u>57,922</u> | <u>60,271</u> | <u>58,596</u> |
| <b>Expenses</b>          |   |               |               |               |
| 57,691                   | Annual appropriations                               | 58,540        | 60,271        | 59,282        |
| 0                        | Other appropriations                                | 0             | 0             | 0             |
| <u>57,691</u>            | <b>Total expenses</b>                               | <u>58,540</u> | <u>60,271</u> | <u>59,282</u> |
| <b>290</b>               | <b>Net surplus/(deficit)</b>                        | <b>(618)</b>  | <b>0</b>      | <b>(686)</b>  |
| <b>Output class cost</b> |   |               |               |               |
| 56,363                   | Output 4.1: Return and payment processing           | 57,212        | 58,897        | 57,954        |
| 1,328                    | Output 4.2: Supply of information to other agencies | 1,328         | 1,374         | 1,328         |
| <u>57,691</u>            | <b>Output class cost</b>                            | <u>58,540</u> | <u>60,271</u> | <u>59,282</u> |

## OUTPUT CLASS 5 MANAGEMENT OF DEBT AND OUTSTANDING RETURNS

### Description

This output class involves taking follow-up action against non-compliers who fail to file a return, and those who do not pay when it is due.

Financial performance for the year ended 30 June 2004 (GST-exclusive) \$000

| Revenue | Expenses | Net surplus/(deficit) |
|---------|----------|-----------------------|
| 58,728  | 59,439   | (711)                 |

### Output 5.1 Outstanding returns

#### Description

This output involves all activities associated with collecting overdue returns and includes taking appropriate follow-up action against non-compliers who fail to file a return.

|  | Budget | Actual | Variance |
|--|--------|--------|----------|
| <b>Quantity</b><br>The number of returns that were not filed by the due date, and remain outstanding as at 30 June 2004 will be 2% less than the volume outstanding at 30 June 2003.<br><i>We completed the year with 12,200 fewer returns on hand than last year.</i> | -2%    | -2.3%  | 15.0%    |
| <b>Timeliness</b><br>Of all returns not filed by the due date, 80% are no longer outstanding within 12 months.   | 80%    | 82.1%  | 2.6%     |
| <b>Quality and timeliness</b><br>The average age of returns not filed by the due date which remain outstanding at 30 June 2004 will not increase by more than 5% on the average age at 30 June 2003.   | <5%    | -13.6% | Achieved |

## Output 5.2 Overdue debt

### Description

This output involves all activities associated with collecting outstanding debt and includes taking appropriate follow-up action against non-compliers who fail to pay money when it is due.

|   | Budget          | Actual         | Variance |
|---|-----------------|----------------|----------|
| <p><b>Quantity</b></p> <p>The total number of open debt cases as at 30 June 2004 will increase by no more than 2% of the total outstanding at 30 June 2003.</p> <p>There are 9,379 fewer cases on hand at 30 June 2004 than at 30 June 2003.</p>  | <2%             | -3.5%          | Achieved |
| <p><b>Timeliness</b></p> <p>Of all tax not paid by the due date, 80% is no longer outstanding within 12 months.</p>   | 80%             | 86.6%          | 8.2%     |
| <p><b>Quality and timeliness</b></p> <p>The average age of debt cases at 30 June 2004 will be 5% less than the average age of debt cases at 30 June 2003.</p> <p>The average age of debt fell by 18 days in 2003–04. Non-resident student loan borrowers continue to have a major effect on the result for this measure. They account for a large number of debt cases that are difficult to clear. These cases are also becoming older as a large number of them are taxpayers who we cannot contact.</p> <p>Measures continue to be put in place to help address and prevent non-resident student loan debt. These include offering credit card payment options, and the ability for students to securely look at their own student loan account through the internet.</p> <p>By 30 June 2004, total collectable debt will be less than \$1.35 billion.</p> | 5%              | 3.1%           | -38.0%   |
|   | <\$1.35 billion | \$1.30 billion | Achieved |

|   | Budget | Actual | Variance |
|---|--------|--------|----------|
| <p><b>Quality of all debt and return outputs</b></p> <p>All debt cases and return policing profiles are actioned appropriately in accordance to law and Inland Revenue debt and return collection policies.</p> | 100%   | 96.7%  | -3.3%    |

Output statement: Management of debt and outstanding returns  
for the year ended 30 June 2004

| Actual          |                                 | Actual        | Main          | Final         |
|-----------------|---------------------------------|---------------|---------------|---------------|
| 2003            |                                 | 2004          | Estimates     | voted         |
| \$000           |                                 | \$000         | 2004          | 2004          |
|                 |                                 |               | \$000         | \$000         |
| <b>Revenue</b>  |                                 |               |               |               |
| 54,537          | Sale of outputs to the Crown    | 57,116        | 55,303        | 56,466        |
| 1,959           | Sale of outputs to others       | 1,612         | 2,778         | 2,822         |
| <u>56,496</u>   | <b>Total revenue</b>            | <u>58,728</u> | <u>58,081</u> | <u>59,288</u> |
| <b>Expenses</b> |                                 |               |               |               |
| 56,897          | Annual appropriations           | 59,439        | 58,081        | 60,161        |
| 0               | Other appropriations            | 0             | 0             | 0             |
| <u>56,897</u>   | <b>Total expenses</b>           | <u>59,439</u> | <u>58,081</u> | <u>60,161</u> |
| <b>(401)</b>    | <b>Net surplus/(deficit)</b>    | <b>(711)</b>  | <b>0</b>      | <b>(873)</b>  |
| 16,997          | Output 5.1: Outstanding returns | 20,610        | 17,528        | 21,110        |
| 39,900          | Output 5.2: Overdue debt        | 38,829        | 40,553        | 39,051        |
| <u>56,897</u>   | <b>Output class cost</b>        | <u>59,439</u> | <u>58,081</u> | <u>60,161</u> |

## OUTPUT CLASS 6 TAXPAYER AUDIT

### Description

This output class involves auditing all classes of taxpayers with emphasis on high-risk non-compliers and the management of tax litigation.

Financial performance for the year ended 30 June 2004 (GST-exclusive) \$000

| Revenue | Expenses | Net surplus/(deficit) |
|---------|----------|-----------------------|
| 96,721  | 98,207   | (1,486)               |

### Output 6.1 Audit

#### Description

This output involves the detection of non-compliance and deterrence of future non-compliance among businesses with a turnover of up to \$100 million (excluding groups in the Corporates Segment). It includes audits of duties, non-resident, salary and wage earners and investment earners.

|   | Budget               | Actual                                    | Variance |
|---|----------------------|---|----------|
| <b>Quantity</b><br>Between 828,000 and 848,000 hours will be dedicated to conducting all audit activities (excluding Corporates).   | 828,000 –<br>848,000 | 836,079                                   | Nil      |
| <b>Quality</b><br>At least \$600 per hour will be assessed for all audit activity, including aggressive tax issues and tax evasion (excluding Corporates).  | \$600                | \$587                                     | -2.2%    |
| <b>Timeliness</b><br>On average, complete audits and extended audits within 4 months.<br>On average, complete investigations within 12 months.<br>On average, complete disputed cases within 14 months.<br>90% of all open cases (including disputed open cases) are less than 24 months old. | 90%                  | Achieved<br>Achieved<br>Achieved<br>85.7% | -4.8%    |

## Output 6.2 Corporate audit

### Description

This output involves the detection of non-compliance and deterrence of future non-compliance, and provides services to businesses with a group turnover of greater than \$100 million, plus other specific groups.

|   | Budget               | Actual   | Variance |
|---|----------------------|----------|----------|
| <b>Quantity</b><br>Between 191,000 and 201,000 hours will be dedicated to conducting investigations, audits and checks and risk assessment. | 191,000 –<br>201,000 | 204,363  | 1.7%     |
| <b>Timeliness</b><br>On average, complete all investigations within 17 months   |                      | Achieved |          |
| 85% of all open Corporates cases are less than 24 months old  | 85%                  | 86.6%    | 1.9%     |
| On average, complete disputed cases within 21 months  |                      | Achieved |          |
| 75% of all open disputed cases are less than 30 months old  | 75%                  | 76.9%    | 2.5%     |
| <b>Quality of all audit outputs</b><br>At least 85% of all cases meet the standards of the internal assurance processes.                    | 85%                  | 95.4%    | 12.2%    |

## Output 6.3 Litigation management

### Description

This output involves the management of litigation of disputed tax cases, including the requirement to state the case through to resolution by the courts.

|   | Budget    | Actual | Variance |
|---|-----------|--------|----------|
| <b>Quantity</b>   |           |        |          |
| 300 – 350 tax cases in hand at start of period  | 300 – 350 | 497    | 42.0%    |
| 300 – 350 tax cases in hand at end of period  | 300 – 350 | 569    | 62.6%    |
| 30 – 60 cases heard in the Taxation Review Authority and courts   | 30 – 60   | 52     | Nil      |
| 75 – 100 cases finally resolved during the period   | 75 – 100  | 109    | 9.0%     |
| We were over the target range for cases in hand because two substantial tax avoidance cases, each involving large numbers of individual taxpayers, took up most of our litigation effort. Test cases have been designated.              |           |        |          |
| <b>Quality</b>  |           |        |          |
| At least 66% of disputed tax is resolved in favour of the department during 2003–04 in the following categories:  |           |        |          |
| <ul style="list-style-type: none"> <li>tax cases finally decided in the Taxation Review Authority or courts</li> </ul>  | 66%       | 16.2%  | -75.5%   |
| Of the few cases heard, those finally determined involved relatively little value.  |           |        |          |
| <ul style="list-style-type: none"> <li>tax cases resolved outside the Taxation Review Authority or courts (such as by concession or settlement), and</li> </ul>   | 66%       | 45.7%  | -30.8%   |
| This result reflects a number of stayed cases being finally determined following a decision in the taxpayer's favour by our Adjudication Unit. There were also a large number of avoidance cases which have yet to be finally resolved. |           |        |          |
| <ul style="list-style-type: none"> <li>all tax cases.</li> </ul>  | 66%       | 44.3%  | -32.9%   |
| No judgments in the courts will contain adverse judicial comments on the department's conduct of the litigation.  | 100%      | 100.0% | Nil      |
| <b>Timeliness</b>   |           |        |          |
| No tax cases will be lost due to failure to comply with statutory timeframes.   | 100%      | 100.0% | Nil      |
| All timetable requirements imposed by the courts on the department's solicitors in tax cases will be met, resulting in no requests for adjournments, enlargements or extensions of time.  | 100%      | 100.0% | Nil      |

## Output statement: Taxpayer audit

for the year ended 30 June 2004

| Actual        |                                   | Actual         | Main           | Final          |
|---------------|-----------------------------------|----------------|----------------|----------------|
| 2003          |                                   | 2004           | Estimates      | voted          |
| \$000         |                                   | \$000          | 2004           | 2004           |
|               |                                   |                | \$000          | \$000          |
|               | <b>Revenue</b>                    |                |                |                |
| 92,258        | Sale of outputs to the Crown      | 96,571         | 100,586        | 96,971         |
| 175           | Sale of outputs to others         | 150            | 140            | 215            |
| <u>92,433</u> | <b>Total revenue</b>              | <u>96,721</u>  | <u>100,726</u> | <u>97,186</u>  |
|               | <b>Expenses</b>                   |                |                |                |
| 91,282        | Annual appropriations             | 98,207         | 100,726        | 98,318         |
| 0             | Other appropriations              | 0              | 0              | 0              |
| <u>91,282</u> | <b>Total expenses</b>             | <u>98,207</u>  | <u>100,726</u> | <u>98,318</u>  |
| <b>1,151</b>  | <b>Net surplus/(deficit)</b>      | <b>(1,486)</b> | <b>0</b>       | <b>(1,132)</b> |
| 65,003        | Output 6.1: Audit                 | 71,293         | 71,867         | 71,621         |
| 20,398        | Output 6.2: Corporate audit       | 19,854         | 22,522         | 20,348         |
| 5,881         | Output 6.3: Litigation management | 7,060          | 6,337          | 6,349          |
| <u>91,282</u> | <b>Output class cost</b>          | <u>98,207</u>  | <u>100,726</u> | <u>98,318</u>  |

## OUTPUT CLASS 7 ASSESSMENT AND COLLECTION OF CHILD SUPPORT

### Description

This output class involves:

- informing people of their rights and obligations under the law
- assessing liabilities
- banking payments
- disbursement of payments to custodians
- taking action against those who do not comply with the law
- providing an administrative process for reviewing assessments that is inexpensive and readily accessible to custodians and paying parents.

Financial performance for the year ended 30 June 2004 (GST-exclusive) \$000

| Revenue | Expenses | Net surplus/(deficit) |
|---------|----------|-----------------------|
| 55,265  | 55,571   | (306)                 |

### Output 7.1 Customer information services

#### Description

This output involves responding to customer enquiries and providing advice and information on child support matters.

|   | Budget                 | Actual  | Variance |
|---|------------------------|---------|----------|
| <b>Quantity</b><br>Action between 960,000 and 1,010,500 customer contacts.<br>Numbers are 3% below those received last year, partly due to a reduction in advertising this year.  | 960,000 –<br>1,010,500 | 933,316 | -2.8%    |
| <b>Quality</b><br>In all cases we aim to give taxpayers an answer that is correct, complete, clear, timely and appropriately referenced. The answer should also show an understanding of the business environment. This year we aim to improve our performance in this area by 5% from our 30 June 2003 result. | 80%                    | 87.6%   | 9.5%     |

|   | Budget        | Actual       | Variance |
|---|---------------|--------------|----------|
| <b>Timeliness</b>   |               |              |          |
| 70% of all phone calls will be answered within 30 seconds, except on days where the total volume of calls exceeds 3,500.  | 70%           | 74.2%        | 6.0%     |
| For the days when total calls exceed 3,500:   |               |              |          |
| <ul style="list-style-type: none"> <li>the average speed-to-answer will be less than or up to 3 minutes, and</li> <li>callers will be advised of the potential delay and offered alternative services.</li> </ul> | <3:00 min:sec | 1:40 min:sec | 44.4%    |
| Issuing a substantive response for:   |               |              |          |
| <ul style="list-style-type: none"> <li>85% of correspondence within 2 weeks</li> </ul>  | 85%           | 83.0%        | -2.4%    |
| <ul style="list-style-type: none"> <li>100% of correspondence within 6 weeks of receipt by Inland Revenue.</li> </ul>   | 100%          | 98.2%        | -1.8%    |

## Output 7.2 Registration and assessment

### Description

This output involves the registration and assessment of new Child Support customers together with issuing annual assessments and reassessments to paying parents.

|   | Budget             | Actual | Variance |
|---|--------------------|--------|----------|
| <b>Quantity</b>   |                    |        |          |
| Process between 50,800 and 53,500 applications for child support.   | 50,800 –<br>53,500 | 56,112 | 4.9%     |
| <b>Quality</b>  |                    |        |          |
| All assessments issued are correct on the basis of the information provided.                                      | 100%               | 98.2%  | -1.8%    |
| <b>Timeliness</b>   |                    |        |          |
| Issue assessments to:   |                    |        |          |
| <ul style="list-style-type: none"> <li>70% of paying persons within 2 weeks, and</li> </ul>                       | 70%                | 72.8%  | 4.0%     |
| <ul style="list-style-type: none"> <li>95% within 6 weeks of receipt of the properly made application.</li> </ul> | 95%                | 92.7%  | -2.4%    |

## Output 7.3 Collection of payments

### Description

This output involves collecting and banking child support payments from paying parents.

|  | Budget | Actual | Variance |
|--|--------|--------|----------|
| <b>Quantity and timeliness</b>   |        |        |          |
| Collect 80% of child support assessments for the year ended 31 March 2004 by 30 June 2004.   | 80%    | 73.2%  | -8.5%    |
| <p>Performance has remained at a similar level to last year. The amount of child support assessed this year increased by 8.4%. This is linked to wage growth and inflation. When people are on a benefit, their child support payments are automatically deducted by the Ministry of Social Development.</p> <p>Low unemployment means that people are moving into work and need to organise to pay their child support either directly or through their employer, which can lead to a reduction in compliance. In 2004–05 we are focusing on establishing good compliance levels with new customers and moving to targeting a broader range of customer segments. This will improve our collection of current year assessments and therefore this measure is expected to be met in 2004–05.</p> |        |        |          |
| 63% of assessed paying persons will pay their whole liability by the due date.   | 63%    | 61.1%  | -3.0%    |

## Output 7.4 Disbursement to custodians

### Description

This output involves the disbursement of child support payments to custodians.

|   | Budget | Actual | Variance |
|---|--------|--------|----------|
| <b>Quality and timeliness</b>   |        |        |          |
| Disburse 95% of identified payments received by the due date (20th of the month) to custodians on or before the 7th day of the following month. | 95%    | 97.7%  | 2.8%     |
| Disburse the balance, and any previous payments received prior to the 7th day of the following month, by the 20th of that month.                | 100%   | 98.8%  | -1.2%    |

## Output 7.5 Management of debt

### Description

This output involves all activities associated with the recovery of overdue child support payments. It includes taking appropriate action against non-compliers within the child support law.

|   | Budget  | Actual  | Variance |
|---|---------|---------|----------|
| <b>Quantity, quality and timeliness</b>   |         |         |          |
| Collect 90% of total back-year assessments calculated up to 31 March 2003 by 30 June 2004.  | 90%     | 88.0%   | -2.2%    |
| The rate of growth of total debt (excluding penalties) from 1 July 2003 until 30 June 2004 will be no more than 15%.  | 15%     | 14.5%   | 3.3%     |
| 50% of liable parent debt cases will be cleared within 3 months from the end of the month that they are identified as a new arrears case.   | 50%     | 54.1%   | 8.2%     |
| Reduce to 108,000 the number of paying persons in debt by 30 June 2004.   | 108,000 | 121,791 | -12.8%   |
| <p>The 2003–04 debt reduction strategy focused on reducing the number of paying persons with large debt. The large volume of customers with low debt was not the primary target (half of our Child Support customers owe less than \$600). In 2004–05 we will focus on high level debt across more customer segments to ensure ongoing compliance. This year's figure also includes 1,700 new debtors from Australia who were not included in the original forecasts.</p> |         |         |          |

## Output 7.6 Child support administrative reviews

### Description

This output involves providing an administrative process for reviewing child support assessments that is inexpensive and readily accessible to child support custodians and paying parents.

|  | Budget           | Actual | Variance |
|--|------------------|--------|----------|
| <b>Quantity</b>  |                  |        |          |
| Complete between 4,800 and 5,000 applications for administrative review of child support assessments.  | 4,800 –<br>5,000 | 4,324  | -9.9%    |
| <p>The increases that occurred in previous years were forecast but did not occur. In 2003–04 the number of applications declined by 313.</p> |                  |        |          |
| <b>Timeliness</b>  |                  |        |          |
| Issue:   |                  |        |          |
| • 90% of administrative review decisions within 7 weeks, and   | 90%              | 95.4%  | 6.0%     |
| • 100% within 10 weeks of receipt of the application.  | 100%             | 99.6%  | -0.4%    |

Output statement: Assessment and collection of child support  
for the year ended 30 June 2004

| Actual        |  | Actual        | Main          | Final         |
|---------------|--|---------------|---------------|---------------|
| 2003          |  | 2004          | Estimates     | voted         |
| \$000         |  | \$000         | 2004          | 2004          |
|               |  |               | \$000         | \$000         |
|               | <b>Revenue</b>                                   |               |               |               |
| 50,643        | Sale of outputs to the Crown                     | 55,195        | 54,138        | 55,195        |
| 68            | Sale of outputs to others                        | 70            | 227           | 267           |
| <u>50,711</u> | <b>Total revenue</b>                             | <u>55,265</u> | <u>54,365</u> | <u>55,462</u> |
|               | <b>Expenses</b>                                  |               |               |               |
| 50,440        | Annual appropriations                            | 55,571        | 54,365        | 56,179        |
| 0             | Other appropriations                             | 0             | 0             | 0             |
| <u>50,440</u> | <b>Total expenses</b>                            | <u>55,571</u> | <u>54,365</u> | <u>56,179</u> |
| <u>271</u>    | <b>Net surplus/(deficit)</b>                     | <u>(306)</u>  | <u>0</u>      | <u>(717)</u>  |
| 4,560         | Output 7.1: Customer information services        | 5,642         | 4,833         | 5,658         |
| 12,830        | Output 7.2: Registration and assessment          | 13,761        | 13,749        | 13,640        |
| 10,885        | Output 7.3: Collection of payments               | 10,915        | 11,665        | 11,042        |
| 2,277         | Output 7.4: Disbursement to custodians           | 1,841         | 2,427         | 1,836         |
| 17,335        | Output 7.5: Management of debt                   | 21,427        | 19,074        | 21,988        |
| 2,553         | Output 7.6: Child support administrative reviews | 1,985         | 2,617         | 2,015         |
| <u>50,440</u> | <b>Output class cost</b>                         | <u>55,571</u> | <u>54,365</u> | <u>56,179</u> |

## OUTPUT CLASS 8 COLLECTION OF ACC LEVIES

### Description

This output class involves the collection of ACC employee earners' levy as a component of PAYE deductions and the provision of information.

Financial performance for the year ended 30 June 2004 (GST-exclusive) \$000

| Revenue | Expenses | Net surplus/(deficit) |
|---------|----------|-----------------------|
| 20,650  | 20,650   | Nil                   |

|   | Budget | Actual | Variance |
|---|--------|--------|----------|
| <b>Quality, quantity and timeliness</b>   |        |        |          |
| Pay to ACC, within the agreed timeframes, the determined amounts of earners' levy collected as a component of PAYE. | 100%   | 100%   | Nil      |

### Output statement: Collection of ACC levies for the year ended 30 June 2004

| Actual<br>2003<br>\$000 | Actual<br>2004<br>\$000 | Main<br>Estimates<br>2004<br>\$000 | Final<br>voted<br>2004<br>\$000 |
|-------------------------|-------------------------|------------------------------------|---------------------------------|
|-------------------------|-------------------------|------------------------------------|---------------------------------|

|               |  |               |               |               |
|---------------|--|---------------|---------------|---------------|
|               | <b>Revenue</b>                           |               |               |               |
| 0             | Sale of outputs to the Crown             | 0             | 0             | 0             |
| 24,031        | Sale of outputs to others                | 20,650        | 20,650        | 20,650        |
| <u>24,031</u> | <b>Total revenue</b>                     | <u>20,650</u> | <u>20,650</u> | <u>20,650</u> |
|               | <b>Expenses</b>                          |               |               |               |
| 0             | Annual appropriations                    | 0             | 0             | 0             |
| 24,031        | Other appropriations                     | 20,650        | 20,650        | 20,650        |
| <u>24,031</u> | <b>Total expenses</b>                    | <u>20,650</u> | <u>20,650</u> | <u>20,650</u> |
| <u>0</u>      | <b>Net surplus/(deficit)</b>             | <u>0</u>      | <u>0</u>      | <u>0</u>      |
| 24,031        | Output class 8: Collection of ACC levies | 20,650        | 20,650        | 20,650        |
| <u>24,031</u> | <b>Output class cost</b>                 | <u>20,650</u> | <u>20,650</u> | <u>20,650</u> |