



06 July 2022

[REDACTED]

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 9 June 2022. You requested the following:

A copy of the cost-benefit analysis conducted before the Commissioners Statement 21/02 was released, including details of each step taken and how the impacts of the change were determined.

Commissioner's Statement CS 21/02

The Commissioner's Statement CS 21/02 – Government Service Rule was published to clarify and highlight the Commissioner's long-standing position on the treatment of persons working overseas for the New Zealand Government. It is not a significant change of position or interpretation of the Government Service Rule, but as noted below, it clarifies the position of a person who has not previously been employed by the Government.

This position was previously highlighted in the Commissioner's Interpretation Statement on Tax Residence – IS 16/03, which discusses in more detail the background and policy intent behind the Government Service Rule. The Interpretation Statement IS 16/03 can be found on Inland Revenue's tax technical website www.taxtechnical.ird.govt.nz/-/media/project/ir/tt/pdfs/interpretation-statements/is-1603.pdf

Briefly summarised, the purpose of the Government Service Rule is for New Zealand to retain the taxing rights to the income of people absent from New Zealand, who remain closely connected to New Zealand as they are representatives and servants of the New Zealand Government abroad.

The Commissioner's Statement further clarifies this and highlights that a person does not need to be an existing government employee before accepting a government role overseas and confirms the existing interpretation of what is meant by "local office" positions, as highlighted in the Interpretation Statement IS 16/03.

As such, no cost-benefit analysis was conducted prior to the release of the Commissioner's statement CS 21/02. Therefore, your request is refused under section 18(e) of the OIA as the document alleged to contain the information requested does not exist.

Right of Review

If you disagree with my decision on your OIA request, you can ask an Inland Revenue review officer to review my decision. To ask for an internal review, please email the Commissioner of Inland Revenue at: CommissionersCorrespondence@ird.govt.nz.

Alternatively, under section 28(3) of the OIA, you have the right to ask the Ombudsman to investigate and review my decision. You can contact the office of the Ombudsman by email at: info@ombudsman.parliament.nz.

If you choose to do an internal review, you can still request a review from the Ombudsman.

Publishing of OIA response

Please note that Inland Revenue regularly publishes responses to requests that may be of interest to the wider public on its website. We consider this response is of public interest so will publish this response in due course. Your personal details or any information that would identify you will be removed prior to it being published.

Thank you for your request.

Yours sincerely



Karen Whitiskie
Legal Services Leader