

9 May 2017

Ms Beryl Beauchamp
fyi-request-5726-6ec507cd@requests.fyi.org.nz

Dear Ms Beauchamp

Thank you for your request made under the Official Information Act 1982 (the OIA), which we received on 12 April 2017. You have requested the following information:

I request under the official information act a copy of any scripts, training materials, instructions of any other kind that the Department requires IRD contact workers to use when in conversation or correspondence with an overseas student loan borrower who has arrears.

I have decided to withhold the information you have requested under section 18(c)(i) of the Act because releasing it would be contrary to the provisions of a specified enactment – section 81 of the Tax Administration Act 1994 (TAA). My reasons for this decision are outlined below.

The information that you have requested is covered by the secrecy provisions contained in section 81 of the TAA. It can, therefore, only be released if one of the exceptions to secrecy (as set out in section 81) applies and the Commissioner has decided to exercise her discretion under that exception.

I have considered the exceptions to secrecy, including the general exception contained in section 81(1B). This requires the release of information to support a duty of the Commissioner and involves considering whether release would be reasonable in light of the following five factors:

- (i) the Commissioner's obligation at all times to use best endeavours to protect the integrity of the tax system; and
- (ii) the importance of promoting compliance by taxpayers, especially voluntary compliance; and
- (iii) any personal or commercial impact of the communication; and
- (iv) the resources available to the Commissioner; and
- (v) the public availability of the information.

Releasing the information you have requested would not support a duty of the Commissioner, nor would it be reasonable to release the information when considering each of the five factors, specifically the Commissioner's obligation to protect the integrity of the tax system.

The information requested relates to Inland Revenue's internal processes and procedures when dealing with student loan borrowers in default. In my view, releasing this information would open the system up for abuse and have a detrimental effect on the Commissioner's ability to administer the tax system, and therefore, have a negative impact on the integrity of the tax system.

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I can however provide some general information on the approach used by Inland Revenue when talking to overseas student loan borrowers who have arrears.

When student loan borrowers have arrears or are experiencing difficulty meeting their repayment obligations, they are able to apply for relief in accordance with Student Loans Scheme Act 2011 – Sections 145 and 147.

Relief may be granted to a borrower depending on their individual circumstances and ability to make payments. Inland Revenue will discuss the best option with the borrower, which may include the following outcomes:

- removal of penalties
- paying off the overdue amount in instalments
- adding the overdue amount for previous years back to the loan balance (capitalisation) or
- the borrower's current repayment obligation (not arrears) is reduced for the current year or the year immediately following.

Further information on options during financial difficulty can be found at <http://www.ird.govt.nz/yoursituation-ind/debt/options-difficulties/#03>.

Inland Revenue encourages anyone experiencing difficulties in meeting their student loan repayment obligation to contact us as soon as possible to discuss what options may be available to them.

Right of review

If you disagree with my decision you have the right to ask the Ombudsman to investigate and review my decision. The office of the Ombudsman can be contacted at PO Box 10152, The Terrace, Wellington, 6143 or online at www.ombudsman.parliament.nz.

Alternatively, you may have the decision reviewed by an Inland Revenue review officer. Choosing the internal right of review does not preclude you from subsequently seeking a review by the Ombudsman should you be dissatisfied with the department's internal review. If an internal review is sought, please write to the Commissioner of Inland Revenue, PO Box 2198, Wellington 6140, setting out the details of your complaint.

Thank you again for writing. I trust this information is of assistance to you.

Yours sincerely



Maurice Lawlor
Business Owner, Student Loans