

# The Treasury

## Budget 2017 Information Release

### Release Document July 2017

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[1]	to prevent prejudice to the security or defence of New Zealand or the international relations of the government	6(a)
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[40]	Not in scope	

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) and section 18 of the Official Information Act.

## Treasury Report: Options for a Budget 2017 Tax Package Calculator

<b>Date:</b>	12 April 2017	<b>Report No:</b>	T2017/990
		<b>File Number:</b>	SH-13-5-2-3

### Action Sought

	<b>Action Sought</b>	<b>Deadline</b>
Minister of Finance (Hon Steven Joyce)	Direct officials on the preferred Budget calculator option	12 April 2017

### Contact for Telephone Discussion (if required)

<b>Name</b>	<b>Position</b>	<b>Telephone</b>	<b>1st Contact</b>
[34]	Analyst	[39]	N/A (mob)
Suzy Morrissey	Acting Manager, Tax Strategy	[39]	N/A (mob)

### Actions for the Minister's Office Staff (if required)

**Return** the signed report to Treasury.

Note any feedback on the quality of the report

**Enclosure:** No

## **Treasury Report: Options for a Budget 2017 Tax Package Calculator**

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### **Executive Summary**

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This report sets out two options for a Budget 17 tax package calculator, one hosted on the Treasury Budget website, the other linking to an Inland Revenue hosted calculator. The first option provides greater continuity, but comes with a number of additional risks which will make delivery of the tool more costly and riskier to implement.

The report also sets out a timeline for each of the options to demonstrate how these will be developed and what the key limitations are for each.

Ministers are requested to inform officials which of the options they would prefer to go forward with.

### **Recommended Action**

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We recommend that you **direct** officials to progress with either option A, or option B

*Option A*  
*Hosted on Budget website*  
*with higher risk of delivery*

*Option B*  
*Hosted on Inland Revenue*  
*website*

Suzy Morrissey  
**Acting Manager, Tax Strategy**

Hon Steven Joyce  
**Minister of Finance**

# Treasury Report: Options for a Budget 2017 Tax Package Calculator

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## Purpose of Report

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1. On 29 March 2017 you received a report outlining the possibility of a Budget 2017 tax package calculator (T2017/814 refers). This report sets out two options for how this calculator can be developed, and identifies the relative benefits and risks of these two options.

## Calculator Options

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2. The two calculator options are described below:
  - a. 'Client-side' calculator hosted on the Budget 2017 website
  - b. Budget 2017 website is linked to an Inland Revenue hosted calculator

Either scenario would include a page showing a table of 'what you may be able to receive from the Accommodation Supplement', which would include a link to the Working for Families website where users can estimate their Accommodation Supplement entitlement.

## Relative Benefits and Risks

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3. Option A
  - Benefits:
    - The calculator will be embedded in the Budget 2017 site, increasing continuity between the webpage and the calculator.
    - 'Client-side' javascript technology will reduce server load on hosting infrastructure, although sufficient testing will still be necessary to understand the ability to sustain expected web traffic levels.
  - Risks:
    - Production effort is greater and more expensive as it involves an external designer and new testing,
    - Requires more extensive testing of calculations and user experience by Inland Revenue and Treasury officials (within Treasury secure environment),
    - Requires stress testing of Budget site hosting infrastructure,
    - Requires testing of behaviour in a variety of browsers, devices, and operating systems,
    - If Ministers request separate changes (un-scoped as yet) to the 'look and feel' of the Budget 2017 site, production cost, risk, and complexity will all be increased,
    - If users have Javascript turned off they will get a message explaining they can't use the calculator and will need to enable it to use it (likely to be less than 0.5% of users)

- Option A has a key dependency that Treasury needs to be briefed by the Minister's office on its requirements for the overall design of the Budget site/printed documents (preferably with minor changes to graphics only) by Tuesday 18 April 2017.

#### 4. Option B

- Benefits:
  - The functionality required is already a known quantity,
  - Uses a robust method already used for existing wizards such as the recent Contractor tax changes tool,
  - Although continuity will be reduced, the calculator can still be introduced to users appealingly through synchronising text, icons, and special feature box – even though users are being directed to an Inland Revenue site.
- Risks:
  - Current hosting infrastructure capable of handling IR load, however will still need to test for this calculator to confirm.
  - Need to confirm if security testing is required.
  - Not able to be visually themed to closely match Budget branding (inconsistent use of Budget logo and text colour). Visual colour palette of IR is similar to previous Budget Blue.

#### Timeline

	Option a)	Option b)
Tues 18 April	Pikselin (design company) briefed by Inland Revenue, Treasury and Minister's office	Confirm approach and requirements. Visual design will be in line with existing IR products. Confirm ability of IR infrastructure to cope with extra load.
Fri 21 Apr	Concept designs (images only) from Pikselin IR brief Pikselin & Treasury on calculator logic and supply data, calculations	Development continues
Fri 28 Apr	Working prototype ready for testing by IR and Treasury (using dummy data/values)	Working prototype ready for testing, including rules reused from existing IR products
Fri 5 May	Refine calculator (with visual design added) Stress testing of calculator and sit hosting infrastructure completed	Second iteration of calculator with refined visual design based on feedback
Wed 10 May	Hosting infrastructure changes (if needed) completed	Development continues
Fri 12 May	IR complete testing of real calculations in secure environment at Treasury	Testing of rules/calculations complete
Fri 18 May	Contextual information around calculator, links to other sites etc finalised	Contextual information around calculator, links to other sites etc finalised

## Other issues

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5. Any delay in confirming requirements is a key risk (for both options) as timelines are very tight.

### MSD comment

6. As previously advised, timeframes for delivering the AS calculator by Budget day are extremely tight. While MSD will do everything it can to ensure the calculator is ready on Budget day, as there is not yet a final decision on the AS option that will be included in the package there is now a serious risk that the AS calculator will not be available on Budget day. This is because of the time needed to develop new code and test the calculator before it can be put online. MSD will work on a contingency plan which will involve preparing a comprehensive range of scenarios that could be posted online on Budget day to help AS recipients understand their likely gains from the AS package. If it is not available for Budget day the calculator will be put online as soon as possible after Budget day.
7. If final decisions are made today (Wednesday 12 April) on the AS option then MSD's internal calculator could still be ready in time for Budget day. This would mean that MSD staff would be able to advise callers on Budget day how the AS changes will affect them. The timeframes for MSD's internal calculator are shorter than for the public-facing calculator because the internal calculator already calculates entitlement for beneficiaries on AS while the public-facing calculator does not.
8. The timeframes outlined above are based on AS and FTC options that do not include phasing. If either the AS or FTC options are phased then MSD will need to provide further advice on the timeframes for implementation of the calculator.