

The Treasury

Budget 2017 Information Release

Release Document July 2017

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Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

[1]	to prevent prejudice to the security or defence of New Zealand or the international relations of the government	6(a)
[4]	to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial	6(c)
[11]	to damage seriously the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the entering into of overseas trade agreements.	6(e)(vi)
[23]	to protect the privacy of natural persons, including deceased people	9(2)(a)
[25]	to protect the commercial position of the person who supplied the information or who is the subject of the information	9(2)(b)(ii)
[26]	to prevent prejudice to the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied	9(2)(ba)(i)
[27]	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information - would be likely otherwise to damage the public interest	9(2)(ba)(ii)
[29]	to avoid prejudice to the substantial economic interests of New Zealand	9(2)(d)
[31]	to maintain the current constitutional conventions protecting collective and individual ministerial responsibility	9(2)(f)(ii)
[33]	to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials	9(2)(f)(iv)
[34]	to maintain the effective conduct of public affairs through the free and frank expression of opinions	9(2)(g)(i)
[36]	to maintain legal professional privilege	9(2)(h)
[37]	to enable the Crown to carry out commercial activities without disadvantages or prejudice	9(2)(i)
[38]	to enable the Crown to negotiate without disadvantage or prejudice	9(2)(j)
[39]	to prevent the disclosure of official information for improper gain or improper advantage	9(2)(k)
[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.

Reference: T2017/1213 SH-13-5-2-3

Date: 5 May 2017

To: Minister of Finance
(Hon Steven Joyce)

Deadline: None

Aide Memoire: Family Incomes Package - further information on a tax calculator

Purpose

During a meeting with officials on 3 May 2017, you requested information about our process for testing the Budget 2017 Family Incomes Package calculator. This note provides that information.

Context

Despite contingency planning and rigorous testing, a website's continuous availability cannot be guaranteed. However, the Treasury is confident in the ability of our web platform to cope with a large number of simultaneous users for the Budget 2017 website.

During periods of high use, web platforms can crash. For example, transactional sites have crashed recently when high-demand concert tickets were released. However, there are important technology differences between such sites and how the Budget website will deliver the calculator.

Transactional sites are complex. Every user that orders a ticket triggers many hundreds of activities behind the scenes, including:

- Checking whether the password is correct
- Logging the customer in
- Checking whether there are tickets available
- Checking whether there are enough seats in the same area for the group
- Calculating total price

These are just some of the processes that a transactional site's servers would need to fulfil for each user. Multiplied by the number of simultaneous users, these processes can quickly exhaust the platform.

Users of the Budget 2017 calculator will not interact with the Treasury's servers in the same way. When a user navigates to the calculator their web browser will download it. Calculations are performed within the user's browser, with no further interaction with the Treasury's servers. The main consideration is how many users simultaneously downloading the Budget 2017 calculator the servers can sustain.

Testing process

Performance benchmarking

We will create benchmark tests for the initial version of the Budget website. Performance benchmarks will include:

- Capacity for around 200,000 users per hour. That is nearly 15 times the traffic experienced by NZQA at peak demand when exam results are released.
- Average load time of 2-4 seconds, which is considered an above-average page load time. The calculator will be built with minimised 'code weight' to reduce loading times where possible. We will also identify the point at which the average load time increases beyond acceptable and how many simultaneous users this requires.

Timeline and reporting

A detailed test plan will be developed by Wednesday, 10 May. Testing will be carried out by Friday, 13 May. We will report on the results of testing and identify remedial actions to be taken by Monday, 15 May.

Plans and reports on the results of testing will be shared with the Treasury's Budget Governance Group and can be shared with your office if you wish.

Contingency planning

Site availability

The Budget 2017 website will be available on two web platforms with dual internet connections to improve load times and reduce single-point-of-failure risk.

Content delivery networks

We are exploring the possibility of using content delivery networks (CDN) positioned around the country by various internet service providers. When the first user of the Budget website on a given internet service provider downloads the calculator, CDN stores the content. Subsequent downloads from other users of that internet service provider are taken from the CDN, without users needing to interact with the Treasury's servers. In this way, CDN can improve site performance during periods of high load.

Revised mock-ups

Revised mock-ups of the calculator are attached. These include an additional field for the user to enter their postcode. Once entered, the calculator would tailor the Accommodation Supplement information to the user's approximate location. One mock-up displays what the user would see if they do not choose to enter their postcode, and the other displays what the user would see if they do.

Although the Accommodation Supplement Areas and postcodes do not match exactly, we consider it is a desirable proxy due to its ease of use.

[34] Analyst, Tax Strategy, [39]
Dr Eina Wong, Senior Analyst, Tax Strategy, [39]

Calculator – Postcode Not Input



HOW DOES THE FAMILY INCOMES PACKAGE AFFECT ME?

My Income before tax

58,000

Yearly

My Partner's Income before tax

Leave blank if no partner

Weekly

My household income is
\$58,000
per year



Number of Children for whom I receive Working for Families

As of April 1, 2017

Under 13 years

2

13 – 15 years

0

16 – 18 (dependents only)

0

Do you qualify for the In-Work Tax Credit?

You qualify if you and your partner work at least 30 hours per week combined, or if you are a sole parent and work 20 hours per week or more.

NO

YES

Summary of My Tax

Family Income Tax	\$20.38
Independent Earner Tax Credit (weekly)	\$0
Weekly Working for Families (weekly)	\$19.16
Total weekly change in my family income	\$39.54
Total annual change in my family income	\$2056

Enter your postcode for Accommodation Supplement information*

e.g. 6010

ENTER

Reset

Changes to Your Weekly Accommodation Supplement *

Your **one person house hold**, if eligible for an Accommodation Supplement, may receive up to the following maximum amounts depending on your personal circumstances and location.

Area 1 (e.g. Auckland, Tauranga, Queenstown)	\$80.00
Area 2 (e.g. Hamilton, Taupo, Wellington, Christchurch)	\$55.00
Area 3 (e.g. Dunedin, Levin, Palmerston North)	\$40.00
Area 4 (e.g. Whanganui, Invercargill, Ohakune)	\$45.00

* Depending on your exact location, your household may have moved into an Accommodation Supplement area with a higher maximum rate, increasing your potential entitlement. This change is included in the maximum possible weekly increase above, however you will need to discuss your situation with the Ministry for Social Development to see that the area change applies to you.

Notes:

- Actual changes will depend on personal circumstances and may differ from the estimate provided by the calculator, especially if your circumstances change.
- The calculator is based on the taxable income estimates you provided.
- For simplicity, the calculator excludes [other income types and adjustments](#) that can affect Working for Families entitlements.
- The calculator does not include the Parental Tax Credit and Minimum Family Tax Credit which may affect Working for Families entitlements.
- The calculator assumes children remain the same age for a full tax year. If your children will cross an age threshold (e.g., from 0-12 to 13-15) during the tax year the calculator will provide an overestimate.
- The calculator does not estimate changes to the Accommodation Supplement and Accommodation Benefit.



Calculator – Post Code Input



HOW DOES THE FAMILY INCOMES PACKAGE AFFECT ME?

My Income before tax: Yearly

My Partner's Income before tax: Weekly

My household income is
\$58,000
 per year



Number of Children for whom I receive Working for Families

As of April 1, 2017

Under 13 years:

13 – 15 years:

16 – 18 (dependents only):

Do you qualify for the In-Work Tax Credit?

You qualify if you and your partner work at least 30 hours per week combined, or if you are a sole parent and work 20 hours per week or more.

NO YES

Summary of My Tax

Family Income Tax	\$20.38
Independent Earner Tax Credit (weekly)	\$0
Weekly Working for Families (weekly)	\$19.16
Total weekly change in my family income	\$39.54
Total annual change in my family income	\$2056

Enter your postcode for Accommodation Supplement information*

ENTER

[Reset](#)

Changes to Your Weekly Accommodation Supplement *

Your **one person house hold** living in **Auckland (Post Code 1010)**, if eligible for an Accommodation Supplement, may receive up to the following maximum amounts depending on your personal circumstances and location.

Auckland (Post Code 1010) \$80.00

* Depending on your exact location, your household may have moved into an Accommodation Supplement area with a higher maximum rate, increasing your potential entitlement. This change is included in the maximum possible weekly increase above, however you will need to discuss your situation with the Ministry for Social Development to see that the area change applies to you.

Notes:

- Actual changes will depend on personal circumstances and may differ from the estimate provided by the calculator, especially if your circumstances change.
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- The calculator does not estimate changes to the Accommodation Supplement and Accommodation Benefit.

