

Vote Revenue

APPROPRIATION MINISTER(S): Minister of Revenue (M57), Minister of Research, Science and Innovation (M84)

APPROPRIATION ADMINISTRATOR: Inland Revenue Department

RESPONSIBLE MINISTER FOR INLAND REVENUE DEPARTMENT: Minister of Revenue

Details of Appropriations and Capital Injections

Annual Appropriations and Forecast Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2018/19		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Departmental Output Expenses			
Policy Advice (M57) This appropriation is limited to the provision of advice, including second opinion advice and contributions to policy advice led by other agencies, to support decision-making by Ministers on government policy matters.	10,608	4	10,612
Services to Other Agencies RDA (M57) This appropriation is limited to the provision of services by Inland Revenue to other agencies, where those services are not within the scope of another departmental output expense appropriation in Vote Revenue.	4,684	1,178	5,862
Total Departmental Output Expenses	15,292	1,182	16,474
Departmental Capital Expenditure			
Inland Revenue Department - Capital Expenditure PLA (M57) This appropriation is limited to the purchase or development of assets by and for the use of the Inland Revenue Department, as authorised by section 24(1) of the Public Finance Act 1989.	143,200	(31,368)	111,832
Total Departmental Capital Expenditure	143,200	(31,368)	111,832
Benefits or Related Expenses			
Best Start Tax Credit PLA (M57) This appropriation is limited to Best Start Tax Credits made to eligible recipients in accordance with section 185 of the Tax Administration Act 1994.	80,000	(28,000)	52,000
Child Support Payments PLA (M57) Child support payments to custodial persons who are not dependent on the state for financial support (expenses incurred pursuant to section 141 of the Child Support Act 1991).	300,000	2,000	302,000
Child Tax Credit PLA (M57) Extra assistance for low to middle income families who are not dependent on the state for financial support (expenses incurred pursuant to section 185 of the Tax Administration Act 1994).	600	-	600
Family Tax Credit PLA (M57) Family Support payments made to beneficiaries and non-beneficiaries during the year (expenses incurred pursuant to section 185 of the Tax Administration Act 1994).	2,628,000	(357,000)	2,271,000
In-Work Tax Credit PLA (M57) Extra assistance for low to middle income families where the person works a minimum of 20 hours per week and does not have a partner, or a person and their partner work a minimum of 30 hours per week (expenses incurred pursuant to section 185 of the Tax Administration Act 1994).	540,000	(15,000)	525,000
KiwiSaver: Interest (M57) To enable the payment of interest on KiwiSaver contributions as set out in the KiwiSaver Act 2006.	10,000	(1,000)	9,000
KiwiSaver: Tax Credit (M57) To enable the payment of a tax credit to KiwiSaver members and the payment of residual tax credits to employers as set out in the Income Tax Act 2007.	850,000	23,000	873,000

	2018/19		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Minimum Family Tax Credit PLA (M57) Extra payment made to families where at least one parent is working for salary or wages (expenses incurred pursuant to section 185 of the Tax Administration Act 1994).	14,000	-	14,000
Paid Parental Leave Payments (M57) This appropriation is limited to Paid Parental Leave Payments made to parents in accordance with the Parental Leave and Employment Protection Act 1987.	360,000	15,000	375,000
Parental Tax Credit PLA (M57) This appropriation is limited to expenses incurred on parental tax credit as provided for in subpart MD of the Income Tax Act 2007 and as authorised by section 185 of the Tax Administration Act 1994.	5,000	(2,000)	3,000
Payroll Subsidy PLA (M57) This appropriation is limited to the payment of a subsidy to a payroll agent undertaking employers' payroll-related tax compliance activities on their behalf, section 185 of the Tax Administration Act 1994.	6,500	-	6,500
Research, Science and Innovation: R&D Tax Incentive (M84) This appropriation is limited to providing an R&D tax credit to eligible R&D performing businesses.	-	40,000	40,000
Total Benefits or Related Expenses	4,794,100	(323,000)	4,471,100
Non-Departmental Borrowing Expenses			
Adverse Event Interest PLA (M57) This appropriation is limited to interest on Adverse Event Income Equalisation Reserve accounts held by taxpayers in the farming and agriculture business, authorised by section 65ZH(1) of the Public Finance Act 1989.	10	10	20
Environmental Restoration Account Interest PLA (M57) This appropriation is limited to interest on Environmental Restoration accounts, authorised by section 65ZH(1) of the Public Finance Act 1989.	2,000	(500)	1,500
Income Equalisation Interest PLA (M57) This appropriation is limited to interest on Income Equalisation Reserve Scheme accounts held by taxpayers in the farming, fishing or forestry industries, authorised by section 65ZH(1) of the Public Finance Act 1989.	10,000	(4,000)	6,000
Total Non-Departmental Borrowing Expenses	12,010	(4,490)	7,520
Non-Departmental Other Expenses			
Impairment of Debt and Debt Write-Offs (M57) This appropriation is limited to bad debt write-offs for Crown debt administered by Inland Revenue, excluding child support and student loans and to amounts relating to the impairment of this debt.	680,000	170,000	850,000
Impairment of Debt Relating to Child Support (M57) This appropriation is limited to the impairment of child support debt.	-	5,000	5,000
Initial Fair Value Write-Down Relating to Student Loans (M57) This appropriation is limited to the initial fair value write-down of student loans.	610,000	(18,000)	592,000
Total Non-Departmental Other Expenses	1,290,000	157,000	1,447,000

Titles and Scopes of Appropriations by Appropriation Type	2018/19		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Multi-Category Expenses and Capital Expenditure			
Services for Customers MCA (M57) The single overarching purpose of this appropriation is to deliver a customer-centric, integrated tax and entitlement service experience for New Zealanders that is agile and intelligence-led.	647,659	(31,280)	616,379
Departmental Output Expenses			
Investigations This category is limited to undertaking investigation, audit and litigation activities administered by Inland Revenue.	171,983	(29,410)	142,573
Management of Debt and Outstanding Returns This category is limited to activities to prevent returns becoming outstanding and debt becoming overdue, and to collect outstanding returns and overdue payments, whether for the Crown, other agencies or external parties.	152,255	(22,509)	129,746
Services to Inform the Public About Entitlements and Meeting Obligations This category is limited to providing information and assistance to the public to make them aware of their obligations and entitlements. This also includes the provision of services to help Ministers fulfil their responsibilities to Parliament and the New Zealand public, other than policy decision-making responsibilities.	207,949	22,781	230,730
Services to Process Obligations and Entitlements This category is limited to both the registration, assessment and processing of tax obligations and other entitlements, including associated review and Crown accounting activities, and the collection and sharing of related information with other agencies.	115,472	(2,142)	113,330
Total Multi-Category Expenses and Capital Expenditure	647,659	(31,280)	616,379
Total Annual Appropriations and Forecast Permanent Appropriations	6,902,261	(231,956)	6,670,305

Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Departmental Other Expenses		
Transformation (M57) This appropriation is limited to the design and implementation of a modern system for tax revenue and social policy administered by Inland Revenue. Commences: 01 July 2017 Expires: 30 June 2021	Original Appropriation Adjustments to 2017/18 Adjustments for 2018/19 Adjusted Appropriation Actual to 2017/18 Year End Estimated Actual for 2018/19 Estimate for 2019/20 Estimated Appropriation Remaining	1,112,607 26,254 (16,100) 1,122,761 196,774 214,665 239,086 472,236

Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations

	2018/19		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Total Annual Appropriations and Forecast Permanent Appropriations	6,902,261	(231,956)	6,670,305
Total Forecast MYA Departmental Other Expenses	320,876	(106,211)	214,665
Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations	7,223,137	(338,167)	6,884,970

Capital Injection Authorisations

	2018/19		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Inland Revenue Department - Capital Injection (M57)	98,200	(34,368)	63,832

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2018/19				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	15,292	1,182	-	1,182	16,474
Benefits or Related Expenses	4,794,100	N/A	(323,000)	(323,000)	4,471,100
Borrowing Expenses	12,010	-	(4,490)	(4,490)	7,520
Other Expenses	1,610,876	(106,211)	157,000	50,789	1,661,665
Capital Expenditure	143,200	(31,368)	-	(31,368)	111,832
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	647,659	(31,280)	-	(31,280)	616,379
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
Total Appropriations	7,223,137	(167,677)	(170,490)	(338,167)	6,884,970
Crown Revenue and Capital Receipts					
Tax Revenue	76,559,000	N/A	(359,000)	(359,000)	76,200,000
Non-Tax Revenue	1,111,000	N/A	(152,000)	(152,000)	959,000
Capital Receipts	1,529,000	N/A	(1,300)	(1,300)	1,527,700
Total Crown Revenue and Capital Receipts	79,199,000	N/A	(512,300)	(512,300)	78,686,700

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

Policy Advice (M57)

Scope of Appropriation

This appropriation is limited to the provision of advice, including second opinion advice and contributions to policy advice led by other agencies, to support decision-making by Ministers on government policy matters.

Expenses and Revenue

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	10,608	4	10,612
Revenue from the Crown	10,595	-	10,595
Revenue from Others	13	4	17

Reasons for Change in Appropriation

This appropriation increased by \$4,000 to \$10.612 million in 2018/19 due to a fiscally neutral adjustment for revenue from sub-leasing premises to third parties.

Services to Other Agencies RDA (M57)

Scope of Appropriation

This appropriation is limited to the provision of services by Inland Revenue to other agencies, where those services are not within the scope of another departmental output expense appropriation in Vote Revenue.

Expenses and Revenue

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	4,684	1,178	5,862
Revenue from the Crown	-	-	-
Revenue from Others	4,684	1,178	5,862

Reasons for Change in Appropriation

This appropriation increased by \$1.178 million to \$5.862 million in 2018/19 due to a fiscally neutral adjustment of \$1.550 million for recovery of revenue from external parties where Inland Revenue staff are

on external secondments. This is partially offset by a \$372,000 reduction of revenue for sub-leasing premises to third parties.

2.2 - Departmental Other Expenses

Transformation (M57)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Transformation (M57) This appropriation is limited to the design and implementation of a modern system for tax revenue and social policy administered by Inland Revenue. Commences: 01 July 2017 Expires: 30 June 2021	Original Appropriation	1,112,607
	Adjustments to 2017/18	26,254
	Adjustments for 2018/19	(16,100)
	Adjusted Appropriation	1,122,761
	Actual to 2017/18 Year End	196,774
	Estimated Actual for 2018/19	214,665
	Estimate for 2019/20	239,086
	Estimated Appropriation Remaining	472,236

Reasons for Change in Appropriation

This appropriation decreased by \$16.100 million to \$1,122.761 million due to fiscally neutral adjustments of \$8 million to 2019/20 and \$8.100 million to 2020/21, transferring funding to the Services for Customers multi-category appropriation for operational business costs related to Business Transformation.

2.3 - Departmental Capital Expenditure and Capital Injections

Inland Revenue Department - Capital Expenditure PLA (M57)

Scope of Appropriation

This appropriation is limited to the purchase or development of assets by and for the use of the Inland Revenue Department, as authorised by section 24(1) of the Public Finance Act 1989.

Capital Expenditure

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	13,000	3,000	16,000
Intangibles	130,200	(34,368)	95,832
Other	-	-	-
Total Appropriation	143,200	(31,368)	111,832

Reasons for Change in Appropriation

This appropriation decreased by \$31.368 million to \$111.832 million mainly due to a transfer of \$34.368 million of Business Transformation capital injections from 2018/19 to 2020/21 to align with revised capital plans for future Business Transformation Releases.

This is partially offset by a \$3 million increase in forecast capital expenditure to align with Inland Revenue's updated capital replacement programme.

Capital Injections and Movements in Departmental Net Assets

Inland Revenue Department

Details of Net Asset Schedule	2018/19 Main Estimates Projections \$000	2018/19 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2018/19
Opening Balance	311,722	317,323	Supplementary Estimates Opening Balance reflects the audited position as at 30 June 2018. The Main Estimates Projection was estimated prior to audit completion.
Capital Injections	98,200	63,832	Capital injections have been adjusted to align with the capital expenditure forecast for the implementation of Business Transformation Releases 3 and 4.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	409,922	381,155	

Part 3 - Details of Non-Departmental Appropriations

3.2 - Non-Departmental Benefits or Related Expenses

Best Start Tax Credit PLA (M57)

Scope of Appropriation

This appropriation is limited to Best Start Tax Credits made to eligible recipients in accordance with section 185 of the Tax Administration Act 1994.

Reasons for Change in Appropriation

This appropriation decreased by \$28 million to \$52 million for 2018/19 due to lower than anticipated initial uptake of the tax credit.

Child Support Payments PLA (M57)

Scope of Appropriation

Child support payments to custodial persons who are not dependent on the state for financial support (expenses incurred pursuant to section 141 of the Child Support Act 1991).

Reasons for Change in Appropriation

This appropriation increased by \$2 million to \$302 million for 2018/19 due to stronger than forecast labour market growth. An improved labour market can increase amounts received from non-custodial parents and transferred to custodial persons. This reduces the likelihood that custodial persons are eligible for welfare support. They will therefore be more likely to receive child support payments.

Family Tax Credit PLA (M57)

Scope of Appropriation

Family Support payments made to beneficiaries and non-beneficiaries during the year (expenses incurred pursuant to section 185 of the Tax Administration Act 1994).

Reasons for Change in Appropriation

This appropriation decreased by \$357 million to \$2,271 million for 2018/19 due to stronger than expected income growth. Income growth reduces Working for Families entitlements for families earning above the abatement threshold. The family tax credit is the first of the Working for Families credits to abate and so is the most sensitive to income growth.

In-Work Tax Credit PLA (M57)

Scope of Appropriation

Extra assistance for low to middle income families where the person works a minimum of 20 hours per week and does not have a partner, or a person and their partner work a minimum of 30 hours per week (expenses incurred pursuant to section 185 of the Tax Administration Act 1994).

Reasons for Change in Appropriation

This appropriation decreased by \$15 million to \$525 million for 2018/19 mainly due to stronger than expected family income growth which reduced entitlement.

KiwiSaver: Interest (M57)

Scope of Appropriation

To enable the payment of interest on KiwiSaver contributions as set out in the KiwiSaver Act 2006.

Reasons for Change in Appropriation

This appropriation decreased by \$1 million to \$9 million for 2018/19 due to lower than forecast interest rates. The estimate for KiwiSaver interest includes a level of contingency (\$2 million) as this appropriation is demand driven and does not have a permanent legislative authority.

KiwiSaver: Tax Credit (M57)

Scope of Appropriation

To enable the payment of a tax credit to KiwiSaver members and the payment of residual tax credits to employers as set out in the Income Tax Act 2007.

Reasons for Change in Appropriation

This appropriation increased by \$23 million to \$873 million for 2018/19 due to an increase in the total number of contributing members as well as increases in contributions due to forecast income growth. The estimate for KiwiSaver tax credit includes a level of contingency (\$10 million) as this appropriation is demand driven and does not have a permanent legislative authority.

Paid Parental Leave Payments (M57)

Scope of Appropriation

This appropriation is limited to Paid Parental Leave Payments made to parents in accordance with the Parental Leave and Employment Protection Act 1987.

Reasons for Change in Appropriation

This appropriation increased by \$15 million to \$375 million for 2018/19 due to an increase in claims for parental leave. The estimate for paid parental leave payments includes a level of contingency (\$5 million) as this appropriation is demand driven and does not have a permanent legislative authority.

Parental Tax Credit PLA (M57)

Scope of Appropriation

This appropriation is limited to expenses incurred on parental tax credit as provided for in subpart MD of the Income Tax Act 2007 and as authorised by section 185 of the Tax Administration Act 1994.

Reasons for Change in Appropriation

This appropriation decreased by \$2 million to \$3 million for 2018/19 due to lower than expected claims. The parental tax credit has been replaced by Best Start tax credit, from 1 July 2018. The residual appropriation is for claims that relate to children born before 1 July 2018.

Research, Science and Innovation: R&D Tax Incentive (M84)

Scope of Appropriation

This appropriation is limited to providing an R&D tax credit to eligible R&D performing businesses.

Expenses

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	40,000	40,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to incentivise businesses to increase their spending on R&D through the provision of a tax credit.

How Performance will be Assessed and End of Year Reporting Requirements

Performance information for this appropriation will be reported by the Minister of Research, Science and Innovation in the Vote Revenue Non-Departmental Appropriations report.

Assessment of Performance	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Eligible Businesses are able to apply for a Research and Development tax credit	Achieved	Achieved	Achieved

Reasons for Change in Appropriation

This is a new non-departmental benefits or related expenses appropriation that applies from 1 April 2019. This is the result of the funding transfer from the Vote Business, Science and Innovation appropriation, of the same title, to the new Vote Revenue appropriation.

Conditions on Use of Appropriation

Reference	Conditions
Subpart LY of the Income Tax Act 2007	Sets out the entitlement for and calculation of the research and development tax credit.

3.3 - Non-Departmental Borrowing Expenses

Adverse Event Interest PLA (M57)

Scope of Appropriation

This appropriation is limited to interest on Adverse Event Income Equalisation Reserve accounts held by taxpayers in the farming and agriculture business, authorised by section 65ZH(1) of the Public Finance Act 1989.

Reasons for Change in Appropriation

This appropriation increased by \$10,000 to \$20,000 for 2018/19 as taxpayer activity in the scheme is higher than expected.

Environmental Restoration Account Interest PLA (M57)

Scope of Appropriation

This appropriation is limited to interest on Environmental Restoration accounts, authorised by section 65ZH(1) of the Public Finance Act 1989.

Reasons for Change in Appropriation

This appropriation decreased by \$500,000 to \$1.500 million for 2018/19 due to a reduction in the account balance with withdrawals exceeding deposits during the year.

Income Equalisation Interest PLA (M57)

Scope of Appropriation

This appropriation is limited to interest on Income Equalisation Reserve Scheme accounts held by taxpayers in the farming, fishing or forestry industries, authorised by section 65ZH(1) of the Public Finance Act 1989.

Reasons for Change in Appropriation

This appropriation decreased by \$4 million to \$6 million for 2018/19 as taxpayer activity in the scheme is lower than expected.

3.4 - Non-Departmental Other Expenses

Impairment of Debt and Debt Write-Offs (M57)

Scope of Appropriation

This appropriation is limited to bad debt write-offs for Crown debt administered by Inland Revenue, excluding child support and student loans and to amounts relating to the impairment of this debt.

Reasons for Change in Appropriation

This appropriation increased by \$170 million to \$850 million for 2018/19 due to a forecast increase in the level of debt. The estimate also includes a level of contingency (\$100 million) to prevent any unauthorised expenditure as this appropriation does not have a permanent legislative authority.

Impairment of Debt Relating to Child Support (M57)

Scope of Appropriation

This appropriation is limited to the impairment of child support debt.

Expenses

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	5,000	5,000

What is Intended to be Achieved with this Appropriation

This appropriation provides for incurring the expense involved in recognising an impairment loss to reflect the recoverable value of the total child support debt as at the end of the financial year.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under section 15D(2)(b)(ii) of the Public Finance Act 1989, as additional performance information is unlikely to be informative because this appropriation is solely for the impairment of child support debt. Performance information relating to this expenditure is provided under the Services for Customers Multi-Category Appropriation under the Management of Debt and Outstanding Returns category.

Reasons for Change in Appropriation

The appropriation increased by \$5 million to \$5 million in 2018/19 to reflect the inclusion of a contingency to prevent any unauthorised expenditure as this appropriation does not have a permanent legislative authority.

Initial Fair Value Write-Down Relating to Student Loans (M57)

Scope of Appropriation

This appropriation is limited to the initial fair value write-down of student loans.

Reasons for Change in Appropriation

This appropriation decreased by \$18 million to \$592 million in 2018/19 mainly due to macroeconomic forecast changes. The estimate also includes a level of contingency to prevent any unauthorised expenditure as this appropriation does not have a permanent legislative authority.

Part 4 - Details of Multi-Category Expenses and Capital Expenditure

4 - Multi-Category Expenses and Capital Expenditure

Services for Customers (M57)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to deliver a customer-centric, integrated tax and entitlement service experience for New Zealanders that is agile and intelligence-led.

Scope of Appropriation

Departmental Output Expenses

Investigations

This category is limited to undertaking investigation, audit and litigation activities administered by Inland Revenue.

Management of Debt and Outstanding Returns

This category is limited to activities to prevent returns becoming outstanding and debt becoming overdue, and to collect outstanding returns and overdue payments, whether for the Crown, other agencies or external parties.

Services to Inform the Public About Entitlements and Meeting Obligations

This category is limited to providing information and assistance to the public to make them aware of their obligations and entitlements. This also includes the provision of services to help Ministers fulfil their responsibilities to Parliament and the New Zealand public, other than policy decision-making responsibilities.

Services to Process Obligations and Entitlements

This category is limited to both the registration, assessment and processing of tax obligations and other entitlements, including associated review and Crown accounting activities, and the collection and sharing of related information with other agencies.

Expenses, Revenue and Capital Expenditure

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	647,659	(31,280)	616,379
Departmental Output Expenses			
Investigations	171,983	(29,410)	142,573
Management of Debt and Outstanding Returns	152,255	(22,509)	129,746
Services to Inform the Public About Entitlements and Meeting Obligations	207,949	22,781	230,730
Services to Process Obligations and Entitlements	115,472	(2,142)	113,330

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Funding for Departmental Output Expenses			
Revenue from the Crown	623,240	(32,500)	590,740
Investigations	171,679	(29,680)	141,999
Management of Debt and Outstanding Returns	150,233	(22,800)	127,433
Services to Inform the Public About Entitlements and Meeting Obligations	206,671	22,300	228,971
Services to Process Obligations and Entitlements	94,657	(2,320)	92,337
Revenue from Others	24,419	1,220	25,639
Investigations	304	270	574
Management of Debt and Outstanding Returns	2,022	291	2,313
Services to Inform the Public About Entitlements and Meeting Obligations	1,278	481	1,759
Services to Process Obligations and Entitlements	20,815	178	20,993

Reasons for Change in Appropriation

This appropriation decreased by \$31.280 million to \$616.379 million in 2018/19 due to:

- a retention of administrative efficiency savings of \$28 million transferred from 2018/19 to 2019/20 to support customers and service delivery during business transformation
- an expense transfer of \$25 million from 2018/19 to 2019/20 to support operational business functions and addressing customer demand during business transformation, and
- an expense transfer of \$7 million from 2018/19 to 2019/20 to maintain and support heritage technology systems during business transformation.

This is partially offset by:

- an expense transfer of \$26 million from 2017/18 to 2018/19 to support transitioning the workforce to new ways of working as part of business transformation
- an expense transfer of \$1.500 million from 2017/18 to 2018/19 for the Families Package implementation costs
- a fiscally neutral adjustment of \$1 million for Kaikōura earthquake insurance claim proceeds to be received in 2018/19, and
- a fiscally neutral adjustment of \$220,000 for revenue from subleasing premises to third parties.

