

The Treasury

Budget 2024 Information Release

September 2024

This document has been proactively released and is available on:

- The Budget website from September 2024 to May 2025 only at: <https://budget.govt.nz/information-release/2024>, and on
- The Treasury website from later in 2024 at: <https://www.treasury.govt.nz/publications/information-release/budget-2024-information-release>

Information Withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to sections of the Act under which information has been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [27] 9(2)(ba)(ii) - 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
- [31] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting collective and individual ministerial responsibility
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;
- [36] 9(2)(h) - to maintain legal professional privilege
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [40] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

Copyright and Licensing

Cabinet material and advice to Ministers from the Treasury and other public service departments are © **Crown copyright** but are licensed for re-use under **Creative Commons Attribution 4.0 International (CC BY 4.0)** [<https://creativecommons.org/licenses/by/4.0/>].

For material created by other parties, copyright is held by them and they must be consulted on the licensing terms that they apply to their material.

Accessibility

The Treasury can provide an alternate HTML version of this material if requested. Please cite this document's title or PDF file name when you email a request to information@treasury.govt.nz.

From: [Jean Le Roux \[TSY\]](#)
To: [^Parliament: Emma Grigg](#); [^Parliament: Grant Johnston](#)
Cc: [Michael Eglinton \[TSY\]](#); [Meghan Stephens \[TSY\]](#); [Patrick Nolan \[TSY\]](#); [Claire McLellan \[TSY\]](#); [Robert O'Hara \[TSY\]](#); [Julia Robinson \[TSY\]](#); [Paul Young](#); [Maraina Hak](#); [Allie Jarratt \[TSY\]](#)
Subject: Notes ahead of your meeting
Date: Thursday, 8 February 2024 10:18:55 am
Attachments: [image001.png](#)

Kia ora Emma and Grant,

Please find as promised the lines put together by the team on the offset and wider timing considerations.

Please let us know if you have any questions.

[33]

1. [33]

1. [33]

2. [33]

3. [33]

4. [33]

5. [33]

Timing considerations for personal tax changes

6. Some public sector organisations will require a significant amount of time to make changes to their systems. For example, MSD have indicated that they will need about 16/17 weeks lead in time to implement the tax changes proposed in the National Party manifesto. Given that introducing a tax offset would be more complicated, we expect they would require more time to do that.
7. Introducing a tax offset would also add complexity to private sector payroll systems and Inland Revenue's system and it is unlikely that all third parties would be able to successfully implement the changes by 1 July 2024 even if the changes were pre- announced (e.g., by the end of February).
8. Payroll software suppliers ask for three months to prepare for basic tax changes as they need to update and test their software product before they provide it to their customers. They provide the updated software to their customers six weeks before the changes come into effect so that when their customers prepare their payroll information in advance of the payday, they are putting the information into the updated software. Any shorter lead-in time would significantly increase the risk of some taxpayers not benefitting from the tax cuts they expect by the implementation date.
9. The addition of a tax offset would be a larger change and more testing would be required. A change involving a tax offset may therefore require more notice (potentially four or five months rather than three months).
10. If the changes are announced on Budget Day then it is likely that basic threshold adjustments could be successfully implemented from 1 September (if some Public sector organizations were given advance notice), but a change involving an offset would likely need until 1 November. If a pre-Budget announcement was made then an earlier implementation date would be possible.
11. Delaying the implementation of the National personal tax plan from 1 July to 1 October would reduce the fiscal cost by around \$0.6 billion in the 2024/25 year.

Cheers

Jean



Jean Le Roux

Pou Whakahaere, Rautaki Taake (Manager, Tax Strategy)

Te Tai Ōhanga – The Treasury

[35]