

9 March 2015

Michael Saywell

Via email: fyi-request-2474-fb1ed3ae@requests.fyi.org.nz

Dear Michael

RE: Request for information Under the Official Information Act 1982

I refer to your request under the Official Information Act 1982 (the Act) to Victoria University of Wellington (*the University*) for the following information:

"Please provide me with the formula or method by which the GST content on student fee tax invoices is calculated. If this is not done using either of the two methods suggested by the IRD, please explain why. The two methods suggested here on page 7 - <http://www.ird.govt.nz/resources/7/1/718fa1804339c54e9a42ff5d5f60e4be/gst-rate-changes-0910.pdf> are multiplying the GST inclusive content by 3/23 as a fraction, or dividing the GST inclusive content by 7.6 recurring truncated at 8 decimal places (7.66666666).

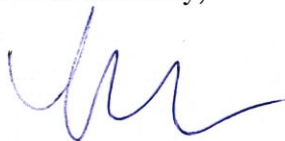
In addition, please confirm whether the GST content stated on student fee tax invoices is the amount paid to the IRD, or if the GST paid is calculated by a different system."

Our system currently calculates the GST component of a transaction by multiplying the GST inclusive content by 13.04%. After you raised this issue with student finance, the University has investigated the matter and it appears that at the time the GST rate increased to 15%, there were system limitations that meant the percentage used was limited to 2 decimal places (13.04% instead of the full figure 13.04347%). There has been a recent system update making it possible to calculate the GST percentage using 5 decimal places. The University is currently working with our tax advisors and IT systems to finalise an approach to implementing this change.

The amount on the GST invoices is the same amount paid to the IRD. Different systems are used to calculate the GST on invoices and the GST paid to IRD, but to ensure consistency both systems currently use the percentage limited to 2 decimal places.

I trust the above information is helpful.

Yours sincerely,



Karla Tuck
Legal Counsel