

9 June 2016

Mr Michael Rescue
fyi-request-3995-05cb01ab@requests.fyi.org.nz

Dear Mr Rescue

Thank you for your request made under the Official Information Act 1982, received on 13 May 2016. You requested:

1) How is an individuals IRD number matched and linked to their passport?

The name and date of birth are used to establish a match. The IRD number is sent with the record to correctly identify the individuals concerned, but it is not required and cannot be used or retained by Customs as a means of identification.

2) When applying for a passport there is no requirement for an individuals to provide their IRD number so where do customs obtain this information?

The Inland Revenue number is provided to Customs for Inland Revenue use only. It is used to reference the information from Customs back to Inland Revenue's system. Use of a Unique Identifier is authorised under section 280K of the Customs and Excise Act 1996.

3) When an overseas passport holder with the same name and date of birth as someone that is on the watch list creates a false match how is this scenario handled and how is it determined whether this is the correct individual?

A match received from Customs is treated as a potential match until manual checks have been made to ensure that it is the correct individual.

4) It states in clause 162B of the Student Loan Scheme Amendment Bill (No 3) that on an application in writing by the Commissioner a district court judge or registrar may issue a warrant for the arrest of a person (the liable person) ie a student loan defaulter and that one of the conditions that must be met is that the authorities must be satisfied that the individual is about to leave or attempt to leave New Zealand. How is this condition satisfied, eg - the details on their arrival card including departure date?

I have decided to withhold this information under section 18(c)(i) of the Official Information Act, as making the information available would be contrary to the provisions of a specified enactment, namely the secrecy obligations in section 81 of the Tax Administration Act 1994 (TAA).

Section 81(1) of the TAA requires all Inland Revenue officers to maintain, and assist in maintaining, the secrecy of all matters relating to the Inland Revenue Acts, except for the purpose of carrying into effect that legislation, or if an exception to secrecy applies under section 81(1B).

There are two general exceptions within section 81(1B). The first allows Inland Revenue to release information to carry into effect the legislation that we administer and the second allows for the release of information for the purpose of performing a duty of the Commissioner, or for the purpose of supporting the performance of such a duty. In the latter case, releasing the information must be considered reasonable in regard to several factors, including the need to protect the integrity of the tax system.

It is my view that releasing this information would have a negative impact on the integrity of the tax system as it may assist the recipient with avoiding possible detection or arrest.

5) *It states in clause 162B of the Student Loan Scheme Amendment Bill (No 3) that on an application in writing by the Commissioner a district court judge or registrar may issue a warrant for the arrest of a person (the liable person) if the Judge or Registrar(as the case may be) is satisfied that the person has committed the offence in section 162A: (having been notified by the Commissioner that he or she is in default, knowingly fails, or refuses, by the due date specified in the notification to make reasonable efforts to pay the amount in default or to make arrangements with the Inland Revenue Department to pay the amount in default). How is this condition satisfied in regards to the defaulter knowingly failing or refusing to make reasonable efforts to pay the amount in default? How can commissioner be certain that the defaulter has been contacted and been notified of the status of their student loan? Does a letter posted to an assumed address constitute satisfaction that the person has knowingly committed the offence?*

Inland Revenue must be satisfied that the borrower has been notified of their default by having had contact with the borrower. A letter posted to an assumed address is not considered as having had contact with the borrower. Contact can include, but is not limited to:

- a written reply from the borrower acknowledging the debt
- a written affidavit of service on the borrower by the process server
- a recorded phone call/s with the borrower

6) *If an individual student loan defaulter enters the country and triggers a match under the Customs/IR Student Loan Alerts Programme but indicates on their arrival card that they are returning permanently to New Zealand can the condition in clause 162B of the Student Loan Scheme Amendment Bill (No 3) be met in regards to the authorities being satisfied that the individual is about to leave or attempt to leave New Zealand?*

If the arrival card is all Inland Revenue has, then the conditions of section 162B of the Student Loan Scheme Act 2011 have not been met.

Right of Review

You have the right to ask the Ombudsman to investigate and review my decision. The Office of the Ombudsman can be contacted at PO Box 10152, Wellington 6143

Alternatively, you may have the decision reviewed by an Inland Revenue review officer. Choosing the internal right of review does not preclude you from subsequently seeking a review by the Ombudsman should you be dissatisfied with the department's internal review. If an internal review is sought, please write to the Commissioner of Inland Revenue, PO Box 2198, Wellington 6140, setting out the details of your complaint.

Thank you for your request. I trust that the information provided is of assistance to you.

Yours sincerely



Maurice Lawlor
Business Owner