



16 June 2023

[REDACTED]
[REDACTED]
[REDACTED]

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 22 May 2023. You requested the following:

Would you therefore be able to tell me:

- 1. How much in consultancy fees has been paid to PWC by the NZ Government in the last five years (if this can be broken down by years, that would be fantastic)*
- 2. Can you supply an extensive rundown on all PWC consultant involvement in any working group or advisory board that involved tax setting.*
- 3. Can you supply an idea of the manner of confidential documents PWC consultants received as part of this work.*

Given the largest tax change in recent times was the introduction of the new top tax rate under Labour, and the extension of that tax rate to Trusts in the recent budget, can you tell me:

- 4. Were any PWC staffers involved in the process of researching, scoping or implementing these tax changes?*
- 5. What confidential documents, if any, were shared with PWC in relation to these tax changes?*

Finally, can you tell me, were PC involved in any way with the recent investigation in the 311 richest Kiwis?

- 6. If they were, what role and function did they fulfil, and what confidential material was shared with these PWC staffers?*

Inland Revenue relies predominantly on its employees in developing tax policy. However, on relatively rare occasions, we have used external contractors to assist with specific areas of tax policy.

When external contractors are used for tax policy work, they must sign an Inland Revenue certificate of confidentiality. New Zealand legislation has a strict focus on confidentiality. Under Inland Revenue legislation a breach of the certificate may result in criminal prosecution. The confidentiality agreement that we require contractors to sign also reflects these strict confidentiality requirements.

Inland Revenue has every confidence in the contractors we work with, the confidentiality arrangements they work under, and our ability to enforce our legal confidentiality requirements.

Question 1: How much in consultancy fees has been paid to PwC in the last five years?

The table below provides the consultancy fees paid to PricewaterhouseCoopers (PwC) by Inland Revenue for the last five financial years.

PricewaterhouseCoopers - Consultant and contractor expenditure	18/19 FY \$m	19/20 FY \$m	20/21 FY \$m	21/22 FY \$m	22/23 Q3 9 months \$m	Total \$m
Legislation drafting review*	0.04	0.01	-	-	-	0.05
Non-policy related consultancy	1.36	0.89	0.7	0.5	0.2	3.65
Total	1.4	0.9	0.7	0.5	0.2	3.7

*Legislative drafting review for GST on low-value imported goods changes.

Question 2 & 3: Can you supply an extensive rundown on all PwC consultant involvement in any working group or advisory board that involved tax setting? Can you supply an idea of the manner of confidential documents PwC consultants received as part of this work?

Inland Revenue has no knowledge of PwC contractors or staff being involved with any working groups or advisory boards involved with tax setting. This part of your request is refused under section 18(e) of the OIA, the document alleged to contain this information does not exist.

As Inland Revenue holds no knowledge of PwC contractors or staff being involved in any working groups or advisory boards involved in tax setting, by extension we hold no knowledge of any confidential documents being shared in that context. This part of your request is refused under section 18(e) of the OIA, the document alleged to contain the information requested does not exist.

Question 4 & 5: Were any PwC staffers involved in the process of researching, scoping or implementing these tax changes? What confidential documents, if any, were shared with PwC in relation to these tax changes

Inland Revenue has no knowledge of PwC contractors or staff being involved in the researching, scoping, or implementation of the changes to the top tax rate. This part of your request is refused under section 18(e) of the OIA, the document alleged to contain this information does not exist.

As Inland Revenue holds no knowledge of PwC contractors or staff being involved in the researching, scoping, or implementation of the changes to the top tax rate, by extension we hold no knowledge of any confidential documents being shared in that context. This aspect of your request is refused under section 18(e) of the OIA, the document alleged to contain the information requested does not exist.

Question 6: Can you tell me, were PwC involved in any way with the recent investigation in the 311 richest Kiwis? If they were, what role and function did they fulfil, and what confidential material was shared with these PwC staffers?

One person working for PwC was a member of the external *Methodological Advisory Group*, an unpaid group of external practitioners and academics who met five times to provide feedback to Inland Revenue on the methodological choices made in calculating effective tax rates.

The group did not have access to any sensitive revenue information or otherwise confidential information concerning the project, although they were asked to keep the content of the discussions of the group itself confidential.

Right of Review

If you disagree with my decision on your OIA request, you can ask an Inland Revenue review officer to review my decision. To ask for an internal review, please email the Commissioner of Inland Revenue at: CommissionersCorrespondence@ird.govt.nz.

Alternatively, under section 28(3) of the OIA, you have the right to ask the Ombudsman to investigate and review my decision. You can contact the office of the Ombudsman by email at: info@ombudsman.parliament.nz.

If you choose to have an internal review, you can still ask the Ombudsman for a review.

Publishing of OIA response

Please note that Inland Revenue regularly publishes responses to requests that may be of interest to the wider public on its website. We consider this response is of public interest so will publish this response in due course. Your personal details or any information that would identify you will be removed prior to it being published.

Thank you for your request.

Yours sincerely



Emma Grigg
Policy Director, Inland Revenue