



Inland Revenue  
Te Tari Taake

# Balancing privacy with respondent burden

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# The Problem

- There are hundreds of surveys conducted every month

## Issues

- Refusal rates
- Distrust
- Over-sampling
- Respondent burden
- Cost

Survey Monkey

<http://www.surveymonkey.com>

World Internet Project  
New Zealand

# Compliance Costs of Small and Medium Enterprises

- Based on a survey of 1,728 SMEs

Results compared to those in 2004

Find it at

[www.ird.govt.nz](http://www.ird.govt.nz)

➡ About us

➡ Evaluation reports

<http://www.ird.govt.nz/aboutir/reports/research/>

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The Answer ..... In part

# Administrative data

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- Inland Revenue has great deal of data
  - Longitudinal
  - Individual
  - Businesses
  - Other entities
  - Some descriptive – age, gender
- Tax related
  - Income, taxes, entitlements
  - Collected for tax administration

# Privacy Act 1993

- Information may only be used for the purpose for which it is collected

“An agency that holds personal information that was obtained in connection with one purpose shall not use the information for any other purpose ”

- However there is an exemption for research – unless .....

(ii) is used for statistical or research purposes and will not be published in a form that could reasonably be expected to identify the individual concerned;

# Tax Administration Act 1994

## ➤ Barrier Sections 6 and 81

“Every Minister and every officer ... are at all times to use their best endeavours to protect the integrity of the tax system. .... “the integrity of the tax system” includes –  
(c) The rights of taxpayers to have their individual affairs kept confidential ...

81(1) Every officer of the Department

(a) Shall maintain and aid in maintaining the secrecy of all matters relating to –

(i) *The Inland Revenue Acts.....*



# Tax Administration Act 1994

## ➤ Enabler

It is the duty of the Commissioner ... Having regard to (c)  
The compliance costs incurred by taxpayers.

### Section 81

Nothing ... shall prohibit the Commissioner from -

(i) ... Communicating to any person .. engaged .. For services necessary for the effective administration of the Inland Revenue Acts

(j) Communicating any information of a general nature ... that it is in the public interest to communicate

# Minimising Compliance Costs

- Mandatory that compliance costs are taken into account
- Driven by a need for evidence based policy
- Best quality of information / validation of responses

**Solution:** Administrative information, including linking with non IR sources

Case Studies – Evaluations of

**Working for Families**

**Compliance Costs**

**KiwSaver**

# WFF

- Sample frame
- Supplementing of survey responses
- Validation of survey responses
- Longitudinal administrative data from 2 government agencies
  
- Informed consent
- MOU
- Privacy impact statement

# Compliance cost

- Sample frame (complex)
  - Targeting of the right entities
- Validation of survey responses
- Reduction of survey size by using administrative data, respondent numbers and number of questions

# KiwiSaver

- Sample frames
- Analysis of administrative data for real time reporting
- Creation of longitudinal savings histories
- Individual, employers and provider views

# Informed consent

- Opt out letters – pilot in CCs
- 0800 number for respondent opt out
- Privacy guarantee 'Only researchers will see your answers'
- No harm or benefit to be done
- Permission to access agents requested
- Permission for further contact for other studies
- Advising of intent to link survey responses to administrative data

# Other response enhancing processes

- Summary of findings
- Explanation of use of data
- Multiple follow-ups for non-contact
- Postcard reminders
- Search of administrative address data bases for contacts



# Conclusion

Use of administrative data is both useful and possible

Most people are happy to have their administrative data used for research.