



Cabinet Government Administration and Expenditure Review Committee

Minute of Decision

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Inland Revenue's Final Transformation Update

Portfolio **Revenue**

On 7 April 2022, the Cabinet Government Administration and Expenditure Review Committee:

- 1 **noted** that in November 2015, Cabinet agreed to invest in the implementation of New Zealand's future revenue system and directed Inland Revenue to provide progress updates in July and December each year [CAB-15-MIN-0249];
- 2 **noted** that the submission under GOV-22-SUB-0004 is the final progress update on Inland Revenue's business transformation programme (the programme);
- 3 **noted** that child support successfully went live on new systems and processes on 28 October 2021 and that Inland Revenue's online services were upgraded at the same time;
- 4 **noted** that Inland Revenue has now implemented New Zealand's future revenue system in four stages;
- 5 **authorised** the Minister of Finance and the Minister of Revenue to confirm the closure of the programme by 30 June 2022;
- 6 **noted** that the paper *Improving Property, Procurement, Digital, Data and Information Security Across the Public Service* [GOV-22-SUB-0003] will provide an opportunity to leverage the business transformation and capabilities across the Public Service;
- 7 **noted** that Inland Revenue estimates it will hand back a further \$250 million to \$275 million, including depreciation and capital charge, through the Budget 2022 Technical Initiatives Process, taking the total to be handed back over the life of the programme to about \$410 million to \$435 million, including depreciation and capital charge;
- 8 **noted** that Inland Revenue intends to undertake necessary residual activities following the closure of the programme on 30 June 2022, and that to help fund these Inland Revenue will be seeking expense transfers totalling \$30 million to \$35 million through the Budget 2022 Technical Initiatives Process;

9 **noted** that Inland Revenue will continue to report on its progress in meeting its benefit commitments through its Annual Reports for 2022, 2023, and 2024.

Rachel Clarke
Committee Secretary

Present:

Hon Grant Robertson (Chair)
Hon Chris Hipkins
Hon Peeni Henare
Hon Jan Tinetti
Hon Michael Wood
Hon Kiri Allan
Hon Dr David Clark

Officials present from:

Office of the Prime Minister
Inland Revenue
Officials Committee for GOV