

# Statement of Intent

## Tauākī Whakamaunga Atu

2021

TO

2025

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*This logo represents the way that we want to work with our customers to achieve our primary outcome of improving the economic and social wellbeing of New Zealanders.*

*Our customers are represented by the inner inverted koru. They are the focus of all the work that we do.*



*The larger koru element reflects the environment and the support and guidance that we provide to our customers. The head of the koru meets the upward sweeping woven strands reflecting the relationships we have with our customers to help us understand their needs.*

*The strands that form the base of the koru represent our work and the interwoven strands reflect the way we deliver our services through developing strong relationships, resources, knowledge, skills and capability.*

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# He kupu whakataki nā te Minita Whiwhinga Pūtea

Ko te pūnaha taake me ngā kaupapa here pāpori kia tika kia mārama – kia whakatutuki hoki – tētahi mea nui mō te noho tau tonu me te whai rawa anō hoki o Aotearoa. Ka tautoko hoki tēnei i te āheinga o te Kāwanatanga ki te whakatutuki i ngā whāinga pāpori, ōhanga, pūtea hoki. Kei roto i ēnei whāinga ko ētahi atu kaupapa whakaora ake i te mate KOWHEORI-19; ko te mahi kia taea te utu nohoanga whare; ko te rangahau me te whakawhanake; ko te urupare i te huringa o te taiao; ko te whakatika ake i ngā ture taake mō ngā kamupene rorohiko o te ao whānui e taurite ai te wāhi tauhokohoko mō ngā pakihi o Aotearoa; ko te aro ki ngā hapa o te toha ōritetanga me te whakaū kia tika ai te utu ki te katoa.

He mahi nui tā Te Tari Taake mō te ōhanga me te hauora pāpori o Aotearoa. Ko tāku mahi, hei Minita Whiwhinga Pūtea, he hāpai kia whiwhi Te Tari Taake i ngā rauemi me te mana āwhina i ngā tāngata kia utu i te utu tika, kia whiwhi i ngā whiwhinga tika. Arā he tautoko i ngā tāngata kia tika mai i te tīmatanga, kia iti ake hoki te kore tautuku.

Ko te pūtake o tā tātou pūnaha taake ko te utu taake tika a te nuinga o ngā tāngata. Ko te nuinga hoki o ngā tāngata e whakapono ana ko te utu taake he pai mō te nuinga katoa. Ka utua e ngā taake ngā ratonga tūmatanui, e whai hua ai rātou ko ō rātou whānau me te pāpori hoki. Kei te ngāwari ake te whakatutuki a te tangata i ngā ture, nā te hurihanga nui o Te Tari Taake. Mō ngā tāngata kāore i te tautuku, kāore hoki i te utu tika, kei konā anō ngā ture me ngā mana ā-ture ka taea te whakamahi.

Hei waenganui o te tau 2022 kua oti i Te Tari Taake tāna kaupapa hurihanga nui, e hia tau nei, e hia taumata nei, ki te whakahou i te pūnaha taake e ngāwari ake ai te taake, e tuwhera ake ai, e tau ake ai mō ngā tāngata o Aotearoa. Kei te kite kē te Kāwanatanga i ētahi o ngā hua o tana whakangao i te kaupapa, pēnei tonu i te mahi horo, mahi whai hua hoki o Te Tari Taake ki te whakatinana i ana whakaritenga tautoko umanga me ngā tāngata takitahi i pāngia e te KOWHEORI-19.

E whakapono ana au hei te tau 2023-24 ka kitea e te Kāwanatanga me ngā kaiutu taake te hua katoa o tā rātou whakangao atu.

## Hōtaka mahi kaupapa here taake

Ko te hōtaka mahi kaupapa here taake a te Kāwanatanga mō ngā marama 18 e heke mai nei ka tautoko i te urupare ki te KOWHEORI-19 me te hanga hou i te ōhanga, te whakapai ake i te whiwhinga hua, me te whakapai ake i te tika o te pūnaha taake.

Kei tōna Tauākī Manako e whakatakotoria ana ngā mahere a Te Tari Taake hei āwhina i te Kāwanatanga ki te whakatutuki i āna whāinga ōhanga, whāinga kaupapa here pāpori hoki. E tau ana hoki aku whakaaro, kei te hāngai ake ngā kōrero mō ngā hiahia whakahaere o āpōpō, i runga anō i te wāhanga 38 me te 40 o te Ture Tahua Tūmatanui 1989, ā, e hāngai ana hoki ki ngā kaupapa here me ngā hiahia whakatutukitanga mahi o te Kāwanatanga.

**Hōnore David Parker**  
Minita Whiwhinga Pūtea

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## Foreword from the Minister of Revenue

A tax and social policy system that is fair and coherent – and is complied with – is essential to New Zealand’s continued stability and prosperity. It supports the Government’s ability to achieve social, economic, and fiscal priorities. These priorities include further COVID-19 recovery initiatives; work on housing affordability; research and development; responding to climate change; improving tax rules for digital multinationals to give New Zealand businesses a level-playing field; addressing inequality and ensuring everyone pays their fair share.

Inland Revenue plays an important role in contributing to the economic and social wellbeing of New Zealand. My role, as the Minister of Revenue, is to ensure Inland Revenue has the resources and mandate it needs to help people pay and receive the right amounts. That means supporting people to get things right from the start and reducing opportunities for non-compliance.

Our tax system relies on the majority of people paying the right amount of tax. People by and large believe that paying taxes is for the greater good. Tax funds important public services they, their families and society benefit from. People are finding it easier to comply due to Inland Revenue’s transformation. Where people do not comply and do not pay their fair share there are clear rules and enforcement powers that can be used.

By mid-2022 Inland Revenue will have completed its multi-year, multi-stage transformation programme to modernise the revenue system and make tax simpler, more open and

certain for New Zealanders. Government is already seeing some of the benefits of its investment in the programme, such as the rapid and effective way Inland Revenue was able to implement measures to support businesses and individuals impacted by COVID-19.

I am confident that by 2023–24 the Government and taxpayers will see the full value of the investment they have made.

### **Tax policy work programme**

Government’s tax policy work programme for the next 18 months will support the response to COVID-19 and rebuild the economy, enhance productivity and increase the fairness of the tax system.

This Statement of Intent sets out Inland Revenue’s plans for helping the Government to meet its economic and social policy goals. I am satisfied that the information on future operating intentions is in accordance with sections 38 and 40 of the Public Finance Act 1989, and is consistent with the policies and performance expectations of the Government.



**Hon David Parker**  
Minister of Revenue



**Naomi Ferguson**

Kaikōmihana me Te Tumu Whakarae

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## He kupu whakataki nā te Kaikōmihana me Te Tumu Whakarae

Ko ngā hiahia ko te hauora hoki o ngā tāngata o Aotearoa kei te aronga o ā mātou mahi. I te wā nei o te hurihanga o ngā momo tāngata o Aotearoa, ka whanake tonu mātou kia whakatutuki i ngā hiahia o te hunga whiwhi ratonga o nāiane me āpōpō hoki.

### **Ko tā tātou pūnaha taake hanga hou me ngā whakahaere**

Mai i te tau 2017 kua hurihia e Te Tari Taake tāna tuku ratonga mā te whakahou i te pūnaha taake me te whakangāwari ake i te mahi taake, kia tuwhera ake, kia mau hoki mō ō mātou kiritaki.

He pūnaha taake rorohiko hou tō Aotearoa ināiane, e iti ake ai te whakapau kaha o te kiritaki me te utu, he pakari ake, he pai ake te taumata whakatutuki, he mea mahi hoki kia tere ake ai te hurihanga kaupapa here, he iti ake hoki te utu. Ka tino whakaatuna tēnei e tā mātou tautoko urupare ki te KOWHEORI-19.

Mā te pūnaha taake me te kaupapa here pāpori kaha e ū tonu ngā tautoko mō te whakaoranga mai i te KOWHEORI-19. Ka āwhina tonu mātou i ngā whāinga a te Kāwanatanga, tae atu ki te whakaoranga ōhanga me te hauora pāpori, mā te kohikohi me te tuari moni, e whiwhi ai ngā tāngata o Aotearoa i ngā tautoko e tika ana mō rātou. He whakahau tonu te mōhio ko tā mātou mahi he mea nui mō te hauora o ngā tāngata o Aotearoa.

Hei wāhanga mō tā mātou whakahaere hou, kua hāpaitia hoki ō mātou tāngata e āhei ai rātou e tau ai hoki ki te mahi ā-rorohiko. Ka haere tonu ngā tautoko ki te whakawhanake i te mōhio rorohiko o ō mātou tāngata hei tautoko anō hoki i ā mātou whakahaerenga hou me ngā mahi.

Ko te hāngai ki ngā tikanga ture te matū o ā mātou mahi, ka aronui tonu mātou ki te āwhina i ngā kiritaki kia tika ai ōna āhuatanga katoa. Kei roto i tēnei ko te waihanga ratonga mō ō mātou rōpū kiritaki hei whakatutuki i ō rātou hiahia, me te arotake i te tautoku tika mai i te tīmatanga. Mā ō mātou

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pūmanawa hou mō te rorohiko me te tātaritanga hoki e āhei ana mātou ki te āta arotahi, ki te whakatutuki hoki i ngā tautoko o te hāngaitanga me te hāpai tonu i te whai mana whai pono hoki o te pūnaha taake.

### **Te whakaū i te whanaungatanga o te Māori ki te Karauna**

E whakaū ana mātou ki ngā tikanga o Te Tiriti o Waitangi hei tari kāwanatanga. E kōkirihiā ana te whakapakari i te whanaungatanga o te Māori me te Karauna mā te hōtaka Māhutonga. E whai ana tēnei kia whakaū i Te Tiriti o Waitangi me ngā tikanga Māori ki roto i ā mātou mahi.

Ko tētahi wāhanga nui o tēnei ko te whakatutuki i tā Te Arawhiti Whāinga Amorangi, e hurihia ai te āheinga ārahi ratonga tūmatanui mō te taha ki te whanaungatanga o te Māori me te Karauna. Ka whakatupu hoki mātou i te āheinga o ō mātou tāngata ki Te Tiriti o Waitangi, ki te reo me ngā tikanga Māori hoki mā te whakawhanake hōtaka whakangungu mō te tari katoa, arā ko Te Arapiki.

### **Te titiro whakamua**

Mā te mahi tahi ki ō mātou hoa puta noa i te kāwanatanga e nui ake ai te whai hua mō ngā tāngata o Aotearoa, ā, ka mahi tahi tonu mātou ki te whakapai ake i ngā ratonga. Ka whai mātou kia mahi tahi ki ō mātou hoa mahi tahi kia whai hua ai te hurihanga nui, pēnei i te tohatoha i ō mātou mōhiotanga.

Hei waenganui o te tau 2022 kua whakatutukihia tā mātou hōtaka hurihanga nui, ā, hei te whakaputanga whakamutunga e rite ai mātou kia whai hua ai ō mātou kiritaki me te Karauna. Kei te kite kē mātou i te tukunga nui o ngā hua. Ka haere tonu ā mātou mahi whakahou i te pūnaha taake, ā, ka kimihia ētahi atu whāinga hei hāpai i te nui o te whakapau pūtea nui ki ō mātou pūmanawa. Mā tēnei hoki mātou e tautoko, e ārahi, e toitū ai tētahi pūnaha taumata o te ao hei painga mō ngā tāngata katoa o Aotearoa.

### **Te tauākī haepapa a Te Tumu Whakarae**

Mā te haina i tēnei tauākī, e whāki ana au i taku haepapa mō ngā kōrero kei roto i te Tauākī Manako a Te Tari Taake. He mea whakarite ēnei kōrero kia hāngai ki te Ture Tahua Tūmatanui 1989.



**Naomi Ferguson**

Kaikōmihana me Te Tumu Whakarae



**Naomi Ferguson**  
Commissioner and Chief Executive

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## Introduction from the Commissioner and Chief Executive

The needs and wellbeing of New Zealanders are at the heart of the work we do. As the make-up of New Zealand changes, we will continue to evolve to make sure we meet customers' needs, now and in the future.

### **Our transformed revenue system and organisation**

Since 2017 Inland Revenue has transformed the way we deliver services by modernising the revenue system and making tax simpler, more open, and certain for our customers.

New Zealand now has a modern, digital, revenue system which reduces customer effort and cost, is more resilient, improves compliance levels, and enables policy changes to be made faster and more cost-effectively. This was clearly demonstrated in the way we have been able to support the COVID-19 response.

A strong tax and social policy system will continue to support the recovery from COVID-19. We will contribute to Government's priorities, including economic recovery and social wellbeing, by collecting and distributing money and making it easier for New Zealanders to receive the support they need. We are motivated by the knowledge that what we do is vital for the wellbeing of New Zealanders.

As part of our new operating model, we have also invested in our people so they are able and comfortable working digitally. We will continue to support the development of our people's digital capability to support our new processes and ways of working.

With compliance at the heart of our work, our focus will continue to be on helping customers to get things right. This includes designing services around our different customer groups to meet their needs, as well as building in compliance checks right from the start. Our new digital and analytical capabilities enable us to work in increasingly targeted and effective ways to support compliance and maintain integrity and trust in the revenue system.

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## Building an effective Māori Crown relationship

We are committed to meeting our Tiriti o Waitangi obligations as a government agency. Becoming a better partner in the Māori Crown relationship is being driven through our Māhutonga programme. This seeks to integrate Te Tiriti o Waitangi and Māori principles, concepts, and practices into the way we work.

A key component of this is delivering on Te Arawhiti's Whāinga Amorangi expectations to transform Public Service leadership capability in Māori Crown relations. We will also build our people's Tiriti o Waitangi, te reo Māori and tikanga Māori capability by developing an organisation-wide training programme, Te Arapiki.

## Looking ahead

Working with our partners across government delivers better outcomes for New Zealanders and we will continue to collaborate to improve services. We will look to work with our partners to maximise the benefits of transformation, such as sharing our expertise.

By mid-2022 we will have delivered our transformation programme, and the final release will set us up to ensure benefits are fully realised for our customers and the Crown.

We are already seeing significant delivery of benefits and outcomes. We will continue to modernise the revenue system and look for further opportunities to leverage the significant investment made in our capabilities. This will support us in guiding our future direction, to deliver a world-class system for the benefit of all New Zealanders.

## Chief Executive's statement of responsibility

In signing this statement, I acknowledge that I am responsible for the information contained in the Statement of Intent for Inland Revenue. This information has been prepared in accordance with the Public Finance Act 1989.



**Naomi Ferguson**  
Commissioner and Chief Executive

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# What we are here for He aha tā mātou mahi

## Our mission

We contribute to the economic and social wellbeing of New Zealand by collecting and distributing money.

We serve the people of New Zealand by focusing on:

- > Revenue being available to fund government programmes through people meeting payment obligations of their own accord.
- > People receiving payments they are entitled to, enabling them to participate in society.
- > New Zealanders benefitting economically and socially through Inland Revenue working collaboratively across our external environment.



WE COLLECT OVER

**80%**

*of the Crown's revenue*

We manage student loan and child support obligations, make Working for Families, parental leave and Best Start payments, and administer KiwiSaver.

We administer the small business cashflow (loan) scheme and the resurgence support payment introduced in response to COVID-19.

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## Our role

We act impartially and independently. The Commissioner has statutory independence and is responsible for our performance and making decisions about what our resources work on.

We are the principal steward of New Zealand's revenue system. This means we make sure that each product we are responsible for and the revenue system as a whole:

- > is effective and efficient
- > works as intended
- > achieves the intended outcomes
- > is fit for purpose.

We maintain the integrity of the revenue system by making it clear and simple for people to pay and receive the right amounts. We develop policy and design processes to meet customers' and stakeholders' needs as they change and evolve, and evaluate how effective they are.

We advise the Government on tax policy and the social policies we administer, together with other agencies where appropriate. This includes advising the Government on international tax issues and developing New Zealand's international tax legislation.

We have responsibility for, or a major role in:

- > Collecting revenue (most of the revenue we collect comes from income tax and GST).
- > Administering Working for Families, child support, KiwiSaver, student loans, paid parental leave, and unclaimed money.
- > Sharing information with other agencies.
- > Administering COVID-19 response packages – including the small business cashflow (loan) scheme and the resurgence support payment. We also support the Ministry of Social Development (MSD) to administer the wage subsidy scheme.

Together with other government agencies we have a role to play in delivering inter-generational wellbeing and positive outcomes over time for all New Zealanders. This includes meeting our obligations under Te Tiriti o Waitangi and delivering on our role as part of the Māori Crown relationship.

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## Our customers

Tax affects everyone and social policy programmes affect most New Zealanders too. That's why the needs and wellbeing of all New Zealanders are at the heart of the work we do. As well as all people earning income in New Zealand, our customers include people who live overseas but have tax affairs and/or social policy obligations here.

We work with our partners and colleagues inside and outside government to deliver services that meet customers' needs. As the makeup of New Zealand changes, we must change to make sure we can keep meeting our customers' expectations and continue to make it easy for them to pay and receive the right amounts.

### In the tax year ended March 2020:\*



#### INDIVIDUALS

3.1 million customers received an automatic individual income tax assessment



#### EMPLOYERS

Approximately 222,000 employers filed more than 7.4 million employment information returns.



#### COMPANIES

Over 366,000 company tax returns were filed.



#### GST FILERS

Approximately 660,000 customers filed more than 3 million goods and services tax (GST) returns.

### In the 2020–21 financial year, we collaborated with our partners to administer:



#### WORKING FOR FAMILIES TAX CREDITS

With the Ministry of Social Development, we distributed \$3 billion in entitlements to support working families.



#### CHILD SUPPORT

We collected \$467 million from more than 156,000 parents who pay child support. We distributed \$281 million to carers. The balance is retained by the Government to help offset the cost of benefits paid.



#### KIWISAVER

We collected contributions and transferred \$8 billion to KiwiSaver scheme providers. As at 30 June 2021, over 3.1 million people were enrolled in KiwiSaver.



#### STUDENT LOANS

We jointly administer this programme with the Ministries of Education and Social Development (StudyLink). We had approximately 680,000 student loan customers and collected \$1.5 billion in repayments.



#### PAID PARENTAL LEAVE

We administer paid parental leave for the Ministry of Business, Innovation and Employment. We made \$503 million in payments to approximately 50,000 parents.

\* Figures for the tax year ended March 2021 are not available for this publication because customers have until April 2022 to file their 2021 returns.

# What we want to achieve E whai ana mātou i te aha

## Our vision

**A world-class revenue organisation  
recognised for service and excellence.**

We make it simple and easy for our customers to meet their obligations and receive the payments they are entitled to.

### Our objectives

Our objectives are to:

- > Grow voluntary compliance by making it easier for people to get it right.
- > Reduce customer compliance costs and the costs of administering the revenue system.
- > Make government policy changes faster and more cost-effectively.

### Government priorities

The Government has three over-arching priorities:

- > Keeping New Zealanders safe from COVID-19.
- > Accelerating the recovery and rebuild from COVID-19.
- > Laying the foundations for the future, including addressing key issues such as climate change, housing affordability, and child poverty.

We contribute to achieving these priorities by collecting and distributing money, making our services accessible and easy to use, and working with other agencies, including sharing information with them, to deliver better services and outcomes for New Zealanders.

## Our strategic intentions

### Delivering the tax policy work programme

The Government's tax policy work programme (TPWP) sets out our policy focus. The work areas are:

- > Taxation of residential investment property. This work will include making changes to our tax settings to improve housing affordability for first home buyers by dampening investor demand for existing property.
- > Tax administration. This work will focus on leveraging the assets and capabilities developed through our business transformation programme and will include a green paper on options for tax administration reform.
- > Sustainable economy and the environment. We will work with other agencies to develop a framework for when to use taxes or other charges for environmental and resource issues, review existing tax provisions to ensure they are not biased against environmentally friendly investment and behaviour, and contribute to cross-agency advice on environmental proposals.
- > International tax. The international tax framework needs to adapt to shifts in the global economy, including increased cross-border activity and digitalisation. This work will include a multilateral solution to the challenges posed by the digital economy to international taxation and consideration of a digital service tax.
- > Integrity of the tax system. This work will include measures to support the 39% top personal income tax rate, the collection of information about trusts, and a new Tax Principles Act (which will involve the establishment of a reporting framework against a set of principles to measure fairness of the tax system).
- > COVID-19 response. We will work with other agencies to make any changes required to the range of COVID-19 response measures.

- > Stewardship. This work will include a review of fringe benefit tax to determine if it's fit for purpose, a long-term insights briefing, and research work involving the collection of information on the level of tax paid by high wealth individuals.
- > Maintaining the tax system. Tax legislation needs to be regularly maintained and updated in response to changing technology, business practices, jurisprudence, or other factors. Our remedial work programme will focus on priorities in this area.
- > Non-discretionary other agency work. This work involves other agencies' work programmes that have tax implications or delivery implications for us. Examples of this work include local government reforms, the Three Waters project, and charities review.
- > Social policy. We have a significant role to play in the delivery of social policy. This work includes the Ministry of Social Development led welfare reform programme (which includes a review of Working for Families), and the development of a social unemployment insurance scheme.

### Supporting Government priorities

Overall, a strong revenue system contributes to making New Zealand a great place for people to live and work.

We have had a significant focus on the response to the COVID-19 pandemic and expect to play a substantial role in supporting New Zealand's recovery in the years ahead.

We will continue to support customers to pay and receive the right amounts by helping make things easy for them such as setting up instalments, claiming reliefs, and managing the impacts of the pandemic on their businesses or personal finances.

### Ensuring trust in and the integrity of the revenue system

So that New Zealanders continue to provide us with accurate information, pay their taxes, and claim only what they are entitled to, it's important they believe:

- > When I pay my tax, I'm doing a good thing (and that's what people like me do).
- > When I'm trying to do the right things, Inland Revenue will help me.
- > When someone else is trying to do the wrong thing, Inland Revenue will find them.

We protect the integrity of the revenue system by helping customers get things right as well as correcting them when they get it wrong. We:

- > Make it easy to pay the right amounts on time and to receive the right payments and difficult not to.
- > Fix problems when they happen so that customers understand where they have gone wrong and know what to do next time.
- > Make tax and payments part of business processes or life events where possible.

To do this we look at everything from policy settings, the design of products and services, the advice and education we provide, through to how and when we enforce the law.

There is a range of ways we can respond when things go wrong, from educating customers new to the system through to investigating and taking people to court where necessary.

### Finishing our transformation programme

Transformation set out to help New Zealanders by reducing effort for customers, improving compliance, making policy changes faster and more cost-effectively, improving the resilience of our systems, and making us more efficient.

The modern, digital, revenue system envisaged by transformation is now largely in place. Customers have moved to digital channels, many transactions are processed in near real-time, and policies and processes have been simplified. This has meant better experiences for customers and new ways of doing things for Inland Revenue. Transformation has been far more than an upgrade of technology.

The final release of the programme will move child support to new systems and processes and upgrade our online services. We will then decommission all our old systems and processes. The programme will be complete by 30 June 2022.

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## Making the most of our new capabilities

While the transformation programme will come to an end, Inland Revenue will continue to embed the changes made over the last few years. We will continue to look for opportunities to modernise the revenue system and make the most of our new capabilities:

- > Self-service options for customers mean they can do more for themselves with less effort and without needing to contact us. This frees us up to help customers who cannot use digital services or have complex needs.
- > Responsive and resilient systems mean we can respond more quickly and innovatively with new policies and products when required, including collaborating with others on design and implementation. We can operate remotely even when there are disruptions to our offices.
- > More complete and accurate data combined with our ability to bring information from different places together means we can better understand customers' needs and risks to the system. We can tailor services depending on customers' understanding and capability. This is helping us to decide when we should proactively contact customers and how we should communicate with them.
- > Digital connections with third parties make it easy for the appropriate information to be exchanged between systems. This is reducing effort and re-work for both customers and Inland Revenue.

Many new products or services can now be implemented much more quickly than previously as our systems are flexible. We showed this in the way we responded to COVID-19, with new products made available within weeks.

We will continue to work with our public and private sector partners to deliver on wider outcomes. This could range from sharing our expertise through to changing how public services are delivered. For example, we can share information with other agencies or organisations, with appropriate security permissions, to help them deliver services. The portal we put in place to support the Ministry of Social Development to administer the wage subsidy shows how this approach can work in practice.

## Working with others to improve outcomes

The Public Service Act 2020 aims to create a more modern, agile, unified Public Service that can deliver across agency boundaries to wrap services around New Zealanders' needs.

We already work with many other agencies and external partners to deliver outcomes for customers.

In the private sector, we work with a wide range of organisations, including tax intermediaries and software providers, to ensure that requirements are simple, can be integrated into existing business processes and systems as far as possible, and make it as easy as possible for people to pay and receive the right amounts.

In the public sector, with the Ministry of Social Development, we distribute Working for Families payments. We jointly administer student loans with the Ministries of Education and Social Development (StudyLink). We administer paid parental leave for the Ministry of Business, Innovation and Employment. We also have a range of information-sharing arrangements in place, including with the Department of Internal Affairs, the New Zealand Police, the Ministry of Social Development and the Accident Compensation Corporation.

While we are committed to playing our part in realising a more joined-up and citizen-focused Public Service, opportunities need to be a good fit with our capabilities and balanced against ensuring we continue to deliver Government priorities and our core business. We must also take care that we do not put at risk our stewardship of the revenue system. We will develop frameworks and processes to ensure that decisions made about the role we play in initiatives that cross agency boundaries are transparent.

Our areas of strength are:

- > Delivering services based on core information – particularly income and customer data.
- > Collection and payment of money / processing at scale.
- > High-volume, digital transaction processing – not services that rely on high levels of discretion and/or an extensive customer-facing presence.
- > Delivering large-scale, consistent, rules-based initiatives that leverage the capabilities of our commercial off-the-shelf systems.
- > Analytical tools and capability – including 'what-if' analysis and risk assessment.

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# How we will achieve our objectives

## Pēhea ai te whakatutuki i ā mātou whāinga

Our strategy is to make it easy for our customers to deal with us and to pay and receive the right amounts, whatever their circumstances. It has six interconnected strands.

We will continue to focus on modernising the revenue system over the next four years to further improve how we serve New Zealanders.

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### Customer



### Putting the customer at the centre of everything we do

- > We anticipate and proactively support key events in our customers' lives at the right time.
  - > We use customer insights to inform activities.
  - > Our services are seamless, and tax and social policy are integrated into customers' lives.
  - > We partner with others to deliver service excellence to customers – from policy design, to education, to audit.
  - > We make it easy for customers to get it right and we reduce compliance costs and effort.
- 

Through transformation we have become more customer-centric in terms of how we deliver services and evolve services to better meet customers' needs. We have made considerable progress in putting our customers at the centre of everything we do. We will continue to improve customers' experiences and decrease their effort when dealing with tax and social policy.

### We have four ongoing areas of focus:

1

Organising ourselves around our customers and outcomes. Our culture, capabilities, and processes are helping our people to bring a greater understanding of our customers into the design and delivery of services.

2

Building our understanding of our customers and using insights to continuously inform and improve our activities. This includes using continuous learning loops to improve as we go.

3

Delivering Mauri Ora Te Whānau – wellbeing of the family.

4

Delivering customer experiences that reduce customers' compliance cost and effort and increase their trust in us. We want to provide tailored, timely and seamless services that are integrated across government and other business partners.

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## External collaboration



### We work with external parties to innovate, gain insight, and achieve wider economic and social outcomes

- > We work with others to deliver mutual benefit.
- > We use our information, knowledge, and expertise to develop our understanding of customers.
- > We leverage our capabilities, information, and resources to support broad outcomes.

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New Zealanders benefit from Inland Revenue working collaboratively as part of the broader Public Service and with the private sector. Our customers cross boundaries and borders and to provide better support and deliver a seamless experience, we need to work across those boundaries and borders too.

#### There are three broad ways we are bringing this about:

1

*Understanding our external environment and positioning ourselves accordingly.*

We take a holistic view, adapt to changes, and innovate.

2

*Extending our boundaries.*

We continue to collaborate with others in the public and private sectors to make dealing with government easy.

3

*Adapting the way we work.*

We engage with and deliver results in partnership with others. We reduce or remove barriers that stop us using information, knowledge, and expertise to deliver value.

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## Information and intelligence



### Our decisions and actions – for delivering today and shaping our future – are intelligence-led

- > We understand the information we collect, and the insights and intelligence we generate through the knowledge and experiences of our people, need to be managed and shared appropriately.
- > We use information and insights to create intelligence we can act on.
- > Intelligence drives our decision-making, including policy and service design, so we know where and when to direct resources to realise value.

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We have made significant progress in three areas: data and analytics, information and knowledge management, and data and information governance. We will continue to drive an integrated approach to help ensure the integrity of the revenue system by supporting more informed policy advice, faster and higher-quality decision-making at scale, and targeting resources to the areas that provide the best value. We will continue to focus on building the data and information management capability of our people, and delegating decision-making so that our people can make well-informed decisions.

#### We will:

1

Make best use of our information and insights at scale to provide increasing value, including participating in and shaping government-wide forums and initiatives.

2

Automate processes to deliver personalised interactions to support compliance and create proactive, risk-based customer interventions.

3

Build on and make best use of our tools and processes, and the capabilities of our people to access, analyse, and use data, information, and knowledge to drive quality decision-making.

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## Digital



### We fully embrace our place in the digitally connected world

- > We make it easy to collaborate with customers, agencies, and others.
- > We design and make changes quickly.
- > Customers can easily access secure digital services anywhere, any time.
- > We encourage, empower, and upskill our people to make best use of digital ways of working.

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The modern, digital, revenue system envisaged by transformation is now largely in place. Customers now have digital services for all taxes and the social policies we administer. This makes it easier for customers to do what they need to do without needing to call us. Businesses, employers, and tax intermediaries are increasingly managing their tax obligations through software. As part of the final release, we upgraded the digital services that all our customers use.

Digital services are better meeting the expectations of our customers and our own people and enabling them to connect more easily with others and share useful information quickly.

We will mitigate the risk of digital exclusion by involving customers early in the design of new services and consider where alternative channels / support are required.

### The key ways we are implementing our digital vision are:

1

Using flexible and extendible digital solutions to provide better self-service options to our customers.

2

Using analytics to understand customers' shifting patterns of digital interaction to support compliance and improve customers' ability to self-serve.

3

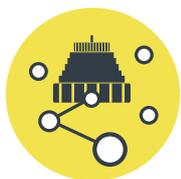
Providing enabling services to digital service providers and intermediaries for the benefit of customers.

4

Working with our customers, our people, our business partners, and other agencies to continually develop our approach and respond to innovative ideas.

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## Policy agility **Policy change is faster, cheaper, and better – fit for a changing world**



- > Our policy design is proactive, coherent, and integrated, from idea generation and advice, through to implementation.
- > We implement policy decisions speedily and smoothly.
- > We deliver high-quality advice that is outcome-focused, realistic about the impacts and based on good information and analysis.
- > We are a trusted and credible voice that shapes and delivers government and system outcomes.
- > We use innovative, flexible, and creative practices to design policy, supported by strong economic, social, and wellbeing frameworks and broad consultation.

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Greater policy agility helps us to meet our regulatory stewardship responsibilities by ensuring we are outcomes-focused, proactive, and collaborative. It applies across the end-to-end process, from idea generation, through to policy development, implementation, and evaluation.

We will continue to develop improved ways of working, with multi-disciplinary teams working effectively together. We will retain and grow the capabilities our people need to become policy professionals of the future and improve our use of information and analytics so that our policy advice is high quality, timely and evidence-based.

We will focus on making the right connections across government, to support a strong inter-generational and wellbeing approach.

### **We are lifting our policy agility through:**

1

Building our focus on regulatory and cross-system collaboration.

2

Maximising the advantages of our new technology platform, operating model, and ways of working, through a cycle of evaluation, learning, and improvement.

3

Lifting information and analytical capability to enable enhanced modelling of impacts (including economic, revenue, compliance, behavioural, and administrative impacts) and better evaluation of policy.

4

Putting in place a focus on gaining a better understanding of Māori needs and perspectives through the development of an enhanced engagement approach.

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## People



### Working as part of Inland Revenue is unique, exciting, fulfilling, and career-enhancing

Our vision means:

- > We value individuals and diversity of thought and capability.
- > We find, develop, and deploy people on the basis of their capabilities, which are a mix of skills, knowledge, experience, and attitudes.
- > We design roles to be adaptable, interesting, and empowering.
- > We work with other organisations to develop fulfilling career journeys in, through, and beyond Inland Revenue.

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We have established new approaches to role design and performance management, new learning and development practices, and workplace tools and technology that enable a highly capable, diverse, motivated workforce. Our Diversity and Inclusion Strategy supports our aspiration to have an inclusive culture where people from all walks of life can achieve their full potential.

### We will continue to build on what has been achieved including:

1

Maturing our Diversity and Inclusion work programme, aligned with Te Kawa Mataaho (Public Service Commission) and Papa Pounamu (the Chief Executive governance group for the Public Service-wide diversity and inclusion work programme) expectations.

2

Building Te Tiriti o Waitangi experience and our cultural competence in te ao Māori to fulfil our responsibilities as a Treaty partner.

3

Embedding our new operating model to enable a cohesive end-to-end people experience.

4

Using insight about the capability and aspirations of our people to deliver on Inland Revenue's and the wider Public Service's objectives.

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## Making it easier for people to get things right and harder to get wrong

We will continue to focus on helping customers most in need of our assistance to get the payments they are entitled to and to meet their payment obligations. We will continue to be empathetic to and supportive of customers who are struggling, to help them do the right thing. However, one size does not fit all and we will continue to investigate where necessary. For example, our community education approach provides new business owners with the information they need at the time they set their business up, to help increase their resilience.

We are also working with other agencies to ensure that customers get consistent messages and find dealing with government as easy as possible. This will help support a more unified Public Service that has customers at its centre.

For new products and services, we are increasingly building in checks at the start. This saves time for both customers and Inland Revenue by stopping incorrect applications and ensuring people receive only the payments they are entitled to.

We can quickly collate and make sense of the large variety of data we collect and be more proactive when we see things that are not right. We can move more quickly to help customers get back on track and tailor how we work with customers to help them pay and receive the right amounts.

Increasingly third parties, such as tax intermediaries and software providers, are involved in delivering services to customers. We will continue to work with others in both the public and private sectors to improve outcomes for customers. For example, we will continue to work with the Ministry of Social Development on better processes for people moving in and out of work and to help those who have debt with both agencies.

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## Delivering Māhutonga – our approach to Te Tiriti o Waitangi and working with Māori

We are committed to meeting our Tiriti o Waitangi obligations as a government agency and partner in the Māori Crown relationship. Our Māhutonga programme aims to integrate Te Tiriti o Waitangi and Māori principles, concepts, and practices into the way we work. Māhutonga sets out the direction we want to take with our organisational culture and our Māori customers. It includes a number of strands of activity, ranging from building the Māori cultural capability of our people, to enhancing our engagement and service delivery approach with Māori.

A core part of our Māhutonga work is building our Māori cultural capability. We are developing Te Arapiki, a stair-cased learning approach that aligns to the expectations set out by Te Arawhiti (the Office for Māori Crown Relations) for all public servants. Te Mata o Te Arero is our Māori language plan which supports the revitalisation of te reo Māori. We are committed to supporting the use of te reo Māori in our workplace.

The service delivery strand of Māhutonga includes Mauri Ora Te Whānau. This is a statement of our intent to improve whānau wellbeing through taking a whānau-centred approach to our work with Māori customers.

Our research, including the Māori Customer Landscape, is helping us to bring whānau, hapū and iwi perspectives into our work. By exploring the wider context of the Māori world view and perspectives, we can better understand what is important to our customers. The appropriate application of this understanding helps us to think differently about the types of services that will help best meet their needs and improve outcomes for them.

We are in the process of establishing a panel of Māori experts who can advise us on how best to engage on policy issues of significance to Māori so that our tax and social policy advice to Ministers is more informed and better reflects Māori perspectives.

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# Becoming more diverse and inclusive

Meeting the diverse needs of New Zealand's people is important to us. Having a diverse workforce and an inclusive culture enables us to better understand and respond to our customers' needs. The varied perspectives of our people will help us design and deliver the right services for customers.

We are committed to ensuring a diversity of views and have a comprehensive Diversity and Inclusion Strategy. Our approach aligns with the Public Service Act 2020 and guidance from Te Kawa Mataaho (Public Service Commission) and Papa Pounamu expectations.

## Diversity and inclusion at Inland Revenue



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## Addressing gender and ethnic pay gaps

**We will address gender and ethnic representation by design rather than expecting it to happen by default. Our Gender Pay Gap Action Plan has five key areas:**

- > **People analytics and insights: Regularly measuring and publishing progress** on the gender and ethnic pay gap, representation and pay progression to drive visibility, understanding, and accountability.
- > **Attracting a diverse pool of applicants to** improve representation of groups at all levels and areas.
- > **Ensuring our candidate selection processes are free from bias.**
- > **Career and pay: Supporting our people's career development.**
- > **Whānau friendly:** Being a whānau-friendly employer and flexible by default, where flexible options are equally available to men and women and do not undermine career development or pay.

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## Enhancing the capabilities and technical skills of our people

To deliver the best services for our customers, we will continue to invest in our people by building their knowledge and capability in areas such as policy agility, tax technical expertise, and digital skills.

Our move to capability-based roles and our new tools and technology mean we can be more agile and resilient, and work more efficiently. Multi-disciplinary teams and devolved decision-making enable us to resolve issues for customers more quickly.

Our capability-based approach is integrated into our role design, recruitment, development, and talent management.

This approach is based around 12 people capabilities that demonstrate the skills, knowledge, experience, and attitudes needed for a future-fit workforce that is adaptive and

responsive to change. Our people capabilities recognise that technical skills and knowledge are critical to delivering our services. Rapid changes in customer demand, technology, and the future of work mean transferrable skills and behaviours are also equally important.

We are committed to embedding and evolving the capability of our people through:

- > Designing and delivering tax and social policy learning that maintains and enhances our technical skills and knowledge.
- > Building our cultural competence in line with our Māhutonga and diversity and inclusion goals.
- > Planning and managing our workforce in a way that aligns our future capability needs with the development and aspirations of our people.

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## Monitoring and responding to changes in our environment

Across all of our work, we regularly assess how our environment is changing to identify trends, risks, and opportunities.

We expect the following to influence our work for the foreseeable future:

- > The global economy – emerging labour markets, national protectionism, climate change mitigation, changes in how people buy goods and services, and the ongoing impacts from COVID-19 will affect New Zealand, including trade, the economy, and key industries.
- > The role of tax and transfers – citizens' expectations of participation in and perceptions of the fairness of the system, and what other countries are considering.
- > Social change – a broad area that includes expectations of the Māori Treaty partner for the Māori Crown relationship, demographic changes including population growth and distribution, and shifts in attitudes and behaviours towards privacy, trust in public institutions, and the role of media and social media.
- > Increasing levels of inequality – the drivers of inequality and what this means for what we do and the outcomes we are expected to achieve.
- > The impact of technology changes on revenue collection – advances in technology are changing how people connect with each other, are enabling a wider range of participants to play a role in the revenue system, enabling businesses and whole sectors to change how they operate, and are shifting payment systems and transactions to the cloud. Cybercrime and terrorism will have implications for revenue collection.

# Managing our organisation effectively

It is essential that we continue to be a trusted, effective, and efficient government agency. We will continue to ensure our organisation and governance structure is fit for purpose and that any risks to our business are managed.

## Our organisational structure

We are organised around our customers. Our people work collaboratively across business groups, sharing information, combining skills and knowledge, to implement government priorities and improve outcomes for customers. The table below provides a summary of each of our business groups.

<b>Customer and Compliance Services – Individuals</b>	<ul style="list-style-type: none"> <li>&gt; Makes tax compliance simpler by giving advice and support to individuals, families, tax agents and micro-business customers, including not-for-profit organisations.</li> <li>&gt; Takes a 'Right from the Start' approach to assist our customers to get their interactions right, intervene early when they're getting it wrong and takes action when people choose not to do the right thing. This helps ensure everyone pays and receives the right entitlements.</li> </ul>
<b>Customer and Compliance Services – Business</b>	<ul style="list-style-type: none"> <li>&gt; Provides certainty and accuracy around complex and global tax compliance arrangements for small-to-medium-sized enterprises and significant enterprises.</li> <li>&gt; Connects with a range of business and delivery partners, representative bodies, government and international agencies to deliver joined-up services and reduce costs to customers and government.</li> <li>&gt; Also uses a 'Right from the Start' approach, including providing assurance to customers on significant tax issues and large-scale transactions.</li> <li>&gt; Assists our customers to get their interactions right, intervenes early when they're getting it wrong and takes action when businesses choose not to do the right thing.</li> <li>&gt; Provides tax technical and legal support to Inland Revenue.</li> </ul>
<b>Information and Intelligence Services</b>	<ul style="list-style-type: none"> <li>&gt; Helps us keep customers at the heart of everything we do.</li> <li>&gt; Uses data insights and intelligence to help understand and influence customer behaviour.</li> </ul>
<b>Tax Counsel Office</b>	<ul style="list-style-type: none"> <li>&gt; Provides technical advice about the interpretation and application of tax law for us and our customers.</li> </ul>
<b>Policy and Regulatory Stewardship</b>	<ul style="list-style-type: none"> <li>&gt; Provides policy advice to the Government, represents New Zealand overseas on tax policy-related issues, negotiates and maintains New Zealand's network of tax treaties with other countries, and drafts most tax legislation and supports the passage of proposed changes through Parliament. Leads our approach to regulatory stewardship.</li> </ul>
<b>Transformation</b>	<ul style="list-style-type: none"> <li>&gt; Ensures transformation is implemented successfully, including delivery of solutions, services, and benefit enablers, managing costs within the approved funding, and meeting committed timeframes.</li> <li>&gt; Manages robust change processes to ensure stakeholders' needs are met and supports stakeholders to adopt new systems and processes.</li> </ul>
<b>Enterprise Services</b>	<ul style="list-style-type: none"> <li>&gt; Supports our people to operate efficiently, effectively, and safely, by providing seamless, integrated, end-to-end services.</li> </ul>
<b>Enterprise Design and Integrity</b>	<ul style="list-style-type: none"> <li>&gt; Develops our strategic direction and provides advice and guidance to ensure we achieve the outcomes intended.</li> <li>&gt; Integrates our planning, prioritisation, performance reporting, and investment management activity.</li> </ul>

## Our governance

Our governance bodies set our strategic direction and oversee our progress.

Membership is a mix of executive leaders, senior leaders, and external members where appropriate. Members have clearly defined roles and responsibilities to ensure separation of governance and management accountabilities.

In addition, our Risk and Assurance Committee provides independent advice to the Commissioner about how we identify and manage risks.

We will continue to adjust our governance approach to ensure it stays fit for purpose and supports effective stewardship.



## Managing our risks

The Strategic Governance Board oversees risk management and other governance bodies monitor specific areas of risk and performance. The Risk and Assurance Committee provides independent oversight.

We have an Enterprise Risk Management Framework based on international standards for identifying and managing risks.

We regularly discuss and update our enterprise risks, and the triggers that could cause each risk to eventuate, the consequences that could result, and the controls in place to reduce the likelihood of the risk occurring and the consequences if it did.

Our current enterprise risks are:

<b>Risk 1</b>	Failure to meet expectations of Government, delivering core business, Government priorities, business transformation	<ul style="list-style-type: none"> <li>&gt; Our transformation-specific governance.</li> <li>&gt; Developing tax policy through the generic tax policy process.</li> <li>&gt; Regular meetings with Ministers.</li> </ul>
<b>Risk 2</b>	The levels of voluntary compliance are reduced to the point of having a material impact on revenue collection for the Crown	<ul style="list-style-type: none"> <li>&gt; Developing tax policy through the generic tax policy process.</li> <li>&gt; Education and marketing campaigns to help customers understand and meet their obligations.</li> <li>&gt; Putting customers at the centre of everything we do.</li> </ul>
<b>Risk 3</b>	Unable to ensure continuity of business services	<ul style="list-style-type: none"> <li>&gt; Our cyber security and monitoring processes.</li> <li>&gt; Our incident management process.</li> <li>&gt; Our business continuity plans.</li> </ul>
<b>Risk 4</b>	Insufficient people capability and capacity to deliver outcomes	<ul style="list-style-type: none"> <li>&gt; Our human resources policies and processes, including our capability-based learning and development approach.</li> <li>&gt; Our business planning processes.</li> <li>&gt; Our executive governance framework.</li> </ul>
<b>Risk 5</b>	Inland Revenue's approach to data and information governance is sub-optimal	<ul style="list-style-type: none"> <li>&gt; Our information classification and handling policy and processes.</li> <li>&gt; Our system access controls.</li> <li>&gt; Our process for developing information-sharing proposals.</li> </ul>
<b>Risk 6</b>	Unexpected negative customer reaction to the transformation changes	<ul style="list-style-type: none"> <li>&gt; Regular engagement with customers and other stakeholders, including giving them information about and help with adopting changes.</li> </ul>
<b>Risk 7</b>	Failure to provide appropriate stewardship of the tax and social policy system	<ul style="list-style-type: none"> <li>&gt; Engagement with external tax industry stakeholders and customers.</li> <li>&gt; Regular interactions with other tax jurisdictions about emerging trends in the wider taxation environment.</li> </ul>

## Becoming carbon neutral

The Government has committed to a carbon-neutral public sector by 2025, with an initial focus on making changes to the government vehicle fleet. We have begun replacing our vehicle fleet with electric vehicles and are developing plans to move towards carbon neutrality by 2025.

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# How we will monitor our performance

## Pēhea ai te aromatawai i tā mātou mahi

Our Performance Measurement Framework monitors and measures our progress in delivering services to New Zealanders, ensuring the regulatory systems we are responsible for are effective, efficient, and achieving the outcomes intended, and contributing to the social and economic wellbeing of New Zealand by collecting and distributing money. It also focuses on how we organise and use our resources to deliver these services.

**Our outcomes** are the long-term results we want to achieve.

**Our customer outcomes** show the difference we want to make. The measures for our three customer outcomes indicate our effectiveness in enabling our customers to get it right from the start.

**Our services** are what we deliver for our customers and stakeholders. Our operational performance is assessed through our output measures. These measures ensure we remain on track to achieve our impacts and outcomes.

**Our organisational health** is about how we use our resources to deliver for our customers and government and ensure our performance is sustainable. Our organisational health measures let us know how our people are doing, as well as our systems, assets, investments, and finances.

**Our culture** is what is important to us in how we work.

We have woven measures of **integrity** through all layers of our Performance Measurement Framework to reflect our commitment to protecting the integrity of the revenue system.

Each year we review our measures and targets to make sure they continue to reflect the range of services we provide and the changes in our operating environment, and that they continue to support the achievement of the outcomes we are seeking.

### Reporting our performance

We report:

- > our performance to Parliament and the people of New Zealand through our Annual Report. The current and past Annual Reports are available at [www.ird.govt.nz/aboutir/reports/annual-report/](http://www.ird.govt.nz/aboutir/reports/annual-report/)
- > our outcome and output measures and our financial performance to the Minister of Revenue quarterly
- > our output measures, financial performance, and financial position to our senior leaders monthly
- > on a wide range of strategic and operational measures and indicators to our governance groups monthly.

# Performance Measurement Framework

