25OIA2341

![Inland Revenue Te Tari Taake logo]

1 August 2025

Dear

Thank you for your request made under the Official Information Act 1982 (OIA), received on 28 May 2025. You requested the following:

> Please supply the following information under the Official Information Act (OIA):
> • Any written documents, reports, memos, letters, notes, emails and draft documents related to the Working for Families Stewardship Programme of Work.

On 30 May 2025, you clarified your request to remove emails from scope.

On 9 June 2025 I sought clarification via email regarding your request for draft documents, suggesting that Inland Revenue may have to consider refusing this part of your request under section 18(f) of the OIA, as the information cannot be made available without substantial collation or research.

As I did not receive a response, on 17 June 2025 I called you to confirm the scope of your request, and you confirmed you would like draft documents to still be included in scope.

On 24 June 2025, I advised you that I am refusing your request for draft documents under section 18(f) of the OIA, and that I was extending the timeframe required to respond to your request by 25 working days.

Background

In July 2023, Inland Revenue began a stewardship review of the Working for Families (WFF) system. The purpose of this work is to develop a coherent, evidence-based framework for Inland Revenue's long-term advice on how income support payments can be optimally delivered through the tax system.

This stewardship project was partly commenced due to the fact that Inland Revenue has completed its Business Transformation (BT) journey. The WFF stewardship project can leverage, and be shaped by, the new systems, environments, and capabilities developed through BT.

The project seeks to develop insights into the current tax credits and how they can be improved to better fit policy intent, what ideal tax and transfer structures might look like, and the implications of decoupling Working for Families from tax.

The project also seeks to develop insights into how the administration of WFF can be improved, with a focus on improving accessibility and customer experiences, decreasing instances of debt, and delivering timely support for customers.

Data that has been generated for this project was done for the purposes of internal discussion and analysis and is not a current representation of the Working for Families stewardship project.

Please note that as this is an Inland Revenue stewardship project, other agencies, such as the Ministry of Social Development, have not been consulted in the development of some of these documents.

Information being released

Please find enclosed as **Appendix A** the following documents:

Item	Document	Decision
1.	WFF third party representation analysis	Partially Released
2.	Keymaster data request Process	Released
3.	Keymaster and typical process	Released
4.	Workstream 3 – Working for Families overview	Released
5.	WFF Stewardship programme of work – request to proceed	Released
6.	WFF Stewardship programme of work – request for approval to proceed	Released
7.	Keymaster Governance Agenda – Steering Group October 2023	Partially Released
8.	Keymaster Governance Agenda – Sub ELT October 2023	Partially Released
9.	Keymaster Governance Agenda – Steering Group December 2023	Partially Released
10.	Portfolio Governance Committee December 2024 – Update on Keymaster progress	Partially Released
11.	Keymaster Governance Agenda – Sub ELT December 2023	Partially Released
12.	Keymaster Governance Minutes – Sub ELT December 2023	Partially Released
13.	Keymaster Governance Agenda – Sub ELT February 2024	Partially Released
14.	Keymaster Governance Agenda – Steering Group March 2024	Released
15.	Keymaster Update – Friday 27 September 2024	Released
16.	Project Keymaster Frontline Hui Summary – 16 May 2024	Partially Released
17.	Project Keymaster Frontline Hui – Third Party Support for WFF Customers – 22 August 2024	Partially Released

Item	Document	Decision
18.	Project Keymaster Frontline Hui – Family or Individual Entitlement? – 15 August 2024	Partially Released
19.	Report on Square-up outcomes for beneficiaries	Released
20.	Change of Circumstances	Released
21.	Work Incentives 15 September 2023	Released
22.	Keymaster Workstream 4 myIR	Released
23.	Keymaster FAM Intermediaries	Partially Released
24.	Child IRD number channels	Partially Released
25.	Interaction between PPL and BSTC	Released

I have decided to release the relevant parts of the documents listed in the table above, subject to information being withheld under the following sections of the OIA, as applicable:

- 9(2)(a) – to protect the privacy of natural persons,

- 9(2)(f)(iv) – to maintain the constitutional conventions for the time being which protect confidentiality of advice tendered by Ministers of the Crown and officials, and

- 18(c)(i) – where making the requested information available would be contrary to the provisions of a specified enactment, namely Inland Revenue's confidentiality obligations in section 18(1) of the Tax Administration Act 1994 (TAA). Further, section 18(3) (in conjunction with section 143C(1)(a) of the TAA) prevents the Commissioner of Inland Revenue from disclosing any item of revenue information if the release of the information would adversely affect the integrity of the tax system or prejudice the maintenance of the law.

Information withheld or refused

There are an additional 185 documents within scope of your request. However, I have decided to withhold and/or refuse these documents, as well as their titles, in full under a mixture of sections 9(2)(a), 9(2)(f)(iv), and 18(c)(i) of the OIA (contrary to section 18(3) of the TAA), as applicable:

- 181 documents and their titles are withheld in full under section 9(2)(f)(iv)

- 1 document and its title is withheld in full under sections 9(2)(f)(iv) and 9(2)(a) of the OIA.

- 3 documents and their titles are refused in full under sections 18(c)(i) of the OIA and section 9(2)(f)(iv).

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As required by section 9(1) of the OIA, I have considered whether the grounds for withholding the information requested is outweighed by the public interest. In this instance, I do not consider that to be the case.

Information publicly available

There are 21 documents in scope of your request that I am refusing under section 18(d) of the OIA, as the information is publicly available at the following website address:

www.ird.govt.nz/-/media/project/ir/home/documents/oia-responses/august-2024/2024-08-30-inland-revenue-documents-prepared-for-the-working-for-families-review.pdf?modified=20250203225714&modified=20250203225714

Some information has been removed from the documents, on the OIA grounds described in the documents.

Additionally, there is one document in scope of your request that I am refusing under section 18(d) of the OIA, as the information is publicly available at the following website address:

Family and household projections: 2018(base)–2043 | Stats NZ

Right of review

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

Publishing of OIA response

We intend to publish our response to your request on Inland Revenue's website (ird.govt.nz) as this information may be of interest to other members of the public. This letter, with your personal details removed, may be published in its entirety. Publishing responses increases the availability of information to the public and is consistent with the OIA's purpose of enabling more effective participation in the making and administration of laws and policies and promoting the accountability of officials.

Thank you again for your request.

Yours sincerely

Maraina Hak
Policy Lead – Families & Individuals

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WFF 3rd party representation analysis

Internal

Author: Carolyn Thomas

Version: 1.0

Date: 22 August 2023

Working for Families and 3rd parties

Overall 3rd party representation

A FAM account can still be linked to an intermediary even when the account itself is closed. While no action should be generated from within the account it is still visible in myIR to view history, and it can be reactivated at any time.

Link type	All FAM	Open FAM only
Tax agent to account	190,795	95,182
Bookkeeper to account	327	185
Other representative to account	6	2
Account level links (may also have customer level link)	106,282	42,453
Customer level only links (not counted above)	33,749	18,322
Total 3rd party representation*	**331,159**	**156,144**

Some customers have multiple types of links acting on their behalf e.g. a tax agent, bookkeeper and nominated person:

3rd party representation	Customer count
3 different representative types	3
2 different representative types	10,697
1 representative type link	116,376

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Working for Families and 3rd parties

NOP links

Customers can have a Customer level link which gives them access to FAM (and every other account the customer is registered for) or they can have account level access to FAM. There is a high number of customers who have both a customer and account level links for the same NOP. Those with both level links have been excluded from the Customer level count in this table and the one on the previous slide so they are not double counted.

There is a high overlap of NOPs who are actually the FAM PTR – so they are not really providing 3rd party support. The PTR can now get access to the FAM information in myIR without needing to be set up as a NOP anymore (from R3 in 2019).

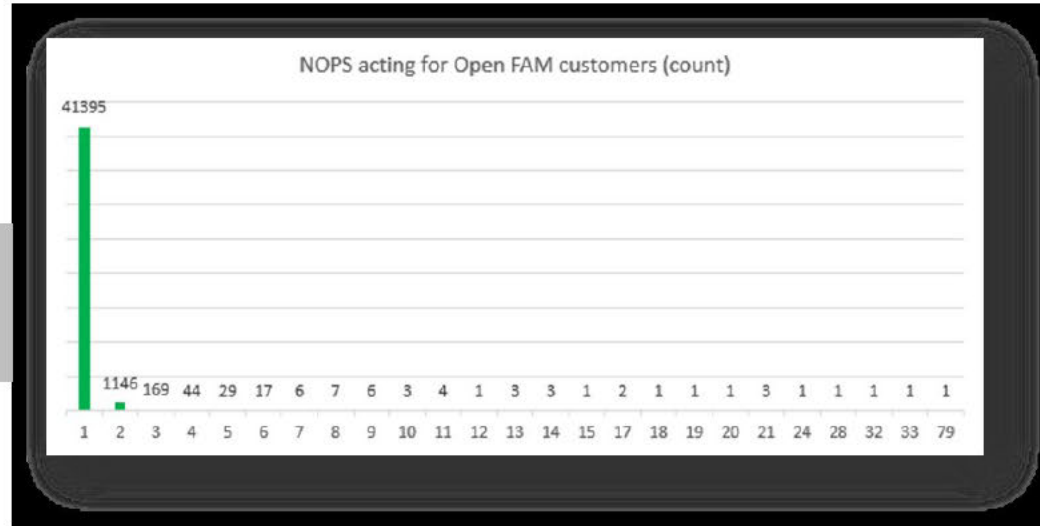| Link type	Open FAM only	NOP is PTR
Account level links (may also have customer level link)	42,453	26,566
Customer level only links (not counted above)	18,322	12,590
Total NOPs	**60,775**	**39,156**

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Link type	All FAM	Open FAM only
Account level links (may also have customer level link)	106,282	42,453
Customer level only links (not counted above)	33,749	18,322

Working for Families and 3rd parties

NOP links

As indicated in the graph on the right, when looking into the NOPs for active FAM accounts - most NOPs only act for one nominee FAM account.

s 18(c)(i)

NOPS acting for Open FAM customers (count)

Link type	All FAM	Open FAM only
Account level links (may also have customer level link)	106,282	42,453
Customer level only links (not counted above)	33,749	18,322

Working for Families and 3rd parties

Tax agents

The graph on the right shows the distribution of tax agents and number of open FAM accounts they are linked to.

2,432 agents have between 1 and 10 clients linked for FAM (open accounts) and 26 tax agents are linked to over 200 open FAM accounts.

The three largest number of links to FAM accounts for a single tax agent are:

- 4,233 to a sole trader focussed agent
- 4,086 and 1,877 to two ex-PTSI's

Tax Agents with Open FAM customers (count)

	1 to 10	11 to 20	21 to 30	31 to 40	41 to 50	51 to 60	61 to 70	71 to 80	81 to 90	91 to 100	101 to 110	111 to 120	121 to 130	131 to 140	141 to 150	151 to 160	161 to 170	171 to 180	181 to 190	191 to 200	Over 200
	2432	668	341	201	166	103	68	50	51	35	27	12	16	16	6	5	6	8	4	8	26

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Link type	All FAM	Open FAM only
Tax agent to account	190,795	95,182

Working for Families and 3rd parties

Bookkeepers

Currently, there are 205 bookkeepers registered in START. 104 of these have links with FAM accounts, but when you remove the closed FAM accounts the number reduces to 73 bookkeepers.

The chart on the right shows the distribution of bookkeepers and number of open FAM accounts they are linked to.

38 bookkeepers have 1 client linked for FAM (open accounts).

Bookkeepers with Open FAM customers (count)

Link type	All FAM	Open FAM only
Bookkeeper to account	327	185

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3rd party actions for Working for Families

WFF registrations (and reactivations)

The WFFTC registrations report shows there are multiple channels to register for WFF – the breakdown by 3rd party only looks at the myIR authenticated channel as it uses web request information. This equates to around 35% of the registrations currently.

WFF registration channels	Split
DIA	52%
myIR (authenticated)	35%
Paper	8%
Phone	3%
myIR (unauthenticated)	1%
Total registrations	**100%**

For completed registration cases the year ended 31/03/2023 the majority (98%) of the interactions were by the customer themselves.

Web request type	Customer	FAM PTR or NOP	Intermediary	Totals
Registration	8,362	3	0	8,365
Reactivation	2,476	3	172	2,651
Total	**10,838**	**6**	**172**	**11,016**

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3rd party actions for Working for Families

WFF change of circumstances by 'separate request'

The number of requests for FAM modification during the 2023 tax year are in the following table. These are counted individually rather than per web session. Child turning 18 updates have been included*. The data shows 230,000 updates to FAM were sent via myIR for the year ended 31/03/2023.

Web request type	Customer	FAM PTR or NOP	Intermediary	Totals
Add a child	14,986	265	255	15,506
Update child school details	9,102	98	98	9,298
Update child information	16,180	352	236	16,768
Update income	110,028	2,737	1,280	114,045
Add partner	4,133	16	75	4,224
Update partner info	13,391	330	152	13,873
Change payment frequency	57,066	765	835	58,666
Add/modify work details	16,958	505	358	17,821
Total	**241,844**	**5,068**	**3,289**	**250,201**

■ Customer   ■ FAM PTR or NOP   ■ Intermediary
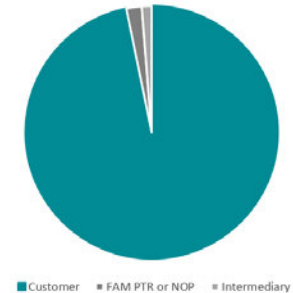
97% of WFF web requests requested in myIR are from the customer themselves. Traditional intermediaries (which we know from previous slide are predominantly tax agents) only account for 1% of the requests.

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8

3rd party actions for Working for Families

WFF change of circumstances by 'separate request'

We can further break down each of the requests to show whether they led to an actual change on the customers account. The table below shows what was approved (either straight through or manual) and declined requests are in brackets. This table shows there is a high volume of rejected requests across all the different request types which will make it very difficult to give customers certainty at the point of submission. Without product simplification it will be difficult to get any real digital gains as a staff member on the phone will be best placed to give an immediate outcome. Note: The last row in yellow shows the MFTC question is causing a high volume of errors.

Web request type	Customer	FAM PTR or NOP	Intermediary	Totals
Add a child	10,809 (5,381)	194 (85)	213 (81)	11,216 (5,547)
Update child information	14,302 (4,715)	336 (104)	194 (97)	14,832 (4,916)
Update income	99,138 (10,513)	2,449 (279)	1,058 (186)	102,645 (10,978)
Add partner	2,861 (1,045)	7 (7)	57 (9)	2,925 (1,061)
Update partner info	11,770 (1,380)	285 (55)	119 (44)	12,174 (1,479)
Change payment frequency	42,415 (15,699)	599 (179)	516 (188)	43,530 (16,066)
Add/modify work details	5,285 (11,965)	100 (424)	100 (279)	5,485 (12,668)
Total	**186,580 (50,698)**	**3,970 (1,133)**	**2,257 (884)**	**192,807 (52,715)**

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Thank you

Keymaster

DATA REQUEST PROCESS
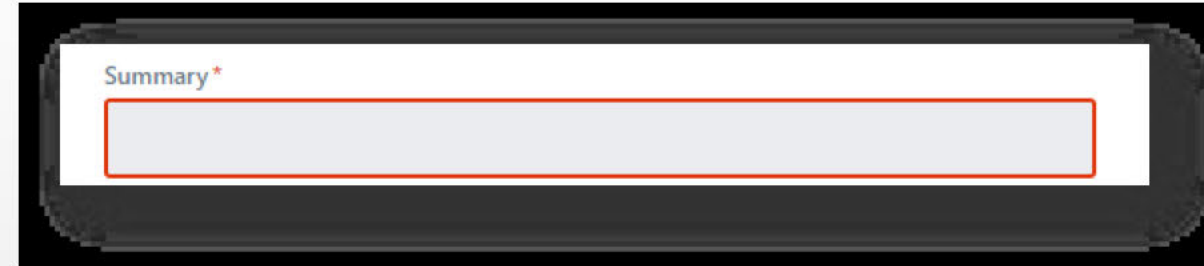
Sharepoint – Request Data

The Request Form - Guidance

Complete "Summary" field:

- Tag your workstream

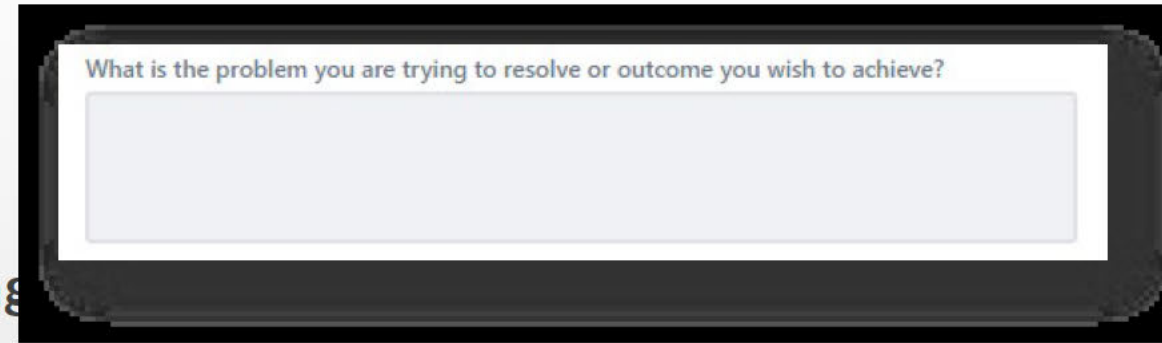- Give it a reasonable title

E.g. *WS4 – Understanding usage of myIR*

Why: Helps us with assignment and monitoring of requests.

Summary *

The Request Form - Guidance

What are you trying to find out?

▪ Will "data" give you the answers?

▪ What are your initial theories that need proving

What is the problem you are trying to resolve or outcome you wish to achieve?

E.g. *Problem: Is it true that WfFTC customers primarily use their mobile phones to make changes in MyIR?*

Theory: Predominance will be in use of mobile devices, and digital environment makes updating details easy.

Why: There may be other ways to approach the problem.

The Request Form - Guidance

What do you expect to see?

▪ **A customer count?**

▪ **A proportion of a specific population?**

▪ **Sample Data...and what info is important?**

E.g. *Splits by Web logon type to show who is accessing the account directly and who is accessing the account outside of the owners.*

How will this data help to achieve this outcome?

Why: Think about how the results need to be presented. Is what your asking something that results in a number, a table, or a report?

The Request Form - Guidance

What are other driving factors?

- Is Data Quality/Process an issue?

- Does IR do something that improves/hind

- Will certain customers behave differently?

E.g. How much manual (IR) effort is involved in processing a change request

Why: Have you thought about end to end, or are you just looking at one point in a chain?

Have you considered all the factors that drive customer behaviour and IR processes that influence outcomes?

The Request Form - Guidance

When do you want the answers by?

- **This is the data model for WfFTC in START.**

- **Simple queries can take a day.**

- **Complex queries can take a lifetime!**

E.g. *4 weeks from today*

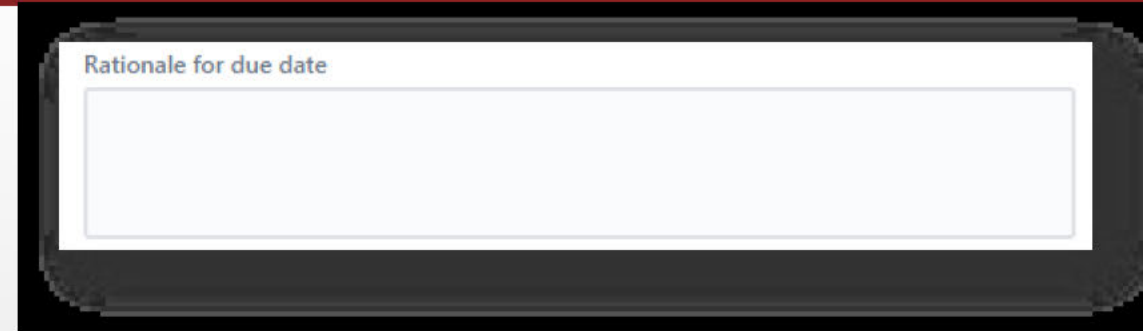**Why: Helps us with prioritization.**

When is this data required by?

Select date 📅

s 18(c)(i)

The Request Form - Guidance

If urgent – please explain why

Rationale for due date

E.g. *Not urgent – standard 4 weeks.*

Why: There will likely be a number of requests on hand at any one time. Urgent requests push through the line and need to have a well thought out reason.

The Request Form - Guidance

Have you spoken to anyone about it?

- What assumptions have you made?

- Do you understand the START processes that sit behind the data?

- Are there stages/states that need to be considered/ignored?

E.g. *Limit states to confirmed and approved.*

Why: The more discovery we have to do, the longer it will be to get what you want.

Additional Information that we need to know?
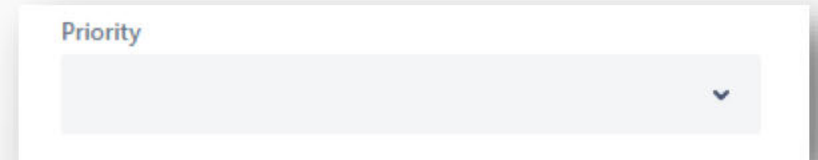
The Request Form - Guidance

Choose the level of importance

▪ Everything is NOT high importance and urgent

Priority

E.g. *Medium.*

Why: If we have to juggle, this could be a guide.

JIRA Tickets

Requests from the form land in the "Backlog"

s 9(2)(f)(iv)

JIRA Tickets
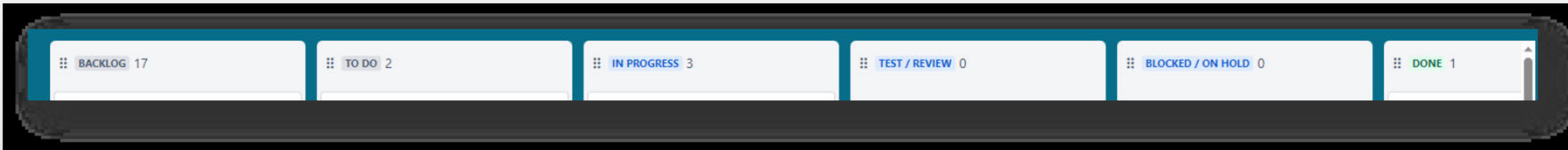
Extra attributes will be filled out by the team

- Assignee

- Estimated Time To Complete
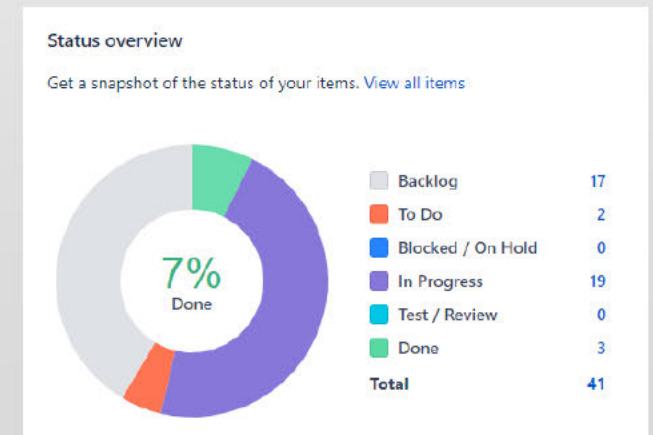
- Tags/Labels

s 9(2)(f)(iv)

JIRA Tickets

Workflow

Tickets are updated to a "state" as they move through the process

⠿ BACKLOG 17	⠿ TO DO 2	⠿ IN PROGRESS 3	⠿ TEST / REVIEW 0	⠿ BLOCKED / ON HOLD 0	⠿ DONE 1

Monitoring

Summary Report available as a JIRA tab

Status overview

Get a snapshot of the status of your items. View all items

7%
Done

☐ Backlog	17
☐ To Do	2
☐ Blocked / On Hold	0
☐ In Progress	19
☐ Test / Review	0
☐ Done	3
Total	**41**

JIRA Tickets

Common topics will be grouped under "Epics" and have "Tasks" under them

s 9(2)(f)(iv)

Tasks can be broken down further into "Subtasks" to make things more manageable.

s 9(2)(f)(iv)

Each Task will have a "Ticket Number" which is the key to following the information.

Results and Code

Results and other information specific to the tickets are found in folders in the Keymaster Sharepoint Site.
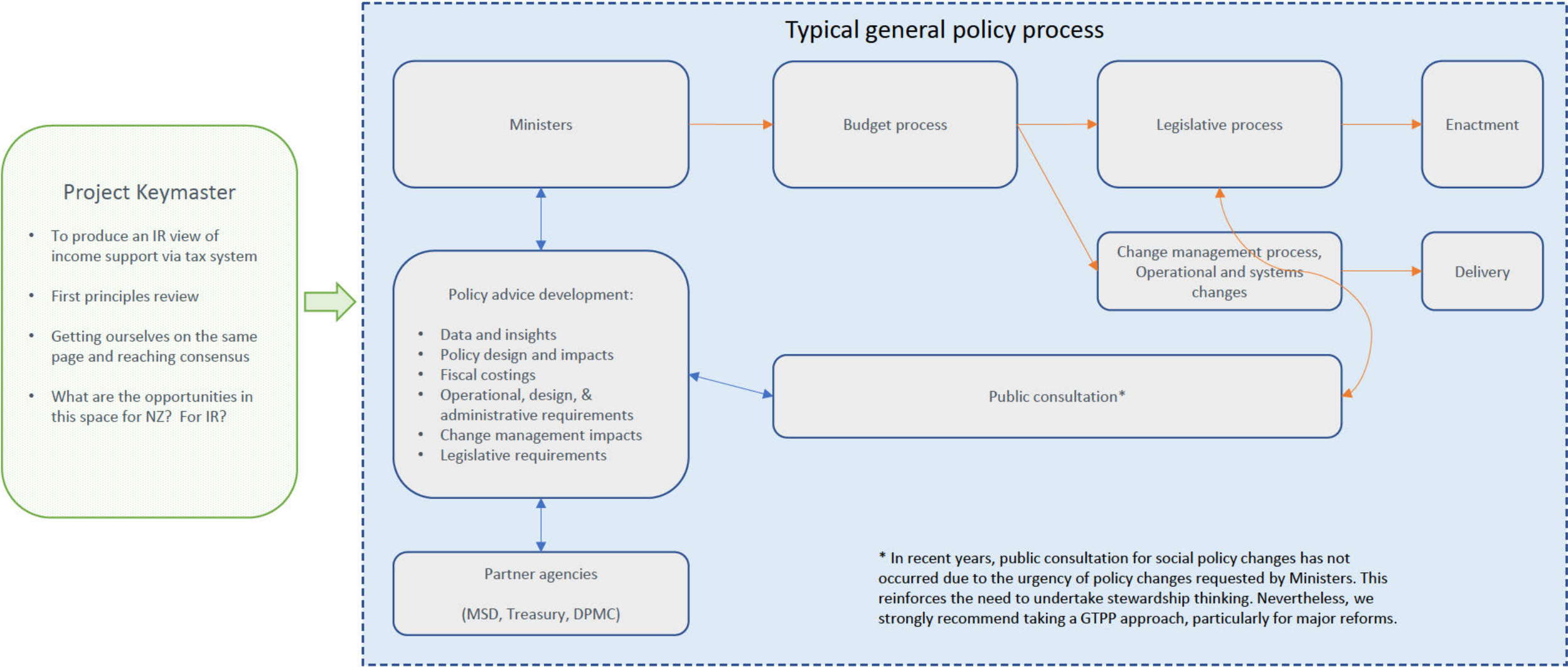
s 9(2)(f)(iv)

Questions

AND HAPPY TO TAKE SUGGESTIONS

Project Keymaster buttresses our typical policy process by producing a foundational Inland Revenue view of income support via the tax system before urgent decisions are taken

Typical general policy process

Project Keymaster

- To produce an IR view of income support via tax system

- First principles review

- Getting ourselves on the same page and reaching consensus

- What are the opportunities in this space for NZ? For IR?

Ministers

Budget process

Legislative process

Enactment

Policy advice development:

- Data and insights
- Policy design and impacts
- Fiscal costings
- Operational, design, & administrative requirements
- Change management impacts
- Legislative requirements

Change management process, Operational and systems changes

Delivery

Public consultation*

Partner agencies

(MSD, Treasury, DPMC)

* In recent years, public consultation for social policy changes has not occurred due to the urgency of policy changes requested by Ministers. This reinforces the need to undertake stewardship thinking. Nevertheless, we strongly recommend taking a GTPP approach, particularly for major reforms.

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Working for Families overview

Working for Families tax credits (Working for Families) are paid to families with dependent children to help with the cost of raising a family, and to ensure families are better off in work.

The scheme is jointly administered by Inland Revenue (mostly for families in paid work) and the Ministry of Social Development (for families in receipt of a main benefit).

Families

Principal caregiver
Has primary responsibility
for day-to-day care

May be in a
relationship with a...

Partner
Spouse, civil union
or de facto partner

Cares for
one or more...

**Dependent
child/ren**

- under 18, or 18-19 & at school/tertiary study
- not married, in a civil union or de facto relationship
- if 16 or over, still financially dependent on caregiver

Tax credits

- **Family tax credit** – a per child payment for working and beneficiary families, includes a higher rate for the first child and a lower rate for further dependents, income contingent

- **Best start tax credit** – helps working and beneficiary families with the costs of a new baby. Universal until a child turns 1, and income contingent up to 3 years of age

- **In work tax credit** – available to working families only, also income contingent

- **Minimum family tax credit** – available to families who work full time but receive a low income

- **Parental tax credit** – replaced by Best start on 1 July 2018

- **Child tax credit** – replaced by the In-work tax credit on 1 April 2006 (but grand-parented entitlement means a few families still receive this)

![Inland Revenue Te Tari Taake logo]

Working for Families overview
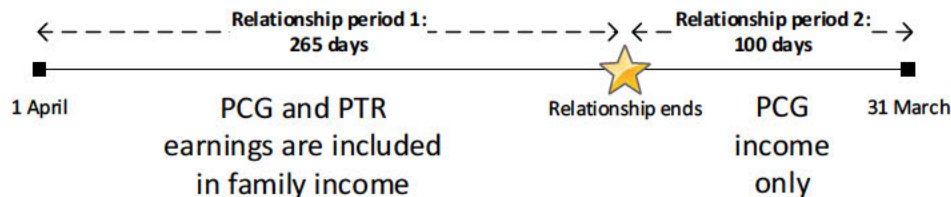
Receiving tax credits

- Working for Families is an annual entitlement aligned to the tax year (1 April to 31 March)

- Paid to the principal caregiver either:

  - In weekly or fortnightly instalments during the tax year, based on **estimated family income**

    - Entitlement is 'squared-up' once actual income is known – underpayments are refunded, overpayments must be repaid

  - As a lump sum after the end of the tax year, based on **actual family income**
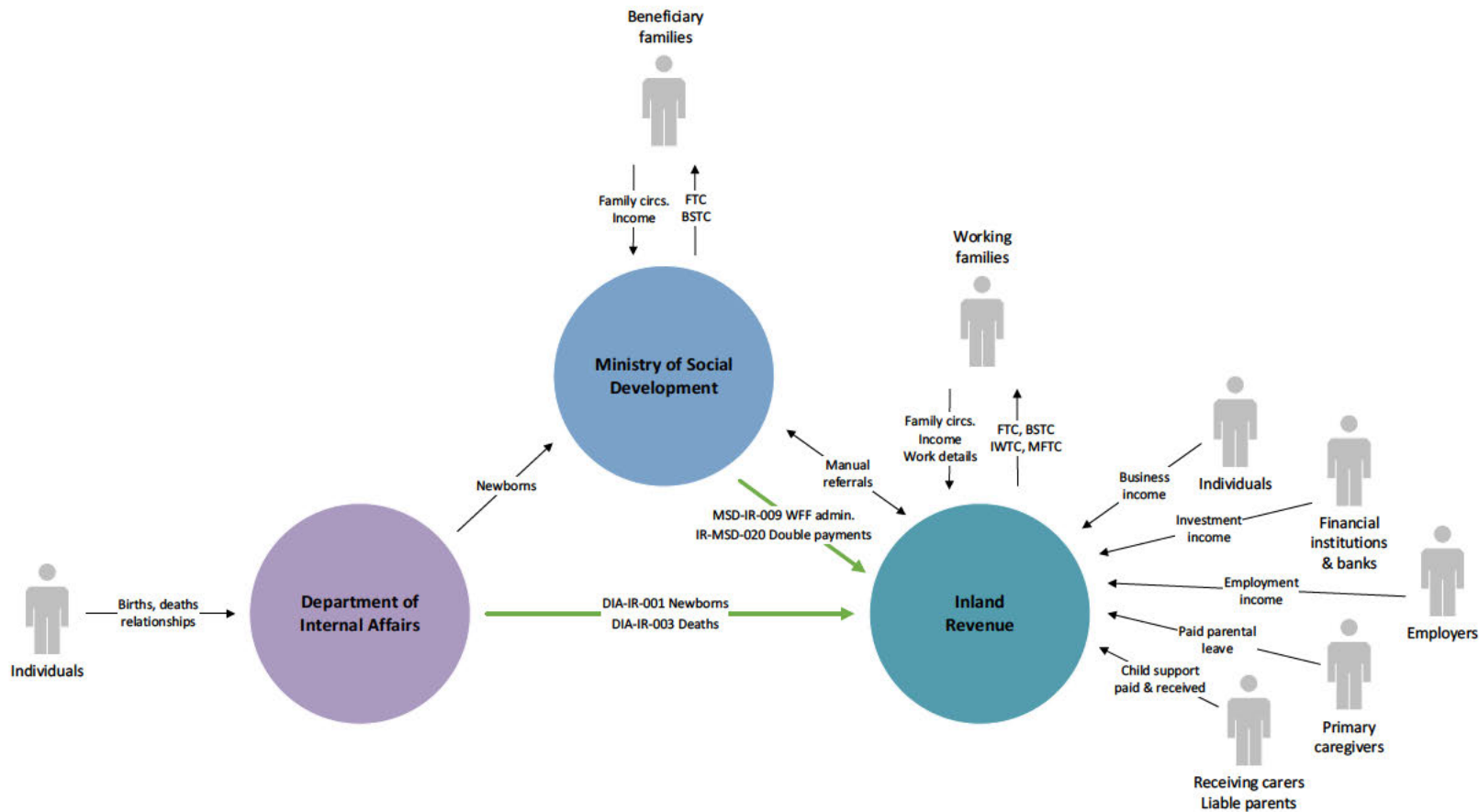
Family income

- Includes income for both the principal caregiver (PCG) and any partner/s (PTR) if applicable:

  - Taxable income

  - Child support received and paid (family income is increased by amounts received, and decreased by amounts paid)

  - Private maintenance received and paid, (child support through a private arrangement)

  - Income adjustments (over and above taxable income, these adjust family income either up or down, e.g., passive child income, tax exempt overseas pensions etc.)

Partner income is apportioned based on a daily rate, for the relationship duration within the tax year.

In the following example, if Partner earned $36,500 in self-employment during the tax year, Partner income in *Relationship period 1* would be: $36,500/365 x 265 = $26,500

Relationship period 1:
265 days

Relationship period 2:
100 days

1 April

PCG and PTR earnings are included in family income

Relationship ends

PCG income only

31 March

Working for Families overview

Beneficiary families

Family circs. Income | FTC BSTC

Working families

Ministry of Social Development

Family circs. Income Work details | FTC, BSTC IWTC, MFTC

Newborns

Manual referrals

MSD-IR-009 WFF admin.
IR-MSD-020 Double payments

Business income

Individuals

Investment income

Financial institutions & banks

Births, deaths relationships

Department of Internal Affairs

DIA-IR-001 Newborns
DIA-IR-003 Deaths

Inland Revenue

Employment income

Individuals

Paid parental leave

Employers

Child support paid & received

Primary caregivers

Receiving carers
Liable parents

Planning and Prioritisation Group

<div>

WFF Stewardship Programme of Work – request to proceed

Cover Note   24 May 2023

</div>

Context

In October 2022, the Planning and Prioritisation Group (PPG) reviewed the Initiative Concept for the Working for Families Programme of Work (aka Project Keymaster). PPG agreed with the Strategy and Investment Board (SIB) that the project move into the Discovery phase of the Initiative Lifecyle, and for us to prepare a more detailed work programme.

The Working for Families (WFF) Stewardship Programme of Work is now ready to progress.

We will discuss the proposed work programme with the SIB on 7 June and seek their formal approval to proceed. In preparation, we seek the PPG's endorsement of this update. This timeframe would ensure that there is sufficient time to produce preliminary advice for the Briefing to the Incoming Minister (BIM), due in October 2023.

Working for Families Stewardship Programme of Work

This project will consider:

- The current WFF tax credits and how they could be improved to better fit their intended purposes from policy and administrative lenses,
- What an ideal tax and transfers structure could be,
- Implications of separating WFF from the Revenue Acts, and
- Improving accessibility and timeliness of support for customers.

The overarching outcome we seek is to agree on an IR position on a long-term strategy for delivering income support via the tax system. To accomplish this, the programme is organisationally inclusive, with staff resourcing from the main business units across IR.

A proposal document (attached) outlines the structure of the work programme, work areas, FTE estimates, proposed governance structure, and engagement.

<u>**Summary of the proposal**</u>

1. <u>Timing</u>: We anticipate that it will be a 16-month work programme and expect it to be completed in October 2024. This timeline will enable input into the BIM, the WFF Review for potential a Budget 2024 bid, and the enterprise planning cycle for the 25/26 financial year:

   Key Upcoming Milestones

Early July 2023	Kickoff workshop
October 2023	Briefing to Incoming Ministers
November 2023	Advice on WFF Review for Budget 2024 consideration

2. <u>Estimated FTEs</u>: The rough estimates below are based on an average over the 16-month duration. There will be peaks and troughs, with an initially higher level of involvement in the first few months. We have discussed with the individuals and their leads, and their time will be sourced from existing BAU roles. For most non-PaRS individuals, participation in this project will be complementary to their role and development. We will be mindful of putting excess demand on their time and will reassess if that occurs regularly.

1	Todd O'Carroll	CCS-B	0.2	21	Kevin McArtney	ED&I	0.2
2	Sarah Manderson	CCS-B	0.2	22	Joanne Butterfield	ES	0.2
3	Dan Blank	CCS-B	0.3	23	Eina Wong	PaRS	0.9
4	Angela Greig	CCS-B	0.2	24	Samantha Aldridge	PaRS	0.6
5	Nadine Pearson	CCS-B	0.2	25	Emma Hamilton	PaRS	0.7
6	Kystle Collins	CCS-B	0.2	26	Svenja Brandt	PaRS	0.6
7	Sophie Goetzlof	CCS-I	0.2	27	Kathleen Littlejohn	PaRS	0.4
8	Michelle Hotton	CCS-I	0.4	28	Andrew Paynter	PaRS	0.9
9	Julie Ogle	ED&I	0.2	29	Hannah Fogerty	PaRS	0.2
10	Erin Knox	ED&I	0.2	30	Callum Aldiss	PaRS	0.2
11	Hilary Rodgers	ED&I	1	31	Murray Shadbolt	PaRS	0.2
12	Mark Sands	ED&I	0.4	32	Martin Neylan	PaRS	0.2
13	CEDA - TBC	ED&I	0.3	33	Chris Fitzgerald	PaRS	0.5
14	Martin Hooper	ED&I	0.4	34	L1/L2	PaRS	0.4
15	Craig Stewart	ED&I	0.2	35	Economics L3	PaRS	0.2
16	Alex Steel	ED&I	0.2	36	Phil Merritt	PaRS	0.8
17	Nick Wilkins	ED&I	0.4	37	Drafter	PaRS	0.1
18	Carolyn Thomas	ED&I	0.5	38	Graham Tubb	PaRS	0.2
19	Teena Simm	ED&I	0.2	39	Stephanie Watts	PaRS	0.2
20	Souradeep Gupta	ED&I	0.2			Total	14.3

3. <u>Governance</u>: Given the size of this project, we recommend a steering group is formed, with an ELT sub-group for additional oversight. We propose these groups meet 2-monthly, and SIB will be updated quarterly.

Steering Group	
Policy Director, PaRS (chair)	Kerryn McIntosh-Watt
CCS-I FAM Segment Lead	Sue Gillies
Chief Economist	Phil Whittington
Policy Lead-Māori Perspectives, PaRS	Charles Ngaki
Strategic Architecture Lead	Cate Robertson
Strategic Advisor, ED&I	Ron Grindle

4. <u>External engagement</u>: This is an internally-driven project. We intend to engage with our agency partners wherever and whenever possible; however, we are unable to control how much they engage with us.

5. <u>Funding Costs</u>: Presently, we are not seeking funding for this project. We have identified that some research or consultation could be required which could require a small amount of funding. We will update the PPG and SIB in that instance.

Update on immediate opportunities for improving WFF delivery

As part of the Initiative Concept, we proposed to progress operational changes to improve the way we communicate and service our WFF customers. These changes are have begun and progress is provided in the following table. Because these changes are underway, we recommend that this tranche be moved into the Delivery phase. Ongoing monitoring of this work will be led by CCS-I, who will report back as and when needed.

	Change proposed	Current progress
1	All communications and website content for WfF customers is to be reviewed and provided in a way that meets their needs and enables them to get it right.	Website content for Paid Parental Leave is currently being reviewed and then they will be working on WfF. Expecting this work to start in June. All website changes to be customer tested.
2	myIR has a full review to see if it is fit for purpose for these customers.	Project group has been set up for this work and is just finishing the discovery stage.
3	eNotifications are currently lacking information and unclear call to actions as shown in a CXD project completed in 2021. Changes need to be implemented and prioritised.	Currently reviewing early interventions. Have stopped the 45k of notifications that were to go out for May. Work to start on reviewing the notifications that went out for roll over this year.
4	Review the service offering for WfF customers both through phone and web message contact, using insights and evaluation to understand tolerance levels and building a channel strategy.	Piece of work under way to improve timeliness the service offering on webmails to 48 hours and move customers away from phone. Pilot to commence in June.
5	Te Mātāwai pages are reviewed to ensure our people have the information they need to help our customers get it right.	A large number of these pages have been updated and we now have systems in place for the team to send through changes as they are identified.
6	Customer education programme set up for WfF customers to build trust and confidence to access our products and services, setting them up right from the start and throughout their journey and life events.	Work is underway to introduce an education programme for WfF customers. We have had to halt this work for the next 3 months as we have moved people to the early intervention and webmail pilot work.
7	Web message content and templates for WfF is to be reviewed to ensure consistency of advice and a best practice service delivery.	Project been running on webmails. Templates have all been reviewed and numbers of templates reduced. Moved our people to responding by phone in the majority of cases to get it right in one contact with the customer.

Next steps

We will seek the SIB's agreement to prioritise this project as an enterprise initiative, and to discuss how the project could continue if government priorities were to change following the general election.

Following SIB's agreement to proceed, we will hold a workshop in early July to kick off the work programme. It will be held in Wellington, and all individuals working on the project will be asked to attend in person.

Recommendations

It is recommended that the Group **endorses** the update of the WFF Stewardship Programme of Work.

Eina Wong

Principal Policy Advisor

Policy and Regulatory Stewardship

Inland Revenue
Te Tari Taake

Executive Level Governance

Strategic and Investment Board

WFF Stewardship Programme of Work – request for approval to proceed

Cover Note   7 June 2023

Context

In September 2022, the Strategy and Investment Board (SIB) considered our proposal to undertake an internal stewardship project on income support and Working for Families. The Board recommended we discuss with the Planning and Prioritisation Group (PPG) how this could be resourced. PPG has subsequently reviewed the proposal and has endorsed the proposed work programme.

The Working for Families (WFF) Stewardship Programme of Work is now ready to progress, and we are seeking the SIB's approval to proceed as an enterprise priority. Doing so would ensure that there is sufficient time to produce preliminary advice for the Briefing to the Incoming Minister (BIM), due in October 2023.

Working for Families Stewardship Programme of Work

This is a first-principles review of the Working for Families tax credits, the first in the nearly 50 years that Inland Revenue has administered these income support payments. This project will consider:

- The current WFF tax credits and how they could be improved to better fit their intended purposes from policy and administrative lenses,
- What an ideal tax and transfers structure could be,
- Implications of separating WFF from the Revenue Acts, and
- Improving accessibility and timeliness of support for customers.

The overarching outcome we seek is to agree on an IR position on a long-term strategy for delivering income support via the tax system. To accomplish this, the programme is organisationally inclusive, with staff resourcing from the main business units across IR.

A proposal document (attached) outlines the structure of the work programme, work areas, FTE estimates, proposed governance structure, and engagement. There are several areas that are still to be worked through (highlighted in yellow). They are not urgent, and we will continue to develop these in the meantime.

Summary of the proposal

1. Timing: We anticipate that it will be a 16-month work programme and expect it to be completed in October 2024. This timeline will enable input into the BIM, the WFF Review for potential a Budget 2024 bid, and the enterprise planning cycle for the 25/26 financial year:

Key Upcoming Milestones:

Early July 2023	Kickoff workshop
October 2023	Briefing to Incoming Ministers
November 2023	Advice on WFF Review for Budget 2024 consideration

2. <u>Estimated FTEs</u>: The estimates are based on an average over the 16-month duration. There will be peaks and troughs, with an initially higher level of involvement in the first few months. We have discussed with the individuals and their leads, and their time will be sourced from existing BAU roles. For most non-PaRS individuals, participation in this project will be complementary to their role and development. We will be mindful of putting excess demand on their time and will reassess if that occurs regularly.

3. <u>Governance</u>: Given the size of this project, we recommend a steering group is formed, with an ELT sub-group for additional oversight. We propose these groups meet 2-monthly, and SIB will be updated quarterly.

Steering Group	
Policy Director, PaRS (chair)	Kerryn McIntosh-Watt
CCS-I FAM Segment Lead	Sue Gillies
Chief Economist	Phil Whittington
Policy Lead-Māori Perspectives, PaRS	Charles Ngaki
Strategic Architecture Lead	Cate Robertson
Strategic Advisor, ED&I	Ron Grindle

The sub-ELT group members are the DCEs of PaRS, CCS-I, and ED&I.

4. <u>External engagement</u>: This is an internally-driven project. We intend to engage with our agency partners wherever and whenever possible; however, we are unable to control how much they engage with us.

5. <u>Funding Costs</u>: Presently, we are not seeking funding for this project. We have identified that some research or consultation could be required which could require a small amount of funding. We will update the PPG and SIB in that instance.

Update on immediate opportunities for improving WFF delivery

As part of the Initiative Concept, we proposed to progress operational changes to improve the way we communicate and service our WFF customers. These changes have begun and progress is provided in the following table. Ongoing monitoring of this work will be led by CCS-I, who will report back as and when needed.

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3	eNotifications are currently lacking information and unclear call to actions as shown in a CXD project completed in 2021. Changes need to be implemented and prioritised.	Currently reviewing early interventions. Have stopped the 45k of notifications that were to go out for May. Work to start on reviewing the notifications that went out for roll over this year.
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Discussion points

Election

The upcoming general election may require IR to prioritise particular areas of work, and this may require redistributing staff to other projects. In that event, we would like SIB to consider how this work would be prioritised. For example, would this project be put on hold, or would some aspects be put on a slower track?

<u>Engagement with agency partners</u>

We consider that a strength of this project is that it is Inland Revenue-led, with the goal to form an Inland Revenue view. We will make efforts to engage with our agency partners (MSD, Treasury, and DPMC specifically) on this project, but there is a risk they will be unable to participate adequately.

We are cognisant that MSD is beginning their own business transformation, Te Pae Tawhiti, which could be an opportunity to improve their client experience for some of the same families we service. Does SIB agree that we should formally engage with them so we can assess the alignment opportunities? We would report back to SIB at the next update after the election.

In addition, we would like SIB to discuss if there are any particular risks or actions that we should consider that we have not already?

Next steps

- If SIB agrees, we will discuss with MSD their transformation programme plans and the opportunities/constraints they may present to our WFF customers and this project.

- Following SIB's agreement to proceed, we will hold a workshop in <u>early July</u> to kick off the work programme. It will be held in Wellington, and all individuals working on the project will be asked to attend in person.

- The 2-monthly meetings of the steering group and sub-ELT group will begin in <u>August</u>.

- We suggest an update to SIB in <u>November</u> following the outcome of the general election.

Recommendations

It is recommended that the Group:

1. **agrees** the proposed governance for this project (a steering group and sub-ELT group)
2. **discusses** the potential impact of the election outcome on the priority of this work
3. **discusses** the risks of limited engagement from agency partners and potential impacts on this work
4. **approves** the WFF Stewardship Programme of Work to proceed as an enterprise priority.

Sponsors

Name: David Carrigan

Title: DCE, Policy and Regulatory Stewardship

Signature: s 9(2)(a)
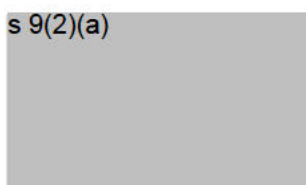
Name: James Grayson

Title: DCE, Customer and Compliance Services - Individuals

Signature: s 9(2)(a)
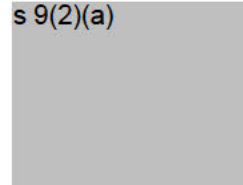
Keymaster Governance Agenda

Steering Group

Thursday 19 October 2023, 1.15-2pm

Members:

Kerryn McIntosh-Watt (Chair)

Sue Gillies

Phil Whittington

Charles Ngaki (Brandon Sloan proxy)

Cate Robertson

Ron Grindle

Jo Taranaki (Daniel Blank proxy)

Other attendees: Maraina Hak, Samantha Aldridge, Eina Wong, Phil Merritt, Richard Braae

Agenda

Time	Item	
1.15pm	Opening/welcome	Kerryn
1.17pm	Review and agree minutes from 25 Aug 2023 (attached)	All
1.20pm	Discussion on project update: 1. Resourcing impacts 2. Principles framework for Keymaster	All

Item discussed	Action
Review and agree minutes for SG meeting 1	Agreed
Resourcing impacts The group discussed the potential post-election impacts on Keymaster. It was noted that some staff may be needed to scope the post-election work, but this would likely be minimal. The exception are PaRS resources (policy and forecasting), who will begin preparing policy advice to Ministers. The project will continue in the interim, and once decisions and details are clearer, the Project Leads will report back to the group. The group reiterated that the project is high priority work for the department.	Agreed that the group should reconvene out of cycle once we are further along the post-election process to discuss the resourcing impact on Keymaster and make appropriate decisions.
Principles framework s 9(2)(f)(iv)	The group agreed to send any feedback on the Principles Framework to the Project Leads. A revised draft will be sent to the Steering Group to discuss at the next meeting.

Previous minutes 25 August 2023

Meeting date	Item discussed	Action
1	Cate will be on leave for next 7 weeks – Alex Steel to act in her place on this project. Meetings will be scheduled for a time that doesn't conflict with CCSLT meetings.	Noted. Future meetings to be extended to 45 min.
2	Frequency of Steering Group meetings is fine, but project team is invited to call a meeting out of sequence if needed	Agreed

3	Rahera's role as external consultant on Māori perspectives agreed as important. Project team to check in that this aspect of the work aligns with the Māhutonga work being developed.	Sam and Eina to discuss with Charles Ngaki and Jason Ratima
4	Clarified Keymaster will not delay any existing work programme items already identified to be progressed (particularly in FAM and PD&D's areas).	Agreed
5	Group agrees that Keymaster will not be a vehicle to approve change initiatives – any proposed changes will go through normal processes, including any "quick wins" or short term opportunities identified.	Agreed
6	PD&D are balancing demand and their capacity to verify all opportunities to consider any unintended consequences. The Group noted resourcing from PD&D on this project (Dan Blank) has changed recently and a substitute will be assigned until he is available.	Jo to confirm Dan's substitute to ensure that PD&D have an appropriate level of representation in the project.
7	Keymaster is in the draft Annual Report; query about whether this is necessary given the current initial state of thinking.	Sam and Eina to follow up and report back to Group via email.

Next Meeting

The next Keymaster Steering Group will be scheduled out of cycle, once we are further along in the post-election process, to discuss the resourcing impact on Project Keymaster and make any appropriate decisions. The next meeting will be scheduled at the latest before the end of year 2023.

Keymaster Governance Agenda

Sub-ELT Group

Tuesday, 31 October 2023, 2.00-2.30pm

Members: David Carrigan, Mary Craig, James Grayson

Attendees: Maraina Hak (Chair), Sue Gillies, Samantha Aldridge, Eina Wong, Phil Merritt

Apologies: Kerryn McIntosh-Watt

Agenda

Time	Item	
2.00pm	Opening/welcome	Maraina
2.02pm	Review and agree minutes from 1 Sept 2023 (attached)	All
2.05pm	Discussion on project update: 1. Resourcing impacts 2. Principles framework for Keymaster	All

Meeting minutes

Item discussed	Action
Review and agree minutes from previous meetings	Agreed
Length of future sub-ELT meetings	Agreed that future Sub-ELT meetings should be 45 minutes.
Resourcing impacts It was noted that progress is tracking well, but that there will be a one or two-month delay in providing final recommendations to ELT. This is due to the customer research being conducted by Insights for the purposes of Keymaster and the potential impacts of the post-election work. It was noted that further resourcing could be diverted to the post-election policies in future, particularly for PaRS, CCS, and in the new year, PDD. There is still uncertainty about resourcing where the new government is yet to form or confirm their immediate policy priorities. Some Keymaster work, such as the consultation with Rahera for Māori Perspectives could continue unabated.	A placeholder for an out of cycle Sub-ELT meeting has been scheduled for mid-November 2023. This meeting is to further discuss the resourcing impact on Keymaster and make appropriate decisions, once we are further along the post-election process. The Project Leads will confirm if this meeting is required beforehand.
Principles framework The group discussed the merits of the principles framework and its purpose within the department's strategic and decision-making complex. s 9(2)(f)(iv) The group agreed that having the principles framework was a good idea and such work should continue. It was noted that the framework may be used within the post-election work.	The group agreed that work on the Principles framework should proceed and that a further draft should be presented at future meetings.

Meeting date	Item discussed	Action
1	Confirmed that the output at the project's end will include both aspirational and practical options for potential implementation.	Confirmed.
2	Discussed the possibility that some people working on Keymaster may be needed to work on post-election policies, which would affect the timeline for Keymaster. • This will be an interesting test of ELT/SLT's commitment for stewardship work. We should plan ahead where possible to maintain momentum, and consider opportunities for quick wins.	Noted.
3	Agreed that the sub-ELT group will approve the direction of the work as it progresses.	Future meetings to be scheduled longer to allow for these decisions.

Next Meeting

A placeholder for an out of cycle Sub-ELT meeting has been scheduled for Wednesday 22 November 2023, to discuss the post-election impact on Keymaster and to make any appropriate decisions. The Project Leads will confirm if this meeting is required beforehand.

Keymaster Governance Agenda

Steering Group

Monday 11 December 2023, 11.00-11.45am

Members:

Kerryn McIntosh-Watt (Chair)

Sue Gillies

Phil Whittington

Charles Ngaki

Cate Robertson

Ron Grindle

Joanne Taranaki

Other attendees: Maraina Hak, Samantha Aldridge, Eina Wong, Phil Merritt

Agenda

Time	Item	
11.00am	Opening/welcome	Kerryn
11.05am	Review and agree minutes from 19 Oct 2023 (attached)	All
11.10am	Discussion on Project Keymaster update: 1. Keymaster and early ministerial advice	All

Item discussed	Action
Review and agree minutes for SG meeting 1	Agreed
Resourcing impacts The group discussed the potential post-election impacts on Keymaster. It was noted that some staff may be needed to scope the post-election work, but this would likely be minimal. The exception are PaRS resources (policy and forecasting), who will begin preparing policy advice to Ministers. The project will continue in the interim, and once decisions and details are clearer, the Project Leads will report back to the group. The group reiterated that the project is high priority work for the department.	Agreed that the group should reconvene out of cycle once we are further along the post-election process to discuss the resourcing impact on Keymaster and make appropriate decisions.
Principles framework s 9(2)(f)(iv)	The group agreed to send any feedback on the Principles Framework to the Project Leads. A revised draft will be sent to the Steering Group to discuss at the next meeting.

Next Meeting

Two placeholders have been sent the next Steering Group meeting on 6 and 7 March 2024. We will confirm the meeting date shortly.

![Inland Revenue Te Tari Taake logo]

Portfolio Governance Committee

Update on Keymaster progress

14 December 2023

Purpose

This paper:

- Updates the Committee on the progress on Keymaster since September 2023, including the development of a set of principles, and the impact of post-election social policy work and the inclusion of customer research work.
- Note that more time is needed to complete discovery, and that the package of final recommendations will now be presented in December 2024 instead of October 2024.
- Note that we will evaluate the implications of this delay in June 2024 and determine what the options are for Budget 2025 at that point in time.
- Comments on engagement with Ministers in the new year on income support issues.

Recommendations

It is recommended that the Committee:

- **Notes** the progress on Keymaster since September 2023.

- **Notes** the impact of post-election social policy work and the inclusion of customer research work.

- **Provides feedback** on the attached Keymaster principles, noting that the principles will be discussed in more depth at the next Committee update on Keymaster.

- **Notes** the revised timeline which delays final recommendations until December 2024.

- **Notes** that we will evaluate the implications of the delay in June 2024 and determine what the options are for Budget 2025 at that point in time.

- **Notes** that the Keymaster Steering Group and the Sub-ELT Group will discuss what sort of Keymaster-related information could be included in advice that is planned for Ministers early next year on longer-term settings for income support.

Sponsor

Name: David Carrigan and James Grayson
Title: Deputy Commissioner, PARS, Deputy Commissioner CCS-I
Signature:

Update on Keymaster project

Executive summary

Keymaster has made progress since we last reported to you. In particular, work has been undertaken on developing a set of principles and obtaining data to inform the project. We are seeking feedback from the Committee on the principles. We have also begun customer research to test Keymaster's assumptions and receive feedback on our direction of travel. We are planning a series of discussions with our aō Māori advisor on particular topics.

The impact of post-election social policy work and the inclusion of customer research work has meant that more time is needed to complete discovery. We now anticipate that our final recommendations will be slightly delayed until December 2024 instead of October 2024. s 9(2)(f)(iv)

Introduction and background

Project Keymaster was endorsed by SIB in June 2023 as an enterprise initiative. The project is focused on developing Inland Revenue's long-term strategy on income support payments delivered through the tax system. It will consider what an ideal tax and transfers structure could look like, what the implications might be, how the current WFF tax credits could be improved, and how support could be made more accessible and

timely for customers. This work contributes to Inland Revenue's stewardship obligations under the Public Service Act 2020.

The project is considering long-term aspirational goals, nearer-term options for implementation (along a continuum of improvements and larger reform options), and a roadmap to improve customer experiences. We are looking at changes to policy, systems, operations/administration, and legislation.

This is an IR-led project that precedes any consultation or discussion with Ministers, partner agencies, or the public. The reason for this is to identify the problems and opportunities, and to take a first-principles approach.

In September 2023 the Committee discussed progress on the overall project to date and potential resource challenges. The Committee supported pursuing 'quick win' opportunities ahead of final recommendations via the local change initiative process, and noted the potential risk that work on post-election policies may divert resources away from the project, which may delay timeframes for delivering recommendations.

Work undertaken to date

Bringing together perspectives and analysis

So far, the Keymaster team has drafted a number of background notes with analysis, options, and likely direction of travel. These include:

- Underpinning – Unit of Entitlement – Incentivising Work
- Underpinning – Definition of Income – Working for Families
- Underpinning – Period of Assessment - Work Incentive
- Underpinning – Period of Assessment – Income Adequacy
- Underpinning – Best Start Tax Credit Design Parameters
- Underpinning – Family Tax Credit Design Parameters
- Underpinning – In Work Tax Credit Design Parameters
- Underpinning – Minimum Family Tax Credit Design Parameters
- Workstream 1 – Childcare Costs
- Workstream 2 – Working for Families Residency
- Workstream 3 – Working for Families Administration Problems & Opportunities
- Workstream 4 – All of Government Access Direction of Travel

We have also held 14 recorded presentations and workshops in August, October and December.

Keymaster Principles

The team has developed a set of principles to be used as a basis for the analysis and recommendations for Keymaster. This document is attached. This will be a living document, to be updated as the project progresses to ensure they are fit for purpose.

These principles are based on the collective knowledge and experience gained from Inland Revenue being the primary administrator of WFF tax credits and Child Support.

The principles reflect some value judgments, and we accept that these are therefore debatable. They are based on the extensive experience Inland Revenue has had in administering the tax system and delivering social policy support to our customers, and the data and evidence available. The principles are not policy proposals; they will be used as a starting position to test proposals against.

We have received positive feedback about the principles from Rahera Ohia, our strategic and ao Māori advisor, who considered that they allowed for IR to consider an Ao Māori perspective. We are currently working with her to make some refinements to the principles.

We are seeking the Committee's feedback on the principles. Initial written feedback can be provided to the project advisors. We also suggest the principles be discussed in more depth at the next Committee update on Keymaster.

Data Insights

The data workstream, made up of representatives from PARS, CEDA, Performance & Reporting, are working to provide valuable data insights that will help inform our work. The team have developed processes and a Jira space for generating data requests relating to Keymaster. As of 30 November 2023, the Data team has completed 35 data requests (71% of total requests) which were submitted by analysts working on Keymaster, for data relating to WFF customers and administration.

The team has also created a tailored data module for the core team's use. This data module contains sensitive revenue information and is located on a restricted page of our SharePoint site. Documentation was created for expectations for using the module in accordance with the IR code of conduct and IKM guidelines. The data will be deleted at the conclusion of the project.

s 9(2)(f)(iv)

Revised timeline for final recommendations to SIB

We previously noted that there may be some impact on the progress of Keymaster as a result of the post-election social policy work, and the availability of key people.

There has been some impact on key people being needed to design FamilyBoost in particular. We also took the opportunity to get feedback through customer research on Keymaster's potential direction of travel, discussed above.

s 9(2)(f)(iv)

Local change initiatives

We have previously discussed with PGC the potential for "quick win" opportunities as we progress through Keymaster, and using the local change initiative process to prioritise these. s 9(2)(f)(iv)

Engaging with Ministers

We will be providing Ministers with advice on WFF and FamilyBoost. The Minister of Revenue has expressed interest in receiving advice on WFF abatement as part of longer term work, although this proposal did not proceed through the coalition agreement.

s 9(2)(f)(iv)

s 9(2)(f)(iv)

Māhutonga

The Treasury has refined its approach to the He Ara Wai Ora framework, and recently provided updated guidance to the PARS Māori perspectives team. Individual workstreams have had sessions on He Ara Wai Ora, and they are working through how these might apply.

We have agreed with Rahera Ohia (our te ao Māori advisor) that we will have a series of conversations about particular topics that would benefit from a te āo Maori perspective, including family structure, intermediaries, debt, and IR's ability to respond to customer circumstances. Papers will be prepared as a result of these conversations.

s 9(2)(f)(iv)

Keymaster Governance Agenda

Sub-ELT Group

Wednesday, 20 December 2023, 11.30am-12.00pm

Members: David Carrigan, Mary Craig, James Grayson

Attendees: Kerryn McIntosh-Watt (Chair), Maraina Hak, Sue Gillies, Samantha Aldridge, Eina Wong, Phil Merritt

Agenda

Time	Item	
11.30am	Opening/welcome	Kerryn
11.32am	Review and agree minutes from 31 October 2023 (attached)	All
11.35am	Note the PCG and Keymaster Principles papers	All
11.38am	Verbal update on key social policy milestones for wider work programme in 2024 and beyond	Sam, Eina, Paul and Maraina

Inland Revenue
Te Tari Taake

Item discussed	Action
Review and agree minutes from previous meetings	Agreed
Length of future sub-ELT meetings	Agreed that future Sub-ELT meetings should be 45 minutes.
Resourcing impacts It was noted that progress is tracking well, but that there will be a one or two-month delay in providing final recommendations to ELT. This is due to the customer research being conducted by Insights for the purposes of Keymaster and the potential impacts of the post-election work. It was noted that further resourcing could be diverted to the post-election policies in future, particularly for PaRS, CCS, and in the new year, PDD. There is still uncertainty about resourcing where the new government is yet to form or confirm their immediate policy priorities. Some Keymaster work, such as the consultation with Rahera for Māori Perspectives could continue unabated.	A placeholder for an out of cycle Sub-ELT meeting has been scheduled for mid-November 2023. This meeting is to further discuss the resourcing impact on Keymaster and make appropriate decisions, once we are further along the post-election process. The Project Leads will confirm if this meeting is required beforehand.
Principles framework The group discussed the merits of the principles framework and its purpose within the department's strategic and decision-making complex. s 9(2)(f)(iv) The group agreed that having the principles framework was a good idea and such work should continue. It was noted that the framework may be used within the post-election work.	The group agreed that work on the Principles framework should proceed and that a further draft should be presented at future meetings.

Next Meeting

19 March 2024

Keymaster Governance Agenda

Sub-ELT Group

Wednesday, 20 December 2023, 11.30am-12.00pm

Members: David Carrigan, Mary Craig, James Grayson

Attendees: Kerryn McIntosh-Watt (Chair), Maraina Hak, Sue Gillies, Samantha Aldridge, Eina Wong, Phil Merritt

Agenda

Time	Item	
11.30am	Opening/welcome	Kerryn
11.32am	Review and agree minutes from 31 October 2023 (attached)	All
11.35am	Note the PGC and Keymaster Principles papers	All
11.38am	Verbal update on key social policy milestones for wider work programme in 2024 and beyond	Sam, Eina, Paul and Maraina

Minutes 20 December 2023

Item discussed	Action
Review and agree minutes from previous meetings	**Agreed**
Note the PGC and Keymaster Principles papers Noted that Rahera Ohia was happy with the Principles and that it would encompass core elements of Te Ao Māori.	**Noted the Principles and PGC papers.**
Verbal update on key social policy milestones for wider work programme in 2024 and beyond s 9(2)(f)(iv) Agreed that the next Sub-ELT be brought forward to the week beginning 5 February 2025. Noted interest from members to attend part of the Underpinning Workstream workshop on 1 and 2 February 2024. s 9(2)(f)(iv) Noted updates for the Māori Perspectives work. Rahera has identified areas of consultation. The Māori Perspectives team are supporting the workstreams at a greater capacity.	**Agreed the need for the group to comminate about the details of MSD's paper when they become known.** **Agreed that the next Sub-ELT be brought forward to the week beginning 5 February 2025.**

Item discussed	Action
Review and agree minutes from previous meetings	Agreed
Length of future sub-ELT meetings	Agreed that future Sub-ELT meetings should be 45 minutes.
Resourcing impacts It was noted that progress is tracking well, but that there will be a one or two-month delay in providing final recommendations to ELT. This is due to the customer research being conducted by Insights for the purposes of Keymaster and the potential impacts of the post-election work. It was noted that further resourcing could be diverted to the post-election policies in future, particularly for PaRS, CCS, and in the new year, PDD. There is still uncertainty about resourcing where the new government is yet to form or confirm their immediate policy priorities. Some Keymaster work, such as the consultation with Rahera for Māori Perspectives could continue unabated.	A placeholder for an out of cycle Sub-ELT meeting has been scheduled for mid-November 2023. This meeting is to further discuss the resourcing impact on Keymaster and make appropriate decisions, once we are further along the post-election process. The Project Leads will confirm if this meeting is required beforehand.
Principles framework The group discussed the merits of the principles framework and its purpose within the department's strategic and decision-making complex. s 9(2)(f)(iv) The group agreed that having the principles framework was a good idea and such work should continue. It was noted that the framework may be used within the post-election work.	The group agreed that work on the Principles framework should proceed and that a further draft should be presented at future meetings.

Next Meeting

Thursday 8 February 2024

Keymaster Governance Agenda

Sub-ELT Group

Thursday, 8 February 2024, 13.30-14.15

Members: David Carrigan, Mary Craig, James Grayson

Attendees: Kerryn McIntosh-Watt (Chair), Maraina Hak, Sue Gillies, Samantha Aldridge, Eina Wong, Phil Merritt

Agenda

Time	Item	Who
13.30	Opening/welcome	Kerryn
13.32	Review and agree minutes from 20 December 2023 (attached)	All
13:35	Update on Ministry of Social Development's "Make Work Pay" Cabinet paper For sub-ELT to note: • The key references to WFF and tax in paragraphs 34-35. • The Minister for Social Development has made the following changes from the last time we updated the group: ○ The Minister will work with the Ministers of Finance, Housing and Revenue, rather than the originally proposed Ministerial Group which did not include the Minister of Revenue. ○ The work will include incentives to work, not just for beneficiaries, but for other people wanting to take on extra paid work.	Samantha, Paul and Eina
13:45	The outcome from the Keymaster Workshop on 1st and 2nd February 2024, regarding the project's "Direction of Travel"	Samantha, Paul and Eina
14:10	AOB	All

Inland Revenue
Te Tari Taake

Item discussed	Action
Review and agree minutes from previous meetings	Agreed
Note the PGC and Keymaster Principles papers Noted that Rahera Ohia was happy with the Principles and that it would encompass core elements of Te Ao Māori.	**Noted the Principles and PGC papers.**
Verbal update on key social policy milestones for wider work programme in 2024 and beyond s 9(2)(f)(iv) Agreed that the next Sub-ELT be brought forward to the week beginning 5 February 2025. Noted interest from members to attend part of the Underpinning Workstream workshop on 1 and 2 February 2024. s 9(2)(f)(iv) Noted updates for the Māori Perspectives work. Rahera has identified areas of consultation. The Māori Perspectives team are supporting the workstreams at a greater capacity.	**Agreed the need for the group to comminate about the details of MSD's paper when they become known.** **Agreed that the next Sub-ELT be brought forward to the week beginning 5 February 2025.**

Next Meeting

TBC

Keymaster Governance Agenda

Steering Group

Thursday 7 March 2024, 13:00-13:45

Members:

Kerryn McIntosh-Watt (Chair)

Sue Gillies

Phil Whittington

Charles Ngaki

Cate Robertson

Ron Grindle

Joanne Taranaki

Other attendees: Maraina Hak, Samantha Aldridge, Eina Wong, Phil Merritt, Hilary Rodgers

Agenda

Time	Item	Who?
13.00	Opening/welcome	Kerryn
13.05	Review and agree minutes from 11 Dec 2023 (attached)	All
13.10	Update on progress, including resourcing • Attached 5 March 2024 update	Sam and Paul
13:15	Update on February Keymaster workshops • Attached slides for Underpinning areas – direction of travel	Sam and Paul
13:30	Discussion on when and how to involve MSD/Treasury	All

Forward Agenda

- Discussion on Principles document
- Structure of July and December reports to ELT

Item discussed	Action
Review and agree minutes for SG meeting 2	Agreed Due to absences, the Principles report will be discussed at the next Steering Group meeting.
Discussion on Project Keymaster update: **Keymaster and early ministerial advice** The group discussed the Keymaster update paper to be presented to the Portfolio Governance Committee (PGC). Noted that final recommendations to ELT would need to be delayed by two months to December 2024. This was due to the current tax and social policy work programme and the research project being run by Insights. The group were comfortable with the two-delay with the two-month delay in recommendations to the Executive Leadership Team (ELT) and noted the potential that recommendations could be utilised for Budget 2025. Noted the feedback made from the Deputy Commissioner for CCS-I for the PGC paper. Firstly, the desire to further discuss the Principles report. Secondly, to evaluate the two-month delay and to determine Budget 2025 options in June 2024. The group discussed early ministerial advice for social policy. It was noted that the minister for Social Development and Minister of Revenue were already interested in advice for income support and this would be sent to the ministers in March 2024. The group agreed that draft advice would be discussed at the next meeting. The group discussed local initiative changes and how these could be reconciled within the final "package" for Keymaster. A member noted that it was too early to tell at this stage and the need to progress with local changes in the short term, but looking into how the recommendations for Keymaster and local changes should align. A member noted the need to test the recommendations at an early stage. A member noted that a workshop between PaRS and CCS-I had been arranged to discuss points of pain and "small" policy solutions considering the new government's direction. The findings of this would be fed into the local change initiatives.	The group were comfortable with the overall progress of the project and have received good feedback from those working on the project. The group were comfortable with the two-month delay in recommendations to ELT and noted the potential that recommendations could be utilised for Budget 2025. The group agreed that items discussed in the PaRS and CCS-I workshop would be fed back to the group at the next meeting. The group agreed that draft advice to be sent to ministers to be discussed at the next meeting.

Next Meeting

TBC, scheduled for May 2024

Keymaster Update – Friday 27 September 2024

Proposed change to deliverables to the Strategy & Investment Board

Currently, we are scheduled to send the final report to ELT on 25 November 2024 for consideration at the Strategy & Investment Board (SIB) meeting on 4 December 2024.

This week, in response to Government priority work, there was an out of cycle Sub-ELT governance meeting to discuss, among other things, the timings of the final report.

We proposed to provide an 'update' paper to SIB on 25 November, instead of the final report. We would send the final report to SIB in one of their meetings in early 2025.

We are proposing this because:

1. Resources that had been allocated to drafting the final report over the past month were reallocated to Government priority work.
2. It is currently unclear what direction this Government work will take. While the Government work does not influence our final stewardship advice contained in the Keymaster report, we think that additional context may be useful for ELT when considering resources for a future social policy work programme (Keymaster 2.0).

Sub-ELT agreed to our proposal, and we have been reviewing timings. Below is a summary of the proposed timeline for the final report.

November 'update' paper to ELT on 25 November 2024 for consideration at SIB on 4 December 2024. November report to include:

- Summary of:
    - Main recommendations and
    - Pathways
- Update on MSD and Treasury engagement
- Current social policy landscape
- Indicative proposal for Keymaster 2.0 work programme:
    - Formalise cross-IR resources
    - Policy
    - Legislative impacts

Final report to ELT by latest 25 March 2025 to be discussed at SIB 2 April 2025. This report to include:

- Final report in completed (publishable) state
    - Main recommendations and
    - Pathways
    - Completed workstream reports, papers and appendices
- Update on MSD and Treasury engagement
- Current social policy landscape
- Final proposal for Keymaster 2.0 work programme
    - Formalise cross-IR resources
    - Policy
    - Legislative impacts

Given that there will soon be decisions made on Budget 2025, especially in Working for Families, we will need to closely monitor capacity over the next few months.

We are also considering when Keymaster's final report could be released publicly. At this stage, the Leads are considering a release date at the same time as the Budget 2025 Proactive release around in mid-winter 2025.

Project Keymaster Frontline Hui Summary

When, where and who?

10:00-12:00 Rāpare 16 May 2024, via Microsoft Teams

Chair: Elizabeth Kingi (Policy Advisor)

Attendees: Members from Families, Individuals, Customer Compliance, Complaints Management, Policy & Regulatory Stewardship (PaRS) and Rahera Ohia (te ao Māori advisor)

What is Project Keymaster?

Project Keymaster is Inland Revenue's stewardship review of the Working for Families tax credits and income support delivered through the tax system. The project focuses on how income support is currently delivered and forms Inland Revenue's view of how it could be best delivered in future. The review is being led by PaRS but we have vital insights and representation from across the department.

Keymaster is a part of Inland Revenue's stewardship responsibilities under the Public Service Act 2020 and is the first such project in the 50 years IR has been administering income support products.

Our Māhutonga approach to Keymaster

Like with all work we do at Inland Revenue, we are incorporating a Māhutonga approach to Project Keymaster to ensure that Māori perspectives are considered throughout. The project will apply the He Ara Waiora framework to options and analysis explored from the stewardship review.

We have contracted Rahera Ohia as the project's te ao Māori advisor to review the project's work and to engage with staff through a series of hui. Rahera is the Lead Negotiator for Ngāti Pukenga's treaty settlement with the Crown and was awarded the Queen's Service Medal in 2014 for services to Māori. We are really excited about Rahera's involvement in the project.

What are the objectives of the hui?

The purpose of the hui is to hear your perspectives of the day-to-day issues when working with Working for Families and our customers. The three main objectives are:

- To recognise and uplift the mana of Frontline staff working within Working for Families who experience first-hand the realities of how policies impact customers and to aid the important assistance they give to customers.
- To generate frontline insights that will aid the formulation of Keymaster's recommendations.
- To build a closer relationship between PaRS and Frontline staff so that Policy can incorporate frontline's insights into future policy design and advice.

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Pre-hui exercise

Before the hui, you will receive a short exercise through Microsoft Forms consisting of one pātai, which will help us form insights that will guide our kōrero on the day.

The pātai is:

> *If you were Commissioner of Inland Revenue, what changes would you make that would improve outcomes for Working for Families customers, and why?*

The exercise should take a maximum of 5-10 minutes and we ask that you complete it by 5pm Tuesday 14 May 2024. Your submissions will not be shared beyond the hui and we will anonymise the responses afterwards.

What will happen on the day?

As we have people from across the mōtu, the hui will be an online event. The hui is being chaired by Elizabeth Kingi (Policy Advisor and former CSO/Team Lead) and we will be joined by Rahera Ohia. We will have a free flowing and honest kōrero of your experiences on the frontline.

The main discussion will be based on the broader themes in the questionnaire responses. Some pātai we may ask in the kōrero includes:

- How might we change to things to help frontline staff do their job more effectively?
- What could we change to help customers better meet their obligations?
- What changes could we make to provide a more mana-enhancing experience for customers – increasing agency and the ability to make decisions about the way they engage with IR?
- What changes could we make to provide a more mana-enhancing experience for frontline staff in their day-to-day work?

Any pātai?

If you have any pātai, please do not hesitate to kōrero with Phil Merritt (s 9(2)(a)   ) or Elizabeth Kingi (s 9(2)(a)   ).

Project Keymaster Frontline Hui - Third Party Support for WFF Customers

When, where and who?

13:00-15:00 Thursday (Rāpare) 22 August 2024, via Microsoft Teams

Chair: Elizabeth Kingi (Policy Advisor)

Attendees: Members from Families, Individuals, Customer Compliance, Complaints Management, Policy, and Rahera Ohia (te ao Māori advisor)

What is Project Keymaster?

Project Keymaster is Inland Revenue's stewardship review of Working for Families and income support delivered through the tax system. The project focuses on how income support is currently delivered and forms Inland Revenue's view of how it could be best delivered in future. The review is being led by Policy, but we have vital insights and representation from across the department.

Keymaster is a part of Inland Revenue's stewardship responsibilities under the Public Service Act 2020 and is the first such project in the 50 years IR has been administering such products.

Our Māhutonga approach to Keymaster

Like with all work we do at Inland Revenue, we are incorporating a Māhutonga approach to Project Keymaster to ensure that Māori perspectives are considered throughout. The project will apply the He Ara Waiora framework to options and analysis stemming from the review.

We have contracted Rahera Ohia as the project's te ao Māori advisor to review the project's work and to engage with staff through a series of hui. Rahera was the Lead Negotiator for Ngāti Pukenga's treaty settlement with the Crown and was awarded the Queen's Service Medal in 2014 for services to Māori. We are really excited about Rahera's involvement in the project.

What are the objectives of the hui?

This hui will explore third party support for Working for Families customers in the current system and how third parties could assist in the future. The purpose of the sessions is to hear your perspectives of the day-to-day issues when working with Working for Families and our customers on this topic.

The main objectives are:

- To generate frontline insights that will aid the formulation of Keymaster's recommendations for third party support.
- To continue to build a closer relationship between Policy and Frontline staff so that Policy can incorporate frontline's insights into future policy design and advice.

Definition

By third party, we refer to any agent (including Nominated Persons), who acts on behalf of Working for Families customers. These could be people from either for-profit organisations, not-for-profit organisations, or people known to the customer (such as friends or families).

Pre-hui exercise

Before the hui, you will receive a short exercise through Microsoft Forms consisting of a couple of questions (pātai), which will help us form insights that will guide our kōrero on the day.

The exercise should take a maximum of 5-10 minutes and we ask that you complete it by 5pm Tuesday (Rātū) 20 August 2024. Your submissions will be anonymised after the hui and will not be shared outside of the project team.

What will happen on the day?

As we have people from across the mōtu, the hui will be an online event. The hui is being chaired by Elizabeth Kingi (Policy Advisor and former CSO/Team Lead) and we will be joined by Rahera Ohia. We will have a free flowing and honest discussion (kōrero) of your experiences on the frontline.

The main discussion will be divided into two parts. Firstly, we will touch on the involvement of third parties at present and ask you to talk to your questionnaire responses. Some pātai we may ask in the kōrero includes:

- Can you talk to experiences where third parties have been productive and counterproductive to the outcomes of customers?
- Are there any examples of third parties attending in person at IR offices with or on behalf of customers?

The second part will investigate how third parties could assist Working for Families customers in future. We will ask you to imagine a system where third parties could assist customers within Working for Families. What could this look like and who could be involved?

Some pātai we may ask in the kōrero includes:

- Are there certain activities (eg enrolments, debt arrangements) where third parties are more likely to be able to help?
- What type of organisations could help in these activities?
- Are there risks (for IRD or for customers) you can see with encouraging a wider group of intermediaries, to enter this space?
- What would Inland Revenue need to change to implement this system?

Any pātai?

If you have any pātai, please do not hesitate to kōrero with Phil Merritt. (s 9(2)(a)   ).

Project Keymaster Frontline Hui - Family or Individual Entitlement?

When, where and who?

13:00-15:00 Rāpare 15 August 2024, via Microsoft Teams

Chair: Elizabeth Kingi (Policy Advisor)

Attendees: Members from Families, Individuals, Customer Compliance, Complaints Management, Policy, and Rahera Ohia (te ao Māori advisor)

What is Project Keymaster?

Project Keymaster is Inland Revenue's stewardship review of Working for Families and income support delivered through the tax system. The project focuses on how income support is currently delivered and forms Inland Revenue's view of how it could be best delivered in future. The review is being led by Policy, but we have vital insights and representation from across the department.

Keymaster is a part of Inland Revenue's stewardship responsibilities under the Public Service Act 2020 and is the first such project in the 50 years IR has been administering such products.

Our Māhutonga approach to Keymaster

Like with all work we do at Inland Revenue, we are incorporating a Māhutonga approach to Project Keymaster to ensure that Māori perspectives are considered throughout. The project will apply the He Ara Waiora framework to options and analysis stemming from the review.

We have contracted Rahera Ohia as the project's te ao Māori advisor to review the project's work and to engage with staff through a series of hui. Rahera was the Lead Negotiator for Ngāti Pukenga's treaty settlement with the Crown and was awarded the Queen's Service Medal in 2014 for services to Māori. We are really excited about Rahera's involvement in the project.

What are the objectives of the hui?

This hui will focus on Individual or Family Entitlement. This will cover issues related to family and individuals, whose means are assessed, who receives the entitlement, and who is liable for debt. The purpose of the session is to hear your perspectives of the day-to-day issues when working with Working for Families and our customers on this topic.

The main objectives are:

- To generate frontline insights that will aid the formulation of Keymaster's recommendations for the unit of entitlement.
- To continue to build a closer relationship between Policy and Frontline staff so that Policy can incorporate frontline's insights into future policy design and advice.

Pre-hui exercise

Before the hui, you will receive a short exercise through Microsoft Forms consisting of a couple of questions (pātai), which will help us form insights that will guide our kōrero on the day.

The exercise should take a maximum of 5-10 minutes and we ask that you complete it by <u>5pm Rātū 13 August 2024</u>. Your submissions will be anonymised after the hui and will not be shared outside of the project team.

What will happen on the day?

As we have people from across the mōtu, the hui will be an online event. The hui is being chaired by Elizabeth Kingi (Policy Advisor and former CSO/Team Lead) and we will be joined by Rahera Ohia. We will have a free flowing and honest kōrero of your experiences on the frontline.

The main discussion will be based on the broader themes in the questionnaire responses. Some questions (pātai) we may ask in the kōrero includes:

- Does a family entitlement help the tax credits to meet its objectives?
- Would some WFF tax credits function better if the entitlement was based on the individual rather than the family?
- If a family-based entitlement is better, would the idea of a grace period and tolerance of relationship change and care work to mitigate issues customers experience?
- Currently, assessments are made based on family scheme income (collective entitlement) but would changing to an individual entitlement improve work incentives for WFF customers?
- The In Work Tax Credit (IWTC) is a work incentive payment but this may not be how customers see it. For example, second earners in a family may not be incentivised to work. What do you think?

Any pātai?

If you have any pātai, please do not hesitate to kōrero with Phil Merritt. (s 9(2)(a)   ).

DKM 6 – Are MSD customers worse off

The key questions posed by this data request were:

Square up outcomes for those paid by MSD at least some of the year (compared to those paid only by IR)

- Periods where MSD paid unabated WFF incorrectly
- Periods where IR paid unabated WFF (Max FTC/BSTC indicator) incorrectly

The approach to answering this question has been to look at customers paid WFF by MSD (via their benefit) and beneficiary customers that have been paid WFF by IR (either as upfront or square-up).

Number of beneficiary customers and who pays their WFF

In the 2022 income tax year, there were 145,859 families paid a benefit. Of these customers, 96,638 families received benefits for all 12 months of the year.

s 9(2)(f)(iv)

s 9(2)(f)(iv)

s 9(2)(f)(iv)
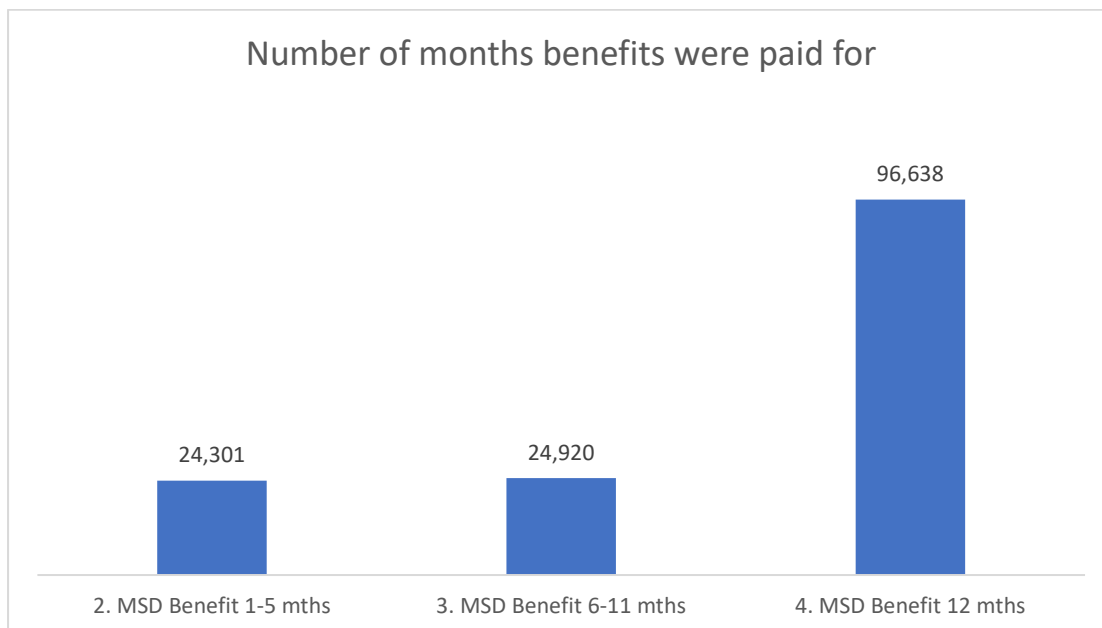
Background

Analysis has been undertaken to answer the following question by policy:

What is the 'typical' (mean, mode) lag between when a change in a customer's circumstances occurs and when the change is updated in the system?

Does this lag differ based on the type of change (being the types of changes listed below)?

Information about the distribution of these lags, including lags well outside any likely grace period (eg months/years afterward)?

A Working for Families customer must tell us about changes to their family situation, income, or hours of work because these changes may affect their entitlement.

Partner changes (Partner Added/ Partner Changed)

When a customer is registered for Working for Families, they are required to let Inland Revenue know if their relationship has ended, or if they have a new partner.

The most common partner updates include:

- Adding a new partner (start date added when a relationship has started)
- Ceasing a partner (stop date added when a relationship ends)

Other partner updates include:

- Partner start date changed (if the start date was changed because it was incorrect).
- Partner end date changed (if the partner's end date was changed because it was incorrect).
- Partner start date and end date added (this occurs when we are notified that the relationship had started but has since ended)

Exclusions

- Role reversal – if the partner was added or ceased due to a role reversal the changes have not been included as this is not an actual change in family circumstances.
- Registration – if the partner was added and/or ceased at the same time as the Working for Families registration was completed, then the lag doesn't need to be considered as there was no need to notify us of the change in partner details when the change occurred, because they were not registered at that time.
- All updates made by internal batch processes are excluded, limiting results to updates completed via myIR or manually by a staff member.
- If a partner is added and ceased at the same time, the lag between the relationship start date and the date the system was updated is not included, due to the complexity of gathering this data. The number of cases where a partner is added and ceased at the same time outside of registration are minimal.
- Updates made as part of ceasing all WFF entitlements.

Notes and assumptions

Results are limited to customers who have only received front-end payments from IR during the year in which we were notified of the change.

Lag for all updates made since April 2019.

Change Type	BSTC only	Mean Lag	Median Lag	75th %ile	95th %ile	Max Lag	Case Count
start	N	121.49	26.00	130	572	1850	11792
end	N	76.53	18.00	56	404	1575	28802
start	Y	352.18	279.00	456	1045	1723	687
end	Y	189.12	66.00	295	737	1539	1792

Date lag by partner change type
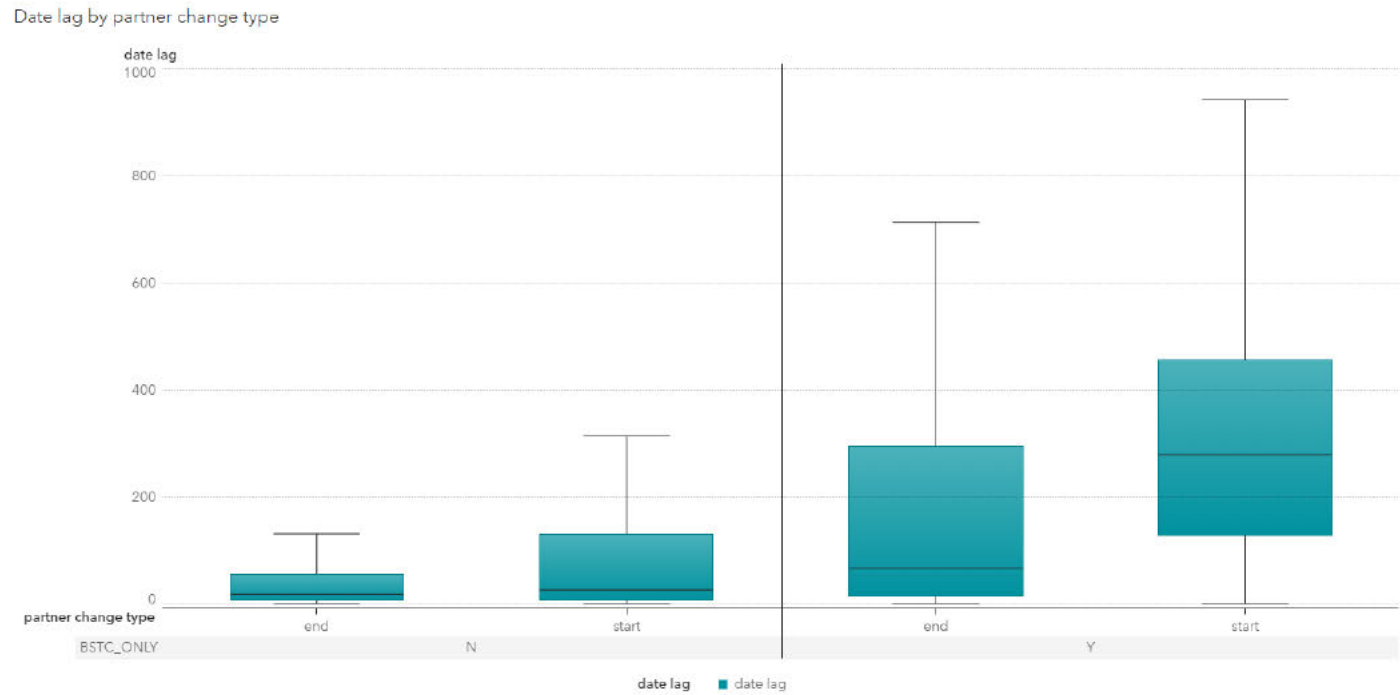
Analysis

For customers with entitlements other than BSTC, the median lag is 18 days for ceasing a partner and 26 days for adding a partner, with the overall distributions showing a significant difference in times taken for customers to notify IR of new partners vs ceasing a relationship.

s 18(c)(i)

Child changes

A Working for Families customer is required to let us know if a child has entered or left their care, become financially independent, or has had changes to their shared care arrangements.

The most common child updates are:
- Children coming into care.
- Children leaving care/becoming financially independent.
- Changes to shared care arrangements (including children going into and out of shared care, or changes to the days in care).

Other child updates include:
- Child start date changed (if the start date was changed because it was incorrect)
- Child end date changed (if the child's end date was changed because it was incorrect).
- Child start date and end date added (this occurs when we are told that both that the relationship had started but has since ended at the same time).
- Foster care allowance, Orphans Benefit or Unsupported Childs benefit started or stopped for a child.
- Child end date removed (if the record had been updated incorrectly).

Exclusions

As explained above for partner changes, the results for children changes exclude:

- Updates that relate to PCG and PTR role reversal.
- Updates made upon registration.
- Updates made as part of ceasing all WFF entitlements.
- Updates made by internal batch processes.

In addition, changes made on the same day as the closure of a 'PPL override' task have been excluded as these tasks are not related to customer contact and often result in back-dated changes to child records.

The reasons for the above exclusions are provided above – refer to Partner Changes for more detail.

- If a child is added and ceased at the same time, the lag between the child start date and the date the system was updated is not included, due to the complexity of gathering this data.
- This also excludes the results if the change of circumstance is the customer notifying us that a child is still in school. Children are automatically ended as of their 18th birthday, and customers are required to notify us if the child is still attending school. This is therefore not a change to the family circumstances. The end date for the child is extended to the end of the calendar year in which the child turns 18 so is not a change where we would expect to see a lag between notification and the effective date as the effective date is in the future.

Notes and assumptions
 Results are limited to customers who have only received front-end payments from IR during the year in which we were notified of the change.

If a child had an end date, and this is subsequently removed the lag calculated will be between the date the system was updated to remove the end date, and the original start date.

Lag for all child updates made since April 2019.

Change Type	BSTC only	Mean Lag	Median Lag	75th %ile	95th %ile	Max Lag	Case Count
end	N	95.64	30.00	116	419	1750	82366
start	N	89.86	24.00	72	489	1814	50250
end	Y	251.87	153.00	420	771	1678	1674
start	Y	199.34	55.00	290	827	1744	3239

Date lag by child change type
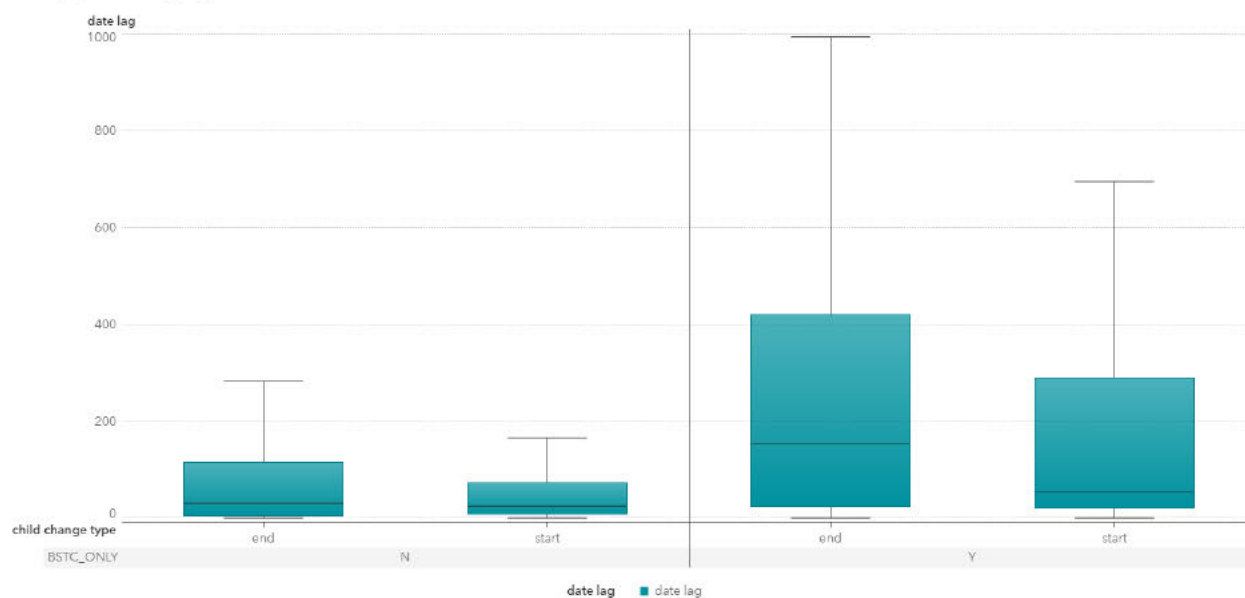
When including changes made as part of a WFF registration, BSTC-only customers show a similar distribution to the wider population when looking at child start dates.

Change Type	BSTC only	Mean Lag	Median Lag	75th %ile	95th %ile	Max Lag	Case Count
end	N	95.34	30.00	115	418	1750	82683
start	N	75.18	24.00	66	323	1814	77439
end	Y	251.87	153.00	420	771	1678	1674
start	Y	83.02	27.00	59	369	1744	12702

Date lag by child change type
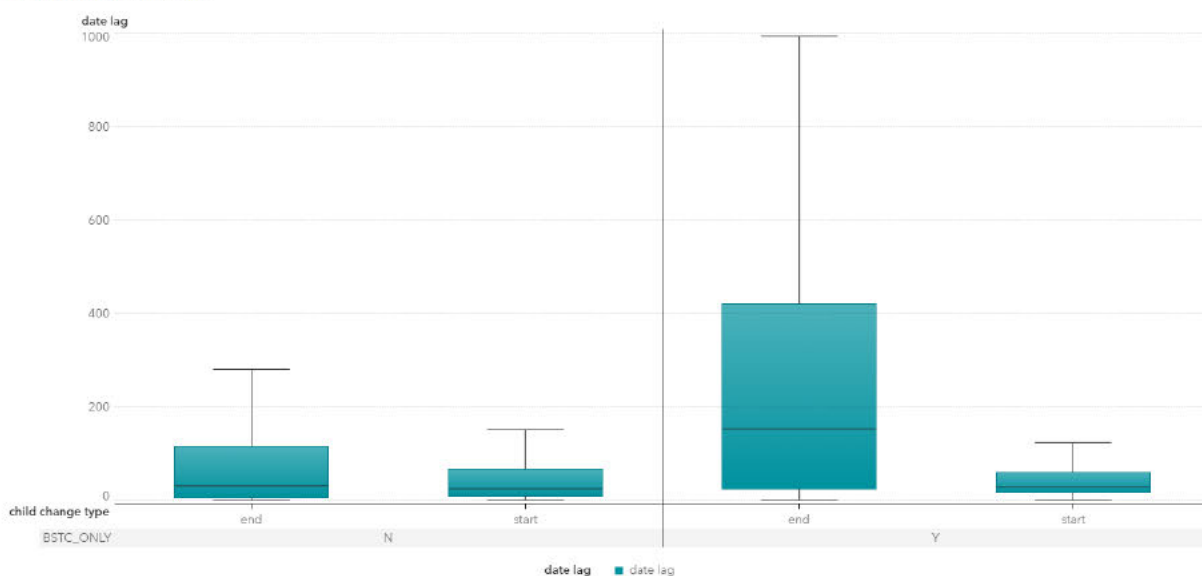
The graphs below show a plot of daily counts of lags for child start/end date within the first 90 days after the effective date of the change – 18% of start dates and 25% of end dates fall outside this range, so this does not form a complete picture of the population.

Other than same-day updates, which occur more frequently than any other date lag, there is a slight peak at around the 1 week mark for customers adding their child. Both start and end dates are otherwise spread over a wide range of dates.

Date lag distribution - Child start dates
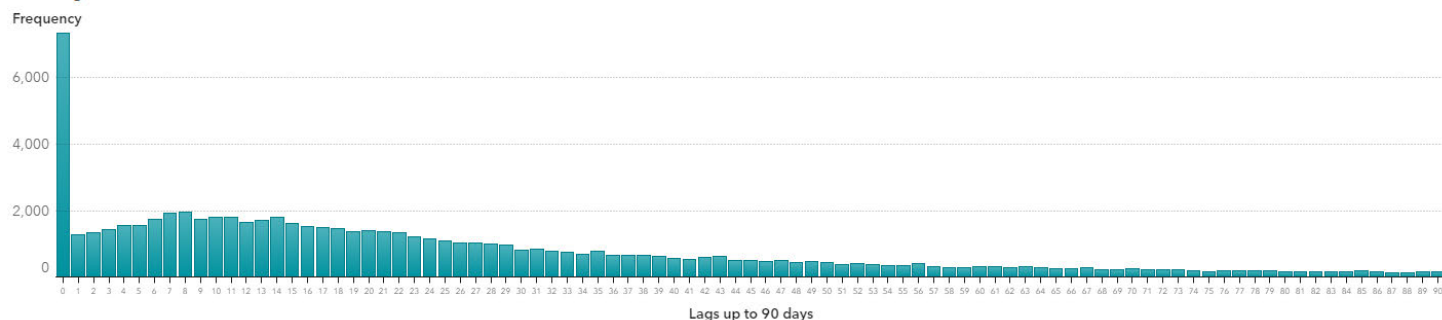
Date lag distribution - Child end dates
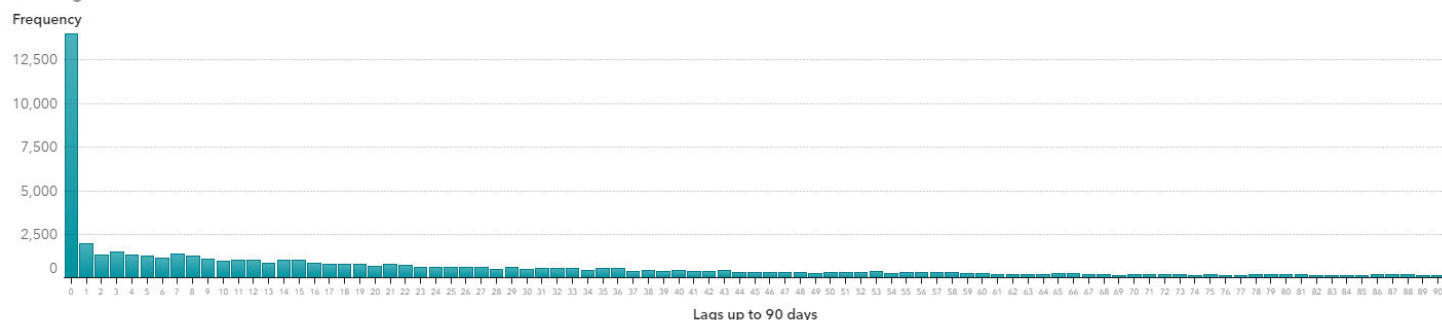
Analysis

Child updates for customers with entitlements other than BSTC show similar lags for start or end dates, with slightly longer times in the upper quartile for child end dates. When looking at BSTC-only cases, updates made outside the standard WFF registration process (including child registrations via DIA) show a significantly longer delay than the wider population. However, these cases are a small proportion of the overall population and largely consist of cases where prompt updates may not be expected – such as children born overseas, older children in families with first-time WFF entitlements or other less straightforward situations.

Appendix – additional charts

Histograms – child and partner start/end date distributions

These histograms show the overall distribution of start/end date lags for child and partner changes. Each bar on the graph covers a range of 30 days, other than the first bar which shows lags up to and including 15 days (so the second bar shows lags of 16-45 days and so forth)

Date lag distribution - Child start dates
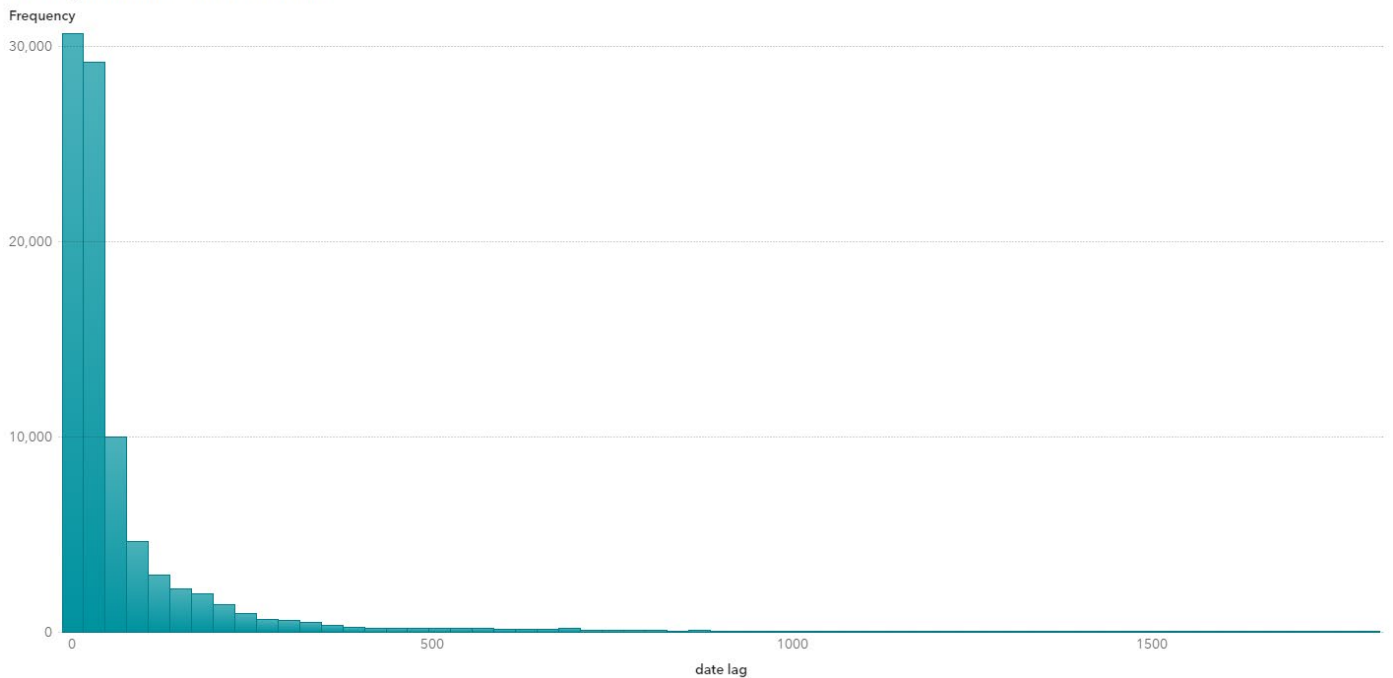
Date lag distribution - Child end dates
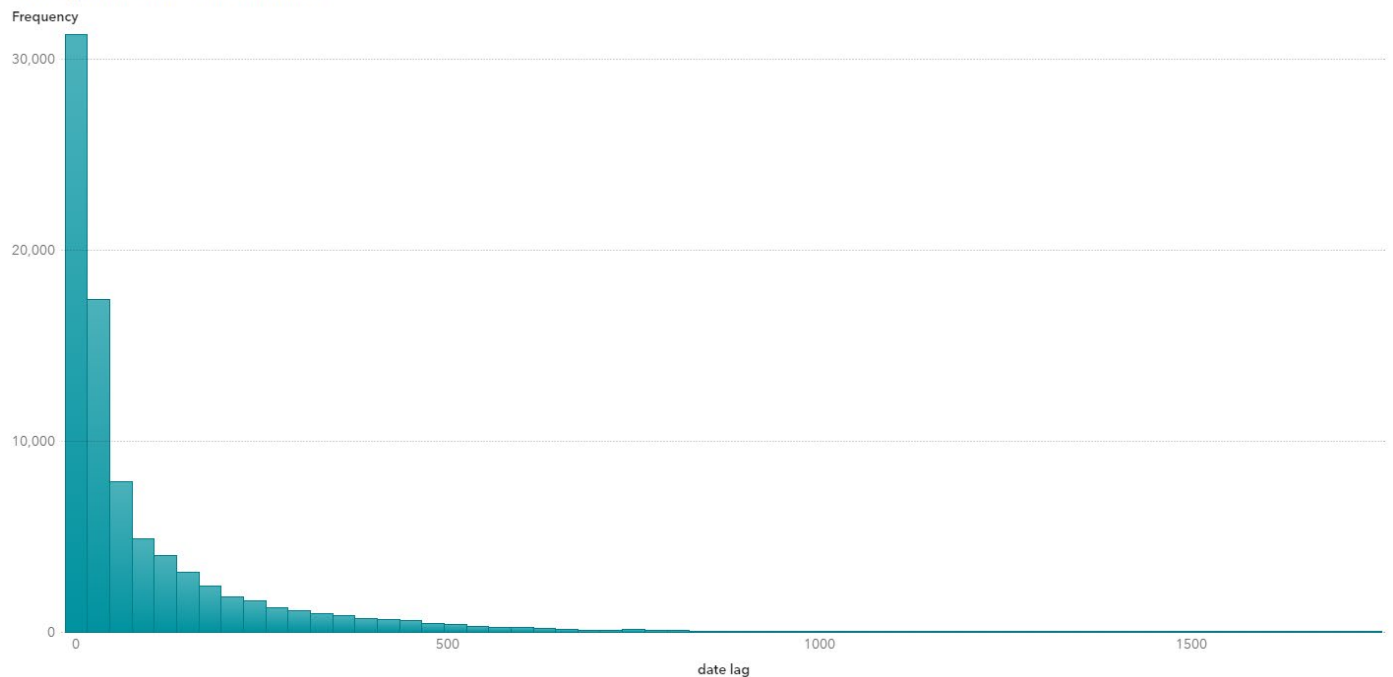
Date lag distribution - Partner start dates

Frequency

date lag

Date lag distribution - Partner end dates
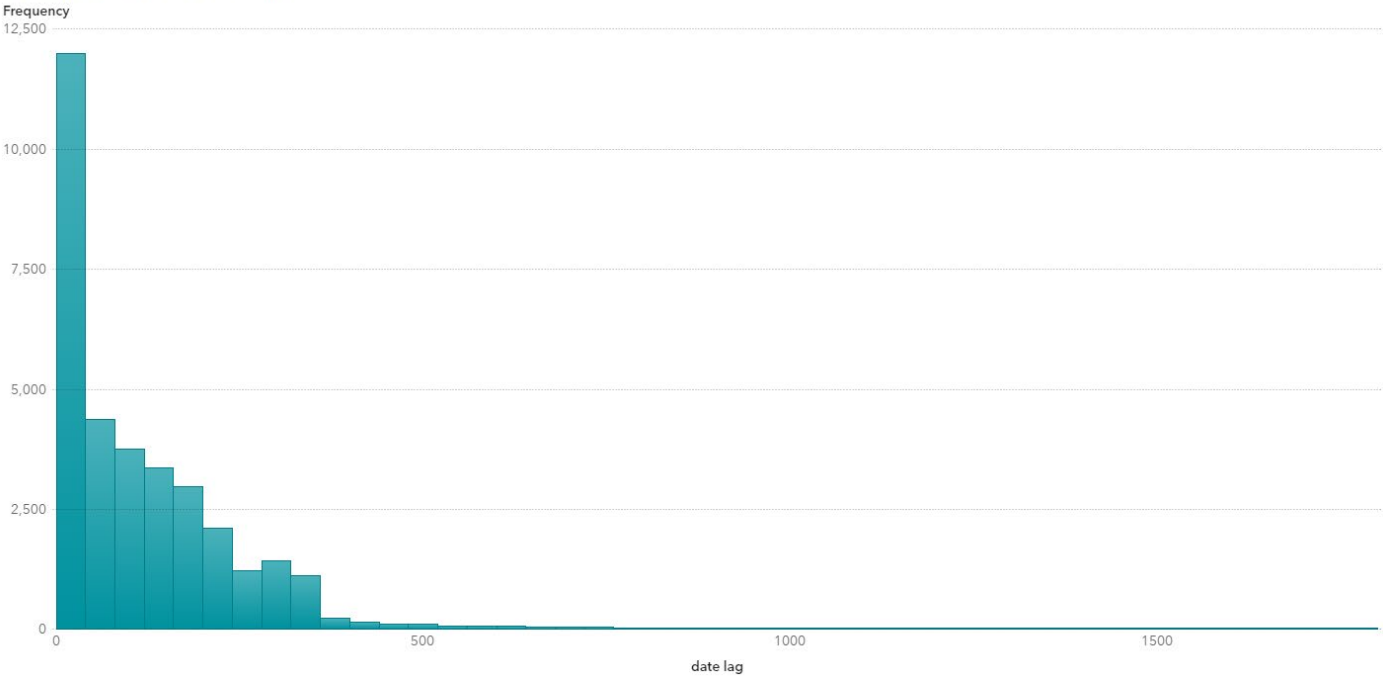
Frequency

date lag

Partial bar charts – date lags up to 60 days.

These bar charts show the frequency of changes for lags of between 1 and 60 days (excluding same day / day 0 changes)

Date lag distribution - Child start dates (first 60 days)

Date lag distribution - Child end dates (first 60 days)
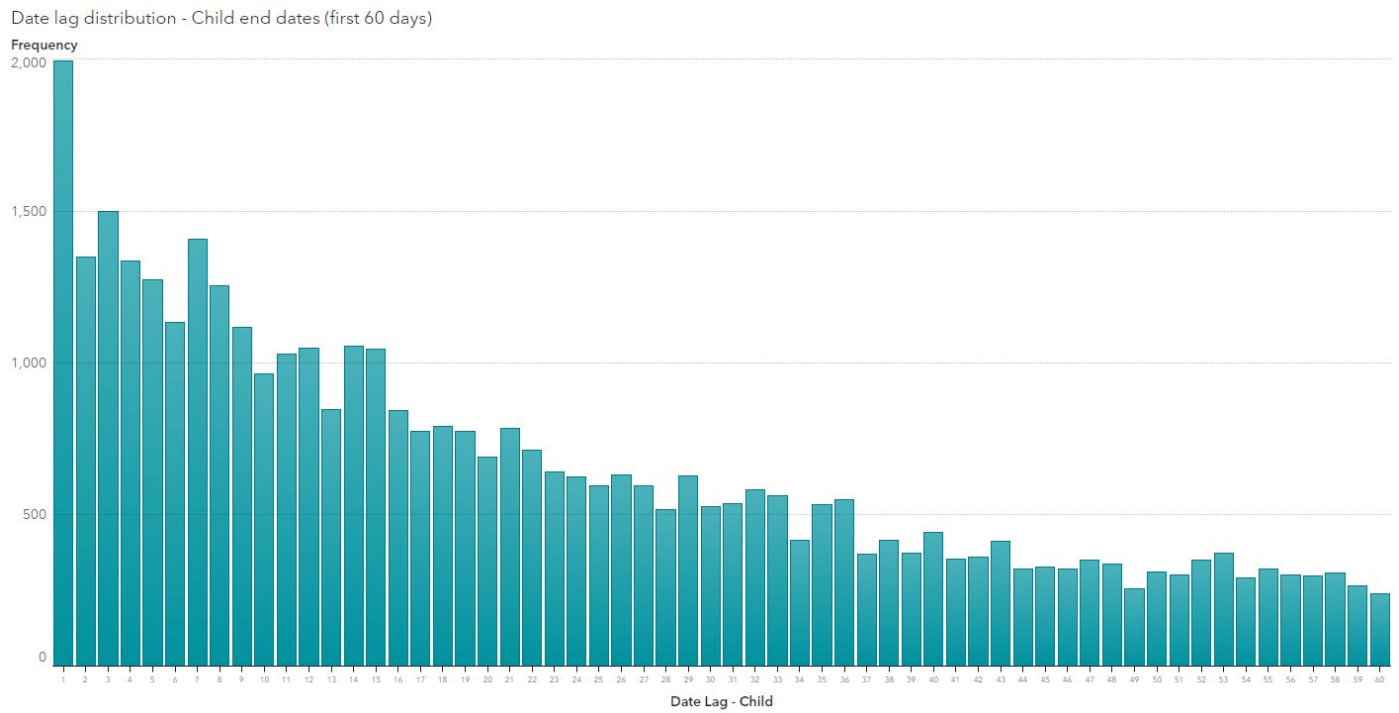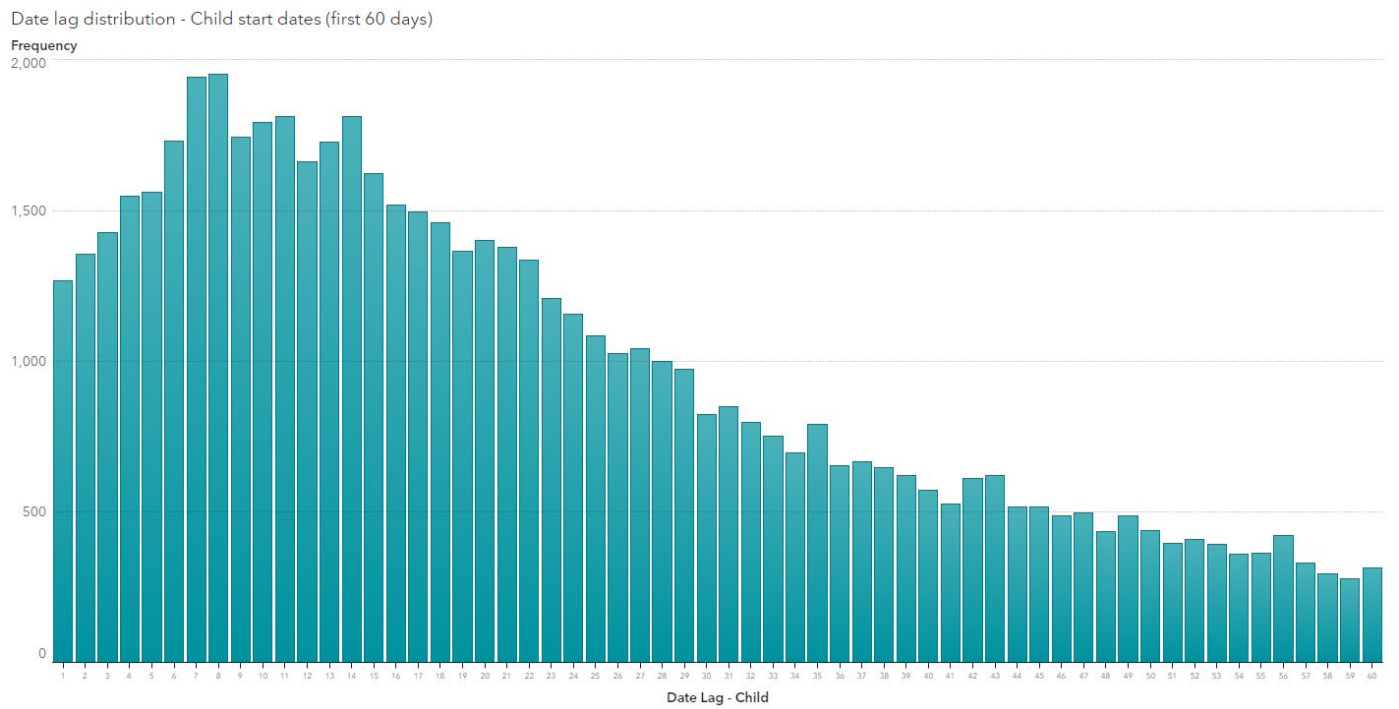
Date lag distribution - PTR start dates (first 60 days)
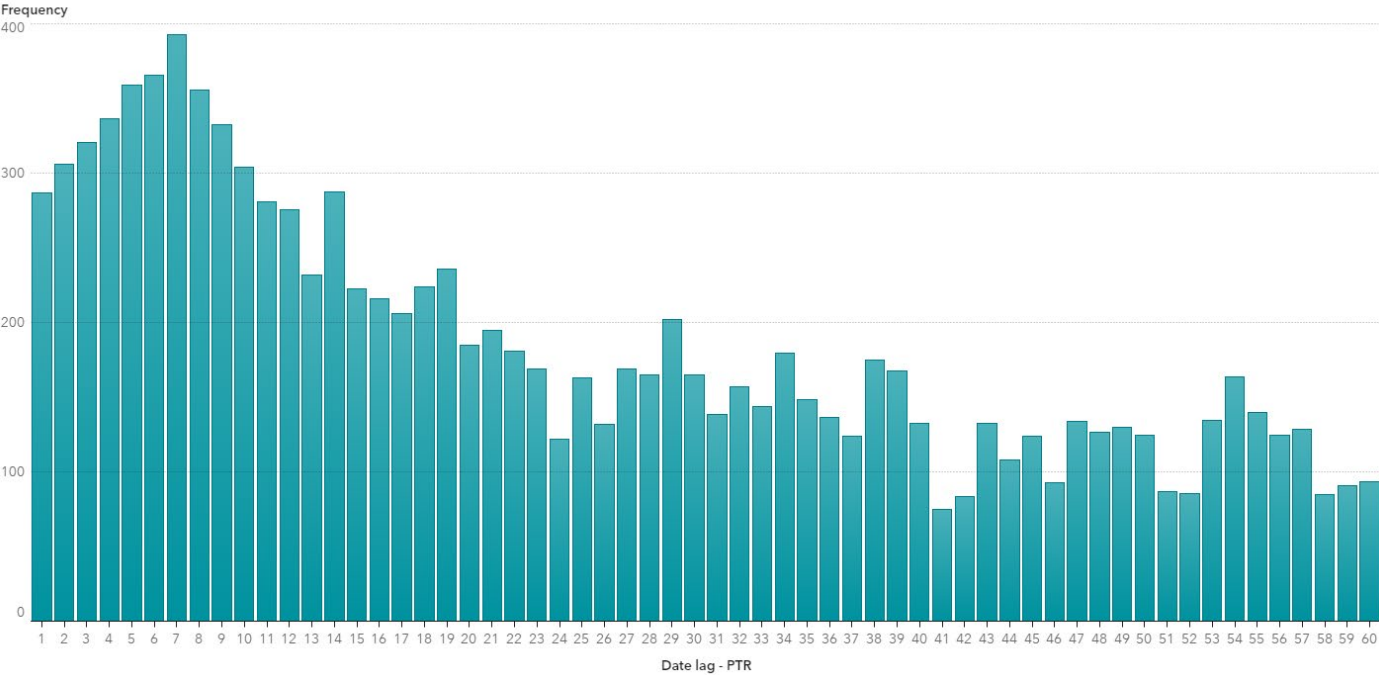
Date lag distribution - PTR enddates (first 60 days)
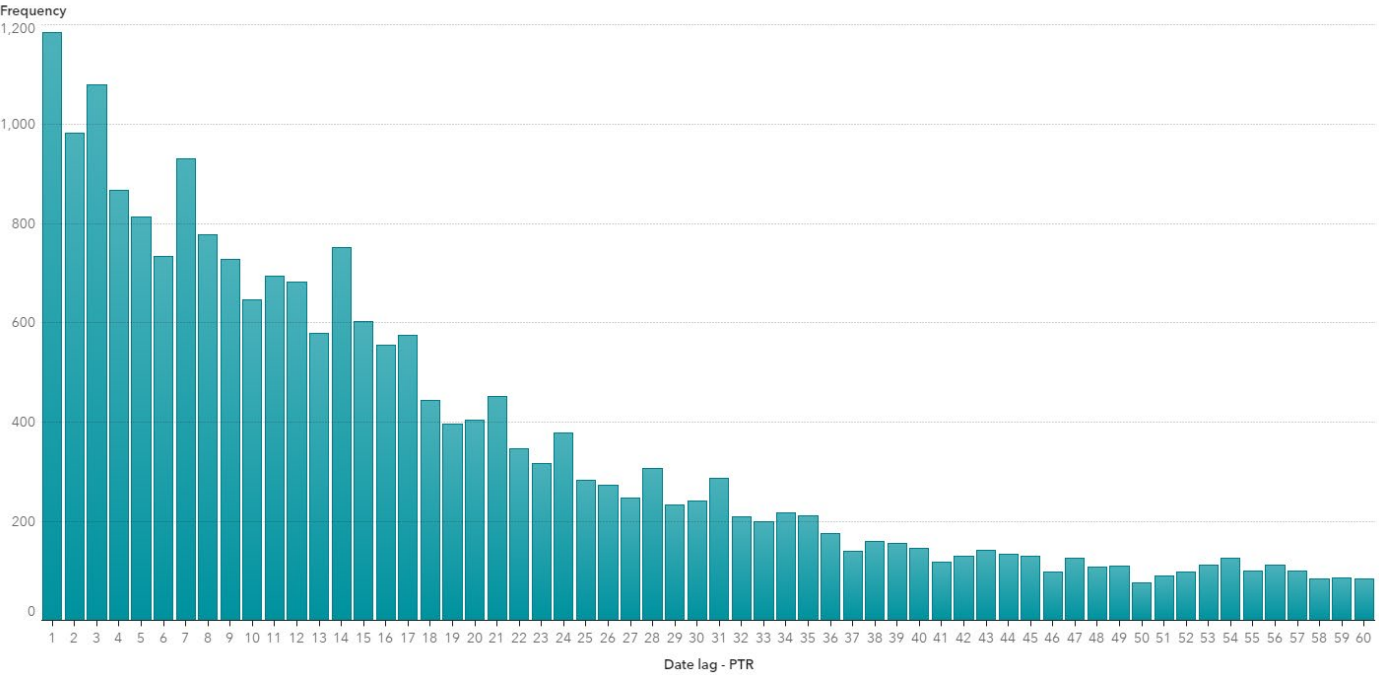
Inland Revenue
Te Tari Taake

Work incentives – Project Keymaster

Internal

Author

Version

Date

Payments to families and individuals – work incentive impacts

![Inland Revenue Te Tari Taake logo]

Impacts of Government payments

- People's individual preferences (to work or not) matter.
- But we need to be aware of how the design of Government payments impact on people's choices, and create behavioural incentives and/or disincentives.

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Impacts of Government payments

- Government payments have different impacts on recipients– in particular:

- income adequacy

- work incentives, through increasing the person/household's financial return from work

- Impacts depend on the design of the payment. The impacts do not necessarily reflect the objective of the payment!

Why have work incentive payments?

- Successive governments have supported retaining payments that are specifically aimed at increasing work incentives for families. Here are some of the arguments why.

Higher household incomes can disincentive work

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There can be disincentives to engage in paid work when household income is increased

- People engage in paid work, unpaid work (eg childcare) and leisure.
- The monetary payment received for paid work generally incentivises a person to enter into paid work, or to work longer hours.
- On the other hand, an increase in household income (from paid work or Government transfers) means that an individual/household can satisfy their purchase needs more easily.
- An increase in household income may therefore disincentivise people from either entering into paid work, or working longer hours.

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Disincentives to engage in paid work when household income is increased

- This can create unintended consequences:

- Broader economic impacts – fewer workers are willing to engage in paid work than would otherwise be the case

- Individuals – paid work generally increases the knowledge, skills and savings of workers which generally benefits them in the longer term. If people are disincentivised from engaging in paid work, this may be less beneficial for them longer-term.

Effective marginal tax rates

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Effective marginal tax rates including abatement of Government support can disincentivise work

- All things being equal, progressive marginal tax rates disincentivise working more hours.

- Government transfers are generally targeted towards lower incomes, which reflects policy objectives of supporting lower income families and reducing the fiscal cost of this policy.

- Abating income support at higher levels of income results in higher effective marginal tax rates, and therefore disincentivises a person from working more hours.

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Additional costs of working

There are additional costs of working, especially for parents

- A third issue relates to additional costs of working, which can disincentivise people from working. Most employees have costs to working such as transport to and from work (these may or may not be economically borne by employers).
- For families with young children, the most significant additional cost of working is childcare-related costs. (Childcare costs are unlikely to be economically borne by employers).

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Economic value of childcare

- We tend to think of childcare costs as being ECE services which have direct monetary costs.

- However, childcare that enables a parent in a household to work also frequently relies on unpaid labour from the other parent or another caregiver. This unpaid labour has economic value that benefits the household.

- There is a 'cost' associated with this unpaid labour, as the parent or other caregiver providing the labour generally gives up the opportunity to engage in paid labour outside the home.

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Economic value of childcare

- In theory, the tax system creates a bias towards a household using unpaid childcare rather than paid childcare, because unpaid childcare has an economic value that is untaxed, whereas paid labour is taxed. Therefore, the tax system can disincentivise a parent or caregiver from working in paid labour instead of caring for their children.

- For example, Sally can hire a nanny for $50,000 per year (the market value of childcare for Sally). However, Sally would need to earn an income of at least $65,000 (before tax) in order to pay for the nanny's wage costs.

People respond differently

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People respond differently to financial incentives or disincentives

- A final point is that not everyone responds to financial incentives to work in the same way.

- Secondary earners in a household, and single parents are more responsive to financial incentives than others.

Item 22

1st party usage

How many customers (Owner web logons) that have an active FAM account logged into myIR via mobile vs desktop between 1/04/2022 and 31/03/2023 – count of each login by type as well as split by customer of mixed use, mobile only or desktop only (for example if Sally logs in 10 times in the f/y then the login count for mobile is 10, but then Sally would just count as 1 for mobile only)

How many customers that have an active FAM account are completing change of circumstance web requests via mobile vs desktop between 1/04/2022 and 31/03/2023 – count of each web request by type as well as split by customer of mixed use, mobile only or desktop only (for example if Sally completes 3 web requests for change of circs all by mobile the total count would be 3 for mobile, but then Sally would just count as 1 for mobile only)

Caveats/Definitions:

1. Because this is not an operational request, restricted clients are excluded.
2. The request is for retrospective information, therefore it is necessary to look at closed accounts.
3. Where identified, gaps in system processes are being ignored to complete the analysis.
4. For these purposes, an active customer for FAM is defined as one who does not have the product ceased at the time. It is nothing to do with any actual entitlement.
5. Point in time customer is taken at 31 March 2023.

Known data issues:

(1) Not all bankrupt customers are linked under a primary identifier.

s 18(c)(i)

s 18(c)(i)

By design, when a customer becomes bankrupt, a new ird number should be generated under their same primary identifier (customer key).

Separation of accounts increasing the risk of counting the same customer multiple times.

Q1. Can a FAM account be open when a customer is closed? **A1.** Yes (customers = 51)

Q2. Can a customer have more than 1 FAM account open at a time? **A2.** Yes (customers = 45)

s 18(c)(i)

active FAM accounts at the same time and how it translates through to MyIR.

Note how each account holds different information re payer and balance.

s 18(c)(i)

Q3. Do individual owner accounts have a 1:1 relationship with customers? **A3.** No (238 multiples)

s 18(c)(i)

Q4. Do individuals log in to MyIR through roles other than "Individual Owner". **A4.** Yes (1445 FAM customers)

s 18(c)(i)

Q5. Can more than one change of circumstance be completed in the same web session? **A5.** Yes

s 18(c)(i)

Assumptions

X1. Change of circumstances in MyIR are defined per the following table:

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X2. Each change generates a web request item.

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X3. The ~4K agent strings are categorised appropriately, and **Android**, **iOS** and **Windows Phone** are the only categories that represent mobile devices.

1/04/2022 to 31/03/2023

Active for FAM - total logins to myIR during financial year by device type

Mobile logins	9,820,414
Desktop logins	2,524,506
Total logins to myIR	**12,344,920**

Note: Customers may be logging in to MyIR for functions/products not related to WfFTC.

Customer base (31 March 2023): 496,180 (excludes bankrupt accounts)

Limited to "Individual Owner" role only.

Customers without a MyIR account (Individual Owner): **39,622***

Customers with a MyIR account who haven't logged on since 31 March 2022: **30,856***

*Opportunity to explore deeper

Active for FAM - logins to myIR during financial year by customer

Customer used mobile only	177,267
Customer used desktop only	57,890
Customer has mixed use	177,501
Total customers for FAM	**412,658**

Active for FAM - change of circumstances web requests during financial year

Submitted change of circs in mobile	79,884
Submitted change of circs in desktop	34,164
Total change of circs in myIR	**114,048**

Active for FAM - change of circumstances web requests during financial year
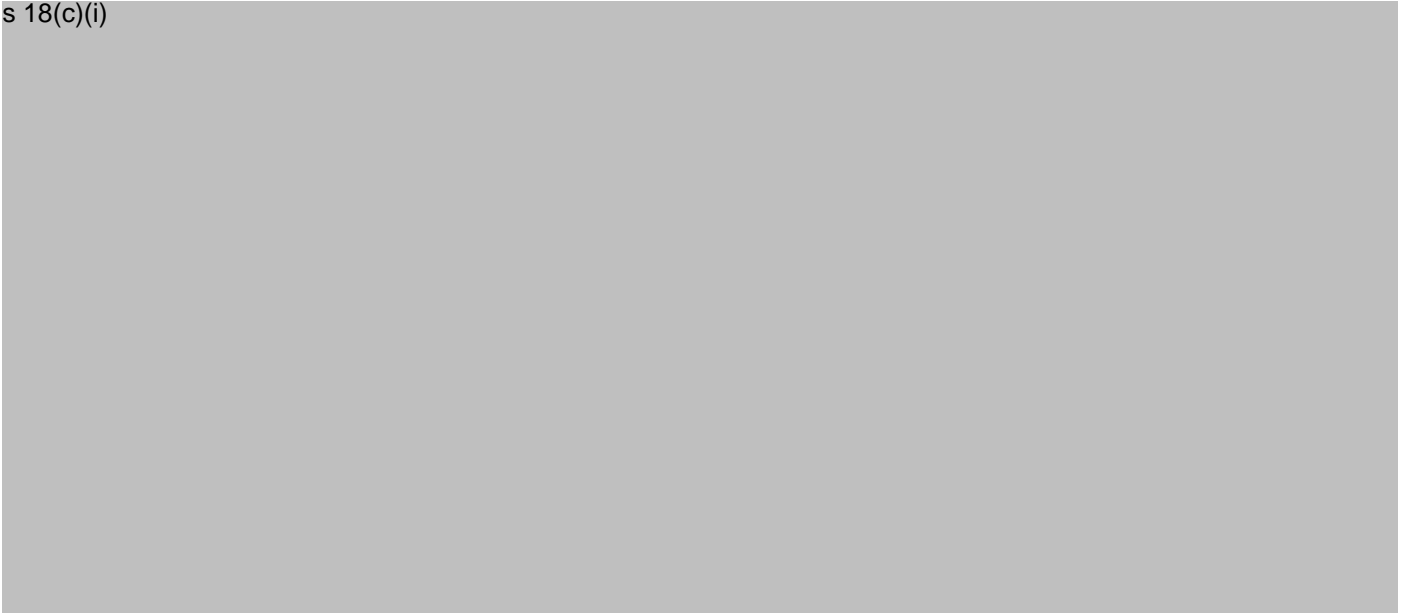
Customer used mobile only for change of circs	36,138
Customer used desktop only for change of circs	17,178
Customer has mixed use for change of circs	4,082
Total customers for change of circs	**57,398**

Data model

s 18(c)(i)

FAM Customers at point in time: 496,180

s 18(c)(i)

Item 23

Request: (Part 1)

<u>3rd party representation</u>

    (a) As at today, how many customers have an active FAM account

Of those with an active FAM account, how many have:
- (b) A linked tax agent for FAM
- (c) A linked bookkeeper for FAM
- (d) A linked other representative for FAM
- (e) A customer level NOP
- (f) An account level NOP for FAM

(g) Of those with a NOP, how many of the NOPs are the active PTR for FAM

(a) There is a difference of ~73K between the number of accounts with a 2024 FAM period showing and those active for FAM. The total number of active FAM accounts is ~514K, while those with a 2024 period is closer to 441K. In the majority of these cases, the entitlement to an ensuing year has not been generated because there are no children in the PCG:child relationship that remain eligible.

s 18(c)(i)

In the snippets above, no period later than 2020 has been established, and entitlement for the child finished 31 December 2019.

For the purposes of this analysis the status of the account is used, therefore there are ~514,500 open FAM accounts at this time.

(b) A FAM account can still be linked to an intermediary even when the account itself is closed. While no action should be generated from within the account the display in MyIR is still relevant, and the potential to **reactivate** the product remains.

190,795 links exist linking a tax agent to a customer's FAM account. 95,182 of these are for open FAM accounts.

The following chart shows the distribution of tax agents and number of open FAM accounts they are linked to. The band for number of client accounts is along the horizontal axis, so the first column indicates that 2,432 agents have between 1 and 10 clients linked for FAM (open accounts).

Tax Agents with Open FAM customers (count)
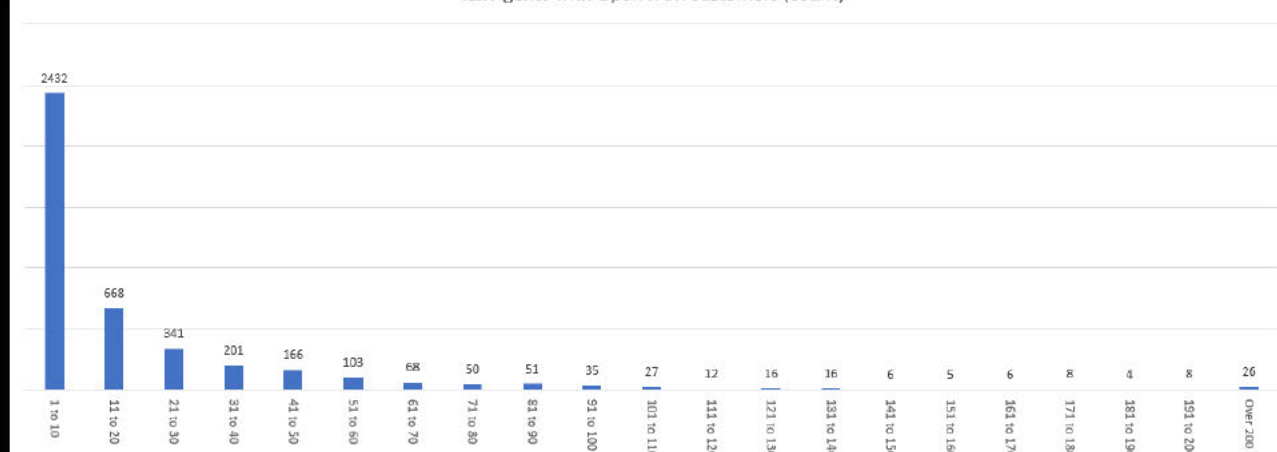
The three largest number of links to FAM accounts for a single tax agent are 1,877 s 18(c)(i)   4,086 (s 18(c)(i) and 4,233 s 18(c)(i)

It is also worth calling out that this focus is only on valid links. Many of the tax agents will display an "Invalid Links" tab in the link Browser within START. This is different than the state of a link and may need to be explored further.

s 18(c)(i)

The snippet on the right shows the **Valid** indicator unchecked for the first 2 lines. This indicates that the links should not have been applied to the agent:client relationship, but maintains an audit trail of action. This is different again to a ceased relationship, and care should be taken around the language describing the various states.

When looking at the actions of intermediaries it should be a consideration, as a number of erroneous actions can help to clog a system (like in the snippet on the left with 1,331 invalid links for this single tax agent).

(c)   Currently, there are 205 bookkeepers registered in START. 104 of these have links with FAM accounts, but when you remove the closed FAM accounts the number reduces to 73 (bookkeepers with links to open FAM accounts).

327 links exist linking a bookkeeper to a customer's FAM account. 185 of these are for open FAM accounts.

The following chart shows the distribution of bookkeepers and number of open FAM accounts they are linked to. The number of client accounts is along the horizontal axis, so the first column indicates that 38 agents have 1 client linked for FAM (open accounts).
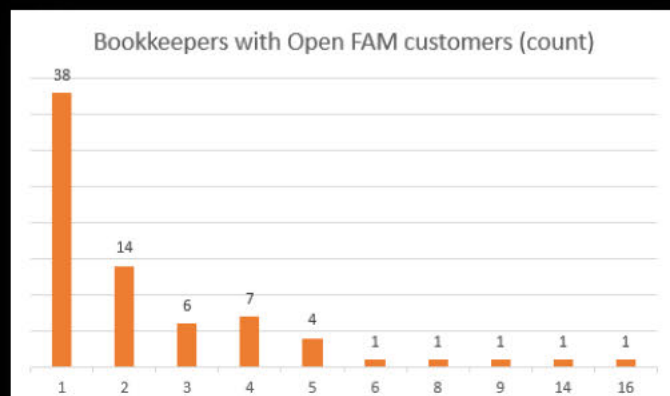
(d)   An Other Representative is one that may be acting in a similar manner as a tax agent, but doesn't meet the tax agent requirements. In the instances found for FAM links, the other representative is listed as an accountant.

6 links exist linking an other representative to a customer's FAM account. 2 of these are for open FAM accounts.

(e)   There are 60,775 customer level NOPs for clients with an open FAM account. 134,167 to FAM.

18,322 of these customer links do not also have a specific link for FAM (open accounts). 33,749 if you ignore the status of FAM.

(f)   A nominated person can exist for both the customer level and account level.

106,282 links exist linking a Nominated Person to a customer's FAM account. 42,461 of these are for open FAM accounts.
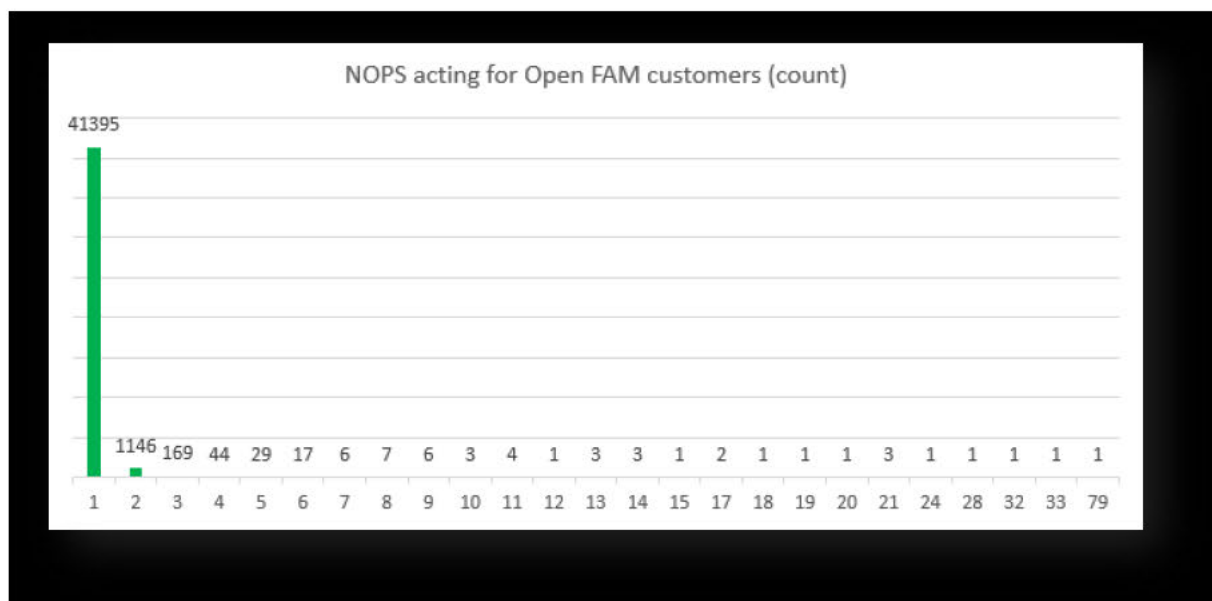
The customer with 79 links to FAM accounts is s 18(c)(i)

(g) Of the 18,322 nominated persons without a specific FAM account link, 12,590 are also PCG Partners. Of the 42,461 nominated person to FAM account links, 26,566 are also PCG partners.

Note: These figures are current state only, and do not look at the various states of relationship over a time period.

This all leads to some customers having multiple parties acting on their behalf. The snippet below shows a FAM customer with active links to a Bookkeeper, Tax Agent and Nominated Person.

s 18(c)(i)

There are currently 20 customers with third party representation on their FAM account from 3 other types of entity, 10,697 with 2, and 116,376 with a single other entity with access to their account.

Request: Part 2

myIR usage by 3rd party
Between 1/04/2022 and 31/03/2023 how many FAM registrations were initiated in myIR by
  - _(aa) A tax agent_
  - _(ab) A bookkeeper_
  - _(ac) An other representative_
  - _(ad) The customer themselves_

Between 1/04/2022 and 31/03/2023 how many FAM change of circumstances web requests were initiated in myIR by
  - _(ae) A tax agent_
  - _(af) A bookkeeper_
  - _(ag) An other representative_
  - _(ah) A NOP_
  - _(ai) The customer themselves_

The START report **WfFTC Registrations** has been used as an information source in the design of the queries to answer the questions raised above.

Two types of account registration requests for Working for Families Tax Credits can be made through authenticated eServices:

  ➢ **(A1) Register for Working for Families.**
  ➢ **(A2) Reactivate Working for Families.**

In case (A1) a new WfFTC account is added against the customer.

s 18(c)(i)

In case (A2) an existing WfFTC account is reopened for the customer.

s 18(c)(i)

The flow of task is the same in both situations. The linear process flows through the following steps as case actions:

Online Request in MyIR	New Task Created (START)	Information Reviewed (by Staff member)	Account Added/Modified (by Staff member)	Case Closed

s 18(c)(i)

The **Summary** attributes of a request for WfFTC account registration will present similar to the above.

There is an issue where the web request will contain errors, and it's understood that request will be **REJECTED** and a corresponding request will be actioned manually.

The following summary snapshots demonstrate the process:

s 18(c)(i)

The second snippet has no **Associated Item** from the web request activity.

In the START report, the measurement of timeliness standards is against only the completed cases, so in the case above there is no link between the initial submission and the correction case, which in some cases means the registration appears to be completed on the same day as the task was created.

Further investigation should take place into whether the **Cross Reference** springboard should be updated in such instances, making a link back to the rejected case.

The source of these manually adjusted cases is still **eServices - Authenticated**, but the **Created By** attributes are assigned to a staff id.

The table required to recreate the report information from directly out of the Data Intelligence Platform has not been ingested at the time of writing, so information in the report is compared directly against web submissions.

This means case completion by a staff member (where the initial request has gone into error) are not part of this analysis. The START report suggests 187 cases across the 2023 tax year were adjusted because of errors in the web submission.

Example of web submission to register for Working for Families

s 18(c)(i)

The number of requests for registration or reactivation and source of the web logon are shown in the following table (based on complete cases only in the 2023 tax year):

Web Account Type	Standard (Customer)	Standard (Not Customer)	Accountant (Personal)	Accountant (Client)	TOTAL
Registration	8,358	3	4	0	8,365
Reactivation	2,476	3	0	172	2,651
TOTAL	10,834	6	4	172	11,016

In the case of the accountant registration, all 4 were for themselves.

3 of the standard registrations were by a logon associated with a different customer, as were 3 of the reactivations.

Of the six requests, 5 were made by Nominated people to the accounts, and the remaining 1 registration was made under the user id of the company account linked to the associated individual.

The following snippet from the WfFTC registrations report shows there are other channels registration is occurring. No extra investigation has taken place in the **Unauthenticated myIR** space.

s 18(c)(i)
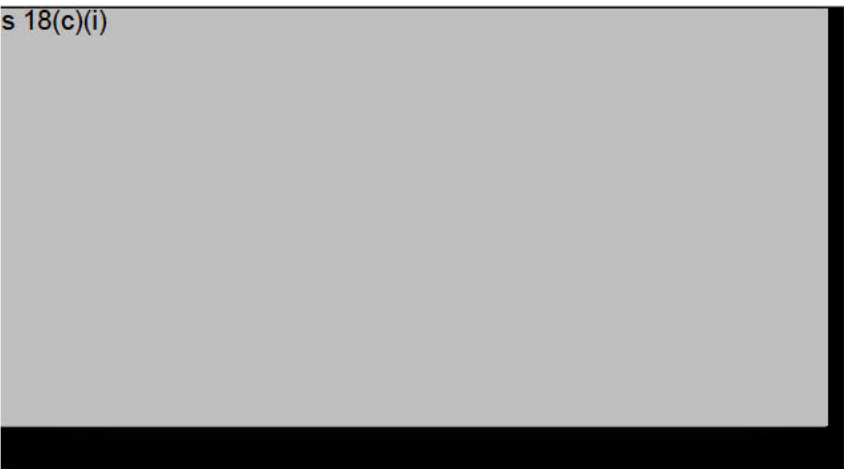
Eight types of change of circumstances requests for Working for Families Tax Credits can be made through authenticated eServices:

- ➤ **(B1) Add a Child**
- ➤ **(B2) Update child school details** (*not as a case – only tasks and work item*)
- ➤ **(B3) Update child information**
- ➤ **(B4) Update income**
- ➤ **(B5) Add Partner**
- ➤ **(B6) Update partner information**
- ➤ **(B7) Change payment frequency**
- ➤ **(B8) Update Work Details**

In case (B1) a WfFTC Modification case is also opened and corresponding tasks are created. The snippets that follow show each of the summaries in the individual cases, followed by the case and task summaries.

s 18(c)(i)

In case (B2) no case is opened, but a work item (and corresponding task) are generated. This is not counted as a WfFTC modification.

s 18(c)(i)

In case (B3) the process is similar to (B1), with a WfFTC Modification case opened at the same time. The snippet below is an example of where each of the changes in the web request is separated into cases per action. i.e. during the web session there was an update to income and 2 x children. 6 cases are created as a result (a separate modification case per action)

s 18(c)(i)

The filter applied to the selection only brings up 5 items (because the income estimation has been excluded)

s 18(c)(i)

This example shows that there will be a difference when comparing web sessions where an update has been made against the number of updates within the session. i.e. this web session where these 3 updates occurred will be counted only once. Extreme care should then be taken when reviewing any reporting to understand the context behind the generation of numbers.

In case (B4) the process is similar to (B1), with a WfFTC Modification case opened at the same time.

The difference is that in the tasks the income estimation is period specific.

s 18(c)(i)

In case (B5) the process is similar to (B1), with a WfFTC Modification case opened at the same time.

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In case (B6) the process is similar to (B1), with a WfFTC Modification case opened at the same time.

s 18(c)(i)

In case (B7) the process is similar to (B1), with a WfFTC Modification case opened at the same time.

s 18(c)(i)

In case (B8) the process is similar to (B1), with a WfFTC Modification case opened at the same time.

s 18(c)(i)

The number of requests for WfFTC modification and source of the web logon are shown in the following table (based on approved actions only in the 2023 tax year, and with each action counted individually rather than per web session). Child turning 18 updates have been included although they are not deemed to meet the definition of a modification case. It is critical to note that these requests to do include the outcome of the task, which is visible in the final table:

Web Account Type	Standard (Customer)	Standard (Not Customer)	Accountant (Personal)	Accountant (Client)	TOTAL
Add a Child	14,985	265	1	255	15,506
Update child school details	9,099	98	3	98	9,298
Update child information	16,172	352	8	236	16,768
Update income	109,979	2,737	49	1280	114,045
Add Partner	4,131	16	2	75	4,224
Update partner information	13,391	330	0	152	13,873
Change payment frequency	57,042	765	24	835	58,666
Add/Modify work details	16,952	505	6	358	17,821
TOTAL	241,751	5,068	93	3,289	250,201

Because multiple updates can be made to a customer throughout the year, it may be more relevant to look at the unique customers that have action applied (under an assumption that registration cases are more likely to be a 1:1 relationship, so the unique customer count is not relevant). Note: A Standard Customer logon will include those with access to their account with roles not limited to Individual Owner.

Web Account Type	Standard (Customer)	Standard (Not Customer)	Accountant (Personal)	Accountant (Client)	TOTAL
Add a Child	12,556	243	1	242	13,042
Update child school details	7,675	95	3	97	7,870
Update child information	9,391	233	5	159	9,788
Update income	54,736	1,700	32	981	57,449
Add Partner	3,856	13	2	75	3,946
Update partner information	10,733	265	0	128	11,126
Change payment frequency	27,194	514	20	713	28,441
Add/Modify work details	11,582	375	5	284	12,246

Column Totals have been excluded from this table, as a unique customer may make multiple updates over the different categories. The final Unique Customers row gives a count of the separate customers involved.

There are a couple of standouts that may be worth looking at edge cases. It would seem unusual to have multiple updates to children turning 18. Adding a partner seems proportionately high, unless there are a high number of unstable relationships, and the change of payment frequency is over 2:1.

14 customers have 4 updates to a child turning 18.

Those with twins and registered for WfFTC and Child Support get the double whammy of tasks, because the same request type is used for Child Support. This image is taken from the customer's web session after she opened two separate letters for her twins.

s 18(c)(i)

Web sessions have been reviewed and confirm that separate updates are required by the customer under each of the products.

1,368 customers have 2 updates and have a high probability of being Receiving carers for Child Support purposes as well. This further highlights the strength in only looking at the unique customer count rather than number of actions.

There is no account key linked to the child turning 18 update action so identification of product has to be done by applying a lens against the work item or task.

Items by status (rejected inside brackets):

Web Account Type	Standard (Customer)	Standard (Not Customer)	Accountant (Personal)	Accountant (Client)	TOTAL
Add a Child	10,808 (5,381)	194 (85)	1 (0)	213 (81)	11,216 (5,547)
Update child information	14,295 (4,713)	336 (104)	7 (2)	194 (97)	14,832 (4,916)
Update income	99,101 (10,503)	2,449 (279)	37 (10)	1,058 (186)	102,645 (10,978)
Add Partner	2,861 (1,045)	7 (7)		57 (9)	2,925 (1,061)
Update partner information	11,768 (1,380)	285 (55)	2 (0)	119 (44)	12,174 (1,479)
Change payment frequency	42,397 (15,694)	599 (179)	18 (5)	516 (188)	43,530 (16,066)
Add/Modify work details	5,285 (11,959)	100 (424)	0 (6)	100 (279)	5,485 (12,668)
TOTAL	186,515 (50,675)	3,970 (1,133)	67 (23)	2,257 (884)	192,809 (52,715)
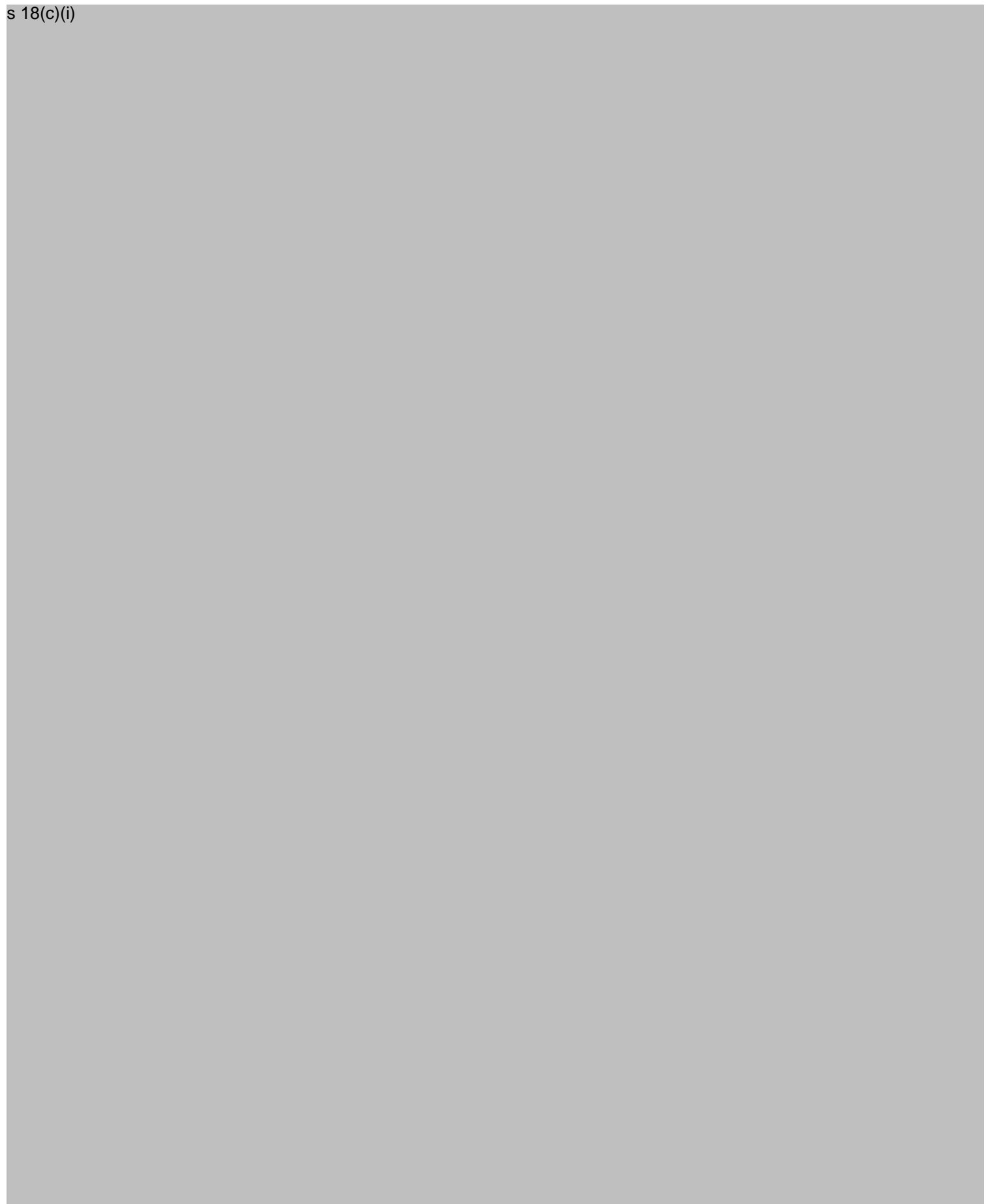
It is assumed that Nominated Persons will show under **Standard (Not Customer)**, and with the low numbers of Bookkeeper and Other representation in the Intermediary Space, the majority of changes under **Accountant (Client)** will be by representatives of a tax agent.
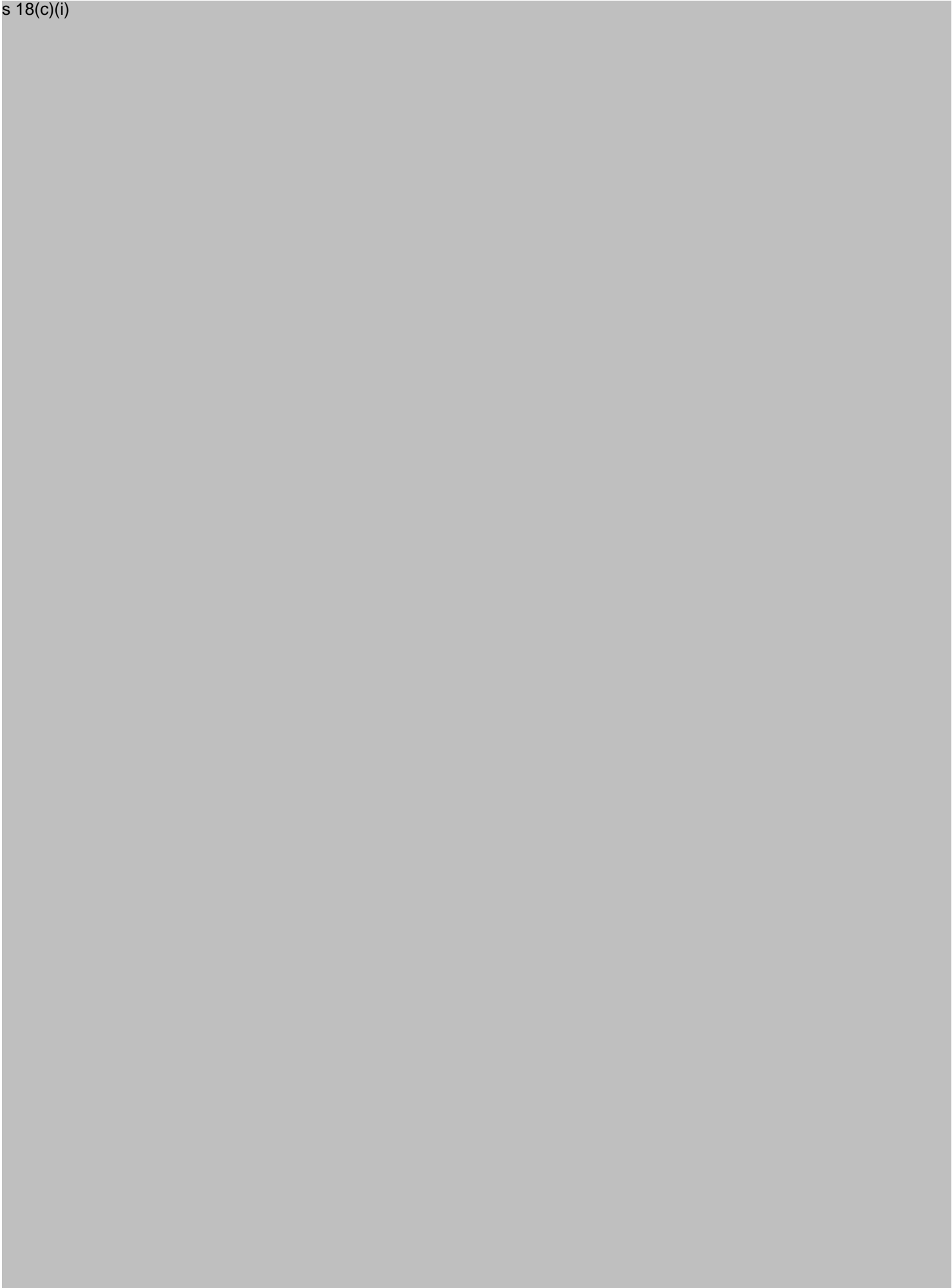
Appendix

Access Types for Change of Circumstances.

s 18(c)(i)

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DKM-55 Child IRD number channels

Understand volumes of child IRD number registrations coming through different channels.

For a couple of years (say 22 and 23) the number of child IRD number registrations received by channel (i.e. DIA vs DRNI vs IR channels).

If possible, broken down by age of child (<16, and 16-18 yrs).

We're keen to understand if there is value in improvements to direct IR channels.

The START report "IRD Applications (Registrations Completed)" could have been accessed to give a rough indication of applications across a year, although there is no reference to the customer date of birth.

Using the START report as a reference, there are 7 registration sources for an IRD Number application case, which all registrations are delivered through.

The registration sources are as follows:

➢ DIA
➢ eServices
➢ MBIE – refugee
➢ MBIE – RSE
➢ Oranga Tamariki
➢ Paper
➢ Phone

As the registration case follows a case methodology, the understanding of various states and stages is very important in deriving numbers.

There are two registration types to also consider:

➢ Digital Registration of New Immigrants (Version 3)
➢ Individual Customer Registration

Summary

START system processes are evolving continuously and comparing subsequent tax years with each other may not lead to appropriate solutions. An example presented in this analysis is a change of system sender of registration emails between one year and the next. Without being aware of changes in process, it would be easy to ask for a comparison of year-on-year results and fall short of actual numbers.

Most of the processes that involve 3rd party providers of source information are predominantly automatic, and staff intervention/action is required when applications are incomplete. It is recommended that the "errors" that are generated be listed, and assessment made if process improvements can be found by modifying the forms to enforce/clarify pieces that are prone to issue.

There could be a request made to map out to START tables more information contained within the registration process which would help to support cases requesting change to current processes (like preventing users choosing options that suggest they're not requesting any action).

The final recommendation is to chat with specific staff that process a lot of registrations and capture their assessment of what could be improved.

DRNI

As the digital registration can only be completed vie **eServices** it has a unique stage (Case Complete) while other registrations are staged as "closed" upon completion.

New arrival to New Zealand - IRD number application

It is important to review the instructions found on the external IRD website where customers will be redirected to the unauthenticated web space to complete their applications.
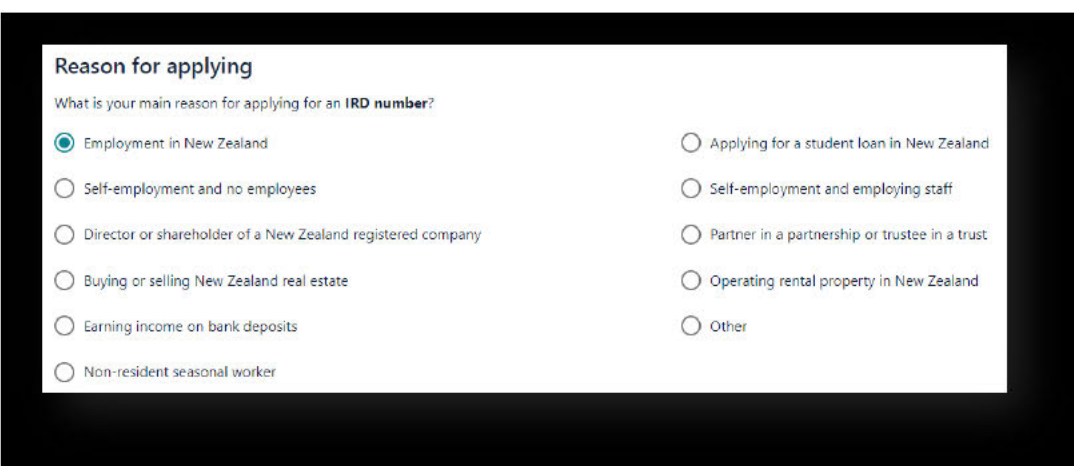
The process is summarised in the "Request Steps" attached to the web submission. Refer to Appendix 1. Request Steps (DRNI).

Time spent to complete the submission is also available within START, and valuable information can be extracted from viewing web sessions to identify points of pain. This is outside the scope of this analysis.

An interesting observation when viewing some web sessions has been made. The application starts with a choice of applying for yourself or someone else. To apply for someone else the applicant's passport number must be able to be verified by Immigration NZ. When this check fails, the only option left to the applicant is to try and complete the application under the "apply for yourself" option which is contrary to the consent declaration.

The passport number loaded at the initial screen pre-populates the applicant information (retrieving the details from a lookup of passport information, potentially based on key fields of date of birth and surname as secondary validation points).
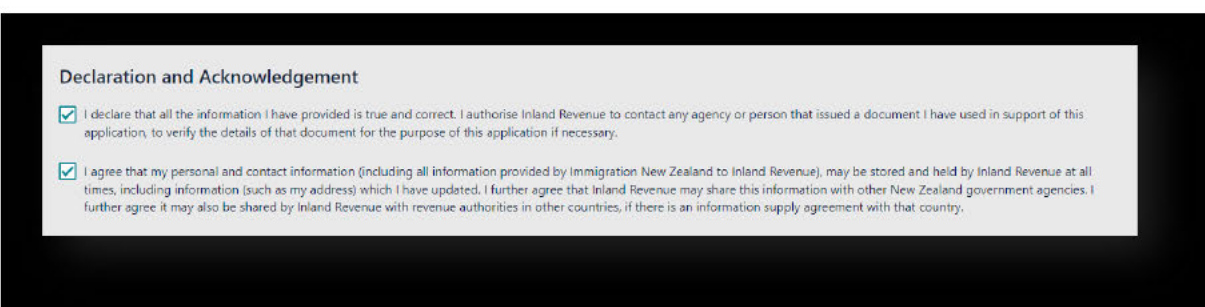
Under the selection options of reason for applying, there is nothing relating to Working for Families or identifying the application for an action for a dependent. When "Other" is chosen a free text box opens up for input of a reason description.

Reason for applying

What is your main reason for applying for an **IRD number**?

- ⦿ Employment in New Zealand
- ◯ Self-employment and no employees
- ◯ Director or shareholder of a New Zealand registered company
- ◯ Buying or selling New Zealand real estate
- ◯ Earning income on bank deposits
- ◯ Non-resident seasonal worker

- ◯ Applying for a student loan in New Zealand
- ◯ Self-employment and employing staff
- ◯ Partner in a partnership or trustee in a trust
- ◯ Operating rental property in New Zealand
- ◯ Other

Note the "Declaration and Acknowledgement" conditions held within the application.

Declaration and Acknowledgement

☑ I declare that all the information I have provided is true and correct. I authorise Inland Revenue to contact any agency or person that issued a document I have used in support of this application, to verify the details of that document for the purpose of this application if necessary.

☑ I agree that my personal and contact information (including all information provided by Immigration New Zealand to Inland Revenue), may be stored and held by Inland Revenue at all times, including information (such as my address) which I have updated. I further agree that Inland Revenue may share this information with other New Zealand government agencies. I further agree it may also be shared by Inland Revenue with revenue authorities in other countries, if there is an information supply agreement with that country.

The wording changes slightly when it is completed on behalf of someone.

Declaration and Acknowledgement

☑ I declare that all the information I have provided is true and correct. I authorise Inland Revenue to contact any agency or person that issued a document I have used in support of this application, to verify the details of that document for the purpose of this application if necessary.

☑ The applicant agrees that their personal and contact information (including all information provided by Immigration New Zealand to Inland Revenue), may be stored and held by Inland Revenue at all times, including information (such as their address) which they have updated. The applicant further agrees that Inland Revenue may share this information with other New Zealand government agencies. The applicant further agrees it may also be shared by Inland Revenue with revenue authorities in other countries, if there is an information supply agreement with that country.

This process can also lead to MyIR accounts being set up and additional contact information being loaded against the children (likely to be the parent's details) and may stay that way without the child ever realising a change is required (as they get to the point where they can manage the account themselves).

The "Logon" section of the DRNI web submission captures relationship details between the requestor and the receiver when the application is on behalf of.

s 18(c)(i)

This information is not currently mapped to a START table and is not held within the data intelligence platform (DIP) as a result. A business case would be required to unpack the document the results are stored to and transform it into a table format.

For tax years 2022 and 2023 there were ~3K and ~33K applications made via this channel (respectively). It is likely that there has been a change of platform/process between the years for the numbers to increase so dramatically.

In 2022, 325 applications (~10%) were made for customers aged under 19 at the end of the tax year.

In 2023, 655 applications (~2%) were made for customers aged under 19 at the end of the tax year.

DRNI volumes by tax year
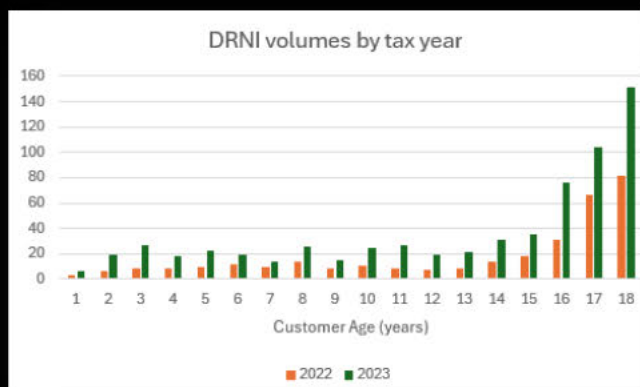
Age	Yr 2022	Yr 2023
<16	147	324
16-18	178	331
TOT	325	655

While these numbers are not significant in terms of the wider population, it is recommended that a deeper review of the broader Digital Registration of New Immigrants web page be undertaken to ensure Inland Revenue is not encouraging new customers to breach/contradict their online declarations.

MBIE – Refugee

[Registration process for refugees (sharepoint.com)](#)

Based on a regular exchange of information (outlined in the link above) the individual registration process should be fairly automatic. It wouldn't seem unusual to see entire families enter the country together, and just under half of the registrations in each of the years seem to be for children.

In 2022, 719 applications (~48%) were made for customers aged under 19 at the end of the tax year.

In 2023, 831 applications (~45%) were made for customers aged under 19 at the end of the tax year.

MBIE - refugee volumes by tax year

Age	Yr 2022	Yr 2023
<16	591	688
16-18	128	143
TOT	719	831
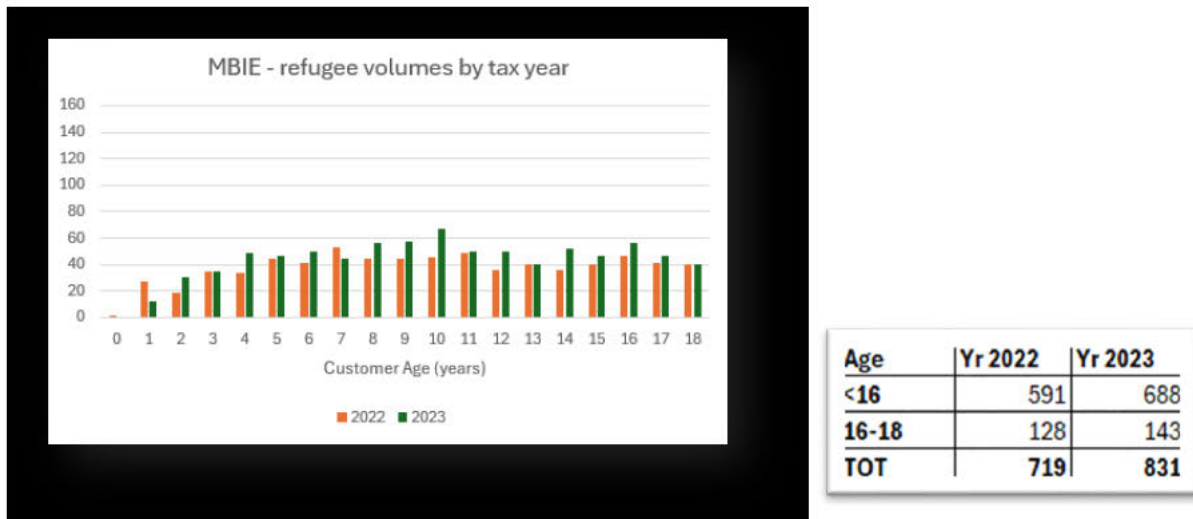
s 18(c)(i)

MBIE – RSE

IRD number applications from MBIE and DIA (sharepoint.com)

Additional information around applications received from MBIE for Recognised Seasonal Employees (RSE) is found under the above link. It is assumed that no children (15 years old and younger) would come through in this application process

In 2022, 6 applications (~0%) were made for customers aged under 19 at the end of the tax year.

In 2023, 5 applications (~0%) were made for customers aged under 19 at the end of the tax year.

MBIE - RSE volumes by tax year

Age	Yr 2022	Yr 2023
<16	1	1
16-18	5	4
TOT	6	5
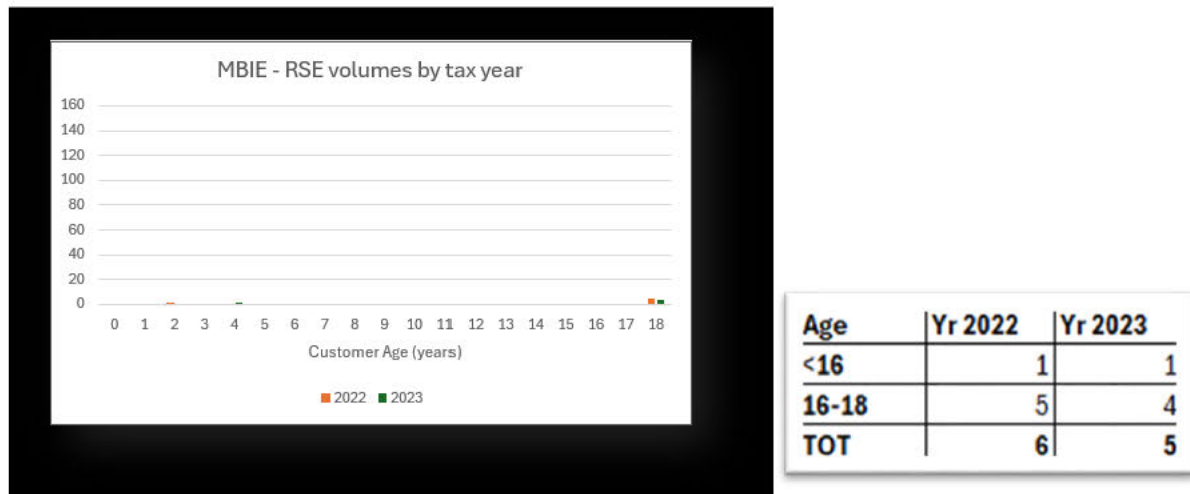
s 18(c)(i)

Oranga Tamariki

Oranga Tamariki and child support (sharepoint.com)

As part of their ability to collect child support from parents they uplift children from, Oranga Tamariki may also need to apply for IRD numbers of those children involved. In any instances they can identify parents that do not currently have an IRD number and submit applications on parent's behalf as well.

In 2022, 66 applications (~56%) were made for customers aged under 19 at the end of the tax year.

In 2023, 65 applications (~36%) were made for customers aged under 19 at the end of the tax year.
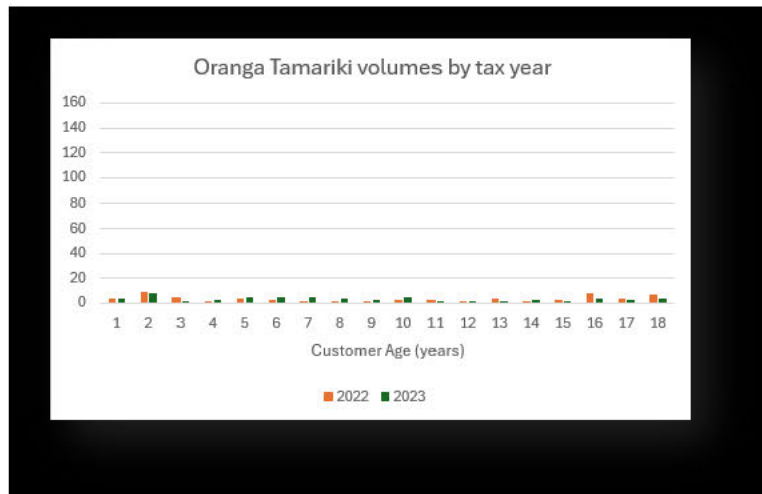
Age	Yr 2022	Yr 2023
<16	47	54
16-18	19	11
TOT	66	65

Phone

It is extremely hard to figure out what the information source is for cases with "Phone" as an identifier. Examples have been found where lodgement of the case is directly related to a phone interaction, but counter examples have been found where paper applications are attached to the case along with further examples of no supporting notes (only log activity).

The numbers are not high in this category, which normally points at a misunderstanding by staff in actioning processes a certain way. IRD number applications are supposed to be supported by physical evidence, so it seems unusual for activity to occur from a "phone" source.

However, it becomes apparent from review of some cases that there can be multiple registration cases against a customer, and subsequent cases do not show as rejected.

There is also a concern that the option boxes in the registration have become meaningless and should in fact be ignored. Refer to Appendix 3 Customer Details.

In 2022, 26 applications (~15%) were made for customers aged under 19 at the end of the tax year.

In 2023, 34 applications (~11%) were made for customers aged under 19 at the end of the tax year.
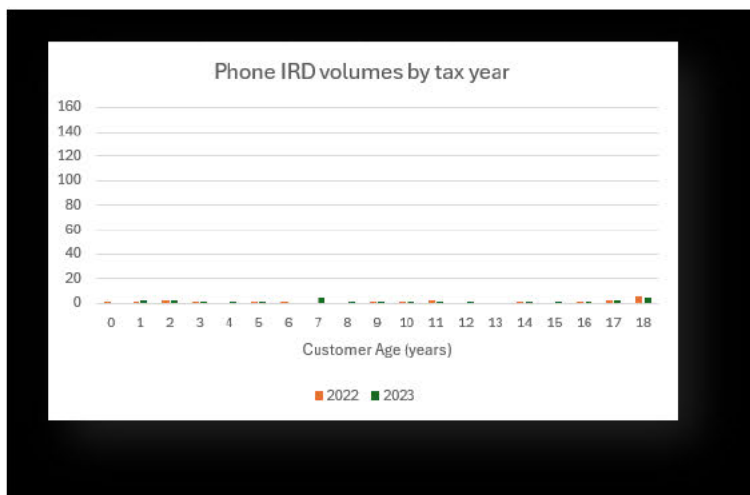
Age	Yr 2022	Yr 2023
<16	16	25
16-18	10	9
TOT	26	34

Paper

The next 3 categories present much higher volumes, and the scales of the Y-axis will be changed from the previous graphs.

The "paper" identifier as the registration source of the registration case should indicate some form of attachment to the case. With the volumes involved it becomes very important to consider the type of request, but the lack of validation around the accuracy of question answers brings into question any statistics produced (and whether it is a true application, or confirmation of an existing IRD number).

Correspondence relating to the application could be found under "Letters" and/or "Emails" in the CRM module of the customer in START. Refer to Appendix 4 Correspondence Example for a quick view of the structure/process.

882 requests in 2022 and 691 requests in 2023 were for customers with a previous (and complete) registration case. These may be requests for IRD number confirmation, but still generate a review task to be actioned by a staff member regardless of the type of request. The numbers that follow are inclusive of these requests.

In 2022, 9070 applications (~34%) were made for customers aged under 19 at the end of the tax year.

In 2023, 13246 applications (~16%) were made for customers aged under 19 at the end of the tax year.
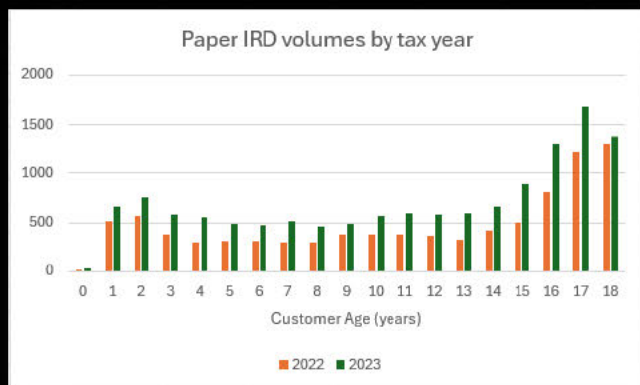
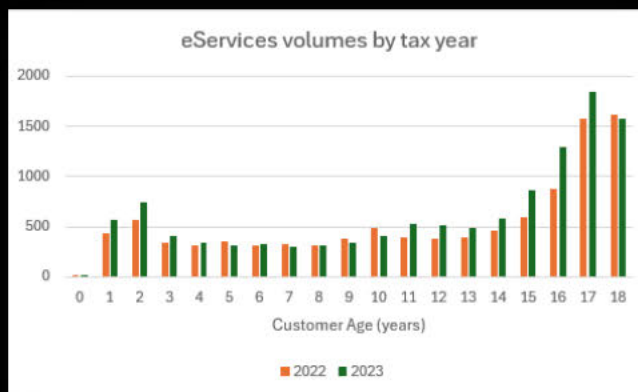| Age	Yr 2022	Yr 2023
<16	5771	8927
16-18	3308	4351
TOT	9079	13278

eServices

The process to apply for a child's IRD number is slightly more tailored via eServices. Each registration case should be supported with a web submission case which will also hold links to the evidence in support of the application. Refer to Appendix 5 Web Submission.

It is important to note that these requests can be from both MyIR (authenticated) and the Unauthenticated website. It could be a worthwhile exercise to view the email addresses for requests for new ird numbers, particularly when multiple have happened over a short period of time. s 18(c)(i)

1030 requests in 2022 and 471 requests in 2023 were for customers with a previous (and complete) registration case. The numbers that follow are inclusive of these requests.

In 2022, 10132 applications (~48%) were made for customers aged under 19 at the end of the tax year.

In 2023, 11813 applications (~20%) were made for customers aged under 19 at the end of the tax year.

eServices volumes by tax year

Age	Yr 2022	Yr 2023
<16	6062	7087
16-18	4070	4726
TOT	10132	11813

DIA

IRD number for new-borns via DIA birth registration (sharepoint.com)

The above link infers the bulk of applications from DIA will be for recent births, so it is quite interesting to see values of age all the way up to 18.

The general process steps will be for the system to create a new case and stage it for review. The case will fall into task queues where it will be picked up by a group member and actioned. The steps include registering the customer, checking the results of soft matching for duplication, and requesting a new IRD number be generated where appropriate. This will then issue a letter (aL0069) to the customer and close off the registration case.
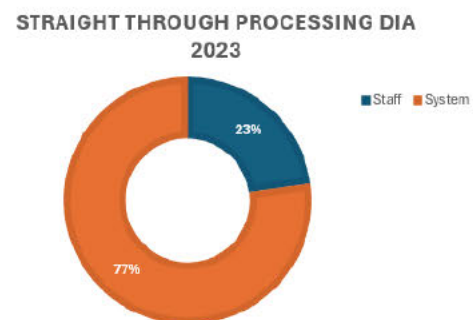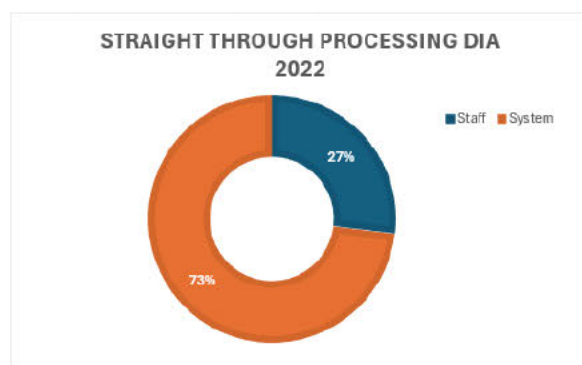
In some cases the entire process is completed by the system and manual intervention is not required.

In 2022, 56392 applications (~100%) were made for customers aged under 19 at the end of the tax year.

In 2023, 56448 applications (~100%) were made for customers aged under 19 at the end of the tax year.
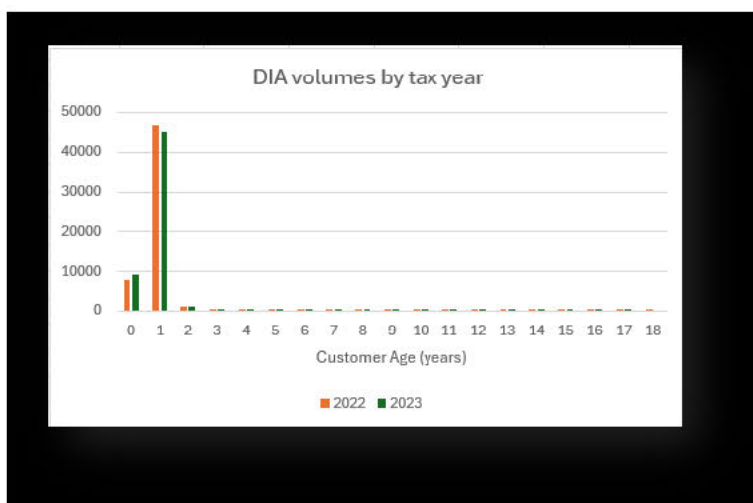
Age	Yr 2022	Yr 2023
<16	56388	56433
16-18	4	15
TOT	56392	56448

The 2 donut charts above highlight an approximate 75% success rate of an end to end process where staff intervention is not required.

s 18(c)(i)

mobile code)). A **duplicate customer** will appear when there is not enough information to make a choice of most appropriate customer and/or there is no IRD number in place and one must be generated.

Queues for DIA registrations in 2022 were:

Queue	Volume
4028. IND - Registrations Individual Urgent	14040
4001. IND - Registrations Individual Re-opened	1924
4106. IND - Registrations Individual myIR	104
4029. IND - Registrations Individual	59
4891. IND - Account Updates - Address Update	12
4130. IND - Holding - No Action Registrations	1

Queues for DIA registrations in 2023 were:

Queue	Volume
4588. IND - Registrations Individual DIA	11013
4028. IND - Registrations Individual Urgent	2154
4106. IND - Registrations Individual myIR	140
4029. IND - Registrations Individual	102
4891. IND - Account Updates - Address Update	7
IND - Tran - Individual Customer Registration	1

This highlights the dynamic nature of task queues and understanding and following the rules in one year may not be applicable to the following year.

s 18(c)(i)

Appendix

1. Request Steps (DRNI)

About this service
Use this service to apply for an individual IRD number.

When to use this service
Use this service if:

- You hold a current passport verified by Customs New Zealand when you entered the country.
- You're a foreign passport holder, permanent migrant or temporary visitor.
- You're already in New Zealand or have been in New Zealand on your current visa and have left the country.
- You have:
    o a permanent residency visa
    o a visa with work rights
    o an overseas student visa

a visa allowing you to stay in New Zealand indefinitely (this includes Australians automatically granted a visa on arrival)

What you'll need
- Your passport.
- Your Immigration New Zealand client number from your visa approval email or letter from Immigration New Zealand.

If you hold a work and student visa you'll need:

- Your New Zealand bank account number.
- A bank statement or letter to confirm your bank account is fully functional.

When you're done
Once you submit your registration we'll review it. If we approve it you'll receive your IRD number within:

- two days by email or text.
- 12 working days by mail.

We'll contact you if we need more information.
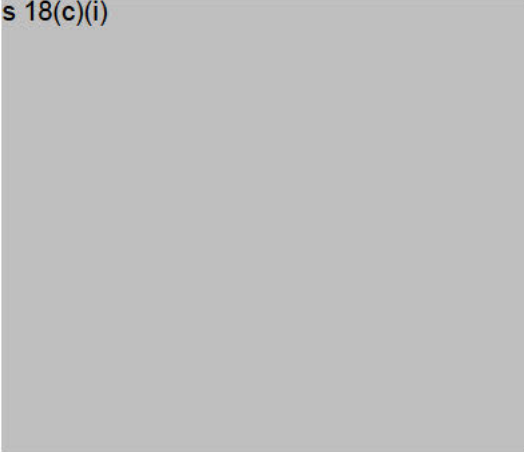
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2. MBIE case

s 18(c)(i)

s 18(c)(i)

This shows an example of where the soft matching process in START is using the Customer Id (in this case the MBIE case number) and a common surname to create a manual review case. It may be that the identifier by itself is used, which would allow customer relationships to be established if they were required in START, but this is only a feature under the Working for Families product and does not occur under a general customer registration case.

3. Customer Details

s 18(c)(i)

There are no other options present in the Main Attributes, so if not one of the options above, what does the request relate to?

4. Correspondence example.

s 18(c)(i)

In this example, the subsequent request has been for confirmation of an IRD number, although a full application was sent through (by AA). The body of the email text could not be retrieved from START and it's likely that a change of sender address impacts the display of older data.

A more recent example is shown here:

Body   ⛶   🗗   📋   🔍

Hi **s 18(c)(i)**

Your IRD number is **s 18(c)(i)**

Keep this in a safe place

What you'll need your IRD number for
- Your employer
- KiwiSaver
- Your bank
- Tax returns
- Applying for a student loan or allowance

For more information about what you need an IRD number for, go to www.ird.govt.nz/how-to/irdnumbers

Sign up for myIR

Register for myIR to get fast, secure online access to your information. Go to www.ird.govt.nz to find out more

This is sent addressed to a 2 year old, at his mother's email address. In comparison, the paper copy addresses the parent or guardian of the child:

Inland Revenue
Te Tari Taake

ird.govt.nz

IRD Number	**s 18(c)(i)**
Reference	
Issued	14 May 2024

TO THE PARENT/GUARDIAN OF:
s 18(c)(i)

Dear **s 18(c)(i)**

IRD number confirmation

Your IRD number is
s 18(c)(i)

Keep this in a safe place

Your IRD number identifies you for all tax related obligations you have and/or entitlements you will receive.

What you will need your IRD number for
- Your employer, KiwiSaver provider and bank
- Reporting of income, for example from a job, benefit or investment
- Buying, selling or transferring property in New Zealand
- Applying for Working for Families, Child Support or a student loan or allowance
- Applying for or receiving a benefit from Work and Income

5. Web Submission

Submission	Web Request A	Customer info

About ⌄

Registration
  Customer details
  Address
  Contacts
  ID
  Bank details
  myIR
  Supporting documents
  Review
  Other accounts
Summary

Are you applying for a child under 16?
Yes | No

Do you have the day to day care of this child?
Yes | No

Your IRD number
s 18(c)(i)

Child's first name
s 18(c)(i)

Middle name
s 18(c)(i)

Child's last name
s 18(c)(i)

Title

Suffix

Have you changed your name?
Yes | No

Child's date of birth
s 18(c)(i)

s 18(c)(i)

s 18(c)(i)

s 18(c)(i)

s 18(c)(i)

s 18(c)(i)

s 18(c)(i)