Inland Revenue
Te Tari Taake

26OIA2319

8 June 2026

[redacted]

Dear [redacted]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 21 May 2026. You requested the following:

1. *What Artificial Intelligence is your Ministry considering implementing in the next year?*
2. *What aspects or parts of the business will it be implemented? Ie how will the AI be used?*
3. *Will its implementation reduce the workload or staff numbers?*
4. *What safety and security protocols has it had to pass to be considered acceptable for implementation?*

Questions 1 and 2

Inland Revenue views artificial intelligence (AI) as the next wave of digital innovation, and we continue to explore opportunities where we believe we can leverage AI and automation to improve efficiency, manage cost pressures, and enhance services for our customers. Currently, the primary focus is on safe, controlled optimisation of routine activities, with strong human oversight.

As part of our strategy to improve 'oranga' for current and future generations, and in line with our digital ambition to maximise the value from being digitally enabled for our customers and our partners, over the next 12 months Inland Revenue will continue to focus on AI enabled outcomes. This work will centre on three key areas: staff productivity, intelligent decision making, and AI supported customer experience (aimed at easing customer effort, and lowering compliance and administrative overhead). This is not limited to any specific parts of our business.

We have responded to a range of requests under the OIA relating to our use of AI to-date. These are published on our website and can be found using the following link: ird.govt.nz/about-us/publications/responses-to-official-information-act-requests.

For your convenience, I have linked the most relevant OIA responses at the links below:

- 2026-03-12 Inland Revenue's use of Microsoft AI and Assurity Consulting AI testing
- 2026-01-27 Inland Revenue's use of AI
- 2525-12-19 Use, cost of, and reports on AI
- 2025-11-14 Inland Revenue approved AI tools, usage, guidelines, licensing, and privacy assessment
- 2025-11-27 Inland Revenue's AI rollout
- 2025-10-29 Inland Revenue's plans for AI and automation
- 2025-03-14 AI applications, systems, benefits, and governance framework

We have also published an information release of four updates provided to the Minister of Revenue, Hon Simon Watts, throughout 2025. These updates detail Inland Revenue's AI strategy, key next steps/focus areas, and include a snapshot of current initiatives. This is available using the following link: Inland Revenue's use of artificial intelligence – Information release.

Question 3

Inland Revenue anticipates that it will take time for our AI practices and capabilities to scale to a level where a reduction in positions would be considered. I refer you to our publicly available response, dated 29 October 2025, which further details Inland Revenue's planned use of AI: 2025-10-29 Inland Revenue's plans for AI and automation.

Inland Revenue frequently needs to consider changes in roles and team operating models to respond to changes in technology, adopt/grow new capabilities, and continue to be responsive to government and customer needs. Implementation of AI solutions may lead to specific management of change (restructuring) processes or specific reduction in positions in future. However, neither are planned at this time.

Question 4

As Inland Revenue works through potential AI-use opportunities, we will continue to ensure that privacy and security are prioritised, and that customer data remains safe and secure. Our priority is to make sure we use AI in a way that is compliant with our obligations under the Revenue Acts, the Privacy Act, the Tax Administration Act, the Algorithm Charter of Aotearoa, and all other New Zealand Government authoritative guidance.

Our internal guidelines state that no customer data should ever be entered into any external and/or publicly available AI solutions. No Inland Revenue customer data leaves Inland Revenue for the purposes of any AI unit training.

Inland Revenue has taken an approach to restrict the use of AI within our systems except within specific, approved tools and for approved use cases. We have a Preliminary Risk Assessment (PRA) template for assessing any potential AI proof of concept. All project leads proposing an AI proof of concept must complete the PRA that defines the risks and controls specifically for the proposed proof of concept, with a focus on:

- Security and Compliance: Evaluating the security of the model, identifying potential vulnerabilities and assessing if data would be leaving New Zealand/designated countries.
- Privacy: Assessing the use, creation or modification of Personally Identifiable Information and Sensitive Revenue Information.
- Legal and Ethical Considerations: Evaluating potential infringements on copyright, intellectual property or other rights in AI/Large Language Model operations, considering the service provider's terms and conditions and the use of Inland Revenue data for training the model.

Upon completion, the PRA is considered by Inland Revenue's AI governance body alongside the overall proof of concept assessment, with the risk management process being an ongoing activity that requires the proof of concept leads to revisit steps as new information arises.

The criteria to identify acceptable and unacceptable risks in relation to AI is based on Inland Revenue's Enterprise Risk Model and the ISO/IEC 42001 AI – Management System, which can be found here:

- Managing our risks (ird.govt.nz)
- ISO/IEC 42001:2023 - AI management systems (iso.org)

Inland Revenue continues to review our existing risk management processes and update as required acknowledging increasing use of AI by both Inland Revenue and our partners.

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

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