



**Inland Revenue**  
Te Tari Taake

B-23

# **Inland Revenue Statement of Intent** **Te Tari Taake Tauākī Whakamaunga Atu**

NOVEMBER 2024–NOVEMBER 2028



Inland Revenue Statement of Intent November 2024–November 28 presented to the House of Representatives pursuant to section 38 of the Public Finance Act 1989.

ISSN 1176-6654 (Print)

ISSN 2230-4053 (Online)

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# Foreword from the Minister of Revenue

Inland Revenue Te Tari Taake has a key role to play in supporting the Government to achieve its priorities. The areas the Government is looking to IR to actively contribute to are:

- › Maintaining a stable tax and social policy system that is fair and works for all New Zealanders and that the public can have trust and confidence in.
- › Rebuilding the economy so that New Zealand is economically stronger, more productive and higher performing.
- › Delivering public services so they are more efficient, effective, and responsive.

Raising revenue as efficiently as possible will support the economy to grow and reduce effort for individuals and businesses. Making it easy for people to understand and comply with their tax and social policy obligations will reduce the chance of them making a mistake. Paying taxes and claiming entitlements should not be a burden on people who are trying to do the right thing.

As well as continuing to support the majority who do the right thing, the Government is also focused on ensuring all New Zealanders pay their share. I expect IR to continue to take a firm line with those who choose not to comply, and to have a strong focus on collecting unpaid taxes and loans, and on the areas where there are known integrity risks, for example the cash economy, organised crime, and overseas-based student loan borrowers. I expect to see performance measures for compliance improve as a result. Every dollar that is not collected is a dollar that cannot be invested in other areas such as health and education.



**Hon Simon Watts**  
**Minister of Revenue**

12 November 2024

Many opportunities to build tax and social policy compliance into everyday processes will be in working with third parties, particularly in a more digital economy. IR is focused on putting in place the necessary foundations and safeguards to enable more customers to meet their obligations in the systems they naturally use to run their businesses or live their lives.

Good administration is underpinned by good tax policy. Making policy objectives as clear as possible, engaging early, and supporting the generic tax policy process will provide all those with an interest in New Zealand's tax and social policy system with a strong degree of certainty. The tax and social policy work programme will focus on simplification, reducing compliance costs for taxpayers, and increasing productivity for New Zealand.

Finally, the Government has made it clear public money should be spent carefully. IR is playing its part by finding ways to deliver more within its existing funding.

I am satisfied that the information IR has provided on its strategic intentions is consistent with the policies and performance expectations of the Government.

# Introduction from the Commissioner and Chief Executive

At Inland Revenue Te Tari Taake our focus is on improving oranga (wellbeing in its widest sense) for current and future generations through our work. It means we need to think about how we improve wellbeing for future generations through what we do today. We make our biggest contribution to oranga through economic activities including collecting and distributing money.

We know that while most people try to do the right thing, some do not. For customers who struggle to get things right, whether due to difficult circumstances or accidentally, we'll work with them to help them get back on track. For those who deliberately choose not to do the right thing or choose not to pay what they owe, we'll increase our efforts to actively investigate and take enforcement action where we need to. With the analytical capabilities we have, we can identify non-compliance at an early stage and address it. New Zealanders can expect to see us use the full range of options we have to make sure that people comply with their obligations and pay the tax they owe.

We'll also continue to focus on how we can make things as easy as possible for people to pay and receive the right amounts with as little effort as possible. We've made good progress with making things simpler for our individual customers and we will be shifting our focus to making things simpler for businesses over the next few years so it's easier for them to meet their obligations.

We don't do any of this on our own and recognise we're part of a wider system. Increasingly, third parties, such as tax intermediaries and software providers, are involved in delivering services to customers. We will work more closely with them to

collaboratively design digital solutions that reduce effort for customers.

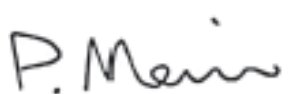
We also partner with other agencies in the public sector to ensure New Zealanders get the services they are entitled to. We recognise we have capabilities that could be used more broadly across the public sector to improve outcomes for New Zealanders, for example sharing more of the information we hold. This is an area we will do more work in to ensure we contribute as much value as we can.

As well as delivering our day-to-day services, we will continue to look longer term to ensure we fulfil our stewardship obligations under the Public Service Act 2020. Making sure we have strong foundations in place is the first step in ensuring we have the capability and resources we need to contribute to the debate on longer-term issues and bring a long-term perspective to the issues of integrity, efficiency, and effectiveness of the systems we're responsible for.

Everything starts and ends with our people and we will only achieve our aspiration and outcomes through their work. We want to be seen as a great place to work so we can attract and develop the capable, diverse, motivated people we need to be able to continue to serve New Zealanders effectively.

## Chief Executive's Statement of Responsibility

In signing this Statement, I acknowledge that I am responsible for the information on the strategic intentions of Inland Revenue. This information has been prepared in accordance with section 38 and section 40 of the Public Finance Act 1989.



**Peter Mersi**  
**Commissioner and Chief Executive**

12 November 2024

## What we are here to do

How we describe what we aspire to achieve and the role we play reflects the breadth of our work.

### **Our aspiration – what we're here to do**

Our aspiration is based around oranga (wellbeing in its widest sense).

# Improving oranga for current and future generations

We make our biggest contribution through economic activities including collecting and distributing money.

We'll know we're successfully moving towards achieving our aspiration when:

**Revenue is available to fund government programmes and services.**

**People receive their entitlements.**

**Oranga increases when we work with other organisations.**

**The intergenerational oranga of the people of New Zealand is supported by our active stewardship.**

These are the outcomes we want to achieve for everyone in New Zealand over time.

## Our roles – how we deliver

The core services we deliver are:

- › Administering the assessment and collection of tax revenue and social policy programmes.
- › Providing end-to-end policy advice.
- › Collaborating with other agencies to simplify and integrate government services.

To deliver these services, we have three key roles.

### Being effective and efficient

This means doing what we do in the best ways for the best results and is what most of our people focus on every day.

### Active stewardship

This is about actively making sure what we're responsible for is fit for purpose today and tomorrow.

### Making a broader contribution

We will work across the public service to deliver more for New Zealand.

## How we perform our roles

We act impartially and independently to administer and protect the integrity of the tax and social policy system. The Commissioner has statutory independence from Ministers and is responsible for:

- › Collecting the highest net revenue over time
- › Administering social policy
- › Interpreting tax law
- › Making decisions about where our resources should be focused
- › Our performance.

We advise the Government on tax policy and the social policies that we administer, working together with other public sector agencies where appropriate. This includes advising the Government on international tax issues and helping to develop and implement New Zealand's international tax legislation.

We manage and run the tax and social policy system by working with many other stakeholders. To work efficiently, we rely on other public sector agencies, intermediaries who advise customers about their obligations and entitlements, employers, KiwiSaver providers, financial institutions and community groups. We're also part of a digital ecosystem that includes service providers such as payroll software companies who enable customers to manage their obligations from within their own systems.

## Our customers – who we serve

Tax affects everyone and social policy programmes affect most New Zealanders too. As well as collecting revenue, we're responsible for administering a range of social policy products including Working for Families, child support, KiwiSaver, student loans, paid parental leave, unclaimed money, Family Boost, and support payments that rely on income information to determine eligibility.

Our customers include all people earning income in New Zealand and people who live overseas but have tax affairs and/or social policy obligations here.

The money we collect helps pay for the essential services that all New Zealanders benefit from such as healthcare, social policy payments, education and protecting our environment.



## The services we deliver

### OUR INDIVIDUAL CUSTOMERS

It's important to our individual customers that we:

- › send annual tax assessments out quickly and explain things clearly
- › help people pay what they should on time
- › make it straightforward to set up a plan for repaying an overdue debt.

#### **3.5 million customers**

received an automatically issued individual income tax assessment in the tax year to March 2023.<sup>1</sup>

#### **3.4 million KiwiSaver members**

were enrolled in the scheme at 30 June 2024. We transferred \$10.4 billion to scheme providers to invest in 2023–24.

#### **618,000 student loan borrowers**

made \$1.6 billion in repayments in 2023–24.

#### **\$328 million in donation tax credits**

went to 313,000 customers in 2023–24.

### FAMILIES AND WHĀNAU

Families and whānau want us to:

- › give them certainty about the payments they receive from week to week
- › take the time to understand their situations and work through options for receiving entitlements or paying child support.

Along with the Ministry of Social Development Te Manatū Whakahiato Ora, IR distributed

#### **\$3.1 billion in net entitlements**

to support working families in 2023–24.

#### **145,000 children**

were supported by the Child Support Scheme.

#### **\$480 million in child support**

was collected from more than 127,000 parents in 2023–24 and \$413 million was distributed to carers.

#### **\$642 million in paid parental leave payments**

went to around 54,000 new parents in 2023–24.

## BUSINESSES

Providing certainty and clarity for businesses is critical so they can manage their tax obligations. It's important that we:

- › help new businesses get their tax right from the start
- › reduce the effort and uncertainties involved in paying tax
- › understand their circumstances if they're going through difficulties
- › make it easy to advise us about any significant loss of income or set up an instalment arrange to pay a debt.

#### **250,000 employers**

filed more than 7.2 million employer information returns in 2023–24.

#### **708,000 customers**

were registered for GST at some point in 2023–24. They filed 3.19 million GST returns.

#### **435,000 company returns**

were filed in the 2023 tax year.<sup>1</sup>

#### **2 million income tax returns**

were filed in the 2023 tax year.<sup>1</sup>

<sup>1</sup> Figures for the tax year ended March 2024 are not available for this Statement of Intent because some customers who use tax agents have until April 2025 to file their 2024 returns.

# What we want to achieve

## Government priorities

The Government's priorities for the revenue portfolio are:

- › Agreeing a tax and social policy programme that reduces compliance costs, addresses integrity risks, and advances the digital ecosystem.
- › Delivering our core business more efficiently and effectively.

## Delivering the tax and social policy work programme

The Government's tax and social policy work programme sets out our policy focus. The priorities in the work programme are:

- › Supporting economic growth and productivity.
- › Raising revenue to fund growth and productivity enhancing measures.
- › Enhancing the fairness and integrity of the tax and social policy system.

The focus areas in the work programme are:

- › Simplifying tax to reduce compliance costs for individuals and businesses.
- › Addressing integrity risks to increase customer compliance and improve the collection of unpaid taxes owed.
- › Advancing the digital ecosystem, including increased simplicity for customers through enabling digital intermediaries and co-designing solutions with businesses and intermediaries.

## Collecting revenue

We have a legal obligation to collect the highest net revenue over time keeping in mind the resources we have available, the importance of promoting voluntary compliance, and costs incurred by participants in the system.

Most of the revenue we collect comes from customers who voluntarily pay their tax on time. Some revenue takes more effort to collect and we respond in a range of ways when people choose not to do the right thing

Our intention is to grow the proportion of tax revenue paid on time and in full, act early where we see non-compliance, and reduce opportunities for non-compliance.

Our 'right from the start' approach aims to make it easy to comply and hard to avoid. To do this, we'll continue to focus on making it easy for customers meet their obligations. We'll continue to offer to help customers who are struggling and trying to do the right thing and increase our efforts to actively investigate where necessary and take enforcement action where we need to.

Our systems do a lot of the heavy lifting and our sophisticated analytical capabilities mean we can move quickly to help customers get back on track. We'll continue to build compliance into our systems and processes to ensure we collect revenue as efficiently and cost effectively as possible.

## Managing overdue debt

Our aim is to prevent customers from getting into debt. When they do, we work with them to decide the best option for dealing with their debt based on their circumstances.

To ensure customers do not remain in debt for a long time, we work with them to help them pay debt off quickly. We do this by

- › Understanding our customers' needs and behaviours through continuously monitoring their experiences and outcomes in real time and sharing information across government.
- › Identifying who is likely to need our help by taking a risk informed approach to understanding customers' financial health and capability and their compliance behaviours and identifying who is unlikely to self-correct and less likely to pay.
- › Reaching high-risk customers by tailoring our interventions and interactions based on customers' financial health and past compliance behaviours.
- › Ensuring policy settings enable a customer's entire circumstances to be considered when dealing with debt and recognise the long-term value of a customer, smoothing out variations in cashflow.
- › Supporting our people to interact with customers in debt confidently, consistently, and transparently.

Our debt performance measures will reflect the customer outcomes we're aiming to achieve and enable us to quickly adjust our activity. We will have measures that are complemented by a comprehensive monitoring plan and quickly enable us to see anything unexpected and put the right actions in place.

## Addressing integrity risks

Maintaining the integrity of the revenue system through encouraging high levels of voluntary compliance remains a cornerstone of what we do. Customers paying and claiming the right amounts of their own accord is the most effective way to ensure compliance.

To support compliance, we look at everything from policy settings, the design of products and services, the advice and education we provide, through to the campaigns and interventions we run, including how we enforce the law when we see non-compliance.

Our aim is to collect and pay the right amounts at the right time, and work with those who are unable or unwilling to meet their obligations to get them back on track.

This starts with good policy design. Early engagement through the Generic Tax Policy Process is critical to designing policy that will have high levels of compliance.

We design our systems and processes to stop a lot of non-compliance from happening, with pre-population and in-built checks that stop errors in real time. Creating systems and processes that are as intuitive, simple and low effort as possible supports most people to get things right.

When people get things wrong, we respond in a range of ways.

Enforcement activities such as investigations, audit and prosecutions are an important part of our work and we will continue to increase our efforts in these areas. While our systems can deal with less complex enforcement activities, human intervention is required when customers do not respond or deliberately avoid their obligations. We'll continue to take firm action when we see wrongdoing and fraud and target our resources to the areas of highest risk.

## Being fiscally sustainable

All government departments are expected to deliver their work within their current funding levels for the period of this Statement of Intent. To do that, we'll ensure that all parts of IR are fit-for-purpose, focused on what's important and working efficiently and effectively. We need our people to focus on doing the work that we are prioritising, particularly around compliance. Everyone across IR contributes to this work in some way.

Each year, we'll develop a performance plan which will set out how we will achieve a sustainable fiscal outlook while delivering efficient, effective, and responsive public services.

We'll continue to look for efficiency gains across all areas of our work and carefully consider where we invest in our capability and capacity.

## Reducing compliance effort for customers

Micro and small to medium sized businesses (SMEs), which make up the majority of New Zealand firms, face the highest compliance costs relative to the amount of tax they pay. Smaller businesses will be the main focus of our work to reduce compliance costs.

Our aim is to ensure customers meet their obligations and we support this by making interactions with us as smooth and low effort as possible. This includes proactively engaging with those who make mistakes, refining our rules to make sure we only hold up the returns we need to, and streamlining the notifications we send to customers so they're clear what's expected of them. We're also working to improve how we support businesses who are just starting out and how we support growing businesses to ensure they start out and remain compliant.

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<sup>2</sup> The different systems that customers use to run their businesses, make transactions, and communicate. For example, payroll systems used by employers.

## Harnessing the power of the digital ecosystem

We know it's important to build strong relationships with participants in the digital ecosystem and work with them to improve the effectiveness and efficiency of tax and social policy administration. We will achieve this in stages.

### Customers in natural systems

The use of natural systems<sup>2</sup> supports compliance by making it easier for customers. We'll integrate rules into the ecosystem and reduce the need for reporting that occurs outside of natural systems.

### Expand the digital border

By enabling a wider range of third parties to connect with us digitally, with appropriate safeguards in place, we'll be able to improve delivery of services to the customers they represent.

### Tax just happens

Customers' expectations of the government, digital interactions and data availability will continue to shift. Digitised and automated processes, with seamless interactions across agencies will be expected as the norm. Customer expectations, enabling technology and regulation will come together to enable reporting and payments to happen at the same time, in near real-time.

## Delivering on our intentions

We'll continue to make sure our organisation is fit for purpose and manage any risks to our business.

### Our organisational structure

Our business groups are:

#### POLICY

Provides policy advice to the Government, represents New Zealand overseas on tax policy-related issues, maintains New Zealand's network of tax treaties with other countries, and drafts most tax legislation and supports the passage of proposed changes through Parliament.

#### ENTERPRISE DESIGN AND INTEGRITY

Develops our strategic direction and provides advice and guidance to ensure we achieve the outcomes intended. Integrates our planning, prioritisation, intelligence and data, performance reporting, architecture, and investment management activity.

#### CUSTOMER AND COMPLIANCE SERVICES – INDIVIDUALS

Advises and supports individuals, families, and tax agents, intervenes early when they're getting things wrong and follows up when people choose not to do the right thing. Designs and delivers changes to our core tax and social policy system and customer channels.

#### CUSTOMER AND COMPLIANCE SERVICES – BUSINESS

Advises and supports businesses, intervenes early when they're getting things wrong, and follows up when they choose not to do the right thing. Provides certainty and assurance to businesses on complex and significant tax issues, large-scale transactions and global tax arrangements.

#### TAX COUNSEL OFFICE

Gives technical advice about the interpretation and application of tax law for IR and our customers. Provides statements and rulings to explain how tax law affects taxpayers and their agents.

#### ENTERPRISE SERVICES

Supports IR to operate efficiently, effectively, and safely, by providing seamless and integrated corporate services, including technology, finance, and human resources services.

### Managing our risks

The Strategic and Investment Board oversees risk management and other governance bodies monitor specific areas of risk and performance. The Risk and Assurance Committee provides independent, impartial advice and insight to the Commissioner on risk oversight and management as well as our system of internal controls.

Our Enterprise Risk Management Framework is based on international standards for identifying and managing risks. All enterprise risks are monitored by our Executive Leadership Team who meet regularly to review them and consider if any changes are required.

Our current enterprise risks are:

ENTERPRISE RISK	SOME OF OUR CONTROLS
<p><b>RISK 1:</b> Failure to deliver for customers or government priorities</p>	<ul style="list-style-type: none"> <li>› Our executive governance framework.</li> <li>› Regular meetings with Ministers and external stakeholders.</li> <li>› Our enterprise planning process.</li> <li>› Our initiative management lifecycle, which sets out how we manage change.</li> <li>› Our enterprise performance, including the Performance Measurement Framework.</li> </ul>
<p><b>RISK 2:</b> Compliance is reduced to the point of having a material impact on revenue collection for the Crown</p>	<ul style="list-style-type: none"> <li>› Our executive governance framework.</li> <li>› Our compliance operating model which guides our approach to compliance activity.</li> <li>› Our enterprise planning process.</li> <li>› Our approach to making design decisions.</li> </ul>
<p><b>RISK 3:</b> Unable to ensure continuity of business services</p>	<ul style="list-style-type: none"> <li>› Our incident management process.</li> <li>› Our business continuity plans.</li> <li>› Our management of vendors and suppliers.</li> <li>› Our cybersecurity and monitoring.</li> </ul>
<p><b>RISK 4:</b> Insufficient people capability and capacity to deliver outcomes</p>	<ul style="list-style-type: none"> <li>› Our workforce planning capability.</li> <li>› Our talent management, learning and development, and performance management approaches.</li> </ul>
<p><b>RISK 5:</b> Data, analytics, information and knowledge management is insufficient and impacts the quality, efficiency and integrity of our decision-making, outcomes and reputation.</p>	<ul style="list-style-type: none"> <li>› Our data and information governance policy and framework.</li> <li>› Our information knowledge management technologies.</li> <li>› Our information classification and handling policy and processes.</li> <li>› Our system access controls.</li> </ul>
<p><b>RISK 6:</b> Change is not delivered to agreed outcomes or stakeholder expectations cannot be met.</p>	<ul style="list-style-type: none"> <li>› The government’s tax and social policy work programme.</li> <li>› Our initiative management lifecycle, which sets out how we manage change.</li> <li>› Regular engagement with stakeholders, including giving them information about and help with adopting changes.</li> </ul>
<p><b>RISK 7:</b> Failure to provide appropriate stewardship of the tax and social policy system</p>	<ul style="list-style-type: none"> <li>› Allocation of time and resources to stewardship work.</li> <li>› Engagement with other agencies, stakeholders and customers.</li> <li>› Our tax technical and policy capabilities.</li> <li>› Our executive governance framework.</li> </ul>
<p><b>RISK 8:</b> IR does not adequately consider the accountabilities we have over data in Artificial Intelligence tools, or does not sufficiently manage the implications of Artificial Intelligence on the tax and social policy system</p>	<ul style="list-style-type: none"> <li>› Our cybersecurity and monitoring.</li> <li>› Our security policies and processes, standards, and practices.</li> <li>› Our policies and processes to ensure we comply with our legal and privacy obligations.</li> <li>› Our management of vendors and suppliers.</li> </ul>

# How we will achieve our aspiration and outcomes

Our aspiration, roles and outcomes are enduring. What will change is the work we do and how we do it to achieve our outcomes and move us closer to our aspiration. We'll regularly refresh our strategy with small, iterative updates, rather than reviewing it in depth every 5 to 10 years.

## THE DIRECTION WE'RE HEADING IN

We've identified the areas we'll focus on as we work towards our aspiration and outcomes.

### Keeping customers at the centre

We have a strong focus on customers and will continue to put their needs at the centre of our thinking when designing and implementing products and services by:

- › Improving customers' experiences when they interact with us and other agencies.
- › Reducing the need for customers to contact us unnecessarily.
- › Building trust in IR and government institutions.
- › Growing our organisational and people capabilities to improve how we deliver to our Māori customers who represent a growing part of the New Zealand economy.

### Supporting our people

We want to continue to be seen as a great place to work, so we can continue to attract and retain the people we need for the future.

We will continue to:

- › Attract and retain capable, motivated people who represent the communities we serve.
- › Develop a clear recruitment, development, and workforce planning approach.
- › Grow our leadership capability.
- › Provide opportunities for our people to develop.
- › Embed capability-based roles and networked ways of working.

### Maximising the benefits of being digitally enabled

Most digital interactions with the tax system are now handled by third party software and cross government information sharing. We'll build further on this by working more closely with third parties to design and deliver digital solutions that support customer compliance and reduce effort for them.

We'll focus on further building our digital capabilities to support compliance by:

- › Ensuring our people know how to use the digital tools we already have.
- › Investing in digital solutions that deliver greater value.
- › Ensuring our digital systems remain secure and stable and responsive to changing demands.

### Getting the most value from the data we hold

The data and information we hold and the infrastructure to support it is a key asset for government. We have strong foundations in place to protect its integrity. We aim to:

- › Make the best use of the data held in our core system.
- › Automate or remove low or no value work or provide customers with self-service options.
- › Ensure the data assets we create deliver what is needed and do not require significant effort from us, customers, or third parties.
- › Consider how best to make the data we hold available to deliver on broader government outcomes.
- › Maintain relevant government standards.

## Adding more value by working collaboratively with partners

Partnerships are integral to how we operate. Delivering more integrated services for customers will reduce the cost of delivery for everyone in the system by:

- › Being clear about where we can add value to the wider system.
- › Taking opportunities to leverage our tools and processes.
- › Continuing to build and maintain relationships with third parties including other agencies, iwi, intermediaries, and partners.

## Being an active steward

Stewardship includes ensuring the legislation and products we administer, the systems, processes, and assets we are responsible for, and the capabilities of our people are fit-for-purpose now and in the future. Our stewardship work falls into three main areas—product and regulatory stewardship, policy stewardship and organisational stewardship.

We will:

- › Ensure we have adequate resources and clear accountabilities for stewardship work.
- › Build our stewardship capability in relevant roles.
- › Invest in our systems and processes to keep pace with changes in our environment.

## Improving how we work internally

To support our work in these areas, we'll continue to improve our planning processes and how we deliver changes to ensure that our resources and funding are focused on the areas that will support Government priorities and improve compliance. Wherever possible, we'll reuse capabilities we already have, rather than creating bespoke solutions. We'll also work to continuously improve how we deliver our day-to-day services to ensure we're delivering the most value for New Zealanders.

We consider our areas of strength to be:

- › Delivering services based on core information - particularly customer income data.
- › Collection and payment of money / processing at scale.
- › High-volume, digital transaction processing (rather than services that rely on high levels of discretion and/or an extensive customer-facing presence).
- › Delivering large-scale, consistent, rules-based initiatives that leverage the capabilities of our systems.
- › Analytical tools and capability, including risk assessment.
- › Developing and managing a sophisticated partner ecosystem with the private sector.



## Monitoring and responding to changes in our environment

We continuously monitor future trends and how these might impact on us and our customers and their ability and willingness to comply. The changes we see as most relevant over the period of this Statement of Intent are:

- › Societies in flux - We'll continue to engage with customers in the face of increasing mis- and dis-information. High levels of trust help to ensure policy/legislative changes can be more easily implemented and support voluntary compliance.
- › Population growth and demographic transition – As the New Zealand population ages, the tax base will reduce unless it can be replaced or increased in other ways. At the same time, tax revenue will be required to support increased investment in healthcare and to pay for superannuation. We'll continue to work with The Treasury Te Tai Ōhanga to ensure the ongoing viability of the tax base. We'll also need to consider how we attract and retain workers and ensure we cater to the needs of a changing population.
- › Climate and environmental change – There may come a point where the tax system more comprehensively aims to change behaviour. This may alter our capability needs. We already have a role dealing with adverse events and this support may be required at a different scale in the future.

- › Geopolitical volatility and instability – New Zealand relies heavily on a rules-based international order to create and implement multi-lateral agreements to address tax issues that require international co-operation. The number of tax issues requiring international cooperation is increasing. If multi-lateral cooperation diminishes, multi-lateral agreements will take longer and be harder to obtain leaving New Zealand with limited options for addressing non-compliance and emerging tax issues.
- › Disruptive use of technology – It could be more challenging to maintain compliance in a world where complex and borderless transactions and reduced use of intermediaries make it more difficult to attribute transactions and income to customers. Increased challenges around cyber-security, privacy and ethics may require global co-operation.

Understanding the implications of these changes will help us to better prepare for and respond to future government priorities and changes in customers' behaviour.

## Monitoring and reporting on our performance

Our Performance Measurement Framework shows how we use our resources to deliver our services, and how our services connect with the outcomes we want to achieve for New Zealanders. We report the progress we are making through our Annual Reports.

### SERVICES WE'LL DELIVER FOR CUSTOMERS

To ensure customers find it easy to meet their tax and social policy obligations and receive the payments they are entitled to, we:

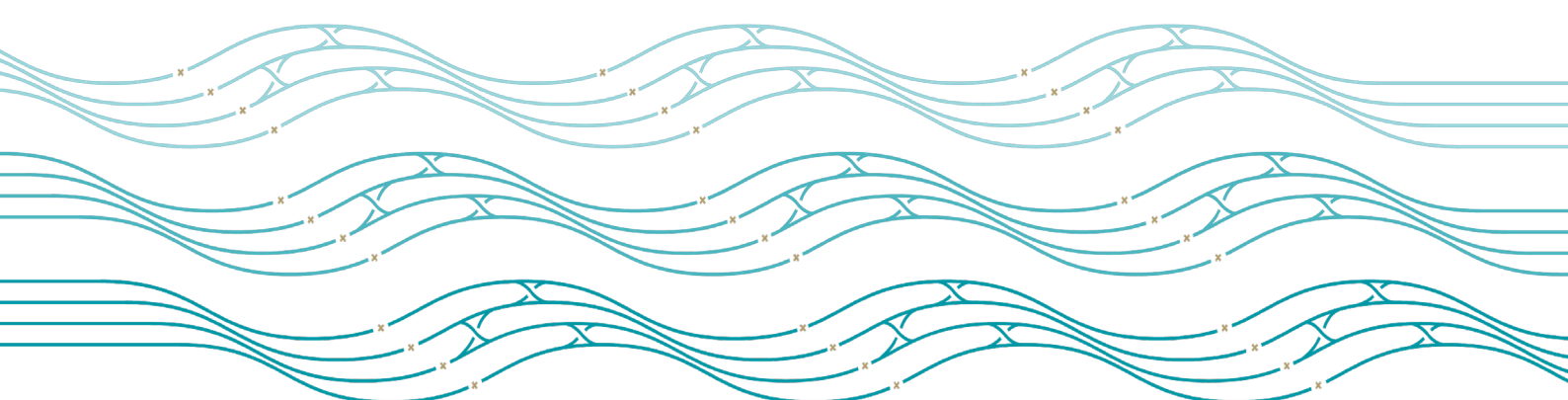
- › help and inform them about their entitlements and obligations.
- › process entitlements and obligations,
- › undertake enforcement activities when necessary.
- › and provide policy advice.

### THE DIFFERENCE WE'LL MAKE

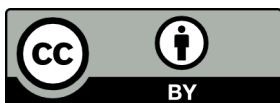
- › Proactively managing opportunities and risks ensures we meet current and future needs.
- › The work we do with others delivers value for customers and government.
- › Customers are willing to comply and have the knowledge and understanding to do so.
- › It's easy for customers to do what they need to do.
- › Most customers do the right thing voluntarily and there are consequences for those who choose not to.

### OUTCOMES WE'LL ACHIEVE

- › Revenue is available to fund government programmes and services.
- › People receive their entitlements.
- › Oranga increases when Inland Revenue works with other organisations.
- › The intergenerational oranga of the people of New Zealand is supported by our active stewardship.



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