

# The Treasury

## Budget 2023 Tax Initiatives Information Release

July 2023

This document has been proactively released by the Treasury, Inland Revenue, Minister of Finance (Hon Grant Robertson) and Minister of Revenue (Hon David Parker) on the Treasury website at:

<https://www.treasury.govt.nz/publications/information-release/budget-2023-tax-initiatives>

### Information Withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to sections of the Act under which information has been withheld:

- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;
- [36] 9(2)(h) - to maintain legal professional privilege
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [33] appearing where information has been withheld in a release document refers to section 9(2)(f)(iv).

### Copyright and Licensing

Cabinet material and advice to Ministers from the Treasury and other public service departments are © **Crown copyright** but are licensed for re-use under **Creative Commons Attribution 4.0 International (CC BY 4.0)** [<https://creativecommons.org/licenses/by/4.0/>].

For material created by other parties, copyright is held by them and they must be consulted on the licensing terms that they apply to their material.

### Accessibility

The Treasury can provide an alternate HTML version of this material if requested. Please cite this document's title or PDF file name when you email a request to [information@treasury.govt.nz](mailto:information@treasury.govt.nz).

# Inland Revenue's Initiative Work Programme

Inland Revenue's committed and proposed policy work programme is currently in excess of our design and implementation capacity specifically over the next 2 years.

The culmination of changes will likely result in delivery pressures for not just Inland Revenue but also external parties and customers.

Inland Revenue recommends these delivery pressures are considered alongside upcoming policy decisions with a view to delay or defer some items to periods later than April 24 – although it should be noted this would only shift risk temporarily.

## IR could deliver on Budget 2023 initiatives if the following considerations, mitigations and risks were addressed / accepted.

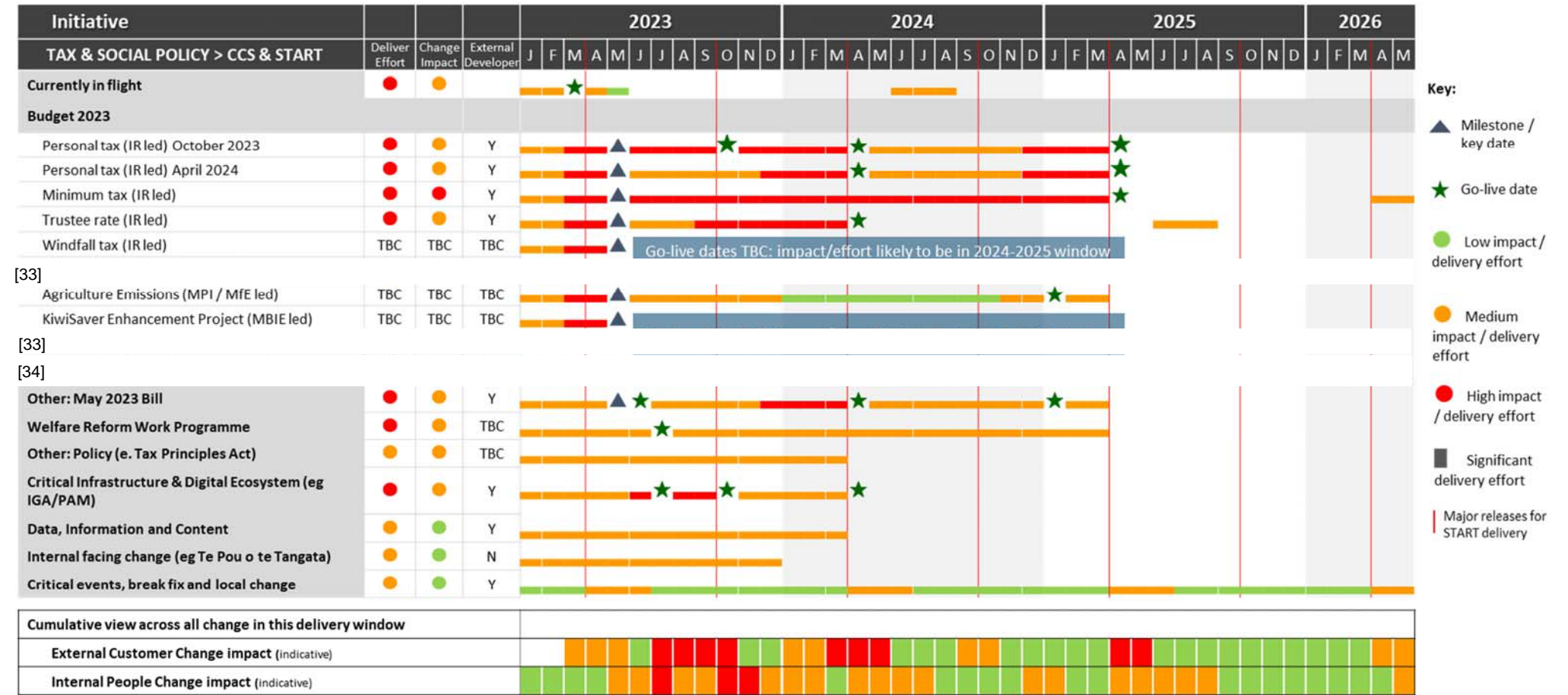
### Considerations and potential mitigations for the April 2024 / 2025 window

- Multiple large initiatives targeting the same implementation date.
  - Reprioritisation or deferral of non-critical initiatives (including policy, [34] includes risk of shifting the deliverability contention to a future date)
  - Accept performance degradation
  - Slim down the existing policy work programme
- Increased pressure on all parts of the ecosystem to manage delivery.
  - Increase lead in time
  - Specific ongoing engagement
  - Accept risks of external parties potentially delaying implementation
  - Sequencing of work
- Compounding change for customers
  - Targeted customer communication strategy
  - Accept increased risk of customers' ability to comply with change
  - Acknowledge increased customer contact

### Risks

- Available capacity for break/fix, system maintenance and optimisation is constrained, with little ability to improve events and effectively reduce customer demand drivers.
- The significant workload and pressure on IR staff, especially design specialists, may have a detrimental effect on their health and wellbeing, staff retention and on work quality.
- There is potential for increased reputational risk if the scale of change and / or timelines for change results in third parties being unable to update their systems in time resulting in a negative impact on the end customer.

Visual 1.0 represents the current view of initiatives across the implementation window



Note: Deliver Effort represents internal/external effort to deliver the change, taking into consideration systems, size, complexity. Change Impact represents the internal/customer impact upon processes, policies, systems and capabilities in order to adopt the change.

Visual 2.0 view highlights size and complexity in terms of capacity with pressure between April 2023 and April 2024

