Inventory of Tax Technology Initiatives: Case Study Overview

Title of the project	Business Transformation
Jurisdiction	New Zealand
Year when the project went live	The project was a staged release, first delivery February 2017 through till final release October 2021 and closure in June 2022.
Project development duration (Time between project start and end date, including things like the design and implementation of the project. This can be expressed, for example, in months.)	**Delivery timeline** **2013 – Inception:** Business case development and planning, and in principle approval by cabinet. **2014 – Foundation:** Establishment of the programme's foundations including PMO and programme leadership team. **2015 – Mobilisation:** Business case approval; appointment of core tax software partner **2016 – Delivery:** High level release approach agreed; Taxation bill enacted to pave the way for digital transformation; Foundation technology infrastructure (identity, middleware and data centre solutions) **2017 – Delivery: Stage 1** GST and digital registration for new immigrants delivered in February 2017. **2018 – Delivery and adaption: Release 2 -** multiple tax products migrated; new accounting income method (AIM) for provisional tax and automatic exchange of information with international tax treaty partners (AEOI) implemented. First phase of new organisation structure established **2019 – Delivery and adaption: Release 3 -** Income tax and first social policy product migrated. New year-end tax process for individuals introduced. Second phase of new organisation structure completed **2020 - Delivery, adaption and sustain: Release 4** KiwiSaver, student loans and PAYE processing. Done during pandemic lockdown using remote technology established in 2018. Several financial support solutions delivered in support of the Government's Covid-19 response. **2021 - Delivery, adaption and sustain:** the final stage was split into two releases (March and October) to free up capacity to deal with the Covid-19 response. Remaining products migrated. Heritage system turned off in November. Final phase of organisation restructure completed. **2022 – Business, integration and transition:** Completion of Decommissioning and Archiving programme involving over 400 applications.
Brief description of the project (max. 100 words)	Inland Revenue's business transformation programme has made tax and payments simpler, open and more certain for customers. Far more than just a technology upgrade, it has changed every aspect of the way Inland Revenue, New Zealand operates. The intent was to deliver a modern, digital revenue system that enabled customers to do as much for themselves as possible in a way and at a time that suited them. This also provided the opportunity to fundamentally review how the revenue system was administered. This involved a combination of changes to policy, process, technology, and people capabilities.

Scope (Select those that fit best; more than one box can be checked.)	Tax Administration 3.0 Building Blocks	☒ Digital identity ☒ Taxpayer touchpoints ☒ Data management ☒ Tax rule management and application ☒ Strategy, governance and new skills
	Taxes covered	☒ Personal income tax ☒ Corporate income tax ☒ Value added tax / sales tax ☒ Other taxes
	Taxpayers covered	☒ Individuals ☒ Micro-businesses ☒ Small and medium-sized business ☒ Large business ☒ Other taxpayers, e.g., non-profit organisations, charities, trusts
	Tax administration function covered	☒ Registration and identification ☒ Assessment (processing of tax returns and payments) ☒ Taxpayer services ☒ Verification and compliance management ☒ Collection ☒ Dispute prevention and resolution ☒ Other tax operational functions ☒ Corporate support, e.g., IT, human resources, planning, finance, etc. ☒ All other functions of the tax administration not included above
Select among the options if the project had an element of co-creation between your administration and other stakeholders		☒ Co-creation with other parts of government ☒ Co-creation with private section business ☒ Co-creation with other jurisdictions ☒ Co-creation with other stakeholders
Targeted benefits from the implementation of the project		☒ Increase of revenue ☒ Reduction of tax administration cost ☒ Improvement of tax administration efficiency ☐ Cost saving or efficiency improvement for other government bodies ☒ Reduction of tax compliance burden ☐ Improved taxpayer experience ☒ Improved taxpayer skills and capabilities ☒ Improved staff skills and capabilities ☐ Other
If available, please provide links to public information about the quantitative benefits of the project		https://www.ird.govt.nz/about-us/business-transformation/outcomes
Brief listing of the key success factors and the main challenges for the project. (Please provide a list only. A detailed description should be part of the case study itself. Max. 100 words)	Top 3 success factors	• Focus on the customer was our primary concern. Making things easy, simple and certain for them underpinned all we did. • We decided early on to buy and not build. The adoption of a COTs package, together with the discipline of not customising it was central to our success • We knew the strengths of our people and where we needed to supplement them with people with proven transformation skills and expertise. We ensured that they all operated as one team.
	Top 3 challenges	• Co-existence - running two systems in parallel for the duration of the programme • Upskilling our people and restructuring the organisation

		• First release completed less than 2 months after a major earthquake and the 4th release completed with a go-live team located remotely due to the COVID pandemic
Additional information, such as links to further information (max. 100 words)		More details are available on our website at the following link: https://www.ird.govt.nz/about-us/business-transformation A recording of the case study presentation is available at the following link: https://youtu.be/Utm8N_yPbak