

29 May 2015

Mr Andrew Crow  
fyi-request-2676-09aec405@requests.fyi.org.nz

Dear Mr Crow

Thank you for your request made under the Official Information Act 1982 (OIA), received on 1 May 2015. Your request stated:

*Over the last year there have been several [sic] news items about the 1.5 billion dollar cost to upgrade the IRD tax computer systems.*

*I am looking for any documents that would help the public understand how a computer system upgrade might cost 1.5 billion dollars.*

*This would include any costings, quotes, or business case documents.*

The news items you refer to relate to Inland Revenue's Business Transformation programme. This programme is about creating a modern revenue system that will change the way we deliver services and make managing tax easier and faster for customers.

This will require more than a computer system upgrade as change will be required throughout the entire organisation. Although the change will be technology enabled, the whole programme is led by broader government, customer and business needs.

In November 2014 Ministers reconfirmed a roadmap to deliver changes over the course of approximately 8 years. This roadmap is divided into stages to enable the Government to make investment choices throughout the life of the programme. The total level of investment will depend on those future investment decisions.

### **Information covered by your request**

There are three documents that are covered by your request.

<b>Item</b>	<b>Date</b>	<b>Document description</b>
1.	November 2011	Briefing for the Incoming Minister of Revenue – 2011
2.	October 2013	Inland Revenue Business Transformation: Delivering New Zealand's Future Revenue System (Programme Business Case)
3.	October 2014	Inland Revenue Business Transformation: Delivering New Zealand's future revenue system (Programme Business Case Addendum)

The first document contains indicative cost estimates of \$1.0 billion to \$1.5 billion, which were an early projection of the programme's likely total cost. This document is available at [www.ird.govt.nz/aboutir/reports/briefing/briefing-2011/bim-11/](http://www.ird.govt.nz/aboutir/reports/briefing/briefing-2011/bim-11/).

The other two documents, the Programme Business Case and Programme Business Case Addendum, outline the case for change and the need for investment, investment objectives, and the preferred way forward.

We anticipate releasing these documents on our website in the near future. Accordingly, I am refusing your request under section 18(d) of the Official Information Act 1982, as the documents are, or will soon be, publicly available.

Part of the information in the documents that will be released is being withheld under section 81 of the Tax Administration Act 1994 (TAA). Reasons include advice being still under consideration, and to enable commercial activities or negotiations to be carried out, without prejudice or disadvantage.

This fully covers the information you requested.

You have the right to ask the Ombudsman to investigate and review my decision. The office of the Ombudsman can be contacted at PO Box 10152, The Terrace, Wellington 6143.

Alternatively, you may have the decision reviewed by a review officer. Choosing the internal right of review does not preclude you from subsequently seeking a review by the Ombudsman, should you be dissatisfied with the department's internal review. To ask for an internal review, please write to the Commissioner of Inland Revenue, PO Box 2198, Wellington 6140, setting out the details of your complaint.

### **An update on the programme**

You may be interested to know the range of work undertaken by the Business Transformation Programme since your last request in October 2013.

An important milestone was engaging a design services provider, Accenture, to support us deliver a high-level design for Stages 1-4 of the programme, and a detailed design for Stage 1.

We have also started to engage more actively with New Zealanders on the changes and the services they would prioritise, and working with software providers to streamline the delivery of GST and PAYE data, making it easier for customers to deal with us.

This includes setting up a simplification panel, which represents individual taxpayers, small businesses owners and organisations that understand tax or serve small businesses, and running a campaign in Hawke's Bay specifically to ask customers how they would like us to prioritise changes.

The Government also recently launched the first of two discussion papers seeking views on ideas for modernising and simplifying the tax administration system, and the greater use of digital technology to make tax compliance simpler. The papers; "Making Tax Simpler - A Government Green Paper on Tax Administration" and "Making Tax Simpler - Better Digital Services" were released at the end of March.

You can find more information on the programme and the policy consultation at [www.ird.govt.nz/transformation/](http://www.ird.govt.nz/transformation/) and [www.makingtaxsimpler.ird.govt.nz/](http://www.makingtaxsimpler.ird.govt.nz/).

Yours sincerely



Greg James  
**Deputy Commissioner, Change**