

Report



Technology Projects Assurance

Date	7 August 2026	Priority	Medium
Security level		Report number	IR2026/246

Action sought		Deadline
Minister of Revenue	Note the technology projects currently underway and IR's technology operating environment, governance, commercial and assurance mechanisms in place.	14 August 2026

Purpose
This report responds to your request for visibility of technology projects currently underway at Inland Revenue (IR). It provides context on IR's technology operating environment, outlines the governance, commercial and assurance mechanisms used to oversee technology investments, and summarises enterprise-level technology projects and initiatives currently being delivered. The appendix provides details of these enterprise-level projects including their status. If you wish to discuss any of these projects, we will work with your office on a suitable time to meet with you.

Contact for phone discussion, if required			
Name	Position	Phone number	First contact
Mary Craig	Deputy Commissioner Enterprise & Integrity Services	s 9(2)(a)	✓
Claire Barclay	Enterprise Leader Strategy & Performance		
Sue MacArthur	Domain Lead Strategy & Performance		

Technology Projects Assurance

Technology Operating Environment

- 1 IR's technology environment has changed significantly as an outcome of its Business Transformation completed in 2022 and subsequent investment. IR now delivers technology outcomes through a mix of strategic technology partnerships, vendor-supported platforms including commercial-off-the-shelf (COTS) software and software-as-a-service (SaaS), and internal capability. This technology model reduces reliance on bespoke in-house development and gives IR access to specialist capability, product roadmaps, ongoing support and regular technology enhancements.
- 2 This model supports faster delivery, reduces technology obsolescence risk and enables IR to benefit from vendor investment and innovation. It also means IR is more reliant on external providers and commercial arrangements for critical business services, including START (our core tax and social policy system) provided by Fast Enterprises, and corporate systems including Oracle, SAP, Microsoft 365, SAS and Sitecore (for web and knowledge base content).
- 3 IR uses external expertise where it provides the best outcome, but accountability for technology investment decisions, business outcomes, service performance and risk management remains with IR.

Strategic Technology Partnerships and Supplier Assurance

- 4 Software as a service (SaaS) and commercial software solutions provide flexibility and access to modern technology capabilities and reduce the cost of internal capability to support these assets. However, they increase the reliance on third parties and associated costs can fluctuate over time due to vendor pricing decisions, market conditions, licensing changes, exchange rate movements and changes in organisational demand. These factors are actively monitored to ensure technology investments continue to provide value for money and remain aligned with organisational priorities.
- 5 IR's most critical technology services that need continual investment to remain secure, supported and fit for purpose are delivered through longer-term strategic evergreen commercial arrangements. This means costs are relatively stable and the strategic partnership provides access to international vendor expertise, support services and technology upgrades. Using START as an example, there are two ongoing investment streams - firstly to operate and maintain the asset itself, and secondly to enable evolution and change, for example, implementing new policies or optimising existing processes.
- 6 Larger and more complex investments are supported by tailored commercial agreements that set out risk allocation, performance obligations, asset management planning and lifecycle management requirements. Mature supplier relationship management processes provide confidence that strategic suppliers are meeting their contractual obligations and continuing to deliver the capability, resilience and outcomes we expect.

Governance Arrangements

- 7 Major projects are governed through IR's Strategic and Investment Board, whose membership includes all members of our ELT, and the Enterprise Priorities and Performance Committee. Together they oversee investment decisions, monitor

project performance, and require risks and issues to be identified, escalated and managed. They are supported by specialist operational governance forums and functions covering business and technical design, data, testing, security, change and release management.

- 8 Each significant project has an accountable Executive Sponsor, typically at Tier 2 level, responsible for ensuring delivery remains aligned with agreed outcomes, scope, budget, schedule and strategic objectives. Projects are subject to monthly reporting, milestone reviews, financial oversight and risk management processes.
- 9 IR technology investments are aligned with the objectives and guidance contained in Cabinet Office Circulars, in particular:
 - CO (23) 9: Investment Management and Asset Performance in Departments and Other Entities. Each year all CEs are required to attest to Treasury they are meeting the requirements of this circular, with this attestation published by Treasury¹. The Commissioner has attested full compliance for the 25/26 year.
 - CO (18) 2: Proposals with Financial Implications and Financial Authorities.
- 10 Investment proposals are assessed using established public sector investment disciplines, including Whole-of-Life Cost assessments and Risk Profile Assessments. These assessments help determine approval pathways, sourcing requirements and assurance expectations, including whether projects require Commissioner, Ministerial or Cabinet approval. The Commissioner's higher financial delegation reflects IR's strong historical Investor Confidence Rating compared to other agencies.
- 11 Depending on the nature, scale and risk profile of an investment, projects may also be subject to independent quality assurance reviews, Gateway Reviews or Government Digital Delivery Agency oversight. The Integrated Payroll Solution initiative is currently the only project which has had a Gateway Review in the past year. This was an optional review given the Risk Profile Assessment showed as medium. The Gateway Review showed a delivery confidence assessment of s 9(2)(g)(i) .
- 12 The appendix lists all enterprise technology initiatives currently in the delivery stage of our project lifecycle. This excludes projects at early discovery phases or local initiatives.

Overall Assurance

- 13 IR has established governance, commercial management and assurance arrangements to oversee technology projects throughout their lifecycle. Together, these arrangements provide visibility of project performance, supplier capability, delivery confidence and emerging risks across IR's portfolio. They support informed decision-making and enable IR to respond to delivery, commercial and operational risks as they arise.
- 14 Individual projects may experience changes in timing, scope, cost or risk profile during delivery. IR's governance and assurance arrangements are designed to ensure these matters are identified early, reported through the appropriate channels and actively managed.

¹ <https://www.treasury.govt.nz/information-and-services/public-sector-leadership/investment-management/investment-management-system-reporting/chief-executive-annual-attestations>

- 15 On that basis, IR considers its current technology projects and strategic technology partnerships are subject to appropriate oversight, with mechanisms in place to manage delivery, commercial and operational risks.

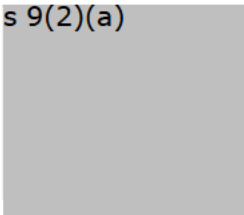
Recommendations

We recommend that you:

Note the enterprise technology projects currently in delivery and IR’s technology operating environment, governance, commercial and assurance mechanisms in place.

Noted / not noted

s 9(2)(a)



Mary Craig

Deputy Commissioner

7 / 08 /2026

Hon Simon Watts

Minister of Revenue

/ /2026

Appendix

This appendix sets out IR's enterprise-level projects and initiatives that are building new technology assets or capabilities or involve configuration of existing systems to implement new policies, services or functions. Projects are ordered by status.

Initiative	Description	Status	Due date
Āwhina Mai	Consolidate customer web and PDF information to enable tailored guidance.	s 9(2)(g)(i)	On hold
Enterprise Reporting and Insights	Improving enterprise reporting and analytics by integrating data from multiple systems IR into a consistent, secure and scalable platform for commercial, financial and human resources performance reporting and business insights.		March 2027
FIRST and SAP Archiving and Decommissioning	Assess data and business requirements, policies and processes for access to archived information that was not migrated to START from legacy systems during business transformation.		September 2026
Integrated Payroll Solution	Implementing a modern, compliant payroll and reduce reliance on legacy technology. Risk profile assessment of medium. Undertaking voluntary gateway review.		October 2027
Budget 2025 MSD Income Charging	Implement remaining legislation.		September 2026
Offshore Gambling Duty changes	Implement legislation.		September 2026
OECD Pillar Two and Common Reporting Standard 2.0	Implement the new OECD framework for tax paid by digital multinationals and updated reporting standard.		September 2026
Upfront Employee Verification	Updated digital services so employers can verify employee details before submitting employer information returns to improve accuracy and reduce errors.		September 2026
Customer Identity - Digital Verification	Utilise DIA's new digital verification service for individuals requesting an IRD number.		April 2027