

Digital Advisory Group Meeting Minutes
Version 1.0

Date:	Thursday 23 October 2025
Time:	9.30am - 5.00pm NZDT
Attachments:	<ul style="list-style-type: none"> • Digital Service Providers Operational Security Framework (DSP OSF) Governance Pack • Payments Modernisation in NZ Update
Co-Chairs:	Anil Srinivasa (Inland Revenue) and Tim Kirkpatrick (Tax Traders)
Secretariat:	Maggie Leese (DSPANZ)
Members:	Andy Dingfelder (iPayroll) Chris Mar (Datacom) Don Hounsell (MYOB) Edwin McLean (The Access Group) Eric Troebner (Tax Management NZ) Erin Adams (Xero) Katherine Truman (SAP) Katie Leitch (MYOB) Mike Behling (Taxlab) Richard De Zwart (ReadyTech)
Inland Revenue Participants:	Brooke Cole Glenn Richards Justine Duthie Mark Tapara Tracey Turner
Guests:	Adis Kulasic (Inland Revenue), Adwin Singh (Inland Revenue), Chris Hourigan (Inland Revenue), Estelle Le Lievre (Inland Revenue), Gina Grigor (Inland Revenue), John Gasson (Inland Revenue), Martin Hooper (Inland Revenue), Nadja Holfelder (Inland Revenue), and Sharyn Rea (Inland Revenue).
Apologies:	Nick Wilkins (Inland Revenue)

Item	Description	Lead
1	Welcome Glenn Richards welcomed everyone to the meeting, noting that Anil Srinivasa would join shortly, and provided an opening karakia.	Glenn Richards (Inland Revenue)
2	Acceptance of previous minutes Tim Kirkpatrick moved to accept the minutes from the 21 August 2025 meeting. The minutes were taken as read and accepted.	Tim Kirkpatrick (Tax Traders)
3	Action item review 12.06.2025-1: Adis Kulasic shared that workshops are starting in the next month, and items for discussion will be taken to the relevant working groups. It was noted that there may be overlaps with the ongoing Gateway Services improvements item. This action item was closed.	Glenn Richards (Inland Revenue)
4	Improving Business Tax Update Estelle Le Lievre provided an overview of the changes to the Improving Business Tax Programme, noting that the programme is focusing on small businesses and that the digital identity and payments workstreams have been split out for delivery. It was shared that Inland Revenue (IR) is looking at: <ul style="list-style-type: none"> • The information they collect and how to optimise the use of current information • Making it easier for businesses to provide information as they run their businesses • Identifying and reducing duplication from a whole-of-government interaction perspective. IR is working with the Ministry of Business, Innovation and Employment (MBIE) on understanding the Holidays Act changes and how these could be leveraged as a joint opportunity to make payroll processes easier, while acknowledging the amount of change payroll software providers would be supporting. Members discussed the following: <ul style="list-style-type: none"> • The end goal for IR is to enable businesses to be more productive and to ensure they have more time to focus on their business. • How to bridge the gap between businesses not wanting to adopt software, but knowing that businesses that set themselves up right generally perform better. There are instances in other jurisdictions where small businesses are mandated to use software, and IR is interested in hearing more about experiences from DSPs. • CPA research on small businesses and the average 	Estelle Le Lievre (Inland Revenue), Sharyn Rea (Inland Revenue)

	<p>age of small business owners. How can government and industry support what small businesses look like now and into the future.</p> <ul style="list-style-type: none"> • IR is working with other government agencies on a broader approach to compliance requirements, data collection and sharing. • Government's AI approach. More information about the New Zealand AI strategy and guidance for businesses can be found on MBIE's website. • How to help businesses fail or exit more gracefully, and how IR supports businesses that are struggling. • IR is looking to leverage credit reporting functionality and provide businesses with health check letters. <p>Members raised the importance of IR and DSPs continuing to collaborate and provide consultation opportunities as part of this programme of work to ensure that items can work in software. IR is interested in working with DSP members to better understand how small businesses use software and to walk through software products.</p>	
5	<p>Operational Security Framework Update</p> <p>Adwin Singh provided an overview of the DSP Operational Security Framework (OSF) and its purpose. Nadja Holfelder outlined that the OSF is being delivered through two key workstreams:</p> <ol style="list-style-type: none"> 1. DSP Controls Framework 2. DSP Operating Model. <p>Adwin walked through a template questionnaire and highlighted the following:</p> <ul style="list-style-type: none"> • The OSF will focus on security controls at the organisation level rather than at a product-by-product level. • ISO 27001 is not required, but having an independent certification will help simplify the process. • IR has included a mapping of the OSF controls to ISO 27001. • FAQs have been updated based on DSP feedback. <p>The draft questionnaire has been released to the security working group members for two weeks of review and feedback.</p> <p>Nadja shared that the pilots testing the OSF are now underway. There is an ongoing external quality assurance process, which is independently reviewing the process.</p> <p>The OSF is planned to go live in February 2026 and will initially apply to all new DSPs using Gateway Services. IR is now working through what the go-live process looks like and how they will transition existing DSPs, considering peak periods, IR filing timeframes, and syncing with the ATO's OSF</p>	<p>Adwin Singh (Inland Revenue), Nadia Holfelder (Inland Revenue)</p>

	<p>cycles.</p> <p>Members discussed the following:</p> <ul style="list-style-type: none"> • Releasing the draft questionnaire through ServiceNow caused some confusion for DSPs, as they were not aware it was being shared through this channel. • Being mindful about consulting across working groups that have not participated in the process so far. • Insights from participating in the pilot process. • How IR plans to communicate introducing the OSF to the wider DSPs. • How IR will support remediation if DSPs cannot meet a control. • IR is ensuring that the go-live process is well understood amongst DSPs. <p>Members were reminded to reach out to Adwin, Nadja or Mark Tapara with additional questions or feedback. An update from the next DAG Security Working Group will be shared with DAG members.</p>	
6	BREAK	
7	<p>Gateway Services Terms and Conditions</p> <p>Gina Grigor provided an update on the process to develop updated DSP terms and conditions for Gateway Services.</p> <p>IR has considered the feedback provided by DSPs and produced an updated version for review and further feedback. Gina noted that the revised draft addresses much of the DSP feedback, but some elements could not be changed.</p> <p>It was shared that IR wants to align the introduction of the updated terms and conditions with the OSF.</p> <p>Members discussed the process for limiting or suspending DSP access to gateway services. It was made clear that IR relationship managers would reach out to let a DSP know there is an issue before taking any action.</p> <p>IR has been considering creating an external register of DSPs, but has not made a decision.</p> <p>A copy of the updated draft will be distributed through DSPANZ, and feedback is requested within a fortnight.</p>	Gina Grigor (Inland Revenue), John Gasson (Inland Revenue)
8	<p>Inland Revenue Enterprise Update</p> <p>Tracey Turner provided an update on key IR activities, including:</p> <ul style="list-style-type: none"> • Debt collection activity • Impact of the next election and delivering changes • How IR could provide businesses with a debt health letter 	Tracey Turner (Inland Revenue)

	<ul style="list-style-type: none"> Supporting migrants and working with other government agencies to help them participate in the tax system. <p>Members discussed how IR and DSPs work together to support businesses and acknowledged the role of tax agents.</p>	
9	<p>Payments Modernisation in NZ</p> <p>Anil Srinivasa shared an overview of developments across the banking sector and the progress of Open Banking. Further information on the Open Banking regulations, fees, and levies has been provided as an attachment to these minutes.</p> <p>Anil noted that there is continued work on the API standards and on how Open Banking expands to joint and business accounts that require multiple signatories. The initial focus will better serve individuals rather than businesses. Overall, regulation is catching up with the banking industry, which has been working towards Open Banking over the past 3 years.</p> <p>There is broad acknowledgment that NZ's payment systems are falling behind globally, with outdated infrastructure and limited real-time capabilities. Investment and strategic leadership are required to modernise systems and foster innovation. The Reserve Bank of New Zealand (RBNZ) will be invited to provide an update at a future meeting.</p> <p>Anil shared that there is interest within tax administrations globally in exploring how tax could be collected as part of the payments system.</p> <p>Chris Hourigan provided an update on IR's Open Banking workstream and the internal challenges they want to solve, including:</p> <ul style="list-style-type: none"> Paying to incorrect bank accounts Reducing direct debit errors and confirming bank account ownership Reducing payment reconciliation errors for incoming payments and helping customers get their payment details correct. <p>It was acknowledged that confirmation of payee is now available. IR is then interested in leveraging CDR services to undertake the next level of assurance beyond confirmation of payee: request bank account details from a customer and verify them.</p> <p>Chris demonstrated an example of Open Banking.</p> <p>Members discussed opportunities with Open Banking and emphasised that DSPs and IR can continue to have conversations about this topic to remain informed. It was acknowledged that there is 90% coverage from the current 4</p>	<p>Anil Srinivasa (Inland Revenue), Chris Hourigan (Inland Revenue), Glenn Richard (Inland Revenue)</p>

	banks designated, but that some of the current limitations in the banking space persist in Open Banking, such as limits on amounts, digital signatures, and digital identity.	
10	BREAK	
11	<p>Gateway Services Continuous Improvements Update</p> <p>Glenn Richards provided an overview of the continued consultation on the Gateway Services Improvements topic with the DAG. IR has undertaken an internal review with different teams to categorise items and identify potential enhancements.</p> <p>Glenn shared the items categorised as services currently available to DSPs that might meet the requirements outlined in the examples raised, to gather feedback on whether these services are meeting expectations and, if not, why.</p> <p>Members provided feedback and further information on each item. The feedback provided included:</p> <ul style="list-style-type: none"> • Leveraging channels where DSPs can deliver communications to customers and remove instances where communications can be sent both directly and via DSPs. • How can DSPs better leverage the information IR already has about employees to support onboarding processes. <ul style="list-style-type: none"> ◦ IR is actively exploring opportunities to improve payroll and employee onboarding experiences and identifying what could be possible for the October 2026 release. • End-to-end testing environments that are not sliced. • A payroll pre-validation service that notified errors within EI files would be used. • Mandating software usage in certain markets has shown benefits. • Whilst some concerns were noted about mandating requirements, a possible approach would be to mandate the use of Gateway Services rather than myIR for businesses above a certain size. <p>These items will be added to the proposed list of Gateway Services enhancements and evaluated as part of that ongoing process.</p> <p>Glenn will provide a list of the APIs and their endpoints shared in this session with DSPs.</p> <p>It was recognised that some of the potential improvements can align with all government initiatives and that this will help drive change. IR will ensure early communication with DSPs about any proposed changes for October 2026.</p>	Glenn Richards (Inland Revenue), Eric Troebner (TMNZ)
12	Digital Identity - Update on Broader NZ Government	Martin Hooper

	<p>Approach</p> <p>Martin Hooper shared an update on the Department of Internal Affairs (DIA) work on digital identity and the development of an all-of-government app for NZ.</p> <p>The all-of-government app is considered open, as it does not require identity verification and will provide a similar experience to existing websites. The go-live functionality is considered basic, but there is consideration across government about future functionality. IR is looking to include an equivalent of the IRD number web lookup service (find my IR number) in a future version of the app.</p> <p>There is also continued work on the NZ government digital wallet, which is designed to hold identity and other credentials. Next year, it is expected that student ID and NZBNs will be added as credentials. DIA is then looking to issue information they own as digital verifiable credentials in 2027.</p> <p>IR is closely following DIA and MBIE's work in the digital identity space. IR is looking at what they could provide as credentials (e.g. issuing a binding credential for IRD numbers) and how they would participate as a relying party (e.g. consuming NZBNs).</p> <p>Members discussed the following:</p> <ul style="list-style-type: none"> • The government app and wallet are being designed for adults and are not currently being built for minors, except for student IDs. • Leveraging services to support employee onboarding. • How an individual can interact with a digital wallet, both as an individual and as a representative of a company. • Australia and New Zealand recognising each other's digital identities and credentials. 	(Inland Revenue)
13	BREAK	
14	<p>Operational Update</p> <p>Adis Kulasic noted that there are many items in the upcoming April 2026 release. If any other items arise, for example, as the August Bill progresses through Parliament, something might need to drop.</p> <p>IR is adding some items into October 2026 and noted that this is now filling up, which is starting to drive some changes for April 2027.</p> <p>Adis shared that the changes surrounding Employee Share Schemes (ESS) will not be delivered through the Employment Information (EI) service.</p> <p>Members discussed the impact of government-led changes</p>	Brooke Cole (Inland Revenue), Adis Kulasic (Inland Revenue)

	<p>and IR's role in delivering these. It was noted that IR is finding value in learning about how DSPs are innovating and what changes or services they are seeking to help in aligning potential changes.</p> <p>Adis and Mark Tapara shared information about the initial conversations IR is having with Stats NZ about supporting the next census. Members discussed IR's role in supporting census data collection and the potential impact on DSPs.</p>	
15	<p>DAG Review & 2026 Expressions of Interest</p> <p>Maggie Leese asked members about their experience participating in the DAG for 2025 and what they would like to see in 2026. Members provided feedback and noted there has been value in interactive sessions and more collaboration between IR and DSPs on agenda items.</p> <p>Maggie provided an overview of the upcoming expressions of interest (EOI) process and reminded members that they need to reapply to participate in the DAG next year. Information about the EOI process will be shared with DSP members.</p> <p>Maggie noted that the charter needs to be reviewed next year and encouraged members to review it and consider whether any updates are required.</p>	Maggie Leese (DSPANZ)
16	<p>OECD Update</p> <p>Anil Srinivasa shared an update from the OECD Tax Administration 3.0 working group, which recently met in Paris.</p> <p>Anil summarised the challenges tax administrations are facing into the following key points and noted there are no easy solutions:</p> <ul style="list-style-type: none"> • Dealing with legacy systems • Small business segments are typically not well served • What are the natural systems to collect data from • Digital is everyone's responsibility internally • The use and adoption of AI. <p>Anil noted that there is a trend in many tax administrations where policy teams are resistant to change and instead focus on smaller, simpler changes rather than broader transformation.</p> <p>Members discussed rules as code and examples of jurisdictions starting to look at the easier and straightforward processes within legislation, acknowledging that there are challenges when the law is deliberately kept ambiguous.</p>	Anil Srinivasa (Inland Revenue)
17	<p>Any other business</p> <p>Tim Kirkpatrick asked the group if there was any other business.</p> <p>Maggie Leese noted that there is an upcoming joint meeting</p>	Tim Kirkpatrick (Tax Traders)

	with the ATO's Strategic Working Group on 14 November.	
18	Meeting close Anil Srinivasa thanked members for their attendance. Glenn Richards provided a closing karakia.	Anil Srinivasa (Inland Revenue), Glenn Richards (Inland Revenue)

Actions

Date Raised	Description	Responsible
12.06.2025-1	<p>As part of regular catch-ups with DSPs, Inland Revenue will organise workshops to work through common themes in more detail.</p> <p>Update 21.08.2025: Adis Kulasic shared that workshops on themes have not yet been organised, as regular meetings have focused on October and April releases. It is expected that the group will soon focus on longer-term priorities.</p> <p>Update 23.10.2025: Item closed.</p>	Adis Kulasic, Inland Revenue
22.02.2024-1	<p>Paused: Anil Srinivasa and DSPANZ will discuss data minimisation and retention further and report back to the group.</p> <p>Update 23.05.2024: Anil will report back to the group post Budget on whether Inland Revenue can progress this work.</p> <p>Update 22.08.2024: Inland Revenue will not pick up new initiatives until the end of the year. This item will remain open.</p> <p>Update 10.10.2024: Anil acknowledged the information collection framework has been shared with members and will be published in November. Anil will reconnect with the team to understand the resourcing requirements to undertake this work.</p> <p>Update 18.02.2025: Anil Srinivasa shared that, with Inland Revenue welcoming a new Chief Data Officer, changes are happening within the data analytics team. Once work has started internally in March, Anil will bring this topic to the DAG.</p> <p>Update 12.06.2025: This item will be placed on hold.</p>	Anil Srinivasa, Maggie Leese