



**Inland Revenue**  
Te Tari Taake

# Regulatory Impact Statement: Ministerial agreements for the disclosure of information

<b>Decision sought</b>	<i>Final Cabinet decisions</i>
<b>Agency responsible</b>	<i>Inland Revenue</i>
<b>Proposing Ministers</b>	<i>Minister of Revenue</i>
<b>Date finalised</b>	<i>9 July 2025</i>

The proposal would introduce a provision in the Tax Administration Act 1994 to enable the Commissioner of Inland Revenue to disclose information to another government agency under a ministerial-level agreement. The purpose of the disclosure of information is to enable or support another agency to undertake its functions limited to:

- determining entitlement to or eligibility for government assistance, and
- preventing, detecting, investigating, or prosecution of a crime, including removing the financial benefits of crime.

## Summary: Problem definition and options

### What is the policy problem?

Inland Revenue can currently share information with other government agencies in two ways:

- an Approved Information Sharing Agreement (AISA), or
- a legislative exception made to Inland Revenue's confidentiality rule in the Tax Administration Act.

However, these involve lengthy processes that are not ideal for an urgent one-way<sup>1</sup> information disclosure from Inland Revenue to another agency. Sharing information can benefit other agencies and support broader government objectives, but using these methods could mean the information is not delivered in a timely manner and agencies may not be able to respond effectively to policy challenges and government priorities.

### What is the policy objective?

This RIS primarily focuses on how to implement one-way information disclosure agreements in a timelier manner. The secondary objective is to deliver better public services to achieve better outcomes for New Zealanders by working collaboratively across government agencies.

This proposed option is not intended to undermine the benefits of the AISA process for information sharing agreements. Rather, this RIS focuses on options that would enhance one-way information disclosures that are required on a timely basis. The AISA process is still appropriate for two-way and multi-way shares.

<sup>1</sup> A one-way disclosure is namely a disclosure of information from Inland Revenue to another agency. Alternatively, a two-way share, would be an exchange of information by both parties between Inland Revenue and another agency. There may be cases where a multi-way share is needed, where information is shared between all parties.

**What policy options have been considered, including any alternatives to regulation?**

The following have been considered as policy options:

- Option 1: Maintain the status quo.
- Option 2: Introduce a legislative provision to provide for ministerial agreements for the disclosure of information (**Minister's preferred option in the Cabinet paper**)

**What consultation has been undertaken?**

The Office of the Privacy Commissioner has been consulted. The Privacy Commissioner has concerns around the proposed changes to enable Inland Revenue to disclose tax information to other government agencies. He takes the view that existing mechanisms already facilitate the sharing of the type of information that Inland Revenue is proposing when a specific purpose is identified. Further, he considers the proposed option unnecessary and disproportionate.

No public, stakeholder or other agency consultation has taken place. This is due to compressed timeframes and ministerial direction.

**Is the preferred option in the Cabinet paper the same as preferred option in the RIS?**

Officials consider introducing a new provision to enable the Commissioner of Inland Revenue to disclose information under a ministerial agreement is the best way of achieving the policy objective of disclosing information to another agency on a timelier basis, compared to the status quo.

## **Summary: Minister's preferred option in the Cabinet paper**

**Costs (Core information)**

At this point, there are no expected costs to taxpayers, or parties potentially involved in an agreement because the proposed option is to introduce a legislative provision that would permit a framework for these agreements to exist. However, if any costs are incurred with this introduction, these would be minimal and can be met within existing baselines. Once an agreement is entered into under the proposed legislative provision, there may be costs for individual taxpayers, businesses and agencies involved. This is dependent on the scope of the information disclosure, such as the quantity, detail and system impacts. The treatment of these costs would be determined on a case-by-case basis when agreements are entered into.

**Benefits (Core information)**

Compliance costs may be reduced for some groups, such as individual taxpayers and businesses. For example, when a taxpayer needs to provide information that Inland Revenue already holds to another agency, an information disclosure agreement could mean the agency would receive that information directly from Inland Revenue. This would remove costs for the taxpayer and improve efficiency. However, the reality of this benefit would depend on the disclosure required and the use of the disclosed information by the involved agency.

Administration costs may also be reduced for Inland Revenue and the other agencies involved in these agreements. This could relate to timelier information disclosures that could support the functions of the other agency. These costs could also reduce relative to the status quo, which includes the AISA process and further legislative exceptions.

**Balance of benefits and costs (Core information)**

Considering the qualitative evidence behind the expected costs and benefits, the benefits of the Minister's preferred option are likely to outweigh the costs. It could be expected that the support an information disclosure could provide to a government agency would exceed the potential costs of the proposed options. However, given the uncertainty of potential costs

arising from an agreement, the cost–benefit ratio could change over time depending on the information disclosed.

### Implementation

#### How will the proposal be implemented, who will implement it, and what are the risks?

The proposal would require a legislative change to the Tax Administration Act. This would be included in an omnibus taxation Bill scheduled for introduction in the second half of 2025 and to come into effect from 1 April 2026. This change would be communicated through regular channels like Bill commentary. Subsequent agreements would be negotiated at a future date (i.e., on or after 1 April 2026), when an information disclosure is needed. A risk with this proposal is that parties involved in an agreement may disclose information where social license does not exist.

### Limitations and Constraints on Analysis

This proposal is significantly limited by the lack of consultation. The Office of the Privacy Commissioner was the only stakeholder involved in consultation and there was no public consultation. This proposal was also subject to significant time constraints, and this has constrained our ability to produce an evidence-based option analysis. The analysis is based on anecdotal qualitative evidence and only considers the benefits and risks of the status quo and an alternative option. Officials are unable to obtain any quantitative information that would support our analysis. Expected outcomes cannot be predicted with certainty or quantified. Outcomes are particularly dependent on which agencies are involved and what information is disclosed under future agreements entered into under the proposed provision.

**I have read the Regulatory Impact Statement and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the preferred option.**

**Responsible Manager(s) signature:** s 9(2)(a)



**Carolyn Elliott**  
**Policy Lead**  
**9 July 2025**

<b>Quality Assurance Statement</b> <i>[Note this isn't included in the four-page limit]</i>	
<b>Reviewing Agency:</b> Inland Revenue	<b>QA rating:</b> partially meets
<p><b>Panel Comment:</b></p> <p>The Quality Assurance Panel has reviewed the Regulatory Impact Statement (RIS) prepared by Inland Revenue for the proposal to enable the Commissioner of Inland Revenue to disclose information to other government agencies under new ministerial agreements instead of relying on the Approved Information Sharing Agreement (AISA) framework or specific exceptions under the Tax Administration Act 1994.</p> <p>The Panel considers that the RIS partially meets the quality assurance criteria. It outlines the status quo clearly and presents a case for the proposed change.</p> <p>However, the Panel notes that the overall clarity and depth of the analysis were hindered by compressed timeframes. Consultation was limited to one government stakeholder, and no quantitative analysis was included. While the nature of the proposal may constrain the</p>	

availability of such data, broader engagement and more time for development could have strengthened the RIS.

Despite these limitations, the Panel considers that the RIS provides sufficient information to support informed decision-making by Cabinet.

## Section 1: Diagnosing the policy problem

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### What is the context behind the policy problem and how is the status quo expected to develop?

1. To better deliver public services, government agencies are expected to work together and achieve better outcomes for New Zealanders. Information plays an important role in advising agencies on the current context and where efficiencies can be made to ensure better outcomes. In the context of Inland Revenue's role, information is used to ensure taxpayers meet their tax obligations, which consequently fund government services.
2. The Privacy Act 2020 governs how agencies collect and use personal information. Further, the Privacy Commissioner regulates relevant legislation and ensures that agencies are following legislation appropriately when sharing information. To do so, the Privacy Commissioner examines government proposals and draft legislation for its impact on privacy and monitors ongoing information sharing programmes between agencies. The Cabinet Manual requires the government agencies to consult with the Privacy Commissioner on any proposal with privacy implications.<sup>2</sup>
3. To collect information, Inland Revenue must follow its collection powers in the Tax Administration Act 1994. Broadly, information can only be collected by Inland Revenue where it is necessary or relevant for the collection of tax or the administration of the tax system (including social policies that Inland Revenue is responsible for administering). This means information not related to the tax system cannot be collected, even though it may be useful for another government agency. Inland Revenue's information collection powers are consistent with other OECD revenue authorities but are generally broader than those of other New Zealand government agencies.
4. However, information already collected for tax purposes by Inland Revenue may be disclosed to another agency to support its functions. Inland Revenue's ability to disclose information is balanced by a strict rule of confidentiality. That rule states that all "sensitive revenue information"<sup>3</sup> cannot be shared unless one of the exceptions to the rule applies. Exceptions are generally limited to the defined third party, the class of information to be shared, and how the information can be used. This confidentiality rule has been considered necessary to promote voluntary compliance with the tax system. The confidentiality of a taxpayer's affairs is seen as a critical component of maintaining the integrity of the tax system and compliance with tax obligations. This would be placed in jeopardy if taxpayer information was not kept confidential. Other agencies such as the

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<sup>2</sup> Cabinet Office. (2023). *Cabinet Manual 2023* (paras. 8.86 – 8.89). Department of the Prime Minister and Cabinet. <https://www.dpmc.govt.nz/our-business-units/cabinet-office/supporting-work-cabinet/cabinet-manual>

<sup>3</sup> "Sensitive revenue information" includes information held by the Commissioner that could identify a person or entity; or could be viewed as private, commercially sensitive or confidential; or information where the release could result in loss, harm or prejudice. It does not include aggregate or statistical data.



Serious Fraud Office have similar statutory confidentiality requirements.

5. To disclose information to support other agencies' core functions, Inland Revenue requires an AISA provided for under the Privacy Act or a specific legislative exception to the confidentiality rule in the Tax Administration Act. An AISA enables personal information to be shared between (or within) government agencies for the purpose of delivering public services. AISAs must be published online and are subject to oversight and reporting requirements set by the Privacy Commissioner. The AISA process can take at least 18 months to finalise but enables the Government to test the sharing proposal with the public to see whether it has the social license to proceed. The process involves:
  - four reports to be considered by Ministers and/or Cabinet
  - public consultation
  - an agreement to be drafted by the agencies involved, and
  - an Order in Council to be drafted and enacted to give effect to the AISA agreement.
6. Inland Revenue has successfully used the AISA process with:
  - the Ministry of Social Development to administer the benefit system and identify non-compliance
  - the New Zealand Police, New Zealand Customs Service, and the Serious Fraud Office for serious crime detection, and
  - 12 agencies that are signatories to the Gang Intelligence Centre AISA.
7. There are a number of legislative exceptions to the confidentiality rule in section 18 of the Tax Administration Act that enable Inland Revenue to share information with other agencies. To create another exception to allow for an information share, there must be a legislative change to the Tax Administration Act. The policy development and parliamentary process for enacting legislation takes around 18 months. The exceptions are generally expressed in prescriptive terms, for example, Inland Revenue provides limited information to the Ministry of Business, Innovation and Employment for the purpose of the Research and Development Tax Incentive.

### **What is the policy problem or opportunity?**

8. There is an opportunity to expand Inland Revenue's ability to disclose information to another government agency (one-way information disclosure). Inland Revenue's current information sharing processes may not provide the most efficient way to disclose information to another agency. Further, Inland Revenue is particularly constrained, compared to other agencies, when it comes to options to disclose information. This is due to the confidentiality requirements, outlined in the Tax Administration Act, that other agencies are not subject to.
9. The main problem with current information sharing processes, especially the AISA, is that they take too long to implement, generally at least 18 months and in some cases longer. There may be cases that require a timelier information disclosure, especially in response to public policy challenges. Given current time frames, there is a risk that agencies are without information that could address policy challenges when needed.
10. The AISA process can be considered complex and requires agencies to work together, have the same understanding of the AISA, and have the same priorities to conclude

agreements in a timely manner. However, an AISA includes public consultation to ensure information sharing will be subject to sufficient safeguards.

11. The current confidentiality provisions in the Tax Administration Act limit Inland Revenue's ability to disclose information in a timely manner when the Government considers that disclosure is within the social licence and warranted for the benefit of New Zealanders. Examples include the inability to disclose information to combat some organised crime or when the disclosure would be to the benefit of a person, such as verifying entitlement to a government subsidy.
12. Despite the numerous exceptions to the confidentiality rule, adding further exceptions to enable Inland Revenue to disclose sensitive revenue information also takes time to implement. Existing exceptions must be specific to the agency and purpose of the share so it is unlikely that existing exceptions can be used for new information disclosures.
13. Government agencies require timely information from Inland Revenue to support their core functions and help them quickly respond to changing government priorities. However, for example, providing information to the New Zealand Police to assist them in combating transnational organised crime when the level of offending does not satisfy the seriousness test in the targeting serious crime AISA. The AISA allows information to be shared in relation to offending with a punishment of imprisonment of four years or more. Anything that falls below this test does not meet the current AISA requirements. To make any changes to this AISA would take at least 12 months to occur.

**What objectives are sought in relation to the policy problem?**

14. The primary objective is to enable new one-way information disclosure agreements to deliver information from Inland Revenue to another agency in a timelier manner. The secondary objective is to deliver better public services more efficiently by working collaboratively across government agencies to achieve better outcomes for New Zealanders.

## What consultation has been undertaken?

15. Consultation has taken place with the Office of the Privacy Commissioner. The Privacy Commissioner has the following concerns with the proposal:

*The Privacy Commissioner has concerns as it relates to the proposed changes to enable Inland Revenue to disclose tax information to other government agencies. He believes the disapplication of principles 10 and 11 of the Privacy Act in the proposal is unjustified. The Privacy Commissioner is of the view that there are existing mechanisms to facilitate the sharing of the types of information Inland Revenue are proposing including Approved Information Sharing Agreements under the Privacy Act 2020 and the broad information sharing provisions available under Section 18F of the Tax Administration Act 1994. Should the proposal proceed, the Privacy Commissioner's office will continue working with officials on this proposal.*

16. No public or other agency consultation has taken place for the proposed ministerial agreements for the disclosure of information. When consultation has taken place on information collection and sharing, generally submitters have supported more explicit powers.<sup>4</sup> However, submitters also note that the Commissioner of Inland Revenue already has very broad and flexible powers. Officials could expect similar feedback in consultation if it were to occur.

## Section 2: Assessing options to address the policy problem

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### What criteria will be used to compare options to the status quo?

17. When considering the options for this proposal, the following criteria have been used to shape the decision-making process:
- a. Timeliness: The overall process and implementation of the information exchange can be done in a reasonable time frame that can respond to government priorities when needed.
  - b. Integrity and privacy: The option maintains the integrity of the tax system and ensures sufficient protection of people's privacy and a proper level of security and transparency. Maintaining the privacy of taxpayers will uphold the integrity of the tax system.
  - c. Transparency: The option has a relatively high level of transparency, through consultation and publication of the proposal, and safeguards to encourage public trust in the information sharing process.
  - d. Sustainability: The option is future-proofed but provides a framework that is flexible enough to respond to government priorities and facilitate changes going forward.
18. Criterion (b) can potentially conflict with criterion (c) if information is shared too widely or if robust security systems and processes are not established to protect people's privacy. A balance must be reached between providing better public services and ensuring people's information is adequately protected, so all objectives can be achieved without conflicting.

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<sup>4</sup> [Making tax simpler - Proposals for modernising the Tax Administration Act: summary of submissions \(June 2018\)](#)

19. Criterion (a) could conflict with criterion (c). This would be the case if an expedited process is used for an information disclosure, therefore transparency would be compromised without the opportunity to consult on the matter. Given the Minister's objective is to provide information on a timelier basis, criterion (a) is prioritised over criterion (c).



### **What scope will options be considered within?**

20. The scope of feasible options has only been considered in the context of Inland Revenue disclosing information to another agency, a one-way disclosure. The disclosure of information by another agency to Inland Revenue, along with two-way and multi-way information shares are out of scope of this analysis. Two-way and multi-way information shares would continue to be given effect by an AISA or a specific legislative exception to Inland Revenue's confidentiality rule.
21. An example of a one-way information disclosure is between Inland Revenue and the Accident Compensation Corporation (ACC), where Inland Revenue provides information to assist ACC in the administration of the Accident Compensation Act 2001. Information disclosed includes a person's identifying and contact details, start date of salary or wage employment, and if relevant, income information as a beneficiary of a trust.
22. An example of a two-way information share is between Inland Revenue and the Ministry of Education to share information so Inland Revenue can manage FamilyBoost. Inland Revenue sends full names of children, dates of birth, and information on the residence of the children to the Ministry of Education. In return, the Ministry of Education shares the relevant National Student Numbers, addresses, and early childhood education enrolment details to Inland Revenue.
23. An example of a multi-way information share is between Inland Revenue, the Ministry of Social Development, the Ministry of Education, and Stats NZ. This share is to support the production of an annual integrated dataset on student loan borrowers and student allowance recipients in New Zealand.
24. The Minister of Revenue has directed officials to use this scope and include the specific proposed option in the upcoming omnibus taxation Bill. Timeliness is the Minister's priority for assessing options, therefore options considered have been limited to those that will meet this objective.
25. Option 2 has been considered as an option where the Commissioner of Inland Revenue may share information with another party. This has been considered in light of the integrity of the tax system and if an information disclosure could compromise the integrity of the tax system, the Commissioner of Inland Revenue has the discretion to withhold information.

### **What options are being considered?**

#### **Option 1: Maintain status quo**

26. Under the status quo, information sharing by Inland Revenue would not be expanded beyond the current settings of sharing information under an AISA or a legislative exception to the confidentiality rule in the Tax Administration Act. This is because our expectation is that information sharing agreements would continue to be given effect to by an AISA or a specific legislative exception to the general confidentiality requirement.
27. An AISA would enable a two-way share of information between Inland Revenue and another agency. An AISA can address current legal restrictions because it is one of the exemptions to the confidentiality obligations in the Tax Administration Act (see the

exception in section 18E(2)).

28. The process for developing and approving an AISA allows for public scrutiny and transparency. The parties are obliged to consult with the public, and the Privacy Commissioner, before presenting an AISA to ministers. An AISA will take effect only if the Governor-General approves it through an Order in Council. The Order in Council will ensure the terms of the AISA are publicly available.
29. The AISA regime in the Privacy Act provides a clear mechanism for agencies to share information to enable the better delivery of public services. It is tailored to achieve the outcomes that Inland Revenue and other agencies are seeking to achieve. It has inbuilt protections for privacy. For instance, an AISA must clearly set out what type of information is to be shared, the purposes for which the information can be used, and the types of security arrangements that will apply to the transfer and handling of the information. This ensures that individuals' privacy is not unreasonably affected and that there are adequate safeguards to protect the privacy and security of information.
30. An AISA can be easier to amend than primary legislation if changes are needed. To amend an AISA, it would require an Order in Council, given effect once approved by the Governor-General. Amendments to primary legislation would need to be taken through the parliamentary process, which may take 18 months. Parties involved would need to consult the public and the Office of the Privacy Commissioner before agreeing to any changes that would have privacy implications.
31. A legislative exception to the confidentiality rule would give the Commissioner of Inland Revenue the discretion to share certain information for a certain purpose. This would be listed in schedule 7 in the Tax Administration Act. Like the other exceptions to the general confidentiality rule, each information share will require a new exception.
32. An exception would incorporate safeguards like transparency, limits on which agencies Inland Revenue could share with, a defined purpose for use, and specifying what information could be shared. These should ensure sufficient protection of people's privacy and a proper level of security.
33. The legislative exception would be for a particular agency and information share, and it would be explicitly outlined in legislation. The public would have access to this legislation and other documentation related to its enactment on Inland Revenue's website. Information is not required to be published on the Inland Revenue website. However, in many cases, details of information shares are published on the Inland Revenue website.
34. An AISA process and legislative exception to the general confidentiality rule can take 18 months, or longer. An AISA process requires several reports and public consultation. The risk is that information required by an agency from Inland Revenue may not be provided in a timely manner. However, AISAs are more flexible and should make less use of parliamentary resources. To create a legislative exception, a change would be made through standard legislative process. This would be the case for each exception allowed by the Commissioner of Inland Revenue, adding administrative costs for Inland Revenue and Parliament to legislate for each information sharing agreement. However, this is also a risk when information required by an agency from Inland Revenue is not provided in a

timely manner and has a subsequent impact on agencies that require it for their functions.

**Option 2: Ministerial agreements for the disclosure of information**

35. Option 2 would allow Ministers to enter into an agreement for Inland Revenue to disclose information to another agency for specific purposes. The purpose of the disclosure would be to enable or support another agency to undertake its functions limited to:
  - determining entitlement to or eligibility for government assistance, and
  - preventing, detecting, investigating, or prosecution of a crime, including removing the financial benefits of crime.
36. This would act as a legislative exception to the confidentiality rule. A similar provision already exists in the Customs and Excise Act 2018. Option 2 would only be able to be used for a one-way information disclosure, and when a two-way or multi-way share is required, other mechanisms like an AISA, would be used. Because a ministerial agreement is expected to only take three to six months, it would be selected when information is needed urgently by another agency. Other mechanisms like an AISA or legislative exception would be used when information is not needed in a timely manner.
37. An agreement under the proposed legislative provision would set out the type or class of information to be disclosed, the reason the information is accessed, the uses the information will be put to in fulfilling the other agency's functions, and the safeguards for the protection of personal information or commercially sensitive information that is disclosed. One such safeguard is that Inland Revenue may disclose information but is not required to, if disclosure would undermine the integrity of the tax system. This would protect Inland Revenue's ability to collect information and tax.
38. Ministers of the relevant government agencies would be required to consult with the Privacy Commissioner before entering into an agreement to ensure the privacy implications of sharing individuals' information are known. The consultation would also be a further check on whether social license exists for this disclosure of information and whether the safeguards are sufficient because public consultation will not occur for these agreements.
39. Option 2 would only provide a way for Inland Revenue to share information with another agency. To access information from another agency, Inland Revenue would need to use another method. Officials expect this process of information sharing to take three to six months to conclude an agreement. This would be an improvement compared to current settings or available methods, for example an AISA or legislation, which consist of complex processes that can take at least 18 months.
40. Officials assume that information would be able to be shared on a timelier basis than compared to the status quo in circumstances where Inland Revenue would otherwise be prevented from sharing information. While the cost of an agreement is unable to be quantified at this point, it could be considered to return efficiencies to agencies that are using information to support their functions and duties. It could also be the case that administrative costs for Inland Revenue could be lower, compared to the status quo of implementing an AISA or an additional legislative exception.
41. Inland Revenue would publish the name of the agreement, the parties to the agreement, the classes of information that can be disclosed, the purpose for the disclosure and the

uses of the information, on the Inland Revenue website. Members of the public would be able to access this information. Legislation would also provide transparency of the processes involved for Ministers to agree on an information share. Subsequent agreements made under this proposed option will also undergo annual reporting in Inland Revenue's Annual Report. In this reporting, there will be a notification of the number of information shares undertaken, with relevant information, such as parties involved, legal authority used and nature of shares. This will sit alongside other information sharing agreement notifications in the Annual Report, such as AISAs.

**How do the options compare to the status quo/counterfactual?**

	<b>Option 1: Status quo (AISA and exceptions to Inland Revenue's confidentiality rule)</b>	<b>Option 2: Ministerial agreements for disclosure of information</b>
<b>Timeliness</b>	<p>0</p> <p>Sharing information through an AISA or legislative exception can take at least 18 months. It involves complex processes, including public consultation and may require changes to multiple pieces of legislation.</p>	<p>+</p> <p>A ministerial agreement is expected to take 3 to 6 months to implement and share information. This is a far timelier option than the status quo.</p>
<b>Integrity and privacy</b>	<p>0</p> <p>The type of information shared and the way the information is shared is clearly defined. Privacy and security is prioritised to maintain the integrity of the tax system and ensure sufficient protection of people's privacy.</p>	<p>0</p> <p>Same as the status quo</p>
<b>Transparency</b>	<p>0</p> <p>The status quo, particularly the AISA process, requires public consultation and reporting in the lead agency's annual report. The AISA process is also reviewed by the Privacy Commissioner. A legislative exception incorporates sufficient safeguards but relevant information is not required to be published on Inland Revenue website. However, details of some shares may be published on Inland Revenue website.</p>	<p>-</p> <p>This option would publish core details of the information disclosure on Inland Revenue website, such as information exchanged, parties involved, and legal authority. This information and relevant information would be made available to the public.</p>
<b>Sustainability</b>	<p>0</p> <p>An AISA can provide a flexible framework to respond to changes in the environment. This can be done by amending operational protocols and publishing the updated version. However, given the length of the AISA and legislative exception process, information may not be delivered when it is required. Significant amendments to the AISA must be consulted on, including with the Privacy Commissioner, and approved by Cabinet.</p>	<p>+</p> <p>This option would provide a more flexible and responsive mechanism to react to policy challenges. This is predominately because the information disclosure could be done in a timelier manner, compared to Option 1.</p>
<b>Overall Assessment</b>	<p>0</p>	<p>+</p>

**What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?**

42. Option 2 best addresses the problem, meets the policy objectives and delivers the highest net benefits.
43. Introducing a legislative provision that allows information to be disclosed under a ministerial agreement would address the core problem when an information disclosure is not delivered in a timely manner. Option 2 would shorten the expected time of up to 18 months to three to six months. This would have positive subsequent effects for the government agencies receiving the information because they would be able to use it when it is required and react quickly to government priorities and other policy challenges.
44. The status quo fails to meet the core objective of timeliness due to the long and complex process, which can take at least 18 months. However, for information shares that require a two-way/multi-way share or public consultation, an AISA is still a viable option. The decision to use an AISA or other mechanism is dependent on the nature of the share.
45. There may be significant non-monetised benefits for agencies that receive information from Inland Revenue through Option 2. For example, an agency may be able to accurately determine entitlement to a payment or subsidy from income information shared by Inland Revenue, which could result in effective and efficient support to New Zealanders.
46. Option 2 allows for information to be withheld if there were any suspected integrity risks. This prevents subsequent impacts on taxpayer compliance, which have flow on effects for funding government policy.



**Is the Minister's preferred option in the Cabinet paper the same as the agency's preferred option in the RIS?**

47. The Minister's preferred option in the Cabinet paper is the same as Inland Revenue's preferred option in the RIS – Option 2: A ministerial agreement for the disclosure of information.

**What are the marginal costs and benefits of the preferred option in the Cabinet paper?**

<b>Affected groups</b> <i>(identify)</i>	<b>Comment</b> <i>nature of cost or benefit (eg, ongoing, one-off), evidence and assumption (eg, compliance rates), risks.</i>	<b>Impact</b> <i>\$m present value where appropriate, for monetised impacts; high, medium or low for non-monetised impacts.</i>	<b>Evidence Certainty</b> <i>High, medium, or low, and explain reasoning in comment column.</i>
<b>Additional costs of the preferred option compared to taking no action</b>			
Regulated groups <i>(individual taxpayers and businesses)</i>	At this point there are no expected costs to individual taxpayers and businesses. There will be impacts for this group as a result of the individual agreements made under Option 2.	Unable to determine at this point.	Low, at this point.
Regulators <i>(Inland Revenue and other agencies involved in an agreement)</i>	At this point there are no expected costs for Inland Revenue and other agencies. There will be costs for relevant agencies once an agreement is made under Option 2.	Unable to determine at this point.	Low, at this point.
Others (eg, wider govt, consumers, etc) <i>For fiscal costs, both increased costs and loss of revenue could be relevant</i>	N/A	N/A	High
<b>Total monetised costs</b>			
<b>Non-monetised costs</b>	No non-monetised costs associated with Option 2.	N/A	High, there are no projected costs associated with Option 2.

Additional benefits of the preferred option compared to taking no action			
Regulated groups (individual taxpayers and businesses)	Compliance costs may be reduced for some groups.	Medium	Unknown at this point. This will depend on the disclosure required.
Regulators (Inland Revenue and other agencies involved in an agreement)	Administration costs would be reduced for this group.	Medium	Unknown at this point. This will depend on the disclosure required.
Others (eg, wider govt, consumers, etc.)	This will provide better support for government policies and compliance for the law.	Medium	Unknown at this point. This will depend on the disclosure required.
<b>Total monetised benefits</b>	N/A	N/A	High, at this point the benefits from the proposal would not be monetised.
<b>Non-monetised benefits</b>		Medium	High

48. Non-monetised costs and benefits are unable to be quantified at this time. When agreements are made, officials may be able to quantify both costs and benefits. This will depend on the information disclosed and parties involved.

### Section 3: Delivering an option

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#### How will the proposal be implemented?

49. The proposal would require a legislative change to the Tax Administration Act. This would be included in the next omnibus taxation Bill, scheduled for introduction in the second half of this year, and would come into effect from 1 April 2026. Changes will be communicated through regular channels like a Bill commentary.
50. The fiscal cost of each ministerial agreement is currently unquantifiable given the unknowns of future information disclosures.

**How will the proposal be monitored, evaluated, and reviewed?**

51. Further to the requirements of the proposed option, the Privacy Commissioner would be consulted when a ministerial agreement is negotiated under the proposal. They would provide guidance and governance over the data shared, in line with other information sharing agreements.
52. Any ministerial agreements entered into for the disclosure of information would be reported on the Inland Revenue website. These would go alongside information sharing arrangements that are already published on the website. This reporting would include the parties involved, the nature of the information disclosed, the purpose of the information sharing, and legal authority.
53. In Inland Revenue's Annual Report, there would be notification of the number of information shares undertaken, with relevant information such as parties involved, legal authority used and nature of the shares. This would sit alongside other information sharing arrangement notifications in the Annual Report, such as AISAs.
54. Stakeholders may raise concerns about the proposed option and its operations with Inland Revenue at any time. If problems emerge, they could be dealt with either operationally or legislatively.