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Business Transformation

Release Management Approach

BT Release Management Overview

- Following the successful implementation of Stage 1 (START for GST), the programme has determined that taking a release based approach will ensure that on going implementation of the new tax and social policy changes are:
  - logically sequenced;
  - grouped to enable efficient use of resources; and
  - business and technical risk are minimised.
- The programme is comprised of 4 Stages with the final stage due to complete in 2021
- Applying a release based approach means that each Stage will now be delivered in one or more releases
- A BT Release may be either a START major release which will include all the necessary components to build out "end to end" the new tax and social policy solution (START Plus); or
- A START minor release which could include enhancements to existing functionality or new functionality; or
- An independent release of supporting business or technical change that could include Organisation Model Implementation, IKM, Analytics, Customer Experience or technology infrastructure.

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BT Release Sequencing and Planning Approach

The following principles are taken into consideration when shaping the release scope and implementation sequence for the BT Programme:

- Risk minimisation – business and technical
- Ability to implement in the required time frame (do ability – size of release)
- **START Plus major releases** will be scheduled to align to an appropriate time frame based on the tax type affected
- **START minor releases** will be implemented to compliment the START solution and will be either pre or post a major START release
- **Independent releases** will be implemented at appropriate times aligned to business requirements taking into consideration START Major release windows
- Business impact – allowing sufficient time between releases for change to "bed in"
- Policy change considerations (timing of legislative change)
- Aligned to achievement of benefits as early as possible
- Enablement of the new organisation
- Affordability

The BT Programme Release Plan will be reviewed at the conclusion of each major release (or at least yearly) to ensure that the sequence remains relevant.

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BT Release Sequencing and Planning Approach

As the delivery of the START solution progresses and the START footprint grows and replaces FIRST then:

- The delivery model will become increasingly START centric, less waterfall and increasingly agile
- Changes to Customer Experience (CX) and Business Intelligence will compliment the START solution (START Plus)
- Co-existence (old solutions with new) will continue to be minimised and at the time of implementing START Plus Release 5 is expected to disappear altogether
- Independent releases of supporting change can continue in the later stages of the programme, however this will likely focus on enhancing customer experience

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Modernising the revenue system requires wide-ranging change

Delivery Model

2017	2018	2019	2020	2021

Stage 1   **Stage 2**   **Stage 3**   **Stage 4**

Programme Management, Policy, Enterprise Architecture, PMO, Commercial Management, Benefits & Bus Case

Customer Experience (CX) – independent releases

Analytics, Information & Knowledge Management, Business Intelligence – independent releases

Technology enablers – independent releases

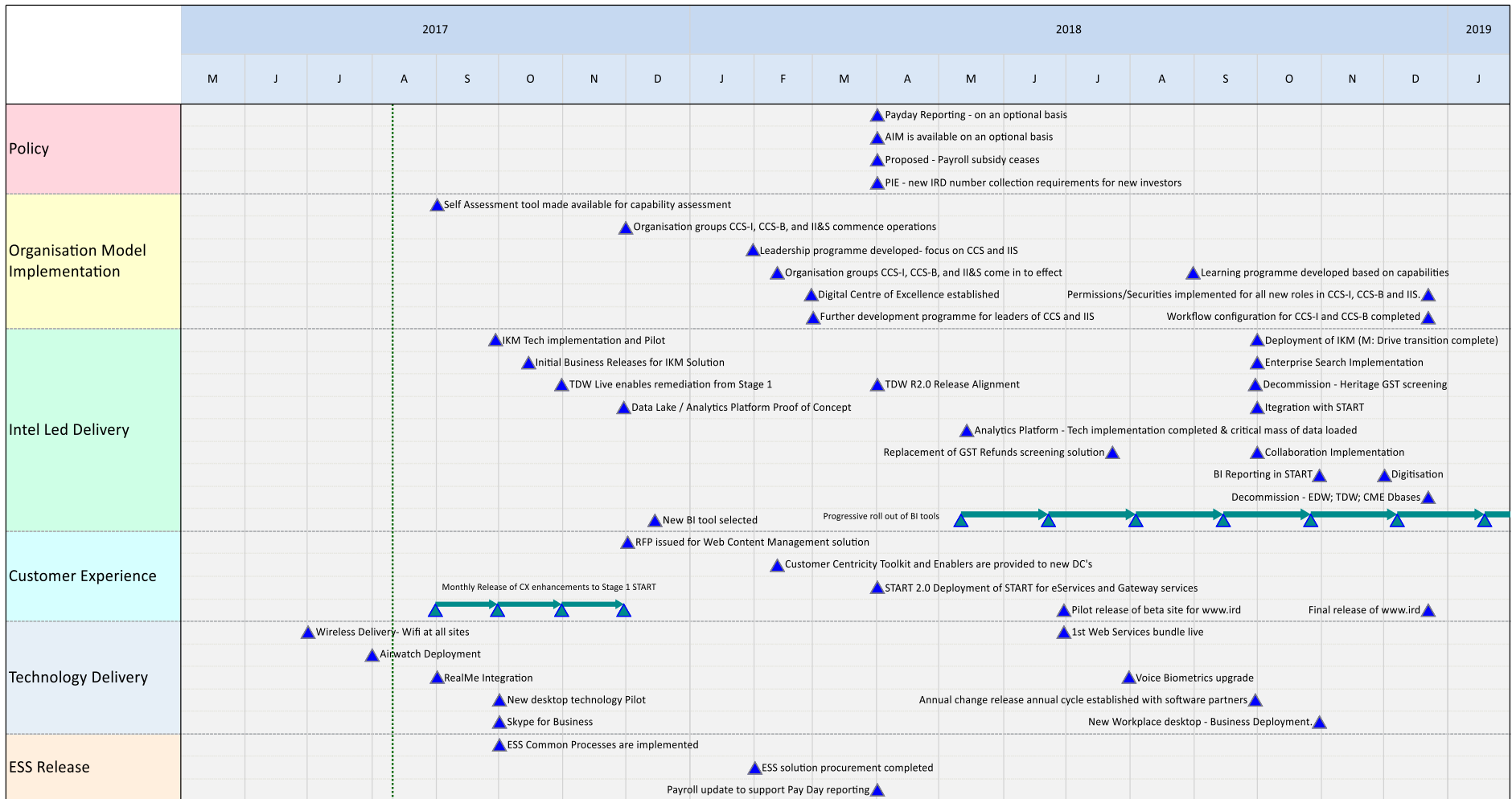| START release 1	START Plus release 2	START Plus release 3	START Plus release 4	START Plus release 5
Customer experience *Heritage*	Customer experience *Heritage*	Customer experience *new*	Customer experience *new*	Customer experience *new*
GST	*Business Taxes*	*Income Tax & Working for Families*	*KiwiSaver & Student Loans*	*Child Support & remaining taxes*
Heritage *Co-existence*	Heritage *Co-existence*	Heritage *Co-existence*	Heritage *Co-existence*	
Infrastructure	Infrastructure	Data	Data	Data
Data	Data	Analytics, Business Intelligence & Operational reporting	Analytics, Business Intelligence & Operational reporting	Analytics, Business Intelligence & Operational reporting
Analytics, Business Intelligence & Operational reporting	Analytics, Business Intelligence & Operational reporting			

ESS releases

Operating model (organisation design implementation)

High Level Block Plan 2017 - 2018
IN CONFIDENCE - EXTERNAL RELEASE

	2017												2018								2019
	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J

Policy
- Payday Reporting - on an optional basis
- AIM is available on an optional basis
- Proposed - Payroll subsidy ceases
- PIE - new IRD number collection requirements for new investors

Organisation Model Implementation
- Self Assessment tool made available for capability assessment
- Organisation groups CCS-I, CCS-B, and II&S commence operations
- Leadership programme developed- focus on CCS and IIS
- Organisation groups CCS-I, CCS-B, and II&S come in to effect
- Learning programme developed based on capabilities
- Digital Centre of Excellence established
- Permissions/Securities implemented for all new roles in CCS-I, CCS-B and IIS.
- Further development programme for leaders of CCS and IIS
- Workflow configuration for CCS-I and CCS-B completed

Intel Led Delivery
- IKM Tech implementation and Pilot
- Deployment of IKM (M: Drive transition complete)
- Initial Business Releases for IKM Solution
- Enterprise Search Implementation
- TDW Live enables remediation from Stage 1
- TDW R2.0 Release Alignment
- Decommission - Heritage GST screening
- Data Lake / Analytics Platform Proof of Concept
- Itegration with START
- Analytics Platform - Tech implementation completed & critical mass of data loaded
- Replacement of GST Refunds screening solution
- Collaboration Implementation
- BI Reporting in START
- Digitisation
- Decommission - EDW; TDW; CME Dbases
- New BI tool selected
- Progressive roll out of BI tools

Customer Experience
- RFP issued for Web Content Management solution
- Customer Centricity Toolkit and Enablers are provided to new DC's
- Monthly Release of CX enhancements to Stage 1 START
- START 2.0 Deployment of START for eServices and Gateway services
- Pilot release of beta site for www.ird
- Final release of www.ird

Technology Delivery
- Wireless Delivery- Wifi at all sites
- 1st Web Services bundle live
- Airwatch Deployment
- RealMe Integration
- Voice Biometrics upgrade
- New desktop technology Pilot
- Annual change release annual cycle established with software partners
- Skype for Business
- New Workplace desktop - Business Deployment.

ESS Release
- ESS Common Processes are implemented
- ESS solution procurement completed
- Payroll update to support Pay Day reporting

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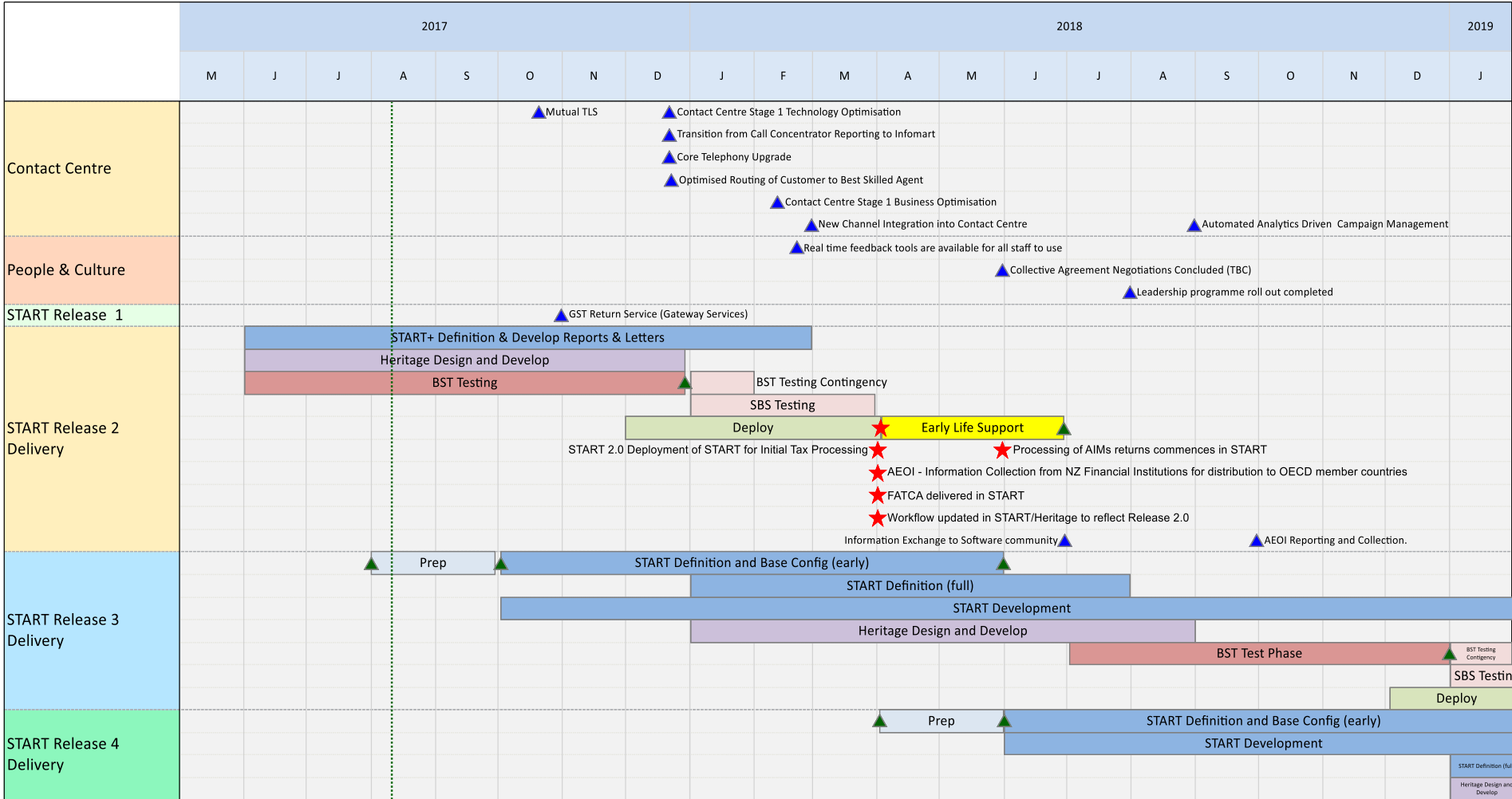Business Transformation

START Plus Release 3 Scope Overview

- START Plus Release 3 will enable:
  - End to End Income Tax within START, including associated products, e.g. Imputation credits etc.
  - Digital submissions of pre–populated Income Tax Returns.
  - Improved self service for Income Tax, including digital submission of Returns
  - Pay Day submission of Employer information (voluntary for Release 2 becomes compulsory from Release 3)
  - Working for Families Tax Credit year end square up (linked to Income Tax return process) in START
  - All Customers will be mastered in START
  - eServices becomes the digital landing page for all Customers
  - Consolidated view in myIR (eServices) for non individual customers, and individual customers with no Social policy products.
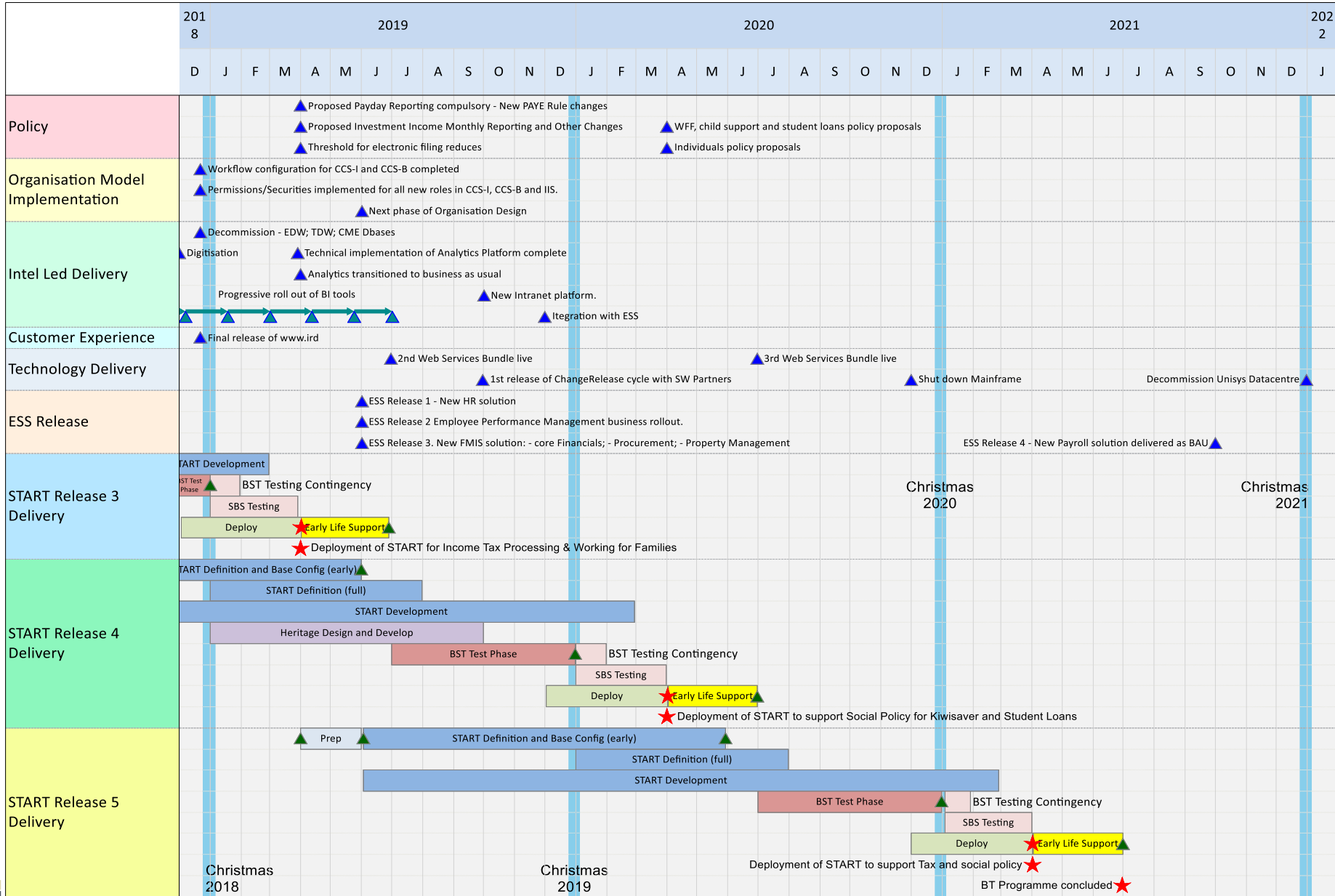 - Enrolment for all Tax products consolidated in START

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High Level Block Plan 2017 - 2018
IN CONFIDENCE - EXTERNAL RELEASE

	2017		2018		2019
	M J J A S O N D	J F M A M J J A S O N D	J

Contact Centre
- Mutual TLS
- Contact Centre Stage 1 Technology Optimisation
- Transition from Call Concentrator Reporting to Infomart
- Core Telephony Upgrade
- Optimised Routing of Customer to Best Skilled Agent
- Contact Centre Stage 1 Business Optimisation
- New Channel Integration into Contact Centre
- Automated Analytics Driven Campaign Management

People & Culture
- Real time feedback tools are available for all staff to use
- Collective Agreement Negotiations Concluded (TBC)
- Leadership programme roll out completed

START Release 1
- GST Return Service (Gateway Services)

START Release 2 Delivery
- START+ Definition & Develop Reports & Letters
- Heritage Design and Develop
- BST Testing
- BST Testing Contingency
- SBS Testing
- Deploy
- Early Life Support
- START 2.0 Deployment of START for Initial Tax Processing
- Processing of AIMs returns commences in START
- AEOI - Information Collection from NZ Financial Institutions for distribution to OECD member countries
- FATCA delivered in START
- Workflow updated in START/Heritage to reflect Release 2.0
- Information Exchange to Software community
- AEOI Reporting and Collection.

START Release 3 Delivery
- Prep
- START Definition and Base Config (early)
- START Definition (full)
- START Development
- Heritage Design and Develop
- BST Test Phase
- BST Testing Contigency
- SBS Testin
- Deploy

START Release 4 Delivery
- Prep
- START Definition and Base Config (early)
- START Development
- START Definition (full
- Heritage Design and Develop

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High Level Block Plan 2019 - 2021

IN CONFIDENCE - EXTERNAL RELEASE

	2018	2019	2020	2021	2022
	D	J F M A M J J A S O N D	J F M A M J J A S O N D	J F M A M J J A S O N D	J

Policy
- ▲ Proposed Payday Reporting compulsory - New PAYE Rule changes
- ▲ Proposed Investment Income Monthly Reporting and Other Changes
- ▲ WFF, child support and student loans policy proposals
- ▲ Threshold for electronic filing reduces
- ▲ Individuals policy proposals

Organisation Model Implementation
- ▲ Workflow configuration for CCS-I and CCS-B completed
- ▲ Permissions/Securities implemented for all new roles in CCS-I, CCS-B and IIS.
- ▲ Next phase of Organisation Design

Intel Led Delivery
- ▲ Decommission - EDW; TDW; CME Dbases
- ▲ Digitisation
- ▲ Technical implementation of Analytics Platform complete
- ▲ Analytics transitioned to business as usual
- Progressive roll out of BI tools
- ▲ New Intranet platform.
- ▲ Itegration with ESS

Customer Experience
- ▲ Final release of www.ird

Technology Delivery
- ▲ 2nd Web Services Bundle live
- ▲ 3rd Web Services Bundle live
- ▲ 1st release of ChangeRelease cycle with SW Partners
- ▲ Shut down Mainframe
- ▲ Decommission Unisys Datacentre

ESS Release
- ▲ ESS Release 1 - New HR solution
- ▲ ESS Release 2 Employee Performance Management business rollout.
- ▲ ESS Release 3. New FMIS solution: - core Financials; - Procurement; - Property Management
- ▲ ESS Release 4 - New Payroll solution delivered as BAU

START Release 3 Delivery
- START Development
- BST Test Phase
- BST Testing Contingency
- SBS Testing
- Deploy
- ★ Early Life Support
- ★ Deployment of START for Income Tax Processing & Working for Families
- Christmas 2020
- Christmas 2021

START Release 4 Delivery
- START Definition and Base Config (early) ▲
- START Definition (full)
- START Development
- Heritage Design and Develop
- BST Test Phase ▲
- BST Testing Contingency
- SBS Testing
- Deploy
- ★ Early Life Support
- ★ Deployment of START to support Social Policy for Kiwisaver and Student Loans

START Release 5 Delivery
- ▲ Prep ▲
- START Definition and Base Config (early) ▲
- START Definition (full)
- START Development
- BST Test Phase ▲
- BST Testing Contingency
- SBS Testing
- Deploy
- ★ Early Life Support
- ★ Deployment of START to support Tax and social policy
- ★ BT Programme concluded
- Christmas 2018
- Christmas 2019

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BT Release Management Meeting : Roles and Responsibilities

The existing Core Leads Meeting to transition to the Release Management Forum for the BT programme as follows:

- **Core Members**
  - Approve release scope and plan, associated priority and any changes (as a starting point then escalated to the appropriate governance forum for approval)
  - Approve schedule, resources, financials and any changes
  - Provide escalation point for issues related to each release
  - Assist Release Management Team with resolution of escalated issues
  - Accept or decline risks and associated mitigations
  - Provides PROCEED direction at key milestones
- **Chair**
  - As for members and governs the meeting proceedings
- **Support**
  - Provides sufficient and necessary information regarding
    - Scope, status, timelines (critical path focus) and financials
  - Escalates issues as necessary
  - Presents risks and associated mitigations for approval

IN CONFIDENCE - EXTERNAL RELEASE

Important Consideration: Each group must be done sequentially

Key Highlights
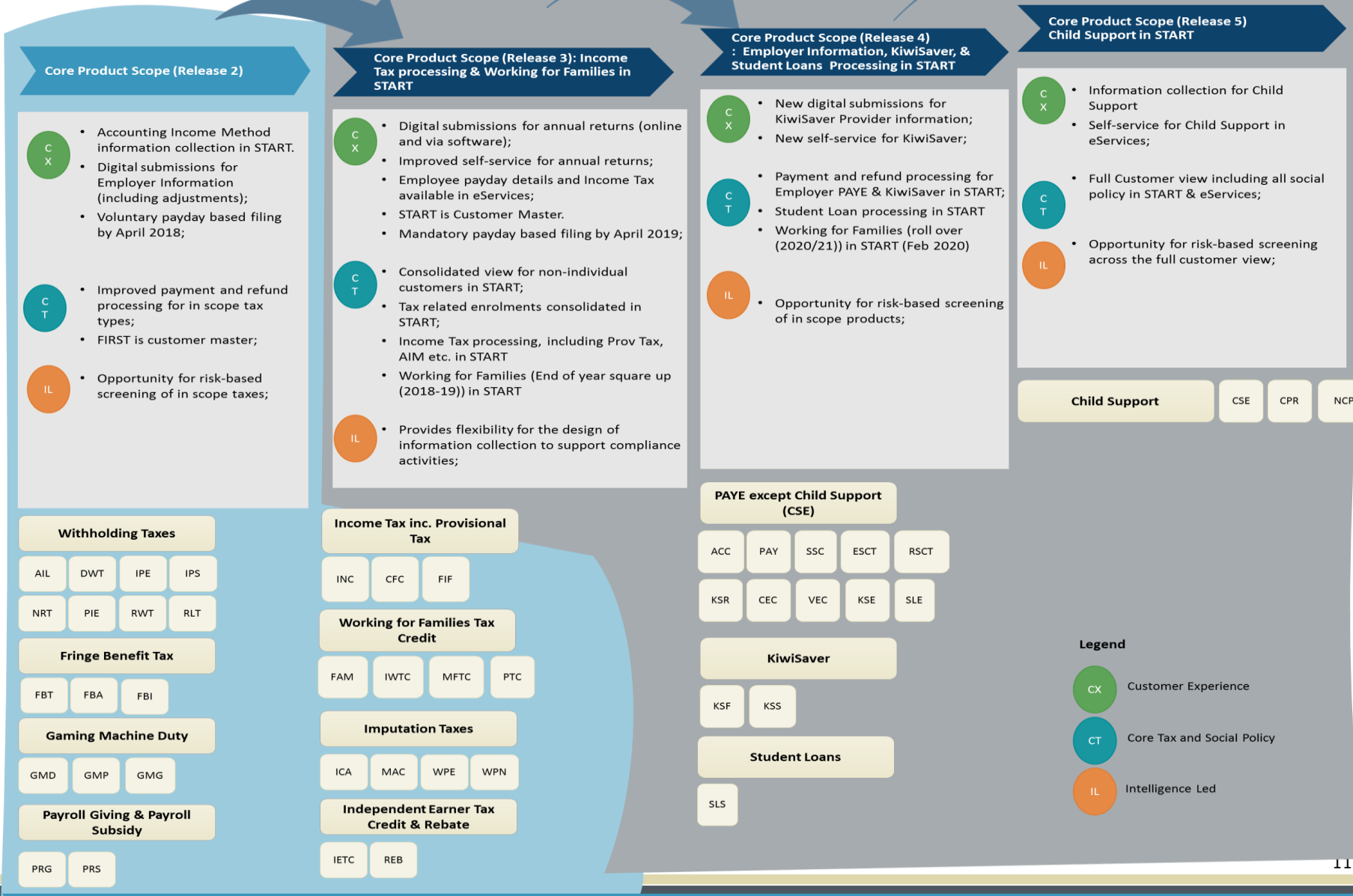
Core Product Scope (Release 2)

CX
- Accounting Income Method information collection in START.
- Digital submissions for Employer Information (including adjustments);
- Voluntary payday based filing by April 2018;

CT
- Improved payment and refund processing for in scope tax types;
- FIRST is customer master;

IL
- Opportunity for risk-based screening of in scope taxes;

Core Product Scope (Release 3): Income Tax processing & Working for Families in START

CX
- Digital submissions for annual returns (online and via software);
- Improved self-service for annual returns;
- Employee payday details and Income Tax available in eServices;
- START is Customer Master.
- Mandatory payday based filing by April 2019;

CT
- Consolidated view for non-individual customers in START;
- Tax related enrolments consolidated in START;
- Income Tax processing, including Prov Tax, AIM etc. in START
- Working for Families (End of year square up (2018-19)) in START

IL
- Provides flexibility for the design of information collection to support compliance activities;

Core Product Scope (Release 4) : Employer Information, KiwiSaver, & Student Loans Processing in START

CX
- New digital submissions for KiwiSaver Provider information;
- New self-service for KiwiSaver;

CT
- Payment and refund processing for Employer PAYE & KiwiSaver in START;
- Student Loan processing in START
- Working for Families (roll over (2020/21)) in START (Feb 2020)

IL
- Opportunity for risk-based screening of in scope products;

Core Product Scope (Release 5) Child Support in START

CX
- Information collection for Child Support
- Self-service for Child Support in eServices;

CT
- Full Customer view including all social policy in START & eServices;

IL
- Opportunity for risk-based screening across the full customer view;

Child Support	CSE	CPR	NCP

Product Scope

Withholding Taxes

AIL	DWT	IPE	IPS
NRT	PIE	RWT	RLT

Fringe Benefit Tax

FBT	FBA	FBI

Gaming Machine Duty

GMD	GMP	GMG

Payroll Giving & Payroll Subsidy

PRG	PRS

Income Tax inc. Provisional Tax

INC	CFC	FIF

Working for Families Tax Credit

FAM	IWTC	MFTC	PTC

Imputation Taxes

ICA	MAC	WPE	WPN

Independent Earner Tax Credit & Rebate

IETC	REB

PAYE except Child Support (CSE)

ACC	PAY	SSC	ESCT	RSCT
KSR	CEC	VEC	KSE	SLE

KiwiSaver

KSF	KSS

Student Loans

SLS

Legend

- CX — Customer Experience
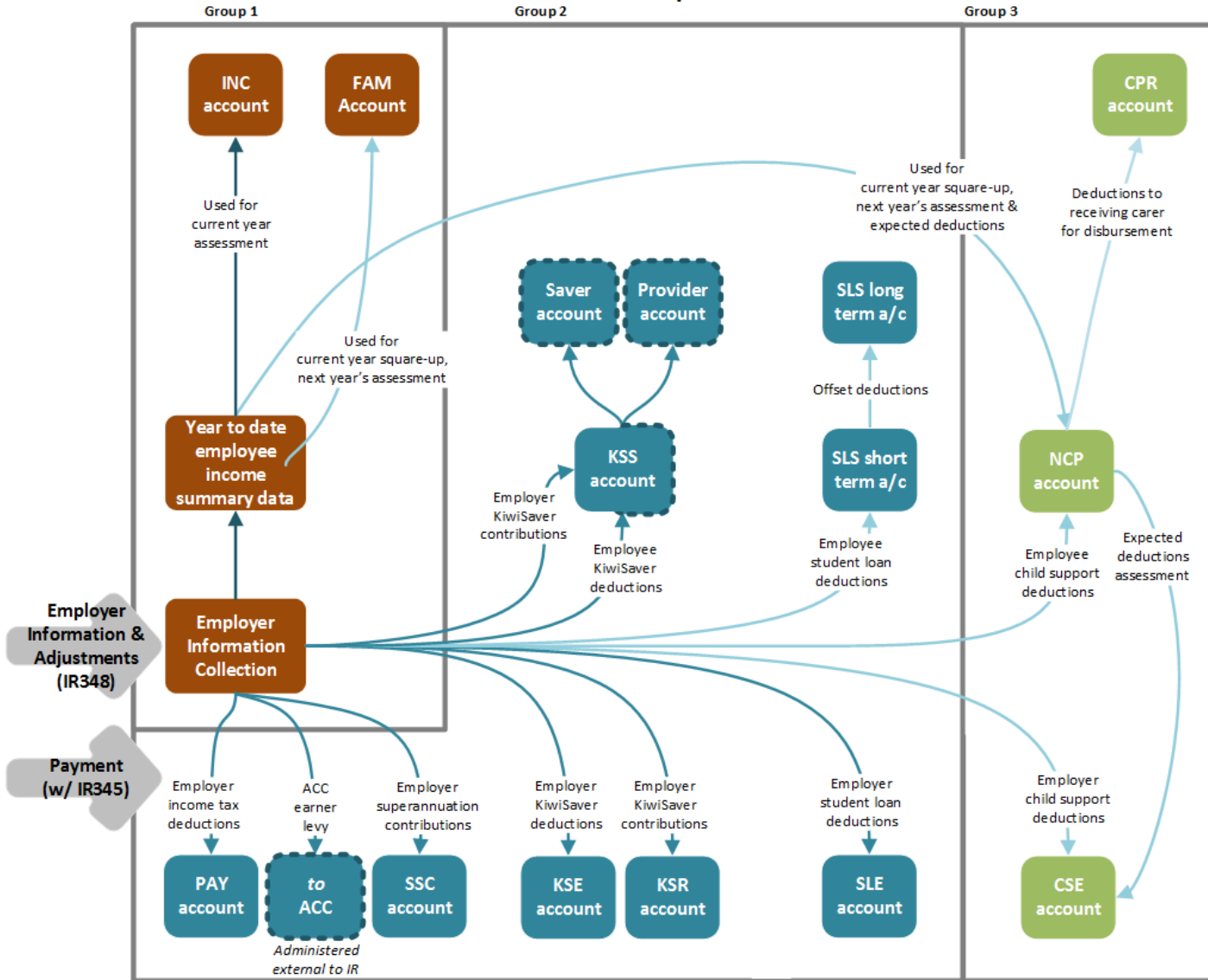- CT — Core Tax and Social Policy
- IL — Intelligence Led

Core Product Scope

* The product based scope contained in this diagram, is limited to the scope that is delivered through core START and associated solutions (START+).
It is expected that other key solution components contribute to the overall outcomes for the full Programme, e.g. Analytics, IKM, Workplace etc.

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04/08/2016

Logical High-Level EMS Groupings

Group 1 = Release 3;
Group 2 = Release 4;
Group 3 = Release 5.

Group 1

Group 2

Group 3

INC account

FAM Account

CPR account

Used for current year assessment

Used for current year square-up, next year's assessment & expected deductions

Deductions to receiving carer for disbursement

Saver account

Provider account

SLS long term a/c

Used for current year square-up, next year's assessment

Year to date employee income summary data

KSS account

SLS short term a/c

NCP account

Offset deductions

Employer KiwiSaver contributions

Employee KiwiSaver deductions

Employee student loan deductions

Employee child support deductions

Expected deductions assessment

Employer Information & Adjustments (IR348)

Employer Information Collection

Payment (w/ IR345)

Employer income tax deductions

ACC earner levy

Employer superannuation contributions

Employer KiwiSaver deductions

Employer KiwiSaver contributions

Employer student loan deductions

Employer child support deductions

PAY account

to ACC

SSC account

KSE account

KSR account

SLE account

CSE account

Administered external to IR

INC – Income Tax (inc. Provisional Tax)
FAM – Working for Families
PAY – Pay as you Earn Inc Deds.
ACC – Employee ACC Deds.
SSC – Specified Superannuation Cont.
KSE – KiwiSaver Employee Deds.
KSR – KiwiSaver Employer Cont.
SLE – Student Loan Employee Deds.
KSS – KiwiSaver Account
SLS – Student Loan Annual Account
CSE – Child Support Employee Deds.
NCP – Child Support Paying Parent
CPR – Child Support Receiving Carer

Logical EMS Groupings

Group 1:
Digital submission of Employer Information & Year to Date income summary data mastered in START;

Group 2:
KiwiSaver, Student Loans & Employer Information processing (except Child Support) in START;

Group 3:
Child Support in START;

The guiding principle in defining these logical groupings is to enable collection of Employer Information to be developed in START holistically and minimise co-existence complexity;

Non-FIRST tax type

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