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Team Lead & Management Support (CE & DC ED&I) – Executive Services  
Enterprise Design & Integrity  
Inland Revenue  
WELLINGTON 6011

4 November 2024

Tēnā koe ██████████

This letter records the outcomes of my independent review of Inland Revenue’s draft review report titled “Review and Analysis of Social Media Usage for Custom Audiences” (the Final Draft Review Report).

My review has been conducted in accordance with my engagement letter dated 22 October 2024.

Thank you for your time and the time and prompt engagement of Inland Revenue officials who I met with in the course of the review.

### **Summary**

Based on my review of the report, its associated references and my discussions with key Inland Revenue officials involved in the review, the Final Draft Review Report reflects a careful and considered review of the custom audience programme.

The review reflects the importance of communicating with customers using approaches that best support customers to access their entitlements and meet their obligations while meeting Inland Revenue’s confidentiality obligations to customers.

The scope of the custom audience review has been appropriate to consider the concerns raised with the custom audience programme. The findings are well supported and clearly set out. I have not identified any unaddressed concerns.

The review identified some areas for further consideration by Inland Revenue.

The review identified two instances of unintended disclosure of confidential information and outlines how these are being dealt with.

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## Background

The Commissioner has a statutory duty to protect the integrity of the tax system and is charged with a duty of care and management of the tax system.<sup>1</sup> In particular, the Commissioner is required to have regard to the importance of promoting compliance, including voluntary compliance, by all persons with the Inland Revenue Acts.<sup>2</sup>

Since 2014 Inland Revenue has contracted social media platforms to provide targeted communications to customers to remind them of their obligations and to make them aware of their potential entitlements. Using custom audiences assists the Commissioner to fulfil his duty of care and management of the tax system and to provide the best customer support that he can using modern communication channels.

However, the Commissioner also has important confidentiality obligations to customers arising under the Tax Administration Act 1994 and the Privacy Act 2020. Inland Revenue communicates those confidentiality obligations to customers through its charter and its privacy policy.

Despite those confidentiality obligations, Inland Revenue has the ability to make permitted disclosures of sensitive revenue information in certain circumstances in order to carry out or support a lawful function of the Commissioner administering the tax system<sup>3</sup>.

It is in that context that in order to target relevant messages to specific customer groups some customer details are provided to the social media platforms in controlled circumstances on a de-identified and encrypted basis to enable the platforms to generate custom audiences.

In response to concerns raised recently by the public in the media and in order to respond to requests made under the Official Information Act 1982 and the Privacy Act 2020, Inland Revenue has stopped its custom audience programme and undertaken a detailed internal review of its engagement with social media platforms to determine if there is a threat or risk to customer privacy.

The internal review is documented in the Final Draft Review Report. That report, once finalised, is intended to be released to the public at a press conference by the Commissioner of Inland Revenue.

### Scope and timing of the independent review

The scope and timing of the independent review is set out in appendix one.

Meetings held with relevant Inland Revenue officials in conjunction with the independent review are set out in appendix two.

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<sup>1</sup> Sections 6 and 6A of the TAA.

<sup>2</sup> Section 6A(2)(b) of the TAA.

<sup>3</sup> Section 18D(1) and (2), and Schedule 7, Part A, clause 11 of the TAA.



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My review considered three versions of the Final Draft Review Report:

1. The original version was provided on Thursday 24 October 2024 to enable the review to commence while Inland Revenue continued to work on the review.
2. An updated version was provided on Wednesday 30 October 2024.
3. A final updated version provided on Friday 1 November 2024.

My independent review is based on the final updated version.

Feedback from the independent review process has been incorporated into the Final Draft Review Report.

I am happy to discuss any matters in relation to my independent review.

Ngā mihi nui



Geof Nightingale, FCA, CMInstD

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**Appendix one:**

**Extract from engagement letter of 22 October 2024:**

***“Scope of Services***

*You have requested that we provide an independent review of the draft internal report. In undertaking that independent review you will provide us access to the report, the authors of the report, other relevant Inland Revenue officials, and any background materials that might be required.*

*The intended deliverables are:*

- *A draft independent review report*
- *A final independent report intended for public release*
- *Engagement with media if required.*

*The indicative timings are:*

- *Thursday, 24 October 2024 - draft report available*
- *Week of 29 October 2024 - meetings with relevant officials*
- *Friday 1 November 2024 - draft independent review report to IR*
- *Monday 3 November 2024 - IR review comments*
- *Tuesday 4 November 2024 - final independent review report.”*



**Appendix two:**

**Meetings with Inland Revenue officials:**

18 October 2024	Peter Mersi, Commissioner of Inland Revenue James Grayson, Deputy Commissioner Customer and Compliance Services [REDACTED], Team Lead & Management Support (CE & DC ED&I) – Executive Services
22 October 2024	[REDACTED], Team Lead & Management Support (CE & DC ED&I) – Executive Services
29 October 2024	Jay Harris, Chief Information Security Officer
29 October 2024	Mike Cunnington, Deputy Commissioner Enterprise Services
29 October 2024	Dawn Swan, Privacy Officer
30 October 2024	Michelle Redington, Chief Tax Counsel
30 October 2024	Pip Knight, Service Leader, Marketing and Communications
31 October 2024	James Grayson, Deputy Commissioner Customer and Compliance Services