

29 June 2026

Current GST Issues
C/ - Deputy Commissioner, Policy
Inland Revenue Department
PO Box 2198
Wellington 6140

Dear Deputy Commissioner

Re: Current GST Issues – Inland Revenue Officials’ Issues Paper (May 2026)

SECTION 1: BACKGROUND

BusinessNZ welcomes the opportunity to submit on the ‘Current GST Issues’ Officials Issues Paper (referred to as “the Issues Paper”). While the Issues Paper covers a wide range of GST topics, BusinessNZ wishes to comment on the area’s most directly relevant to our members. BusinessNZ is New Zealand’s largest business advocacy organisation, representing businesses across the hospitality, retail, events and production sectors.

From a policy sense, New Zealand’s GST system is one of the simplest in the world, built on a broad-based, low-rate regime that is widely regarded as a model for other jurisdictions. BusinessNZ’s starting point is that any changes should maintain that structure while keeping the system as comprehensive and as light on compliance as possible.

BusinessNZ submitted on the 2020 officials’ issues paper ‘GST Policy Issues’, supporting the simplification of tax invoice requirements (subsequently progressed as the taxable supply information rules) and the zero-rating of business conference and staff training services supplied to non-resident business, the second proposal was never enacted. It reappears in this Issues Paper and we address it below along with other areas of interest.

Chapter 8 – Business Event Services Supplied to Non-Resident Businesses

This is the matter of greatest importance to BusinessNZ in the Issues Paper. We strongly support the proposal to zero-rate business event services, supplied to non-resident businesses and were disappointed that the 2020 proposal was not progressed. We note the Issues Paper’s explanation that the 2020 consultation attracted limited response because the events and tourism industry was focused on the immediate consequences of COVID-19. That context has since passed, and we see no good reason for further delay of this proposal.

New Zealand's conference and events industry face a structural competitive disadvantage against countries like Australia and Singapore, both of which already zero-rate these services. This has resulted in New Zealand continuing to lose international conference business to markets that have resolved this issue, an outcome that costs the industry and the broader New Zealand economy.

We support zero-rating conference registration fees and ancillary supplies for non-resident businesses attending for taxable purposes and agree that accommodation, incentive trips and separate social events should remain subject to the standard rate of GST because this is a form of private expenditure. We will leave the detailed design questions to those with more direct industry experience but would like to stress the importance of any boundary rules being straightforward in order to easily apply in practice.

Chapter 7 – Modernising the Goods and Services Tax Act

BusinessNZ welcomes the commitment to improve the usability of the GST Act. The Act is over 40 years old and as Officials acknowledge, has become increasingly difficult to navigate. BusinessNZ has long supported calls for structural reform and we are pleased to see this on the agenda.

We note that Officials do not recommend a wholesale rewrite at this stage but instead propose meaningful structural improvements like restructuring and renumbering, repealing obsolete or spent provisions, adopting modern drafting style and better use of signposts and examples. BusinessNZ supports all of these. Taken together they would substantially reduce compliance costs and the frequency of remedial amendments. We encourage Officials to treat this work as a priority alongside (but not subject to) the other proposals in the Issues Paper and to keep open the idea of a more fundamental rewrite over the longer term.

Chapter 5 – Correcting errors and inaccuracies

BusinessNZ supports the improved self-correction threshold and the single person versus multi person framework, which are welcome steps forward. However, we have a specific concern about the proposal to remove 'clear mistake or simple oversight' as a basis for extending the time limits for taxpayer-favourable corrections.

The existing rules reflect a principled recognition that honest errors should be correctable without time constraints, particularly in business-to-business contexts where there is no net revenue at risk. Removing the basis for extension appears to be a backward step, and one that **BusinessNZ would urge Officials to reconsider**. We also note that some of the tightening proposed in this chapter appears to be a response to the flexibility taxpayers now enjoy under the taxable supply information rules. These were rules that came out of the 2020 process and that BusinessNZ supported as a deliberate form of modernisation. We are wary of changes that quietly wind back flexibility that was intentionally extended in the first place.

Chapter 9 – E-Invoicing and Filing Frequency

BusinessNZ supported the tax invoice simplification proposals in our 2020 submission and those reforms were subsequently enacted as the taxable supply information rules. With that in mind, we agree with the Officials' conclusion that there is no compelling tax reason to mandate e-invoicing at this stage and their caution around the cost of digital continuous transaction reporting. Any move toward mandatory e-invoicing would represent a significant

system change for many businesses (particularly smaller ones), and the compliance cost would need to be carefully assessed before any policy is adopted.

BusinessNZ would also caution against the broader option of restricting access to six-monthly filing until a full year of complaint returns has been completed. While we support increased filing frequency as a targeted tool for demonstrably non-compliant taxpayers, applying it to new businesses simply because they lack a track record, puts unproven and non-compliant taxpayers in the same compliance heavy 'basket'. New registrants that make good-faith efforts to meet their obligations should not face additional compliance burden at the very point when administrative demands on a business are already at their highest.

Other Chapters

On other matters in the Issues Paper, BusinessNZ is broadly supportive of the direction they have taken. We support the proposal for a separate GST group registration number (Chapter 6), which addresses a longstanding practical difficulty for corporate groups. We also support the proposals in Chapter 4 to clarify that non-resident businesses do not acquire a fixed establishment in New Zealand merely by working from a client's premises, which reflects how the rules should sensibly operate in practice.

We thank you for the opportunity to submit. We would welcome the opportunity to discuss any of these points further.

Kind regards,



Katherine Rich
Chief Executive
BusinessNZ