



Cabinet Government Administration and Expenditure Review Committee

Minute of Decision

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Re-Platforming Ministry of Social Development's Benefits and Pension Payment System

Portfolio **Social Development and Employment**

On 11 November 2021, the Cabinet Government Administration and Expenditure Review Committee:

- 1 **noted** that the Ministry of Social Development (MSD) business critical systems - SWIFTT and TRACE - requires re-platforming including hardware refresh and extension of the vendor support arrangement so that it remains available and supported for the next five to seven years;
- 2 **noted** that DXC Enterprise (DXC) have been maintaining and supporting SWIFTT and TRACE systems for over 30 years and are the only vendor with the technological knowledge, expertise and capability required to continue providing the level of support and maintain these legacy systems;
- 3 **noted** that the existing Master Services Agreement with DXC will end in July 2022 and a new extend agreement is required to continue support from July 2022 through to June 2029;
- 4 **noted** that a SWIFTT and TRACE platform upgrade is required to be completed by July 2022;
- 5 **noted** that:
 - 5.1 the whole-of-life cost for the platform upgrade and the vendor Service Delivery Agreement from July 2022 to June 2029 will be \$65.7 million, made up of capital costs of \$8.8 million and annual maintenance and support costs of approximately \$8.1 million per year;
 - 5.2 these costs will be funded from the Ministry's existing balance sheet and operating baselines;

6 s 9(2)(f)(iv)

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- 7 **noted** that Cabinet approval is required for all investments with whole-of-life costs over \$25 million, even if funded from within existing baselines and balance sheets, as set out under Cabinet Office circular CO (19) 6: Investment Management and Asset Performance in the State Services;
- 8 **authorised** the Chief Executive of the Ministry of Social Development to execute the agreements enabling MSD to re-platform its business critical systems, SWIFTT and TRACE, and enter into a \$56.9m Service Delivery Agreement with DXC so that the SWIFTT and TRACE platform continues to be supported in making benefit and New Zealand superannuation payments to over 1.2 million New Zealanders.

Rebecca Davies
Committee Secretary

Present:

Hon Dr Megan Woods (Chair)
Hon Carmel Sepuloni
Hon David Parker
Hon Jan Tinetti
Hon Michael Wood
Hon Kiri Allan
Hon Dr David Clark
Deborah Russell, MP

Officials present from:

Office of the Prime Minister
Officials Committee for GOV