



MINISTRY OF SOCIAL
DEVELOPMENT
TE MANATŪ WHAKAHIATO ORA

Coversheet

Proposed amendment of the Approved Information Sharing Agreement between Inland Revenue and Ministry of Social Development to support income charging and The Privacy (Information Sharing Agreement between Inland Revenue and Ministry of Social Development) Amendment Order 2026

Hon Louise Upston, Minister for Social Development and Employment

These documents have been proactively released.

1 Apr 2026, Cabinet paper 1 - Proposed amendment of the Approved Information Sharing Agreement between Inland Revenue and Ministry of Social Development to support income charging

1 Apr 2026, Cabinet Social Outcomes Committee, Minute of Decision SOU-26-MIN-0023

3 Sep 2026, Cabinet paper 2 - The Privacy (Information Sharing Agreement between Inland Revenue and Ministry of Social Development) Amendment Order 2026

3 Sep 2026, Cabinet Legislation Committee, Minute of Decision LEG-26-MIN-0184.

Cabinet paper 1 sought in principle agreement from Cabinet to proposed amendments to the Approved Information Sharing Agreement (the AISA) between Inland Revenue (IR) and the Ministry of Social Development (MSD) to support the Budget 2025 initiative to improve the accuracy and integrity of benefit payments, known as Income Charging Phase 2. It also sought agreement to release the consultation document containing the proposed amendments to the AISA for public consultation.

Cabinet paper 2 sought Cabinet authorisation to submit the Privacy (Information Sharing Agreement between Inland Revenue and Ministry of Social Development) Amendment Order 2026 (the Order) to the Executive Council. The changes in the Order support the delivery of Budget 2025 initiatives to improve the accuracy and integrity of Ministry of Social Development (MSD) payments (income charging).

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant sections of the Act that would apply have been identified. Where information has been withheld, no public interest has been identified that would

outweigh the reasons for withholding it. This is the key to the redaction codes used for this release:

- Section 9(2)(a) – to protect the privacy of natural persons
- Section 9(2)(ba)(ii) – subject to an obligation of confidence where making it available would be likely otherwise to damage the public interest
- Section 9(2)(f)(iv) – the confidentiality of advice under active consideration
- Section 9(2)(g)(i) – to maintain the effective conduct of public affairs through the free and frank expression of opinion
- Section 9(2)(h) - this information is legally privileged.

The following documents that accompanied the Cabinet paper are already public:

- *Cabinet paper 1 – Appendix 1, Consultation Guidance: Enabling MSD to use PAYE income information as soon as Inland Revenue shares this with MSD*, which provides a summary of the proposed change to support public consultation
www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/consultations/aisa-consultation-document.pdf
- *Cabinet paper 2 – Appendix 1, The Privacy (Information Sharing Agreement between Inland Revenue and Ministry of Social Development) Amendment Order 2026*, the Order in Council drafted by the Parliamentary Counsel Office that was Gazetted on 10 September
www.legislation.govt.nz/secondary-legislation/pco-drafted/2026/271/en/latest/sections/LMS1662460/
- *Cabinet paper 2 – Appendix 2, Consistency Accountability Summary*, confirms that the MSD has assessed the legislation against the principles of responsible regulation in section 9 of the Regulatory Standards Act 2025 and identified any inconsistencies with those principles.
www.msd.govt.nz/about-msd-and-our-work/publications-resources/consistency-accountability-statements/privacy-information-sharing-agreement-ir-msd-amendment-order-2026/consistency-accountability-statement.html
- *Cabinet paper 2 – Appendix 3, Summary of underpinning analysis*, provides a high-level summary of the analysis and reasoning that supports the assessment contained in the Consistency Accountability Summary.
www.msd.govt.nz/about-msd-and-our-work/publications-resources/consistency-accountability-statements/privacy-information-sharing-agreement-ir-msd-amendment-order-2026/summary-of-underpinning-analysis.html

Please note that Cabinet paper 1:

- uses annual savings figure (\$381m) in paragraph 3 and 13. This figure does not reflect the same number as is on the Budget 2025 webpage (www.msd.govt.nz/about-msd-and-our-work/newsroom/budget/2025/factsheets/improving-the-accuracy-and-integrity-of-msd-payments.html). The savings figure in this document is sans ongoing costs, whereas \$376.524 million is the better more inclusive figure

- inaccurately describes a problem the change is proposing to solve. This relates to Income-Related Rent and describes the subsidy as needing to increase when a client's income decreases in paragraph 29.2 but should be the opposite of this
- there may be a perceived discrepancy on how the exemption from impact analysis requirements are described in Cabinet paper 1 from Cabinet paper 2. There were a combination of factors, such as the requirements changing between the consideration of Cabinet papers and the Ministry of Regulations' position being effectively an exemption. Ultimately, the Ministry of Regulations was comfortable how this was described in Cabinet paper 2.

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