30 October 2025

Tēnā koe

Official Information Act request

Thank you for your email of 27 August 2025, requesting information about Automated Decision Making (ADM).

I have considered your request under the Official Information Act 1982 (the Act). Please find my decision on your request set out below.

1. *reviews and assessments of automated decision making as laid out in the response.*

There are two ADM processes listed on the Ministry of Social Development's (the Ministry's) website. These are for:

- Child Support Pass-On (CSPO)
- 26-Week Reapplication for Jobseeker Support.

Some information in scope of your request is already publicly available on the Ministry's website. You can find the November 2022 Regulatory Impact Statement for CSPO here: www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/information-releases/cabinet-papers/2023/passing-on-child-support-to-sole-parent-beneficiaries-phased-implementation/regulatory-impact-statement-child-support-pass-on-addendum.pdf

Please see attached the following documents relevant to your request for reviews and assessments of the above ADM processes:

1. Report – CSPO and automated decision-making
2. Security, Privacy, Human Rights & Ethics Assessment – CSPO Entitlement Assessment and Share
3. CSPO – ADM compliance checklist
4. 26-week Reapplication – ADM compliance checklist
5. Security, Privacy, Human Rights & Ethics Assessment – 26-week Reapplications
6. REP/24/3/259 – Report – Safeguards for the Ministry of Social Development's use of Automated Decision-Making

Some information is withheld under section 9(2)(h) of the Act, to maintain legal professional privilege. The greater public interest is in ensuring that government agencies can continue to obtain confidential legal advice.

You will also note that some information has been withheld under section 9(2)(k) of the Act, in order to prevent the disclosure or use of official information for improper gain or improper advantage. This is because information released under the Act may end up in the public domain, for example, on websites including the Ministry's own website.

2. *how many complaints about the automated decision-making process there has been, and what they were about*

People have a right to review a decision that has been made on their entitlement through the normal Review of Decision process, including decisions made with ADM.

The Ministry's complaint system is such that complaints are not sorted by topic. In order to find any complaints that were related to ADM would require us to manually review all complaints to find relevant information.

We have searched through alternative avenues to see if any complaints have been made directly to teams involved with ADM and were unable to locate any. However, we cannot be certain that there are no complaints without review of all complaints in the complaint system.

As such, this request is refused under section 18(f) of the Act, as substantial manual collation would be required to collate this information. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

I will be publishing this decision letter, with your personal details deleted, on the Ministry's website in due course.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with my decision on your request, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Ngā mihi nui

Anna Graham
General Manager
Ministerial and Executive Services

MINISTRY OF SOCIAL DEVELOPMENT
TE MANATŪ WHAKAHIATO ORA

Report

Date:	24 July 2019	**Security Level:** IN CONFIDENCE
To:	Hon Carmel Sepuloni, Minister for Social Development	

This document may contain legal advice and be legally privileged. It should not be released on an information request without further legal advice.

Child Support pass-on and automated decision-making

Purpose of the report

1   In December 2018, officials noted that Child Support pass-on will require automated decision-making to reduce administrative burdens and improve consistency and accuracy of implementation. s9(2)(h)
s9(2)(h)

Executive summary

2   It is estimated that around 48,000 sole parents will be eligible for either weekly or monthly Child Support payments to be passed-on.

3   To reduce the administrative burden and improve consistency and accuracy of implementation, we advised that passing-on Child Support would require the development of new systems and processes for MSD and Inland Revenue, which would include the use of automated decision-making [REP/18/12/1632 refers].

4   Automated decision-making refers to decisions that are made entirely by an automated system (e.g. a computer) without active consideration by a staff member, other than in setting the business rules under which decisions are made.

5   MSD already uses automated decision-making to improve our client experience, for example when granting hardship assistance, applying and granting some reapplications for Temporary Additional Support, and allowing clients to declare their wages.

s9(2)(h)

10   MSD estimates that approximately 48,000 sole parents will be eligible for either weekly or monthly payments of Child Support to be passed-on. This will increase the number of payments that involve automated decision-making, which increases the chance MSD's practice is challenged.

13   Several other Government agencies have considered and made legislative changes to support automated decision-making, including in the Tax Administration Act 1994, the Immigration Act 2009, the Legal Services Act 2011, and the Customs and Excise Act 1996.

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[1] In October 2017, we briefed you about our service model which discussed the use of online channels.

16   The impact on clients of amending legislation would depend on the final scope of the amendments. MSD would work with you to ensure there were appropriate safeguards and limits in place.

Officials understand that the State Sector Act reforms are not considering automated decision-making

17

Recommended actions

It is recommended that you:

1   **note** that the Ministry of Social Development is currently using automated decision-making to approve some client's applications for certain forms of assistance and reviewing entitlement to current assistance

2   **note** that use of automated decision-making will be extended if Child Support pass-on is implemented (expected to be from 1 April 2021)

4   **direct** officials to investigate amendments to all legislation that the Ministry of Social Development currently makes decisions under, s9(2)(h) s9(2)(h) and so that automated decision-making can occur

AGREE / DISAGREE

5   **note** that if you agree to the above, officials will update your office on the scope and timeframes of possible amendments.

_____   24 July 2019
Justine Cornwall   Date
General Manager
Policy

_____   9/9/19
Hon Carmel Sepuloni   Date
Minister for Social Development

Passing-on Child Support requires new systems and processes, including automated decision-making

18 On 6 December 2018, we advised that passing-on Child Support requires the development of new systems and processes for MSD and Inland Revenue [REP/18/12/1632 refers].

19 It is estimated that around 48,000 sole parents will be eligible for Child Support pass-on. To reduce administrative burdens for clients and MSD and improve consistency and accuracy of implementation, officials noted in that advice that the systems would require 'automated decision-making'. A decision is automated if it is made entirely by an automated system (e.g. a computer) without the direct involvement of a person.

20 For Child Support pass-on, Inland Revenue will either:

- Inform MSD of the amount of Child Support they are passing-on to the client. MSD will use this information to abate the client's benefit, if they are above the abatement thresholds; or

- Pass-on the Child Support to MSD, so we can apportion the Child Support over a four- or five-week period, as you agreed to in February 2019 [REP/19/2/139 refers].

21 In both cases, the process would need to be automated. The information would be provided, and the benefit abated and/or the Child Support apportioned, without the need for a person to confirm the information.

22 This means that the either weekly or monthly payments for Child Support will have some level of automation for the approximately 48,000 sole parents who will be eligible. Automated decision-making ensures Child Support will be passed on without delay and clients are not put into debt by being overpaid. This is the same process as income declaration, where a client enters their total income for a week, and it is abated as appropriate.

The Ministry currently uses automated decision-making in a range of circumstances

23 The use of automated decision-making to support Child Support pass-on would not be new for MSD. MSD completes thousands of transactions every day, and many of these transactions contain an element of automation. Below are some current examples of where MSD's uses automated decision-making technology.

Extra help applications

24 Clients can apply for a Special Needs Grant and advances through MyMSD. An example of this is a Special Needs Grant application for food. If the client meets the qualifications for payment, then it may be automatically approved without the need for an appointment, avoiding stress, saving time and often costly travel to and from service centres in times of increased hardship.

MyStudylink

25 MyStudylink was launched in November 2007 to allow students to view and update some of their personal information, resolve simple queries and make simple changes at any time of the day or night. It was intended to increase students' ownership of their information and the changes they can make to their records.

26 Over time, MyStudylink has evolved to enable automated decision-making for financial assistance applications (e.g. course-fee loans, course-related costs) and verification of study. Manual intervention is needed in some circumstances, for example where new information does not match previous information. These decisions are made under the Education Act 1989.

Reapplying for Temporary Additional Support

27 A recent change has been made to the processing of reapplications for Temporary Additional Support (TAS). Clients had to reapply for TAS (every 13 weeks) by

27 A recent change has been made to the processing of reapplications for Temporary Additional Support (TAS). Clients had to reapply for TAS (every 13 weeks) by submitting a paper form to MSD. This process can now be completed through MyMSD. If a client needs to reapply for TAS and there has been no change in their circumstances, then the reapplication can be automatically approved through MyMSD. The option of using a paper form remains, should a client wish to do so.

Declaring wages

28 Similarly, clients can declare wages through MyMSD. Those wage declarations that meet the business rules are automated in MSD systems. Conversely, those declarations that do not meet the business rules are put out to a person to complete.

Work Capacity Medical Certificates

29 Clients can submit work capacity medical certificates using MyMSD. As with the other examples above, if nothing has changed and they meet the business rules for reapplying for certificates then they will be approved. Those certificates that do not meet requirements are sent to an MSD staff member.

s9(2)(h)

A decision is automated if it is made without the direct involvement of a staff member

32 A decision is automated if it is made entirely by an automated system (e.g. a computer) without the direct involvement of a staff member. Rules are typically programmed into the automated system to model decision-making. If the decision can be completely made, and processed, by the automated system following the set of rules, it constitutes automatic decision-making.

33 MSD automates decision-making for certain entitlements by a computer applying pre-programmed business rules. For these entitlements MSD's automated decision-making covers the entire decision-making procedure from processing applications to making the decision on entitlements and, in some circumstances, even issuing payments.

34 In some cases of automation, if a client's application (or other action) does not meet the business rules that allow for a positive decision on their application, they are not declined. Instead such decisions are referred to a person. Discretion can then be exercised to take a client's particular circumstances into account. As noted below, exercising discretion can advantage clients in some situations. In others, clients are provided with the opportunity to contact MSD and discuss the decision, allowing a staff member to exercise discretion.

35 Regardless of whether decisions are automated or not, clients still have the right to review the decision.

s9(2)(h)

The Ministry recommends continuing to use automated decision-making and extending it to Child Support pass-on ...

49   MSD has thousands of interactions with clients on a daily basis and makes decisions informed by these interactions. Seeking to improve the client experience, and MSD's effectiveness in these interactions, is an on-going priority. There are advantages to clients being able to access services via multiple channels. Automated decision-making potentially allows clients to have their applications processed more quickly and makes assistance available 24 hours a day, seven days a week.

50   Automated decision-making can also benefit clients through being more accurate, applying business rules consistently and removing any possible unconscious biases and information that is irrelevant to the decision. For MSD, there are also benefits through keeping more accurate data and reduced processing costs.

51   This applies to automating Child Support pass on; it will ensure payments are passed on from Inland Revenue in a timely manner, and that clients will not receive more than their entitlements and therefore owe a debt due to Child Support payments. The alternative would be a manual system, which would delay processing increasing the creation of client debt, causing uncertainty for clients, and add potentially significant processing costs for the Ministry.

52   Alongside these benefits, there are some risks inherent in the use of automated decision-making in addition to the legal risks identified:

•

s9(2)(h)

s9(2)(h)

- s9(2)(h) the public may have a negative perception of using automated decision-making to determine welfare entitlement[2]. MSD could be criticised for losing touch with its clients and taking an impersonal approach.

Stopping the use of automated decision-making would not meet the Ministry of Social Development's aim to improve client experience while maintaining trust and confidence in the system

53 MSD's aim is to improve the experience of its clients while maintaining trust and confidence in the social welfare system. Automated decision-making provides choices for clients through its availability.

54 Removing automated decision-making would mean that decisions take longer to make, which could reduce confidence in the social welfare system, and entail significant operational change. This would likely incur significant administrative cost for MSD. Accordingly, we do not recommend that MSD stops its use of automated decision-making.

s9(2)(h)

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[2] Automated decision-making was introduced as part of the Immigration Act 2009 and public submissions were requested on its inclusion. Approximately 75 per cent of organisations and just over 50 per cent of individual submitters expressed support for the proposal, and 15 per cent of organisations and 35 per cent of individual submitters were opposed. Concerns were raised about ensuring that automated decision-making was limited to low-risk approvals that do not require individual judgment and putting mechanisms for transparency and accountability in place.

65 MSD would identify appropriate safeguards and limits. We would wish to guarantee that clients always have a range of choices, not just online channels, in how they interact with MSD.

66 MSD recognises that the Office of the Privacy Commissioner's *Principles for the Safe and Effective Use of Data and Analytics* provides clear expectations around how MSD would implement and manage and provide oversight to automated decision making. MSD would also consider Statistics NZ's and Departmental of Internal Affairs 2018 *Algorithm Assessment Report*. The report was commissioned by the Minister of Statistics and the Minister for Government Digital Services and was undertaken by the Government Chief Data Steward and the Government Chief Digital Officer.

Officials understand that the State Sector Act reforms are not considering automated decision-making

s9(2)(h)

Agency Consultation

71 Crown Law were consulted on the drafting of this paper.

Next steps

72 If the Child Support pass-on proposal progresses it will require legislative amendment to be given effect to. s9(2)(h)

s9(2)(h)

73 s9(2)(h)

74 As officials consider that successful implementation of Child Support pass-on requires automated decision-making, we recommend that the automated decision-making issue be resolved through legislative amendments prior to Child Support pass-on being implemented from 1 April 2021.
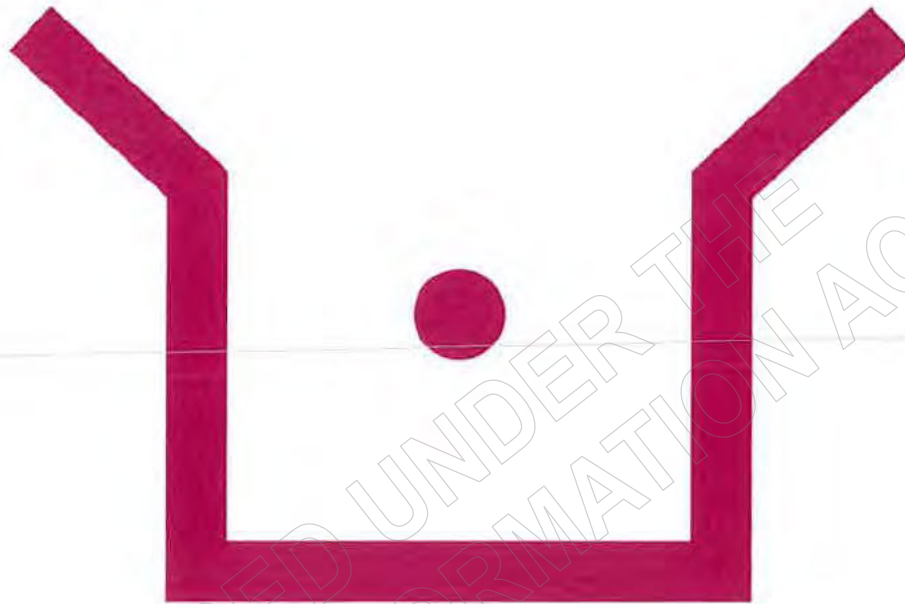
75 s9(2)(h)

76

File ref: REP/19/7/663

Author: Ben Loughrey-Webb, Policy Analyst, Income Support

Responsible manager: Vivienne Jenner, Policy Manager, Income Support

Security, Privacy, Human Rights & Ethics Assessment

Child Support Pass-On Entitlement Assessment and Share

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▶ ## Report Data

Name of Initiative

Child Support Pass-On Entitlement Assessment and Share

Business Owner

Jo Herewini, Income Portfolio Owner

Stakeholder(s)

Jo Herewini – Group General Manager Income

Florentine Eisetter – Delivery Lead Income

Rebecca Thurlow - Director

Bede Hogan – Policy Manager

Joanne Butterfield (Inland Revenue)

Objective ID

A14636017

Reference Documents

- ▶ 2021 CSPO IR Communication SFTP and API (A13667996)
- ▶ 2022 CSPO Test Data and Privacy
- ▶ Change Cert - Test Data MOU Update (A14377437)
- ▶ Child Support Applications API CAR
- ▶ Child Support Pass-On Specification and Architecture for IR and MSD [A12069311]
- ▶ CSPO Liable Parent API – Change Cert (A14374188)
- ▶ Data-matching Business Requirements [A13688956]
- ▶ Privacy and partners ethics advice (A14307514)
- ▶ IBM API Platform SRA – Objective ID: A11887434
- ▶ MSD Consuming API Checklist - Inland Revenue - IR Child Support Application API

Document History

Author / Reviewer	Date	Version	Description
Darryn McIlraith	18/01/2023	0.1	Initial draft
Darryn McIlraith	10/02/2023	0.2	Feedback added

Darryn McIlraith	28/02/2023	0.3	Early QA Draft
Darryn McIlraith	03/04/2023	0.4	New processes
Darryn McIlraith	17/04/2023	0.5	QA version
Sebastian Morgan Lynch	19/04/2023	0.6	QA
Kyla Butcher	19/04/2023	0.7	Information security input
Steven Jurgensen	26/04/2023	0.8	Peer Review

Overview

▶ Description of Initiative

As part of Budget 2022 Cabinet agreed:

- to fund and support the passing on of child support payments to sole parent beneficiaries and treat it as income for benefit purposes.

- formula assessed child support liabilities will be an allowable cost for Temporary Additional Support (TAS) and Special Benefit (SpB).

To reduce the burden on clients, MSD will obtain child support payment and liability information from Inland Revenue (IR) who administer child support. Child support payment information will be shared under the legal authority of the Approved Information Sharing Agreement (AISA) between IR and MSD. Formula assessed child support liability information will be shared under the legal authority of the Tax Administration Act 1994 Section 18E(3) – Disclosure by Agreement when consent is obtained from the liable parent.

An amendment to the IR/MSD AISA will be made to dispense with the notice period for adverse action in respect of benefits[1]. This will allow MSD to take adverse action based on the information shared by IR (e.g. alter the rate or amount of a monetary payment) in a timely manner to avoid creating overpayment related debt for clients.

MSD will use Automated Decision Making to ensure the assessment of benefit entitlements are processed in an efficient and timely manner. MSD will automate:

- The charging of child support payments as income over 4 – 5 weeks (dependent on the - number of weeks in the calendar month, type of benefit a client is receiving, and date the child support payment is received).

- Reapplication for TAS where there is no changes in circumstance (existing ADM process now including the child support liability).

System changes, new processes and amendments to the Child Support Act 1991, Social Security Act 2018, and other relevant legislation will be made to support this change via the Child Support (Pass-on) Acts Amendment Bill 2023.

The CSPO initiative is taking a 2 phased approach, Phase 1 will go-live on 1st July 2023 with limited review powers for specific circumstances. The notable exclusion in the review powers are the ability to retrospectively review the benefits of individuals to account for a reassessment of their Child Support entitlements undertaken by IR.

Phase 2 is currently targeted for mid-2025 at the earliest and will expand the review powers from phase 1 to cover the reassessment of Child Support entitlements undertaken by IR and will deliver the policies, system changes and processes required to support the further changes.

▶ Nature of Information being handled

Child Support Pass-On Payment Information Share

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[1] As defined in the AISA.

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IR will share uniquely identifying information with child support transaction details relating to formula assessed and voluntary agreement child support paid via IR (excluding payments in respect of Unsupported Child Benefit children). The main share will take place on a monthly cycle with ad-hoc daily shares to capture out-of-cycle child support payments as they occur (e.g. arrears).

The following is a summary of the information shared by IR to MSD:

Identifying Information

- IRD number
- SWN
- First name
- Middle name
- Surname
- Date of birth
- Contact number
- Email address
- Residential address
- Mailing address
- Previous first name
- Previous middle name
- Previous last name

Child Support Payment Transaction Information

- Transaction ID
- Transaction date
- Transaction period
- Transaction amount
- Transaction type
- Transaction flag
- Original transaction ID
- Transfer ID

An estimated 100,000 – 120,000 child support payment transactions are expected to be received via the regular payment file, while an estimated 3,000 – 6,000 transactions will be received daily in the ad-hoc / out-of-cycle payment files.

Liable Parent Information share

MSD, with consent obtained from the liable parent, will request information via an IR API and will send the following information:

- IRD number
- Start month date (liability period)
- End month date (liability period)

This information will enable IR to locate the customer record (if the client record exists) on their systems and return the following information through the API for the entitlement assessment to Temporary Additional Support (TAS) and Special Benefit (SpB):

- IRD number
- First name
- Middle name
- Surname
- Date of birth
- Liability month (date month / year)
- Liability amount
- Liability day count (number of days the child support liability applies for the client for the month)

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- Liability type (e.g. formula assessment)

Only formula assessed child support liabilities are eligible to be included as an allowable cost for TAS and SpB.

Where a client has another child support liability obligation type, only the identifying information and liability type will be disclosed by IR. This information will be used by MSD staff to deliver a better customer service by providing the information required to explain why their child support has not been included in their assessment, helping to avoid unnecessary calls to both agencies.

Information Classification:	SENSITIVE
Impact if Confidentiality breached:	Severe consequence if **confidentiality** is breached as it is Sensitive Revenue Information under the Tax Administration Act 1994 and has potential to result in harm to clients.
Impact if Integrity breached:	Severe consequence if **integrity** is breached as MSD may not pay clients their correct entitlements as a result and/or have to pause the information share.
Impact if Availability breached:	Severe consequence if **availability** is breached as the data is required for the assessment of benefit entitlements and is required to be processed in a timely manner to avoid overpayment of benefits. Legislative provisions would allow MSD to write-off debt to minimise impact on clients in the event of system disruption, but the financial impact for MSD would be significant.

▶ Summary of business process / information flows

Child Support Payment Information Share (CMS)

On a monthly basis, IR will send a Child Support Payment File to MSD via SFTP that will contain most (payments in respect of UCB children are excluded) child support payment transactions made during that period.

On a daily basis IR will also send through Child Support Payment Files to MSD that will contain out-of-cycle child support payment transactions (e.g. arrears, unposted credits).

Matching Process

On receipt of a payment file MSD will initiate a matching process to determine whether child support payments relate to an MSD client who is receiving a main benefit or income-tested supplementary assistance. The matching process will take place prior to the child support payment information entering MSD production systems. Only successful matches will progress, while unmatched payments will be discarded.

Where the system matching has enough unique and reliable information, it will make an automatic match to the MSD client. Where the system has enough information to determine the transaction does not relate to a relevant MSD client, the information will automatically be discarded. Where the system does not have enough unique and reliable information to

automate a match or discard, the transaction will be placed into a partial match queue for an MSD staff member to manually complete the matching process.

On a successful manual match, a unique hash will be generated that will be used to automate future matching of child support payment transactions relating to that individual. If any Identity Information changes in IR systems, the hash will no longer match, and the record will need to recomplete the matching process.

Successfully matched transactions will progress for assessment while unmatched transactions will be discarded.

Data Corrections

As part of the matching process a 'corrections file' will be generated, it will consist of a comparison of the Identity Information contained in the Child Support Payment File provided by IR and the corresponding identity information it was matched against in MSD's systems.

The file will be used to determine the client / customer records in IR and MSD systems that are either missing or have an incorrect IRD number or SWN so that a corrections process may be completed to improve accuracy and parity of records between agencies for matching.

The corrections file will be sent by MSD to IR via SFTP as required.
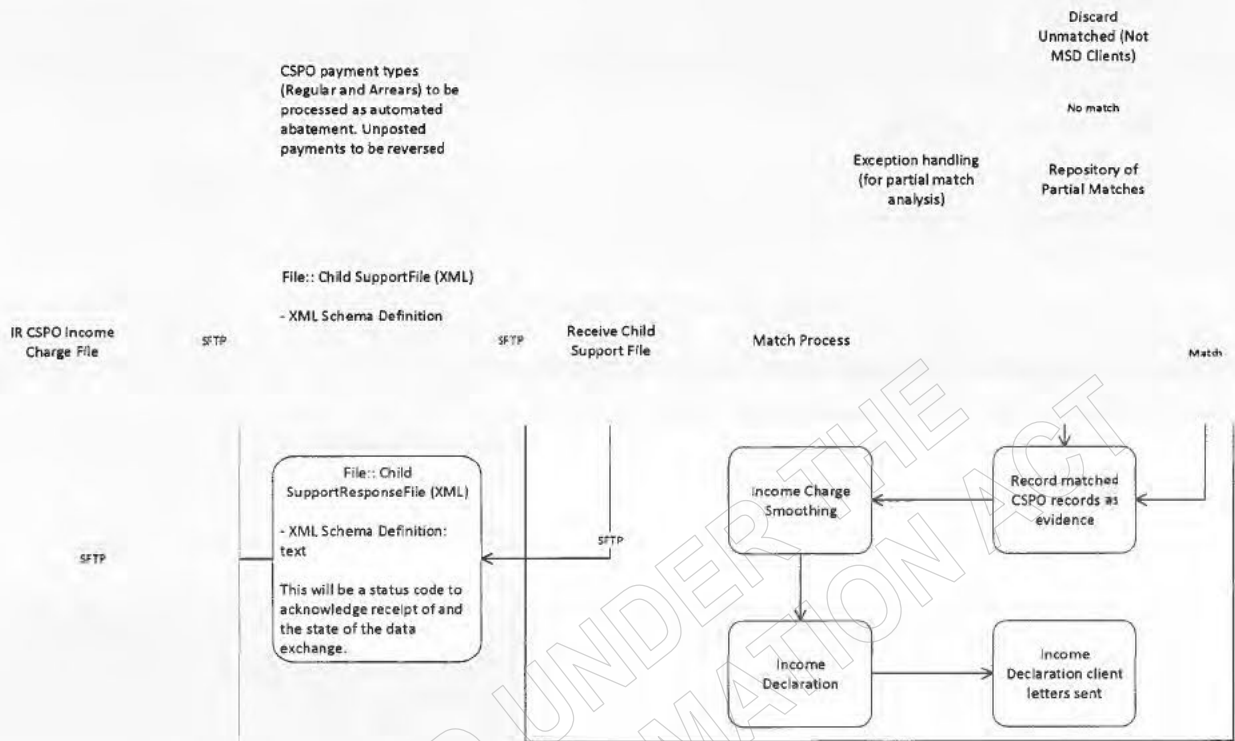
Entitlement Assessment

Once the child support transaction has been matched to an MSD client on a main benefit or supplementary assistance, the child support amount will be added to CMS where the payment will be 'smoothed' to a weekly amount for that month and sent to SWIFTT. The smoothed value will be stored as a lump sum in one of the new Child Support Income fields that were added as part of the Changes to Income Functionality (CIF) project in December 2022. Currently child support income is manually declared and stored in a generic 'Other Income" field which will be removed from 1 July 2023. The smoothed amount will then be included in the entitlement assessment that may[2] utilise Automated Decision Making (ADM) to determine the rate or monetary amount to be paid to the client.

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[2] The 'smoothed', lump sum amount will always be calculated automatically but the entitlement payment amount won't always utilise ADM, there will be specific types of payments where an MSD staff member will determine the amount or rate of payment manually (e.g. SpB, Community Costs and Residential Care Subsidy).
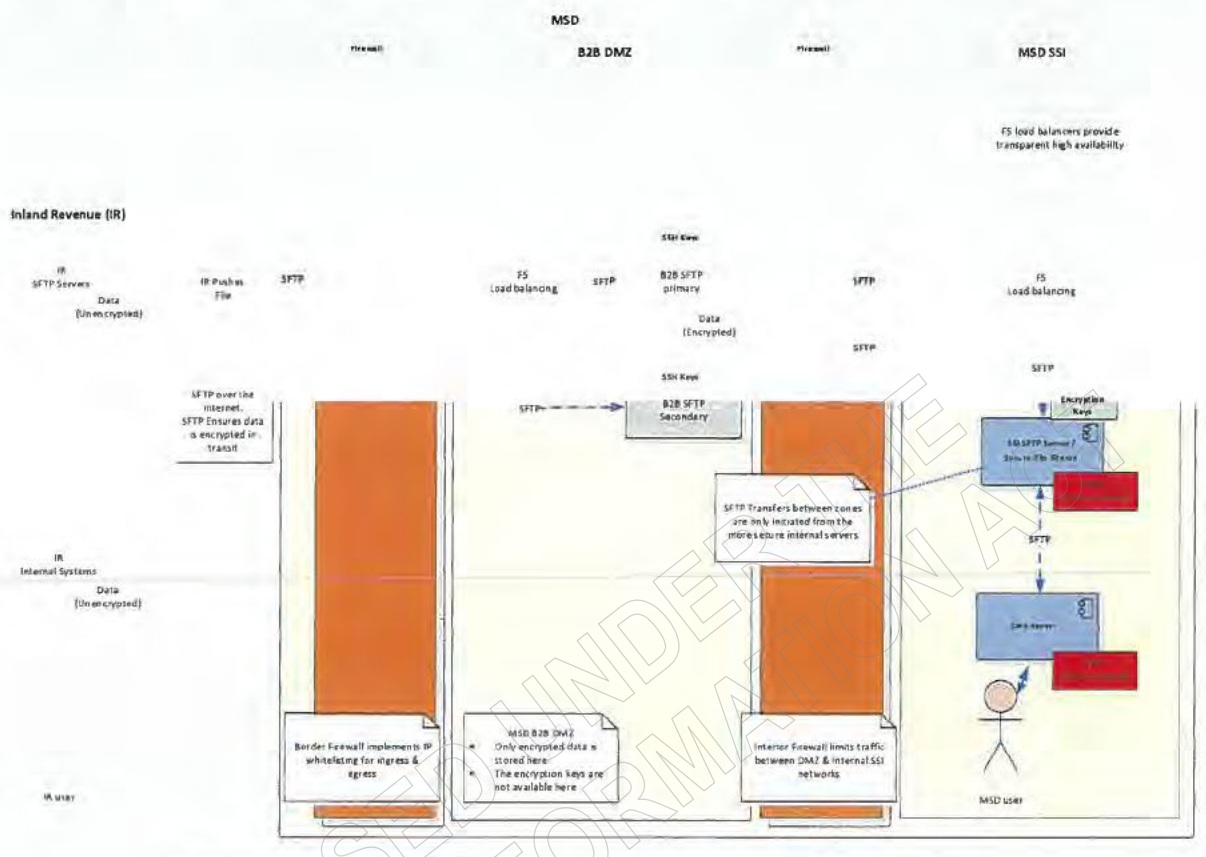
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Discard
Unmatched (Not
MSD Clients)

No match

CSPO payment types
(Regular and Arrears) to be
processed as automated
abatement. Unposted
payments to be reversed

Exception handling
(for partial match
analysis)

Repository of
Partial Matches

File:: Child SupportFile (XML)

- XML Schema Definition

IR CSPO Income
Charge File

SFTP

SFTP

Receive Child
Support File

Match Process

Match

File:: Child
SupportResponseFile (XML)

- XML Schema Definition:
text

This will be a status code to
acknowledge receipt of and
the state of the data
exchange.

SFTP

SFTP

Income Charge
Smoothing

Record matched
CSPO records as
evidence

Income
Declaration

Income
Declaration client
letters sent

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The following diagram shows the high-level specifications for SFTP transfer:

Liable Parent Information Share (SWIFTT)

Formula Assessed Child Support is an allowable cost for Temporary Additional Support (TAS) and Special Benefit (SpB). To make it easier for clients to declare their formula assessed child support liability, MSD and IR may, with the consent of the liable parent, share and use the child support liability information to determine entitlement to TAS and SpB.

The client will initiate this process when declaring they have a formula assessed child support liability to MSD such as when they apply / reapply for TAS or SpB, or when they have a change in circumstances (i.e. their formula assessed child support liability has changed). If the client does not declare they have a formula assessed liability, it will not be included in the entitlement assessment for TAS or SpB.

To obtain the information from IR, the liable parent must provide their informed consent for MSD and IR to share and use the information. If the liable parent does not wish for the information to be evidenced by information share, the formula assessed liability information may instead be evidenced to MSD directly. Guidance will be provided to clients noting what evidence is acceptable so that MSD can verify the formula assessed child support liability information. Consent if provided, is not enduring, it must be obtained each time MSD is to request child support liability information from IR (e.g. at change in circumstance, re/applying).

The assessment of eligibility and entitlement to TAS or SpB is completed at a point in time using the current and expected child support liability information obtained from IR or evidenced by the client. Clients have an obligation to notify MSD of a change in circumstance, such as when their child support liability changes as a result of an IR re-assessment. The information share is not ongoing, so MSD will not be aware of the change in liability after the assessment is completed. If a change in liability is identified on reapplication, MSD will contact the client to

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identify the details of the change and will resolve any under or overpayments such as make an arrears payment or create a debt[3].

When the liable parent's consent has been received, MSD will submit a request to the IR API with a response returned in real-time. The child support liability for the period requested will then be included in the calculation for benefit entitlements.

Re-applications for TAS received via MyMSD, where the child support liability is unchanged, and the client consents to the information share with IR, will utilise ADM to calculate the rate of entitlements to be received.

The following diagrams show the high-level specifications for API transfer:
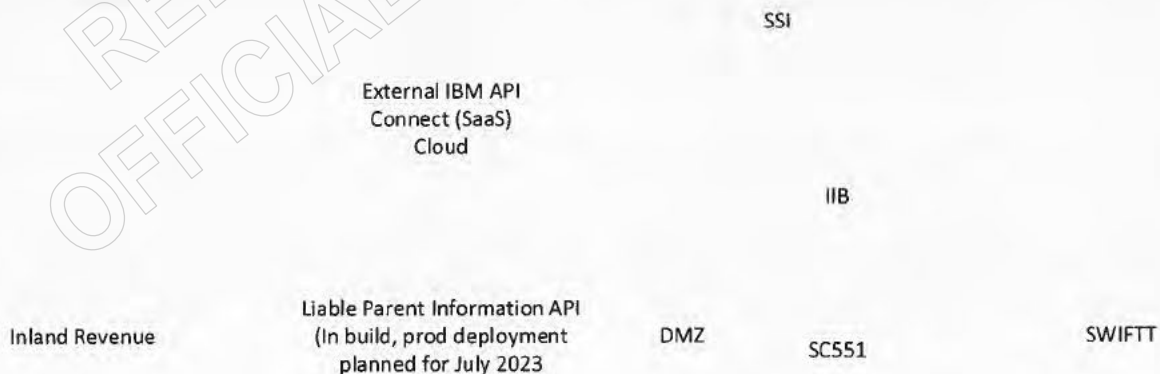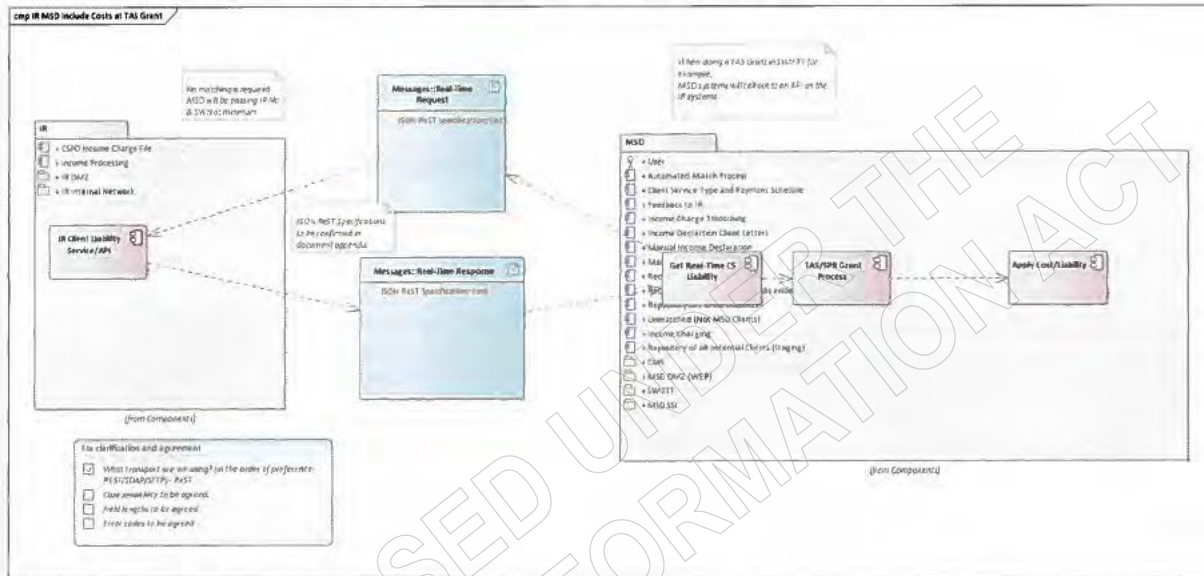
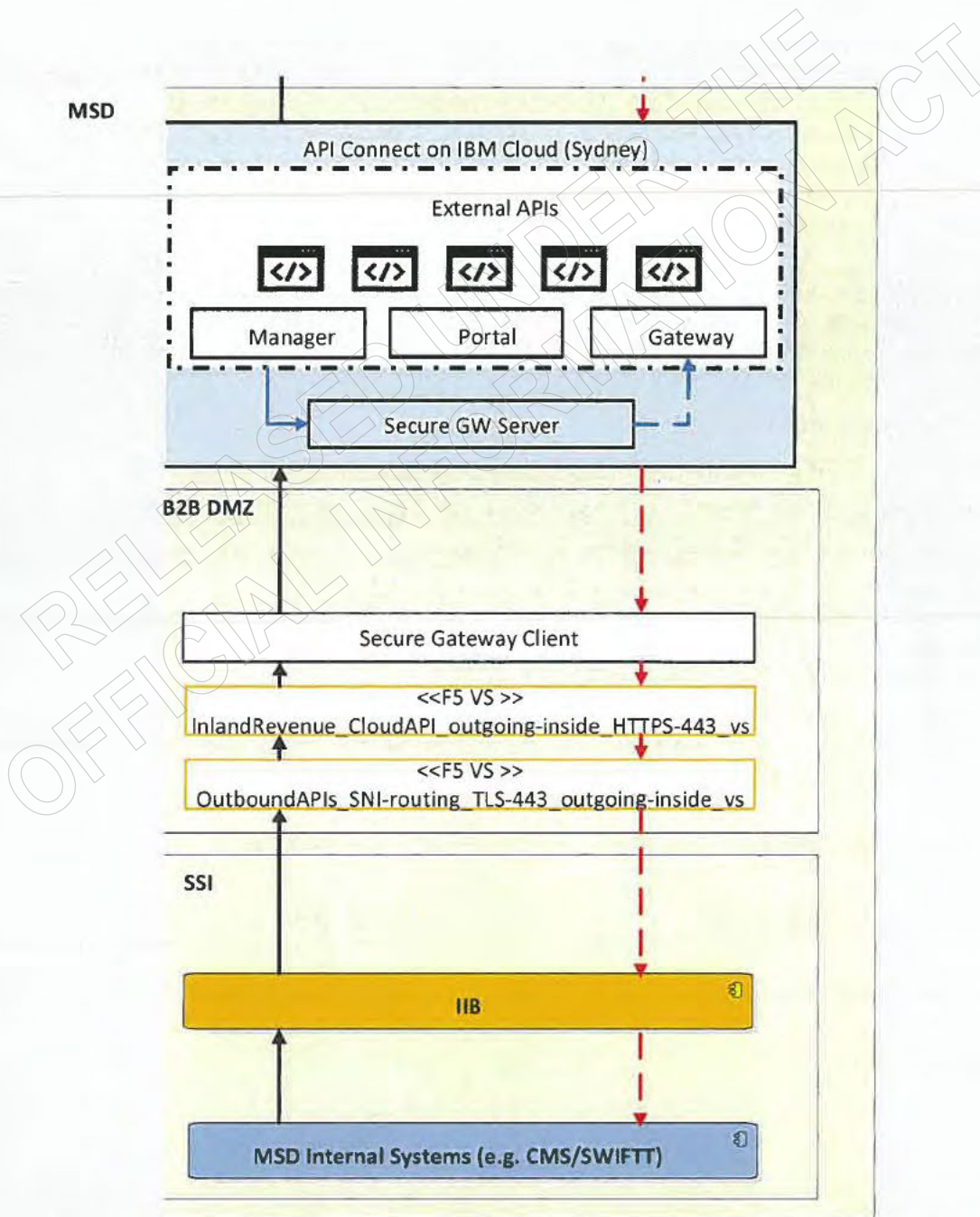[3] This follows the existing change in circumstances process.

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Real-Time API from MSD to IR

Following pattern used by CS Applications

Inland Revenue (IR)

IRD Hosted API

Request

Response

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▶ Description of systems

Internal MSD systems:

▸ CMS (Client Management System) <u>CMS (Client Management System) (qA555182)</u>
CMS is the MSD core client and service provider management system. CMS caters for the business needs of various service delivery and housing teams. Key functions of CMS include but are not limited to: Search functionality (client record or application), storing client information, task management (tasks, events, workflows, queues), services and products (manage the services a client receives including applications, assessments, service plans and other case details) and collections.

▸ SWIFTT <u>SWIFTT and TRACE Voyager Upgrade SPHRaE (A13885301)</u>
SWIFTT (Social Welfare Information For Tomorrow Today) is the system that processes the benefit and pension information (biggest payment system in NZ handling over 2.5 million transactions a fortnight). The system is used to process MSD's Work and Income client benefit and pension payments which Child Support Pass-On will impact on (stores client data, determines aspects of eligibility and entitlement, makes payments and outputs action-based letters for clients).

▸ IIB
IIB is an internal system at MSD, it provides service contracts for API calls working as a broker between information source and destination e.g. SWIFTT initiates API call to IIB to IR and then comes back from IR to IIB to SWIFTT. IIB is just a pass through, data is transitory only with no information held.

Systems for use in information transfer:

▸ API Connect / MSD' External API <u>API External (fA1304919)</u>

▸ IR exposed RESTful API <u>CSPO Liable Parent API – Change Cert (A14374188)</u>

▸ Secure File Transfer Protocol (SFTP) <u>Risk Assessment Certification of SFTP [RHEL] Platform (A13006971) SPHRaE - CSPO Test Data share (A14255511)</u>
SFTP is the platform used for the secure exchange of data between MSD and a wide variety of partner and third-party agencies. The platform has been certified for the exchange of information up to a Restricted classification.

▸ SEEMail is a gateway-to-gateway email services that provides confidentiality, authentication, integrity and non-repudiation for emails between participating agencies and trusted partners. <u>Change Cert - Test Data MOU Update (A14377437)</u>

Geographic location of information:	Aotearoa / New Zealand
Nature of cloud service model:	N/A not a cloud service
Independent Certifications:	N/A not a cloud service
Publicly Accessible:	No

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▶ Scope

Security - Out of Scope

The main underlying technical change of CSPO Entitlement Assessment and Share, is the change of data sources. Previous CSPO certification and accreditation activities noted that data being transferred between MSD and IR was coming from MSD dev replicas of CMS and SWIFTT.

The data exchange noted in this risk assessment is coming from production environments of CMS and SWIFTT (i.e. real everyday MSD systems that contains actual live client data).

The transfers of information to and from MSD and IR have had their associated risks explored, and relevant controls validated in previous certification and accreditation documentation. They have been thoroughly tested and were deemed appropriate and secure for use.

The CSPO Entitlement Share with live data in live systems does not introduce any new risks or vulnerabilities. Any issues with CMS or SWIFTT will be treated as BAU activities as per usual handling processes, and defect tests will continue as per usual. The SFTP and API transfers involved in the transfers have been thoroughly tested, and have parsed live data previously.

Please see the following documents for previous certification and accreditation activities associated with CSPO:

▶ SPHRaE - CSPO Test Data share (A14255511)

▶ CSPO Liable Parent API – Change Cert (A14374188)

▶ Change Cert - Test Data MOU Update (A14377437)

Privacy - Limited Scope

In-scope

Child Support Payment File

- Matching process
- Income charging
- Error resolution

Child Support Liability for TAS and SpB

- Consent process
- Enforcing obligations including recovery of debt
- Information Share with IR?

AISA and legislative settings for information sharing and processing of child support payment information including client obligations. Notification and information material sent to clients broadly or directly in relation to the Child Support Pass-on changes.

Out-of-scope

Phase 2

Risks to IR

Human Rights & Ethics - Limited Scope

In-Scope

Ethical impacts on clients resulting from the CSPO changes.

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Summary of Findings

▶ Privacy

Child Support Pass-On will generally increase money received by clients and reduce the burden placed on them to provide information to MSD when applying or receiving a benefit.

In reducing compliance requirements on the client, the responsibility is shifted to IR and MSD as the agencies exchanging and acting on the information introducing risk. The key controls to mitigate these risks are preparing staff for the tasks and responsibilities of their role (policy, processes, and training), monitoring and human oversight across operations, and clear communications to provide transparency to clients.

Legal Authority
The AISA and Tax Administration Act 1994 provide the legal authority for the collections, uses and disclosures of child support information. Sharing agreements are in place to govern how the sharing takes place and manage the relationship between IR and MSD around the information sharing. There are however some requirements under the Privacy Act 2020 and AISA that are not well aligned to the design of MSD services in respect of subsidies and providing adverse notice.

Adverse Notice and subsidies
Adverse notice in respect of benefits will be system issued to clients via their preferred contact preferences (MyMSD or post) however adverse notices will need to be issued manually by staff in respect of subsidies. Processes and training will be provided to ensure appropriate use, but these are soft controls and so there is a risk of individual privacy incidents of failure to comply with the adverse notice requirements.

Overcollection Risk
MSD and IR Systems were originally built with the intention of a full CSPO release (now phase 2), during development the implementation changed to take a phased approach. In the interim between phase 1 and 2, MSD will immediately discard the phase 2 transactions before they are seen by any staff member preventing any harm resulting to the individual concerned. This limits the risk to a technical breach with no interference of privacy.

Disputes Channel
The disputes channel provides an avenue for clients to have human oversight across the automated income charging of their child support payments against their benefit for fast identification and remedy of errors. However, it also introduces risk of overcollection, unauthorised use, and unauthorised disclosure, if used in a manner that is inconsistent with the grounds for review under Section 304A of the Social Security Act 2018. This risk is reduced by training, processes and templates to limit unintended use.

ADM
s9(2)(h)

Child support Liability Consent (TAS/SpB)
The child support liability information share operates under the Tax Administration Act 1994 Section 18E(3) – Disclosures by agreement with consent obtained which requires the OPC approval. MSD and IR consulted with the OPC and received approval on the MOU and

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consent content with a high burden to be met to ensure the informed consent of clients. All methods of obtaining consent will have content presented that meets the following requirements: The share is optional (can choose to self-declare or not claim the cost), the duration of consent, the information we propose to share, the purpose the information will be used for, the impact the information will have on their TAS/SpB (including or excluding it from assessment) and their obligations if they claim their child support liability as a regular and essential cost.

▶ Ethics

Child Support Pass On will generally result in more money in the hands of sole parent beneficiaries and will reduce the burden placed on clients to provide information helping to reduce client debt and make it easier to receive their full and correct entitlements.

There are two ethical risks introduced by the Child Support Pass-On changes that may impact clients:

Risk of domestic violence
MSD services commonly assess client eligibility for, and entitlement to, benefits and subsidies by household rather than at an individual level. This means information about an individual may become available to others in the household (e.g. request for information by the partner, notification letters sent). There is a risk that something sensitive like child support may result in harm to the individual. Professor Tim Dare was engaged on the issue who suggested providing clients advanced notice to avoid this issue which has been agreed for implementation. Previously, clients at risk of family violence could be considered exempt from applying for child support and in future will have the option to apply.

CSPO inequities

Child Support Pass On phase 1 does not allow MSD to reassess eligibility for, or entitlement to benefits and subsidies, as a result of a reassessment completed by IR in respect to their child support. The legislative changes were not something that could be delivered in time for 1 July which resulted in the phased approach for child support pass-on.

This may mean some clients have their child support arrangement reassessed by IR with retrospective effect meaning the client as a receiving carer might have been over or under paid. MSD will not reassess past income tested financial assistance paid to the client despite that assistance in part being informed by the child support payments received at that time. Some clients will be better off (child support arrears payment owed) while others worse off (child support debt created) as a result. Phase 2 will remedy this situation by making the necessary legislative amendments to support a retrospective assessment which is estimated for delivery mid-2025.

▶ Compliance to Standards

Standard	Compliant	Comment (Comments and link to remediation plan required where not compliant)

Encryption Standard	Yes
Key Management Standard	Yes
Data Jurisdiction Standard	Yes
Authentication Standard	Yes
Service Security Baseline	Yes
Patch Management Standard	Yes
Vulnerability Management Standard	Yes
Information Classification	Yes
Password Standard	Yes
Remote Access Standard	N/A
Automated Decision-Making Standard	Yes
Third-party Provider Information Assurance Standard	N/A

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► Risk Profile

Overall there are 5 medium risks, 1 low risk and 3 very low risks —associated with Child Support Pass-On. The risk profile below summarises the risks which are detailed in the risk assessment in Appendix 1.

5 risks met their target residual risk level but 4 did not due to controls that were not fully effective. Target residual risk is the level of residual risk anticipated after the remediation of ineffective or partially effective controls. The 40 key controls that mitigate the identified risks were assessed and 28 were found to be ineffective and a further 10 partially effective. A remediation plan has been agreed for all controls that were not fully effective. When evidence of effectiveness is provided this assessment will be updated. OR a remediation plan has been agreed for certain controls, however some control gaps will not be remediated, and the current residual risk should be accepted. The details of the control assessment activities are included in Appendix 2.

LIKELIHOOD	CONSEQUENCE				
	Routine	Minor	Moderate	Major	Severe
Almost Certain	PR02	PR01, ER01			
Likely					
Possible			PR04		
Unlikely	PR07	ER01			
Rare	PR01, PR02, PR04,	PR05, PR06	ER02		PR03

KEY: Target Residual Risk: **R##**   Current Residual Risk: **R##**

Target Residual Risk = Current Residual Risk: **R##**

Security Risks: SR## Privacy Risks: PR## Human Rights Risks: HR## Ethics Risks: ER##

► Commentary on Risk Profile

Additional controls have been recommended to reduce 4 of the 9 risks further, and a remediation plan has been agreed.
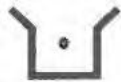
The AISA amendment has been evidenced as approved by both agencies but still needs to receive approval by Order in Council before it is in force.

The Child Support Payment and Child Support Liability MOUs have been finalised and will be approved alongside this risk assessment.

The policies, processes and training have been evidenced in draft but have yet to be finalised, approved and implemented. The majority of these controls are expected to be in place by mid-May with the current content a strong indication of the control effectiveness (further changes not likely to impact control effectiveness).

Phase 2 is set to be delivered mid-2025 with work to begin June 2023. There is however a risk that Phase 2 will not be prioritised for delivery and fail to obtain the necessary resourcing to implement the control to mitigate the outstanding risks (PR01 – adverse notice requirements in respect to subsidies PR02 – over collection and ER02 – Phase 1 inequities).

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▶ Remediation Plan

The table below outlines the **agreed remediation activities**. The control details, including results of assessment activities are included in Appendix 2.

Control Ref & Title	Agreed Remediation Activities	Impacted Risks
C01 – Contractual Agreements and Other Arrangements with Another Agency	The approved AISA (Order in Council) Child Support Liability MOU and Child Support Payment MOU signed by both IR and MSD.	PR01, PR03, PR06, PR07
C03 – Standard Operating Procedures	Business processes to be evidenced when finalised and approved	PR01, PR04, PR05, PR06, PR07, ER02
C04 – Role Based Training	Learning plans to be evidenced when finalised and approved	PR01, PR04, PR05, PR06, PR07, ER02
C05 – Education and Awareness	Learning plans to be evidenced	PR01, PR04, PR05, PR06, PR07, ER02
C13 – Communications to Clients	Direct letters and broad communications to clients to be evidenced when finalised and approved. CSPO webpage ADM webpage Letters to clients	PR05, PR06, PR07, ER02
C24 – Child Support Pass-On Phase 2	Child Support Pass-On full implementation to be delivered mid-2025.	PR01, PR02, ER01
C02 – Assurance Checks	Confirm assurance checks have taken place at the intervals set in CSPO ADM monitoring approach and compliance review memo: Smoothing and charging info share child support income: 29/08/23 05/09/23	PR05, PR06
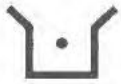
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	19/09/23	
	17/10/23	
	17/05/24	
	Granting TAS re-applications where clients reapply online and meet ADM conditions:	
	14/07/23	
	21/07/23	
	28/07/23	
	04/08/23	
	11/08/23	
	15/09/23	
	19/04/24	

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Remediation Plan

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Control Ref & Title	Agreed Remediation Activities	Impacted Risks
C01 – Contractual Agreements and Other Arrangements with Another Agency	The approved AISA (Order in Council) Child Support Liability MOU and Child Support Payment MOU signed by both IR and MSD.	PR01, PR03, PR06, PR07
C03 – Standard Operating Procedures	Business processes to be evidenced when finalised and approved	PR01, PR04, PR05, PR06, PR07, ER02
C04 – Role Based Training	Learning plans to be evidenced when finalised and approved	PR01, PR04, PR05, PR06, PR07, ER02
C05 – Education and Awareness	Learning plans to be evidenced	PR01, PR04, PR05, PR06, PR07, ER02
C13 – Communications to Clients	Direct letters and broad communications to clients to be evidenced when finalised and approved. CSPO webpage ADM webpage Letters to clients	PR05, PR06, PR07, ER02
C24 – Child Support Pass-On Phase 2	Child Support Pass-On full implementation to be delivered mid-2025.	PR01, PR02, ER01

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Approvals

▶ ## Certification

☒ Certified
☐ Qualified Certification
☐ Not Certified

Comments

There are multiple activities assessed in this report, which are still ongoing. And while the risk profile in totality has not been managed to its target rating, the risks as they stand currently can nevertheless be accepted on the basis of the following:

1. The AISA amendment has been evidenced but requires approval by Order in Council on the recommendation of the relevant Minister which is expected to occur 29 May 2023.

2. The standard operating procedures for CSPO have been evidenced but are not yet approved. Full approval is expected to have been received by 15 May 2023 with any further changes unlikely to impact the effectiveness of the control for 1 July.

3. Role-based training, awareness and education has been evidenced as an approach, but the control will not be finalised or implemented fully until mid-June. The delivery has been broken into 4 tranches that will be implemented beginning Mid-May through to 22 August when MSD receives the first payment file from IR.

4. Data correction activities are currently being worked through by the project and will be completed as part of the pre go-live corrections work taking place between 17 April – 26 May with the data corrections MOU and SPHRaE.

5. Direct communications clients for adverse notice and ADM requirements are completed pending a decision on the Public Housing Assessment with requirements understood if an adverse notice is required. If a self-declare solution is chosen, the adverse notice will not be required and instead an evidence verification process will apply for self-declaration to mitigate accuracy risk.

6. Webpage content for Child Support Pass-on and ADM are currently in draft with content expected to be finalised by mid-May and implemented ahead of an on 1 July 2023 respectively.

7. Consent content for the use of the Child Support Liability API share has been evidenced with just the RAILS form outstanding. The consent specific content has been confirmed however there is an identity verification component being resolved. This is anticipated to be finalised by 1 May 2023.

8. Phase 2 is expected for implementation mid-2025 with work beginning June 2023. Phase 2 will implement the full policy intent of Child Support Pass-on resolving Phase 1 inequities and deliver further amendments for better alignment between operations and the legislative setting for information sharing.

Security, Privacy, Human Rights & Ethics Assessment: Child Support Pass On Entitlement
Assessment and Share

2/5/23

Hannah Morgan, Chief Information Security Officer / Chief Privacy Officer   Date

I confirm that this report accurately represents the security and privacy risks associated with the identified scope and that the controls relied upon in this assessment are in place and operating at the time this certification was provided.

▶ ## Accreditation

☒ Accredited
☐ Qualified Accreditation
☐ Not Accredited

Comments

7/5/23

Jo Herewini, Income Portfolio Owner   Date

I accept the current residual risks as outlined in this report and I confirm that the remediation plan (if any) will be implemented within the indicated timeframes.

09/05/2023

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Appendix 1 – Risk Assessment

▶ Privacy Risk Assessment

The table below details the privacy risks identified based on the effect they have on the alignment with the principles of the Privacy Act. The controls in **bold** are the key controls and have the strongest effect on reducing risk. The control detail and results of assessment of control effectiveness is outlined in Appendix 2.

#	Risk Description	Inherent Risk	Current Controls	Current Residual Risk	Future Controls	Target Residual Risk	Rationale
PR01	**AISA adverse notice requirements are not met** Child support information received under an AISA share, is used inappropriately or in ways not authorised by MSD resulting in an adverse action being taken against the client without providing the required adverse notice. **Affects** IPP5, IPP8, IPP10, AISA, MOU	High (Moderate / Almost Certain)	**C03 – Standard Operation Procedures** **C04 – Role Based Training** **C05 – Education and Awareness** **C01 -** Contractual Agreements and other arrangements with another agency	Medium (Minor / Almost Certain)	**Plans in place to remediate:** **C03 – Standard Operation Procedures** **C04 – Role Based Training** **C05 – Education and Awareness** **CSPO – Phase 2** Design a future state solution in conjunction with an amendment to the AISA to adjust the legislative environment for sharing to better align with MSD subsidy related assessments. This will take place under phase 2 or potentially during phase 1. **C01 -** Contractual Agreements and other arrangements with another agency	Very Low (Incidental / Rare)	▶ Processes, training, education, and awareness will reduce the probability of a privacy breach occurring. This reduces the consequence rating with the risk manifesting as individual privacy incidents.
PR02	**Overcollection Risk** Information received from Inland Revenue via information share is broader than MSD has a purpose to collect.	High (Moderate /Almost Certain)	**C06 – Matching process** **C01 -** Contractual Agreements and other arrangements with another agency	Medium (Routine / Almost Certain)	**CSPO - Phase 2 or IR system changes** This risk will be eliminated if Phase 2 is implemented where the transactions shared will be within scope of MSD lawful authority and purpose for collection. If phase 2 is not to be delivered, IR will make system changes to avoid over-disclosure. **C01 -** Contractual Agreements and other arrangements with another agency	Very Low (Rare / Routine)	▶ The matching process will discard transactions out of scope of the Phase 1 solution reducing the probability and consequence of this risk occurring to a technical breach that does not interfere with the privacy of an individual.
PR03	**System outage or disruption results in unavailability of Child Support Payment information** Child support payment information becomes unavailable due to system disruption or outage at MSD or IR.	Medium (Major / Rare)	**C15 – System Disruption Debt write-off policy** **C01 – Contractual Agreements and other arrangements with another agency**	Low Risk (Moderate / Rare)		Low Risk (Moderate / Rare)	▶ The consequence is reduced by the bulk debt write-off policy and supporting legislation as clients will not be adversely impacted as a result of the information becoming unavailable. The cost will be absorbed by MSD with the debt write-off resulting in a financial impact for the Ministry.
PR04	**MSD acts on inaccurate information**	Medium	**C03 – Standard Operation Procedures** **C04 – Role Based Training**	Medium	**C03 – Standard Operation Procedures** **C04 – Role Based Training**	Very Low	

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#	Risk Description	Inherent Risk	Current Controls	Current Residual Risk	Future Controls	Target Residual Risk	Rationale
	MSD collects and uses two different child support payment amounts for the same period (self-declare and information share) without taking steps to verify the information is correct. **Affects** IPP8	(Moderate / Possible)	C05 - Education and Awareness	(Moderate / Possible)	C05 - Education and Awareness Self Declare Process update + Disputes process Or Design with Adverse Notice issued If a self-declare solution is chosen, steps should be taken to verify the information is correct e.g. require the client provide their child support to pay letter. This will help ensure the information provided is correct and should trigger the error resolution process for the information share child support payment value to ensure MSD information is accurate and correct entitlements are paid. Alternatively MSD could issue an adverse notice and allow the client 10-working days to dispute the information before taking adverse action.	(Positive / Rare)	
PR05	**A child support transaction is incorrectly matched to a client record** A child support payment is incorrectly matched against a client record resulting in a reduction of their financial assistance until the error is remedied.	Low (Moderate/ Rare)	C02 - Monitoring and reporting C03 - Standard Operation Procedures C04 - Role Based Training C05 - Education and Awareness C06 - Matching process C07 - Data corrections C11 - Disputes process C13 - Communications to clients C17 - Individual Debt write-off policy C01 - Contractual Agreements and other arrangements with another agency	Very Low (Minor / Rare)	C03 - Standard Operation Procedures C04 - Role Based Training C05 - Education and Awareness C01 - Contractual Agreements and other arrangements with another agency	Very Low (Minor / Rare)	▸ The testing of the matching process has demonstrated no errors as part of the automated matching setting a baseline for the expected risk of rare. Monitoring will help identify errors resulting during operational use reducing the probability of this risk occurring and consequence. ▸ Processes, awareness and training will help ensure that manual matches are actioned inline with MSD policy and procedures reducing the probability of the risk occurring. ▸ Data corrections prior to operational use, and ongoing as a matter of the payment file matching will ensure client data in MSD and IR systems is accurate and up to date for reliable matching reducing the probability of this risk occurring. ▸ The error resolution process will allow for fast remedy of errors resulting from the matching reducing the consequence of this risk occurring. ▸ Individual Debt write-off will reduce the consequence of this risk occurring to the client but will have a financial impact to MSD in absorbing this cost.
PR06	**A child support payment is incorrect, or charged incorrectly** The amount of child support income charged is incorrect resulting in over or under payment of financial assistance resulting in arrears owed or client debt.	Low (Moderate / Rare)	C02 - Monitoring and reporting C03 - Standard Operation Procedures C04 - Role Based Training C05 - Education and Awareness C11 - Disputes process C13 - Communications to clients	Very Low (Minor / Rare)	C03 - Standard Operation Procedures C04 - Role Based Training C05 - Education and Awareness C01 - Contractual Agreements and other arrangements with another agency	Very Low (Minor / Rare)	▸ This type of error is expected to result from human error during processing. Standard operating procedures in conjunction with staff training and awareness will reduce the probability of the risk occurring.

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#	Risk Description	Inherent Risk	Current Controls	Current Residual Risk	Future Controls	Target Residual Risk	Rationale
			C01 - Contractual Agreements and other arrangements with another agency **C17** - Individual Debt write-off policy				
PR07	**Inappropriate or unauthorised use of the disputes channel** Inappropriate or unauthorised use of the Disputes Information Flow results in the disclosure, collection, and/or use of information without purpose. **Affects:** IPP1, IPP5, IPP8, IPP10, IPP11, AISA, MOU	Low (Routine / Possible)	C03 - Standard Operation Procedures C05 - Education and Awareness C04 - Role Based Training **C01** - Contractual Agreements and other arrangements with another agency	Very Low (Routine / Unlikely)	C03 - Standard Operation Procedures C05 - Education and Awareness C04 - Role Based Training **C01** - Contractual Agreements and other arrangements with another agency	Very Low (Routine / Unlikely)	▶ The probability will be reduced by efforts to ensure staff are informed by clear processes and understand the responsibilities of their role helping to avoid inadvertent disclosures or requests via the disputes channel.

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▶ Human Rights & Ethics Risk Assessment

The table below details the Human Rights and Ethical risks identified. The controls in **bold** are the key controls and have the strongest effect on reducing risk. The control detail and results of assessment of control effectiveness is outlined in Appendix 2.

#	Risk Description	Inherent Risk	Current Controls	Current Residual Risk	Future Controls	Target Residual Risk	Rationale
ER01	**Child Support Pass-On inequities** Clients may be impacted by some child support transactions or reassessments administered by IR that have retroactive effect but these not will be assessed by MSD under Phase 1. This may result in some clients who are better and others who are worse off for factors outside of their control. e.g. MSD determines the rate of entitlement in part by the amount of child support the client is receiving at a given point in time, IR may determine they were receiving too little or too much child support placing them into debt or owed arrears. MSD will not reassess the entitlements paid meaning the client retrospectively meaning some clients may be better or worse off.	Medium (Minor / Almost Certain)		Medium (Minor / Almost Certain)	**CSPO - Phase 2** will implement changes that will allow for retrospective assessments following a reassessment of child support entitlements and cover transactions that result in these inequities reducing the probability of this risk occurring.	Low (Minor / Unlikely)	
ER02	**Child Support Pass-On Risk of harm from information shared becoming available to others** Child support information may become more widely available than the individual concerned due to the nature of benefits / subsidies being assessed across a household. Other household members (e.g. partner) may become aware of Child Support payments received or obligations to the other parent either a result of MSD notification to them as a client in receipt of the benefit/subsidy or as a matter of access rights afforded to them as the assessment relates to and impacts on them. There may be a risk of harm to an individual resulting from this discovery (e.g. family violence).	Medium (Major / Rare)	C23 - Removal of obligation to apply C13 - Communications to clients	Low (Moderate / Rare)	C13 - Communications to clients	Low (Moderate / Rare)	▶ Clients who are receiving child support but have not been declaring it to MSD are most likely to be at risk. The probability will be reduced by the removal of the obligation to apply for child support and information provided to clients to notify them ahead of the CSPO changes. This will reduce the potential for the scenario to occur. ▶ The consequence will be reduced by MSD taking steps reasonable in the circumstances to address this issue lowering the potential volume of impacted clients. The consequence however cannot be reduced further due to the potential risk of harm to the client should this risk occur.

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Appendix 2 – Controls
Process and Procedural Controls

The table below provides details of the controls relied upon in the risk assessment above, the results of assessment activities to determine whether key controls are effective, and any agreed remediation activities where controls are not effective. The details of the control assessment activities, including why certain controls were not selected for assessment, can be found in the Control Assessment Report.

#	Control Description	Control Validation Activities Completed	Control Effectiveness	Agreed Remediation Activity (where control ineffective / partially effective)
C01	**Contractual Agreements and Other Arrangements With Another Agency** Other Arrangements with another agency: • define the lawful authority and lawful purpose for which the personal information collected may be used; • define any Privacy Act exceptions which apply where a use is intended other than the lawful purpose for which the personal information was collected; • define the process and responsibilities for managing unauthorised and inappropriate use; • require that adequate steps are taken to ensure compliance. **Control Owner: Florentine Eistetter, Delivery Lead**	**Evidence** Child Support Payments MOU Child Support Liability MOU AISA	Partially Effective	**Evidence to be provided after go-live** The approved AISA (Order in Council) Child Support Liability MOU and Child Support Payment MOU signed by both IR and MSD. **Responsible Manager:** Jo Herewini, Group General Manager, Income **Agreed Implementation Date:** 30/06/2023
C02	**Monitoring and Reporting** System monitoring set up to ensure Automated Decision Making is performing as expected (identifying errors, meeting policy and legal intent, safeguards are effective) and reporting on the general operation of the information shared under the AISA. **Control Owner: Florentine Eistetter, Deliver Lead**	**Evidence** High level monitoring approach and compliance review Business risk register Assurance checks sample size	Effective	**Evidence to be provided after go-live** Assurance checks. **Responsible Manager:** Shannon Soughtton, Group General Manager, Income **Agreed Implementation Date:** 31/05/2024
C03	**Standard Operating Procedures** Provide those involved with information and guidance on the required processes and procedures **Control Owner: Florentine Eistetter, Delivery Lead**	**Evidence** CSPO Phase 1 Detailed business processes (draft)	Partially Effective	**Remediation agreed with Responsible Manager** Business processes to be finalised and approved. **Responsible Manager:** Jo Herewini, Group General Manager, Income **Agreed Implementation Date:** 15/05/2023

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#	Control Description	Control Validation Activities Completed	Control Effectiveness	Agreed Remediation Activity (where control ineffective / partially effective)
C04	**Role Based Training** Ensures that those involved understand: • the scope of the lawful authority and purpose for collecting the personal information and what personal information is necessary to fulfil that purpose. • The way personal information may be viewed, modified and deleted. • The process for managing unauthorised and inappropriate access, use and disclosure. • The ways the personal information can be used and disclosed. • The process for collection and maintenance of personal information so that it is accurate, current, complete and correct. **Control Owner: Florentine Eistetter, Delivery Lead**	**Evidence** Draft – Tranche 1 learning Draft – Tranche 2 learning Draft – Tranche 3 learning Draft – Tranche 4 learning	Partially Effective	**Remediation agreed with Responsible Manager** The approved Tranche learning plans are to be evidenced once they are approved. **Responsible Manager:** Jo Herewini, Group General Manager, Income **Agreed Implementation Date:** 15/06/2023
C05	**Education and Awareness** Ensures that those involved understand the expectations and responsibilities that apply to them. **Control Owner: Florentine Eistetter, Delivery Lead**	**Evidence** Draft – Tranche 1 learning Draft – Tranche 2 learning Draft – Tranche 3 learning Draft – Tranche 4 learning	Partially Effective	**Remediation agreed with Responsible Manager** The approved Tranche learning plans are to be evidenced once they are approved. **Responsible Manager:** Jo Herewini, Group General Manager, Income **Agreed Implementation Date:** 15/06/2023
C06	**Matching Process** Ensures that child support payments are correctly matched to client records or discarded where they are not relevant to the assessment of eligibility or entitlement to a benefit or subsidy. The process will exception our child support payments to be manually matched where the identity information does not indicate a clear match across 5 key identifiers (IRD number, SWN, first name, last name and date of birth) one of which must be a unique ID. A hash will be generated for payments manually matched as part of this process to automate any subsequent matches. **Control Owner: Tristan Scott, IT Project Manager**	**Evidence** Child Support Pass On specification and architecture for IR and MSD Testing Results Spot Checks Monitoring Approach	Partially Effective	**Remediation agreed with Responsible Manager** Business process approved for data corrections. **Responsible Manager:** Jo Herewini, Group General Manager, Income **Agreed Implementation Date:** 1/06/2023

#	Control Description	Control Validation Activities Completed	Control Effectiveness	Agreed Remediation Activity (where control ineffective / partially effective)
C07	**Data Corrections (matching)** As part of the processing of payment files MSD receive from IR, MSD will generate a feedback file that will inform data correction activities surrounding IRD number and SWNs. The feedback file will be sent to IR so they may correct records identified to have a missing or incorrect SWN. MSD will similarly have a process for updating records that have a missing or incorrect IRD number. **Control Owner: Tristan Scott, IT Project Manager**	**Evidence** Child Support Payment MOU Child Support Pass On specification and architecture for IR and MSD	Partially Effective	**Remediation agreed with Responsible Manager** Business process approved for data corrections. **Responsible Manager:** Jo Herewini, Group General Manager, Income **Agreed Implementation Date:** 1/06/2023
C08	**Pre-Go-live Data Corrections (matching)** The majority of issues relating to the matching process are expected to occur with the first child support payment files. Subsequent payment files will match more readily as the hash is used and data corrected for improved parity between agency systems. Prior to 1 July 2023, IR will share identity information relating to those in receipt of child support payments they administer. The information will be used in the matching process where a feedback file will be produced to inform data correction activities. Completing data corrections prior to go-live will front-foot the corrections process and smooth over the initial matching by removing the time pressure for the first payment file shares. **Control Owner: Tristan Scott, IT Project Manager**	**Evidence** Child Support Pass On specification and architecture for IR and MSD	Partially Effective	**Remediation agreed with Responsible Manager** Data corrections MOU to be signed by both agencies and business process approved for data corrections. **Responsible Manager:** Jo Herewini, Group General Manager, Income **Agreed Implementation Date:** 1/06/2023
C09	**Assurance Checks (matching)** Periodic spot checks of the Child Support payment matches will be completed to ensure the matching process is correctly matching and discarding child support payments. **Control Owner: Florentine Eistetter, Delivery Lead**	**Evidence** Assurance Checks Monitoring Approach	Effective	
C11	**Disputes Process** A separate channel to a Review of Decision, available to clients to query and dispute the child support charged against their benefit or subsidy. The channel will provide human oversight to swiftly remedy an error in the processing of a child support payment. Where necessary to clarify a situation or remedy an error MSD will exchange information with IR to verify the correct child support payment information. **Control Owner: Florentine Eistetter, Delivery Lead**	**Evidence** Child Support Payment MOU Child Support Pass-on Phase One charging and correcting CS income charges Disputes Process (draft)	Effective	

MINISTRY OF SOCIAL DEVELOPMENT
TE MANATŪ WHAKAHIATO ORA

#	Control Description	Control Validation Activities Completed	Control Effectiveness	Agreed Remediation Activity (where control ineffective / partially effective)
C13	**Communications to clients** General transparency with the client about the personal information MSD collects about them, how it is used, the role that personal information had in a decision made about them, whether that decision was made by ADM and their rights to have that decision reviewed. This also includes educating clients about changes to their benefits, how the ADM processes used to make a decision about them work and where to go if they believe an error has been made in relation to a service provided to them. **Control Owner: Florentine Eistetter, Delivery Lead**	**Evidence** Draft ADM webpage Draft CSPO webpage Letters to *clients* *TAS transitional letters*	Partially Effective	**Remediation agreed with Responsible Manager** The public facing ADM and CSPO webpages are to be evidenced once the content is final. **Responsible Manager:** Jo Herewini, Group General Manager, Income **Agreed Implementation Date:** 15/05/2023
C15	**System Disruption Debt Write-off policy** In the event of a widespread system disruption resulting in the unavailability of child support payment information for processing prior to the payment of the benefits or subsidies, MSD will write-off the resulting overpayment related debt. **Control Owner: Florentine Eistetter, Delivery Lead**	**Evidence** Child Support Pass-on Acts Amendments Bill	Effective	
C17	**Individual Debt Write-off policy** The deb write-off policy for errors relating to individual child support payment transactions where either the information received from IR was incorrect or there was an error with how MSD acted on the information. **Control Owner: Florentine Eistetter, Delivery Lead**	**Evidence** Individual debt write-off policy (CSPO debt write-off) Child Support Pass-on Acts Amendments Bill	Effective	
C18	**Child Support Liability Consent Content** The information provided to clients to ensure they are fully informed when they provide consent to MSD for the information to be shared by IR: Application forms Consent scripts	Child Support Liability MOU	Partially Effective	**Remediation agreed with Responsible Manager** TAS transitional RAILS form consent content finalised and evidenced. **Responsible Manager:** Jo Herewini, Group General Manager, Income **Agreed Implementation Date:** 1/05/2023

MINISTRY OF SOCIAL DEVELOPMENT
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#	Control Description	Control Validation Activities Completed	Control Effectiveness	Agreed Remediation Activity (where control ineffective / partially effective)
C20	**Child Support Payment Evidence Verification process** The process to verify the information provided by the client is correct to ensure decisions made that impact on the client are not based on incorrect information.		Ineffective / Not Present	**Remediation agreed with Responsible Manager** Remediation option to be chosen – either issue adverse notice or self-declare. If self-declare option is chosen the business process must be evidenced and for the control to be effective, it must place requirements on the evidence to be provided by the client so that MSD can verify the value as accurate. **Responsible Manager:** Jo Herewini, Group General Manager, Income **Agreed Implementation Date:** 1/05/2023
C23	**Removal of obligation to apply for child support** Legislation around the removal of the obligation to apply for child support and supporting processes to empower clients to make the best decision for their circumstances.	**Evidence** Child Support Pass-on Acts Amendments Bill Child Support Pass-On Phase 1 – Removing the Obligation to Apply Business Process	Effective	
C24	**Child Support Pass On – Phase 2** Phase 2 will deliver further legislative amendments accompanied by system changes and supporting processes to deliver the full child support pass on changes intended.		Ineffective / Not Present	**Remediation agreed with Responsible Manager** Phase 2 deliverables to be agreed **Responsible Manager:** Shannon Soughtton, Group General Manager, Income **Agreed Implementation Date:** 31/06/2025

MINISTRY OF SOCIAL DEVELOPMENT
 TE MANATŪ WHAKAHIATO ORA

Privacy, Human Rights & Ethics Framework
[IN-CONFIDENCE]

ADM compliance checklist

Epic number/name	INC-15 Child Support Pass-on
Related feature(s) number/name	Delivering Business CSPO changes for Go-Live
Portfolio	Income
Delivery Lead	Florentine Eistetter
Business Owner	Jo Herewini
Information Group Portfolio Advisor(s)	Shannon Soughtton
Date	30/06/2023

Question	Standard reference	Yes/No/NA
1. s9(2)(h) [text redacted]	3.3.1 3.3.4	**Yes** Cabinet Paper Cabinet Minutes Child Support (Pass On) Acts Amendment Bill Costings, policies, phasing, Cabinet papers, Budget bid
2. The proposal involves complex algorithm(s). *If yes, go to Q3, otherwise go to Q4*	2.2	**No (go to Q4)** Email
3. The Model Development Lifecycle was used to support the development of the algorithm(s). ***See:*** *Model Development Lifecycle owned by the Client Business Intelligence Team (iMSD_CBI_Help@msd.govt.nz)*	2.2	**N/A (see Q2)**

Privacy, Human Rights & Ethics Framework
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Question	Standard reference	Yes/No/NA
4. Evidence has been provided to show that the ADM will improve efficiencies and effectiveness of decision making and balance factors such as cost, accuracy, reliability and safeguarding the wellbeing of those affected. *For example:* • *current and future process map, and/or* • *business process documentation, and/or* • *testing results and/or* • *cost models.*	3.1.1(i) 3.1.2	**Yes** Budget Bid Cabinet Paper Costings, policies, phasing, Cabinet papers, Budget bid **Business Processes Folder** Charging and correcting CS Including CS as an allowable cost for TAS and SpB Data matching Email (initial testing insights)
5. The ADM complies with all applicable Ministry policies and standards that relate to the privacy, security and management of information. *For example, PHRaE Policy, Minimum Metadata Standard, etc.* ***See:*** *Information Hub - Strategies, policies and guidance*	3.1.1(ii)	**Yes** **ADM AP5:** PHRaE assessment (Darryn)
6. Users (people) will be required to input or provide data that will help determine the ADM outputs. *If yes, go to Q7, otherwise go to Q8*	3.1.3	**Yes**

Privacy, Human Rights & Ethics Framework

[IN-CONFIDENCE]

Question	Standard reference	Yes/No/NA
7. Evidence has been provided to show that there is clear, relevant, and accessible guidance for users who are required to input or provide data. *For example, user input instructions, application form, etc.*	3.1.3	**Yes** **Business Processes Folder** Charging and correcting CS charges Transferring between benefits Doogle for charging and correcting HIYA for charging and correcting Doogle and HIYA for transfers Tranche 1 eLearning Design and Content - Approved Tranche 2 Learning Plan - Approved Tranche 4 Learning Plan (draft)
8. Evidence has been provided to show that: • the ADM is accurate and reliable, • does not deny clients full and correct entitlement (FACE), and • bias and discrimination will be well managed. *For example:* • *Business and/or non-functional requirements for accuracy and reliability of outputs and testing results* • *An assessment report for a dataset used as an input for ADM identifying any potential impacts to accuracy and reliability.* **Note**: *where unintended bias cannot be removed or sufficiently mitigated, substantial human involvement must be included in the process and compliance with the standard, while still prudent, is not technically required.*	3.2.1 3.2.2 3.2.3 *(1.4)*	See ADM AP2 - IT testing results for accuracy of ADM processes (Tristan) Email (initial testing insights) **Business Processes Folder** Charging and correcting CS charges Non-Bene on a suspended record **Regulatory Impact Statement – Child Support Pass-on – Addendum (1)** (page 40 – 49)

Privacy, Human Rights & Ethics Framework
[IN-CONFIDENCE]

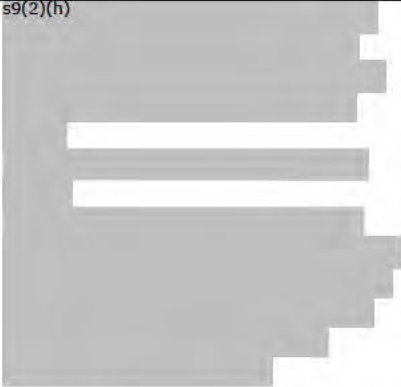|	Question	Standard reference	Yes/No/NA
9.	Evidence has been provided to show that Integrity and Debt and Workplace Integrity (as relevant) have assessed the proposed ADM to determine whether it has the potential to increase the likelihood of internal or external fraud, or client non-compliance and debt has been carried out. Additionally, the Business Owner and Integrity & Debt and/or Workplace Integrity (as relevant) has accepted increased risk (if any).	3.3.2 3.3.3	**Yes** Email
10.	A clear explanation of how the ADM works and the role of humans has been provided. *For example:* • *current and future process map, and/or* • *business process documentation, and/or* • *collateral used to explain or show the process to a client.* **Note:** *a complex algorithm will unlikely be able to be explained on a step-by-step basis but can be explained at a higher level, for example:* • *How our Youth Service for NEET works* • *Youth Services: using data and analytics for a national perspective*	3.4.2	**Yes** **Business Processes Folder** Charging and correcting CS Including CS as an allowable cost for TAS and SpB Data matching ADM webpage (draft) CSPO webpage Solution Architecture Document For Child Support Pass On
11.	Evidence has been provided to show that the use of automated decision-making will be communicated to the impacted parties in a way that is easy for them to understand and outlines: • the decision was made using automation, • the role of humans in automating the decision and who is accountable, • the outcome of that decision, and • the process for challenging or appealing the decision. *For example, client letter confirming a decision, or a statement in an online process that confirms a decision.* **Note:** *the process to review an automated decision that has been challenged or appealed must not itself be an automated process.*	3.4.2 3.4.3 3.4.4	**Yes** CSPO webpage ADM website (draft) client letters outlining automation **Business Processes Folder** "client disputes CS charge"

Question	Standard reference	Yes/No/NA
12. The monitoring approach and associated requirements (including business risk register) has been agreed by the Business Owner and other parties involved.	3.6.2	**Yes** Monitoring requirements, assurance approach and team doing assurance checks has been determined CSPO Reporting/Monitoring Requirements: External and Internal CSP Monitoring approach Requirements and Compliance Review Approved Monitoring Approach and Compliance
13. The compliance review period has been confirmed by the Information Group assurance function.	3.6.3	**Yes** Compliance review period has been confirmed Info Group
14. Based on the answers to the above questions and evidence provided, the proposed ADM is compliant with the ADM standard. *See: ADM LT Approval Memo Template where ADM is proposed to be implemented before the Social Security Legislation Bill is passed.*	3.6.1	**Yes** Child Support Pass On Acts Amendment Bill
15. Based on the answers to the above questions and evidence provided, an exception will need to be approved by the Chief Executive to implement the ADM. *See:* • *ADM Standard Exception Process* • *ADM Standard Exception Memo Template*	2.3	**No**

Next steps:

- advise outcome of assessment to the Delivery Lead and agree on next steps required (if any), and
- update the ADM register.

Epic number/name	INC-171 26-week reapplications		
Portfolio	Income		
Business Owner	Shannon Soughtton		
Date	02/05/2025		
Question	ADM Standard Ref.	YES / No / NA	- Deliverable (incl. provisional deliverable) - Due date/needed by - Assigned to
s9(2)(h) Reference Document: • Automated Decision-Making – Doogle • ADM Standard - Objective ECM • adm-standard-operational-guidance-v3.pdf • adm-engagement-map.pdf	3.3.1 3.3.4	Yes	• Cabinet paper • Drafting instructions (From 1st July 2025) The Social Security Amendment Bill is changing the expiry date for Jobseeker Support from 52-weeks to 26-weeks and requiring recipients (and any partner included in their Jobseeker Support benefit) to reapply in order to continue to receive a benefit, including provisions to support implementation through the use of Automated Decision-Making We held a series of workshops with the project team to determine where ADM would be used within the process. It was decided that ADM would only occur at the point of regrant where all the client's eligibility and employment proxies have been met, and the client has confirmed their intent to reapply and that they have no changes to declare. Final proxy list can be found here: ADM checklist - 26-week reapplications - Final Proxy Lists details - Objective ECM This means that for the purposes of the ADM risk **Additional Evidence:** Guidance and Advice - 26 week Reapp Assurance Work details - Objective ECM Cabinet Paper - Social Security Amendment Bill - Approval for Introduction details - Objective ECM Draft Cabinet Paper - Social Security Amendment Bill details - Objective ECM 20240823 Manifesto Bill drafting instructions - for PCO details - Objective ECM FurtherdraftinginstructionsOct2024 1 (Policy + Op Pol) details – Objective ECM ADM Risk Assessment One Pager https://objective.ssi.govt.nz/documents/A16787318/details
2. The proposal involves complex algorithm(s).	2.2	No	N/A – confirmed with Tony Simmers **Additional Evidence:**

Epic number/name	INC-171 26-week reapplications
Portfolio	Income
Business Owner	Shannon Soughtton
Date	02/05/2025

Question	ADM Standard Ref.	YES / No / NA	- Deliverable (incl. provisional deliverable) - Due date/needed by - Assigned to
If yes, go to Q3, if no go to Q4 but attach evidence *from a member of the Client Business Intelligence* *team confirming no complex algorithm is involved.* ***Tip:*** *to understand whether you are proposing a* *complex algorithm, contact Client Business* *Intelligence Team* *mailto:iMSD_CBI_Help@msd.govt.nz*			RE_ 26week Reapplication Algorithm https://objective.ssi.govt.nz/documents/A16787605/details 52 week reapp - automation description_ https://objective.ssi.govt.nz/documents/A16799552/details
3. The Model Development Lifecycle has been used to support the development of the complex algorithm(s). ***See:*** *Model Development Lifecycle and contact* *Client Business Intelligence Team who can help* *you with this* *mailto:iMSD_CBI_Help@msd.govt.nz*	2.2	<u>N/A</u>	
4. Evidence has been provided to show the ADM will improve efficiencies and effectiveness of decision making and balance factors such as cost, accuracy, reliability and safeguarding the wellbeing of those affected. *For example:* • *current and future process map, and/or* • *business process documentation, and/or* • *testing results and/or* • *cost models.*	3.1.1 (i) 3.1.2	Yes	• Cost models (FTE) See aboveFW_ 26-Week Reapplication Models https://objective.ssi.govt.nz/documents/A16928267/details • Testing results that show the process is working as expected – Right before 'go live' • Op Pol detailed design doc – 2025_Operational Policy Design Document - 26 week reapplications FINAL (signed off) https://objective.ssi.govt.nz/documents/A17008975/details 2025_Operational Policy Design Document - 26 week reapplications for Jobseeker Support (removal of annual income...) FINAL (signed off) https://objective.ssi.govt.nz/documents/A17008976/details • Business process models – BP cannot be finalised until Op Pol design is finalised and the CMS are confirmed for staff facing reapplications. Likely by

Epic number/name	INC-171 26-week reapplications
Portfolio	Income
Business Owner	Shannon Soughtton
Date	02/05/2025

Question	ADM Standard Ref.	YES / No / NA	- Deliverable (incl. provisional deliverable) - Due date/needed by - Assigned to
			30 May. 26 Week Reapplication Draft Business Process (Clean version) https://objective.ssi.govt.nz/documents/A17061734/details • <mark>Include specified engagement here</mark> FINAL 26-week reapplications- Practice Improvement https://objective.ssi.govt.nz/documents/A16922651/details **Additional Evidence:** 26 Week Reapplications - Annual Income Changes for JS Sole Parents (Static) details - Objective ECM 26 Week Reapplications - Demand Modelling (Static) - 8 Week Activity Period details - Objective ECM
5. All relevant privacy, security and management of information Policies and Standards have been complied with. For example, PHRaE Policy, Minimum Metadata Standard, etc *See:* Information Hub - Strategies, policies and guidance *Tip:* If you are still unsure which Policies and Standards might apply to your scenario, contact the Information Group at mailto:infohelp@msd.govt.nz	3.1.1 (ii)	Yes	SPHRaE:Privacy & Security Risk Assessment - 26 week Reapplications details - Objective ECM
6. Users (people) will be required to input or provide data that will help determine the ADM outputs. *If yes, go to Q7, otherwise go to Q8*	3.1.3	Yes	Application Questionnaire https://objective.ssi.govt.nz/documents/A16767086/details
7. Evidence has been provided to show that there is clear, relevant, and accessible guidance for users who are required to input or provide data. *For example, user input instructions, application form, etc.*	3.1.3	Yes	• <mark>Website content</mark> – late June • Letters:2024 10 17 APPROVED 26-Week JS Reapplication Letters details - Objective ECM • Comms plan: https://objective.ssi.govt.nz/documents/A16781445/details

Epic number/name	INC-171 26-week reapplications
Portfolio	Income
Business Owner	Shannon Soughtton
Date	02/05/2025

Question	ADM Standard Ref.	YES / No / NA	- Deliverable (incl. provisional deliverable) - Due date/needed by - Assigned to
			• **HIYA/Doogle content** – 26 Week Reapplications 5 May HIYA Content (Final) https://objective.ssi.govt.nz/documents/A16885646/details 5 May Doogle Content (Final) https://objective.ssi.govt.nz/documents/A16836710/details • **User guides/training approach** 26 week reapp PPT FINAL https://objective.ssi.govt.nz/documents/A16922677/details 26 week reapp workbook Final https://objective.ssi.govt.nz/documents/A16922675/details Facilitation guide 26 week re-app FINAL https://objective.ssi.govt.nz/documents/A16922676/details **Additional Evidence:** FINAL DRAFT - online application wording including work prep questions details - Objective ECM 2024 10 17 APPROVED 26-Week JS Reapplication Letters details - Objective ECM
8. Evidence has been provided to show that the ADM: • is accurate and reliable, • does not deny clients full and correct entitlement (FACE), and • manages bias and discrimination well. *For example:* *• Business and/or non-functional requirements* *for accuracy and reliability of outputs and* *testing results* *• An assessment report for a dataset used as* *an input for ADM identifying any potential* *impacts to accuracy and reliability.* *Note: where unintended bias cannot be removed* *or sufficiently mitigated, substantial human* *involvement must be included in the process and*	3.2.1 3.2.2 3.2.3 (1.4)	Yes	• Business processes: – BP cannot be finalised until Op Pol design is finalised and the CMS are confirmed for staff facing reapplications. Likely by 30 May. 26 Week Reapplication Draft Business Process (Clean version) https://objective.ssi.govt.nz/documents/A17061734/details • **Testing results** – July 25 • human review component – human oversight will not be present to review every ADM decision made (as this would take away the efficiencies that we wish to obtain from the ADM process). **Additional Evidence:**

Epic number/name	INC-171 26-week reapplications
Portfolio	Income
Business Owner	Shannon Soughtton
Date	02/05/2025

Question	ADM Standard Ref.	YES / No / NA	- Deliverable (incl. provisional deliverable) - Due date/needed by - Assigned to
compliance with the ADM Standard, while still prudent, is not technically required.			Regulatory Impact Statement - Changes to welfare settings to support people into employment and off benefit 2 (2) details - Objective ECM ADM checklist - 26-week reapplications - Final Proxy Lists details - Objective ECM
9. <mark>DONE –</mark> Evidence has been provided to show that Integrity and Debt and Workplace Integrity (as relevant) have assessed the proposed ADM to determine whether it has the potential to increase or decrease the likelihood of internal or external fraud, or client non-compliance and debt has been carried out. Additionally if there is increased risk of fraud, the Business Owner and Integrity & Debt and/or Workplace Integrity (as relevant) has accepted it	3.3.2 3.3.3	Yes	Integrity and Debt team confirmed that the integrity risk level is not increased by the use of ADM - a more frequent reapplication will act as an additional integrity control and noting that specified engagements act as mitigations for clients we have contact with during the reapplication window. ADM External Integrity Assessment for 26 Week Reapplications details - Objective ECM **Additional Evidence:** https://objective.ssi.govt.nz/documents/A16757156/details
10. A clear explanation of how the ADM works and the role of humans in the business process has been developed and provided. *For example:* • *current and future process map, and/or* • *business process documentation, and/or* • *collateral used to explain or show the process to a client.* **Note:** *a complex algorithm will unlikely be able to be explained on a step-by-step basis but can be explained at a higher level, for example:* • *How our Youth Service for NEET works* • *Youth Services: using data and analytics for a national perspective*	3.4.2		• <mark>IT architecture</mark> document – https://objective.ssi.govt.nz/documents/fA2083566 . • See item #4
11. Evidence has been provided to show that the use of automated decision-making will be communicated to the impacted clients in a way that is easy for them to understand and outlines: • that the decision was made using ADM,	3.4.2 3.4.3 3.4.4		• <mark>Website content</mark> – see item #4 • <mark>Internal process for</mark> when someone provided ROD (MAP). Dana Vertongen will include you into an email that will contain the draft MAP Review of Decision (ROD)

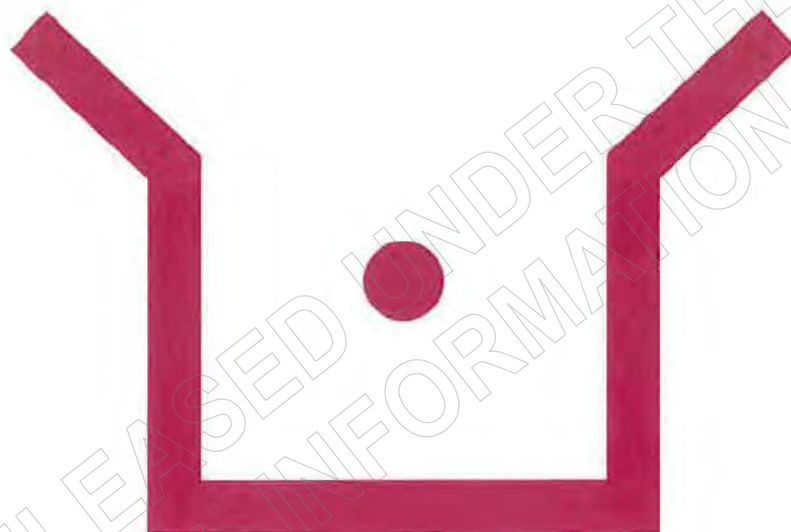| Epic number/name	INC-171 26-week reapplications		
Portfolio	Income		
Business Owner	Shannon Soughtton		
Date	02/05/2025		
Question	ADM Standard Ref.	YES / No / NA	- Deliverable (incl. provisional deliverable) - Due date/needed by - Assigned to
• the role of humans in automating the decision and who is accountable, the outcome of that decision, and • the process for challenging or appealing the decision. *For example, client letter confirming a decision, or* *a statement in an online process that confirms a decision.* ***Note:*** *the process to review an automated decision that has been challenged or appealed must not itself be an automated process.*			content for ADM. The email will be addressed to Helpline and the MAP publishing team, and you will be included as FYI. • — Op pol PI34 • Gazette notice: Notice Under the Social Security Act 2018 – 2025-go3248- New Zealand Gazette **Evidence:** 2024 10 17 APPROVED 26-Week JS Reapplication Letters details – Objective ECM ™
12. The monitoring approach and associated requirements (including a business risk register) has been agreed by the Business Owner and other parties involved.	3.6.2		• Monitoring and Assurance approach ADM Monitoring Memo

Next steps:

1. Checklist and supporting evidence provided to the Information Group.

2. Based on the answers to the above questions and evidence provided, an assessment will be made on whether the proposed ADM is compliant with the ADM Standard and confirmed to you with next steps.

Information Group
Te Rōpū Whakamōhiohio

Security, Privacy, Human Rights & Ethics Assessment

26-week Reapplications

Report Data

Name of Initiative	26-Week Reapplications
Business Owner	Shannon Soughtton, Income Portfolio Owner
Stakeholder(s)	Florentine Eistetter, Delivery Lead, Income Rebecca Thurlow, Director, Income
Objective ID	A16629602
Reference Documents	• Initial Guidance & Advice [A16485928] • ADM Checklist Assessment [A16484530] • ADM One paper [A16787318] • ADM Monitoring Memo [A16927103]

Document History

Author / Reviewer	Date	Version	Description
Amelia Harris, Senior Privacy Advisor	28.11.2024	01	First cut of privacy risks
Amanda Aggio, Senior Privacy Advisor	25.02.2025	02	Full risk assessment
Laura Mason, Senior IM Advisor	26.03.2025	03	IM review
Aaron Sanson, Senior Security Consultant	28.03.2025	04	Inclusion of InfoSec risks
Amanda Aggio, Senior Privacy Advisor	01.05.2025	05	Updates and final review
Aaron Sanson, Senior Security Consultant	29.07.2025	06	Update control findings for evidence collected post Go-Live.
Amanda Aggio, Senior Privacy Advisor	25.09.2025	07	Compliance Review – Monitoring & Assurance

Glossary

Term	Meaning
26WR	26-week reapplication
52WR	52-week reapplication
ADM	Automated Decision Making
BAU	Business as Usual
BCP	Business Continuity Planning
CMS	Customer Management System
CWA	Comprehensive Work Assessment
EOS	Entrepreneurial Operating System
JS	Jobseeker Support
MSD	Ministry of Social Development
NFS	Non-Financial Sanctions
RIS	Regulatory Impact Statement
SPHRaE	Security, Privacy, Human Rights and Ethics Assessment
SPS	Sole Parent Support

SWIFFT	Social Welfare Information for Tomorrow Today (Benefit Processing System)
SWN	Social Welfare Number

Overview

Description of Initiative

Introduction of the 26-week reapplication for Jobseeker Support clients

On 9th of December 2024, the Social Security Amendment Bill was introduced into the House. The Bill amends the Social Security Act 2018 and the Social Security Regulations 2018. This Bill introduces new non-financial sanctions (NFS) for beneficiaries. It also modifies the benefit application process, adding a 26-week reapplication (26WR) requirement for clients receiving Jobseeker Support (JS).

26WR

JS clients currently need to reapply for the benefit every 52 weeks. As part of the reapplication clients must attend an appointment to complete the reapplication process including a reapplication form (to test eligibility) and a Comprehensive Work Assistance (CWA). This mandatory appointment provides the Ministry of Social Development (MSD) with an opportunity to engage with clients (and their partners, where relevant) to ensure they are getting the support they need to move into employment.

Requiring JS clients to reapply every 26 weeks is part of the Government's policy changes aimed at reducing benefit dependency. A more frequent reapplication is intended to signal the temporary nature of the benefit while allowing MSD to engage more regularly with clients and deliver more targeted and meaningful engagements to better assist clients in work.

From 1 July 2025, the newly established process for the 26WR will allow specific client engagements with MSD to count towards two key components of the reapplication:

- Eligibility determination; and
- A suitable employment engagement.

This means that clients who engage with MSD within 8 weeks of receiving their notice letter (which advises them to reapply for JS by their benefit expiry date), or within 13 weeks before their benefit expiry date, might not need an appointment to reapply and will have access to a simplified reapplication process. This simplified reapplication consists of a pre-filled form that is automatically generated through MyMSD for clients who meet all the necessary criteria and confirm their intention to apply for their benefit to be regranted. As a result, a benefit may be automatically regranted using automated decision-making (ADM).

All clients are required to contact MSD to agree to their obligations and confirm their intention to apply for the regranting of their benefits. In most cases, clients will do this via MyMSD.

Clients affected by the changes.

The introduction of a 26WR impacts:

- 196,000 people getting JS (as at the end of June 2024) who will need to reapply for their benefit every 26 weeks.
- 13,000 sole parents and grand-parented clients who are currently subject to annual income charging (2,600 of which had income that abated payments, causing a review of annual income)
- a subset of around 2,800 SPS clients (a year) who won't transfer to JS when their youngest dependent child turns 14 because the client is working 30 hours or more.

### Purpose of the Security, Privacy, Human Rights and Ethics Assessment

- The purpose of the SPHRaE is to identify the risks associated with transitioning from a 52-weeks reapplication (52WR) process for JS to a 26WR process. The new NFSs are assessed in a different SPHRaE
- Since there will be no changes to the personal information collected from clients, nor any significant alterations in the systems we use, the core privacy risks are minimal.
- Instead, this assessment will primarily focus on the potential risks stemming from the MSD's proposal to implement an ADM process aimed at improving the efficiency of the reapplication process.

Nature of Information being handled

The 26WR process utilises existing client personal information collected and stored within CMS and SWIFTT as part of the current management of working-age benefit applications. This includes client information such as:

- Name
- DOB
- MSD Social Welfare Number (SWN)
- Contact details
- Information about their relationship status
- Information about their childcare status
- MSD benefit status
- Health condition

It will not be collecting any new client personal information to administer the shift from a 52WR to a 26WR process.

Information Classification:	IN-CONFIDENCE
Impact if **Confidentiality** breached:	Moderate

Moderate consequence if confidentiality is breached. The information used to support reapplications for JS is primarily contained in SWIFTT & CMS which have both been classified as IN-CONFIDENCE. Even though the sensitivity of some pieces of information is heightened (e.g.: health condition, income, and assets), the most likely confidentiality breach scenarios would result in limited impact, such as inappropriate access of staff to a client's reapplication information. There is no risk of sending forms to the wrong recipient manually, as forms are not sent out. If a client needs support to reapply, a staff member will have the ability to complete the reapplication form with the client straight into CMS. The associated risks however are not new to MSD and already exist in the current manual procedures followed every 12 months under the current 52WR regime.

s9(2)(k)

Impact if **Integrity** breached:	Moderate

Moderate consequence if integrity is breached as MSD may regrant and overpay a clients JS when they are not entitled or haven't reapplied to renew their benefit. The possibility of error and fraud involved in the 26WR is already present in the current manual 52WR process. The automated process does not introduce new risks to the overall risk profile but can impact the scalability of the issue as it is able to process higher volumes of reapplications compared with the current scenario. Importantly, the Integrity & Fraud Assessment found that introducing more frequent reapplications can act as a form of integrity control (See ADM Checklist Assessment – item #9).

The 26WR Project Team will monitor automated regrants for three months during post-implementation support. If any cases of misuse are discovered, then these will be reviewed, and relevant integrity processes are applied.

Impact if **Availability** breached:	Major

s9(2)(k)

Impact if **Availability** breached:	Major

s9(2)(k)

Summary of business process / information flows
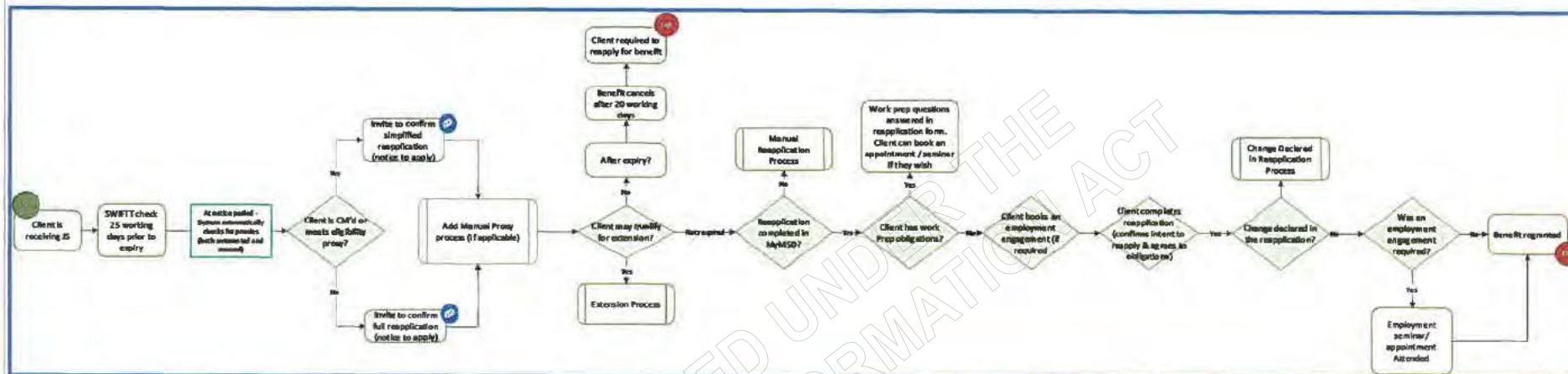
Above is a high-level process flow of the 26WR process.

The 26WR process is made up of 3 components that the client is required to complete:

- determination of eligibility
- a suitable employment engagement
- agreement to obligations and confirmation the client intends to reapply for JS.

The primary client will see the above components appear as individual sections in the online reapplication form in MyMSD (partners do not have access to the reapplication within MyMSD and will always require an appointment to complete their reapplication). While completing the reapplication process in MyMSD, the client may be prompted to provide eligibility information or be advised to book and attend an employment engagement, depending on if they have already had a suitable eligibility or employment engagement.

Clients who have regular interactions with MSD leading up to their 26WR and have already met the eligibility and employment components will have a simplified reapplication process. This means clients may not need an appointment to reapply and will have access to a simplified reapplication if they have already engaged with us within 8 weeks of their notice

letter (or within the 13 weeks before their expiry date). This simplified process can utilise ADM. Some types of eligibility or employment engagements are unable to be automated by the system and can only be manually added by staff after having a suitable conversation with the client about eligibility or employment.

Here is a link to the full business process flow: 26-Week Reapplication Business Process Flow details - Objective ECM

ADM

The main privacy risks are associated with the introduction of an ADM process to streamline the increased rate of reapplications. All processes using automation for 26WR including transitional arrangements, annual income and SPS transfers to JS have been assessed for the use of ADM and only one process has been assessed as using ADM;

o This is where SWIFTT regrants JS for another 26-weeks provided the client is single, has completed all required components of their reapplication (eligibility, employment, obligations and intent to reapply) prior to their benefit expiry, has reported no changes and the client reapplies through MyMSD.

o All other processes are using automation. An explanation can be found here.

o Clients will receive a letter and a notification in MyMSD 25 working days prior to their expiry date, asking them to log in to their MyMSD accounts and complete their reapplication form.

o Where the eligibility and employment proxies are met prior to the client starting their reapplication, the client will be shown a summary of the information we hold about them. Clients must go through each one of the reapplication form's components and confirm information accuracy. The client must also agree to their obligations and confirm their intent to reapply before the benefit is automatically regranted.

o Where the eligibility and employment proxies are not met prior to the client starting their reapplication, the client will need to fill out a full reapplication form via MyMSD. The client needs to answer a full set of detailed questions for eligibility, agree to their obligations and confirm their intent to reapply. Because they haven't met the employment component, they must book an appointment or a seminar to complete their work-search requirements.

- Seminar attendance: A staff member will confirm that the client attended their seminar and will complete the client's outstanding employment component. JS will be automatically regranted if a client completes all of the required components before the expiry date.

- Appointment attendance: A staff member will complete an assessment case in CMS which includes information about the client's work search activities. Once the assessment case is completed then this information is sent to SWIFT; this will complete the employment component and JS being regranted as all reapplication components are completed.

o Clients will be asked to verify that the information we have about them is accurate. This allows clients to inform us of any changes and ensures that our systems hold the most current information about them.

Important to note: ADM will not be used for decisions not to regrant the application. The benefit will automatically come to an end, as clients have a statutory obligation to submit a new application prior to the expiry date. If a client wishes to reapply after the expiry date, they must contact our staff to request a manual review and assessment.

Description of systems

The implementation of 26WR for JS will involve changes to multiple MSD systems including (but not limited to) CMS, EOS, MyMSD, SWIFTT and Q-Manager. The changes will be implemented over three releases, the third of which is timed to coincide with the legislative change of 1 July.

The first two releases focus on preparation for the change from 52WR to 26WR in July, establishing the rules that will identify when clients are required to reapply and whether they met prerequisite requirements necessary to streamline the reapplication process. Sets of business rules referred to as specific engagements (informally referred to as proxies) will be applied to SWIFTT, CMS and Q-Manager that among other things will:

- Determine when clients need to reapply.
- Determine whether clients meet eligibility criteria.
- Establish whether clients have recently talked to MSD about what they are doing to prepare for or find suitable employment; and therefore are potentially eligible to reapply for JS without the need for an additional meeting with a case manager.
- Provide the correct information to SPS clients when these are advised of their upcoming automatic transfer to JS from July 2025 or later when their youngest child is due to turn 14 years of age.
- Proxies deployed on CMS and Q-Manager will collect and send information to SWIFTT.

The third release planned for 30 June will implement the new reapplication processes for clients taking affect from 1 July. At a high level the process will involve:

- SWIFTT will identify when a client needs to reapply, determine whether they meet the applicable prerequisites and then trigger a notification to the client by way of a letter and notification through MyMSD.
- When the client logs into MyMSD they will be redirected to EOS to complete a reapplication form.
- EOS will determine whether the client qualifies for a new simplified reapplication form or if the full application form is needed.
- Once the applicable form has been completed and submitted by the client, the reapplication is sent to CMS which will determine whether there are any changes to the clients' circumstances, in which case manual intervention is required. If there are no changes, and the client has completed all reapplications components CMS will send the reapplication to SWIFTT where ADM can be used to automatically approve the reapplication (taking into consideration the information previously obtained from CMS & Q-Manager through the proxies) and regrant JS for a further 26 weeks. Note: JS can be regranted automatically using ADM after the client has submitted their online reapplication but where they still have the employment component to complete before benefit expiry ie such as attending a seminar.
- Where the client has disclosed relevant changes, to the situation, the reapplication will be sent to a staff member where manual procedures will be followed to complete the reapplication process. This may include requiring the client to book an appointment if a disclosed change is relationship or dependent children related which they will be able to do electronically through MyMSD.

The diagram on the following page depicts a high-level view of the technical solution supporting 26WR for JS.
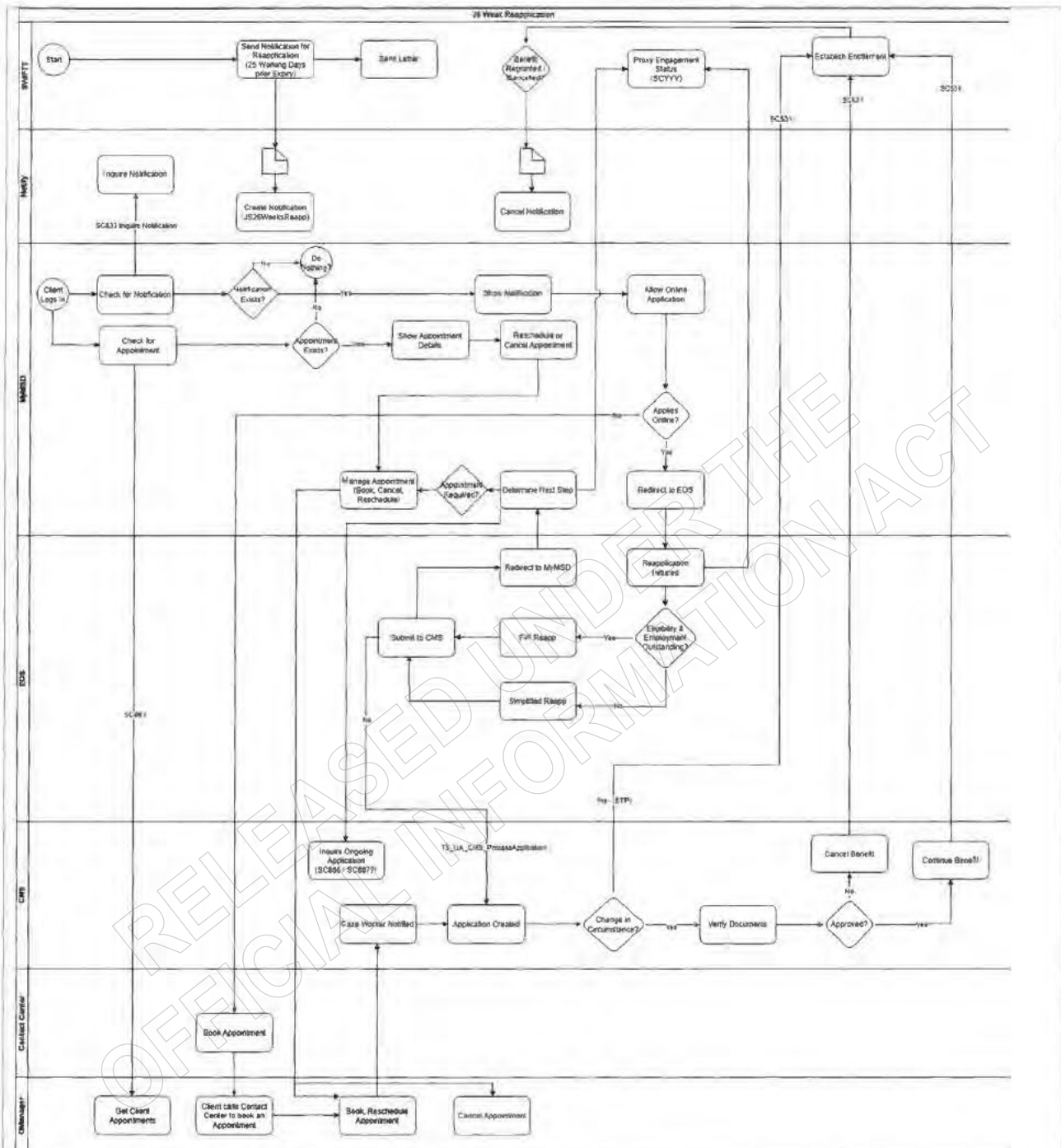
The key systems having changes associated with 26WR are:

SWIFTT

SWIFTT will drive the reapplication process including determining which clients need to reapply and when, then triggering the appropriate notifications to clients.

SWIFTT will use information it holds and obtain information from CMS and Q-Manager in relation to whether clients have met all reapplication components, identifying any recent interaction's clients have had with the Ministry and determining whether the reapplication can proceed.

Batch processes in SWIFTT will trigger a notification to clients 25 working days before their current JS is due to expire. A reminder notification will also be sent 10 working days before expiry if clients do not act on the first notification and initiate the reapplication process. Clients will be notified by letter as well as a notification (via Notify) when logging in to MyMSD just as they are currently notified under the 52-week reapplication process.

The Release 3 changes include multiple screen changes to SWIFTT to accommodate the move from 52 weeks to 26 weeks as well as commence triggering the notification to clients of the need to reapply from 1 July.

The currently capability to reapply for JS every 52 weeks is also used to support SPS. As part of the implementation of 26WR for JS, the current 52-week reapplication process will be modified to only support SPS going forward.

ADM is being implemented in SWIFTT and will determine whether a client's reapplication can be automatically approved without the need for review by MSD staff. Where a clients reapplication shows no changes and the eligibility & employment proxies have been met and the client has agreed to their obligations and confirmed their intent to reapply, SWIFTT will automatically approve and regrant the client's application to receive JS for a further 26 weeks. If for any reason ADM cannot automatically regrant the clients JS, processing the application will follow existing manual processes involving a MSD employee manually approving the reapplication in CMS which in turn notifies SWIFTT to renew the benefit.

ADM will not result in a client's entitlements being suspended or cancelled. Where a reapplication cannot be automatically renewed for any reason, the reapplication will be assigned to a staff member where a manual process is used to determine whether the client is eligible to JS. Some clients will be required to attend an appointment with a case manager where relationship or dependent children related changes are needing to be discussed also.

CMS

Proxies automatically applied from CMS during Release 1 will assist in identifying whether clients have met their eligibility or employment components and continue to meet the criteria for receiving JS. They will identify any recent interactions between the client and MSD that may qualify the client for being able to reapply for JS without needing to book an appointment with a case manager. The results of these proxies will be shared with SWIFTT using a new Service Contract SC156.

EOS

New reapplication flows are being implemented in EOS during Release 3 including a new simplified reapplication form that eligible clients will be able to complete.

The simplified reapplication form contains a subset of the full reapplication form clients are currently required to complete every time they reapply for JS. Not only will the simplified reapplication form ask for less information, but it will also display to the client the information already held by MSD enabling the client to simply confirm that the information remains correct. Clients will always be required to agree to their obligations and agree to their intention to reapply for another 26 weeks.

MyMSD

Whenever possible, clients will reapply for JS online through MyMSD. As with 52WR, clients logging into MyMSD will be notified that they need to reapply and will be redirected to EOS where they will be presented with the appropriate reapplication form to complete. The mechanism for this notification remains largely unchanged from 52 weeks with MyMSD checking Notify for a notification previously created by SWIFTT.

Changes are being made to MyMSD as part of Release 3 for 26WR that include checking whether the client already has an appointment booking in Q-Manager to reapply for JS before displaying the notification to reapply. MyMSD will not prompt clients to reapply where such an appointment has already been made.

A new Service Contract SC157 will be used to obtain the Proxy Engagement Status for clients from SWIFTT that had previously been collected from CMS and Q-Manager. This will enable MyMSD to determine whether the client needs to book an appointment in Q-Manager after having completed the appropriate reapplication form in EOS.

At present clients are only able to use MyMSD to view appointment bookings in Q-Manager. In conjunction with the changes to support 26WR, MyMSD will also introduce the ability for clients to book, reschedule and cancel an appointment without needing to speak to a MSD staff member. Where it is identified that a client needs to book an appointment, MyMSD will automatically give the client the option of booking an appointment online. This will include seminar bookings for 26WR purposes also.

Q-Manager

Proxies are being applied to Q-Manager during Release 1 that will identify interactions between clients and MSD that may qualify clients for reapplying without the need for a further meeting with a case manager. The results, i.e. the client attended an appointment, collected by these proxies will be sent to SWIFTT using the new Service Contract SC156.

New appointment types are also being created to accommodate the changes from 52WR to 26WR to enable appointment booking to be made specifically for the purpose of 26WR for JS.

Geographic location of information:	New Zealand
Nature of Cloud service model:	N/A not a cloud service
Independent Certifications:	N/A
Publicly Accessible:	Yes

Scope

Security	Full Scope

The security scope of this SPHRaE are the changes made to the following key systems necessary to accommodate 26WR for JS:

- SWIFTT
- CMS
- EOS
- MyMSD (including the implementation of appointment bookings.)
- Q-Manager

Privacy	Full Scope

The purpose of the privacy assessment is to identify any privacy risks introduced by moving from a 52WR process for JS to a 26WR process. Given that there will be no changes to the personal information collected from clients for the purposes of this process shift, there are limited privacy risks. Instead, this assessment will focus on the privacy and ethics risks associated with MSD's proposal to use ADM process to improve efficiencies in the reapplication process. The assessment outlines the intended controls and remediations which will aim to satisfactorily mitigate the documented risks. It will also need to be read in conjunction with the 26WR ADM Assessment (link).

The scope of this privacy assessment covers how MSD will manage client information through the lifecycle of the 26WR process, and an assessment of its compliance with the Privacy Act 2020, MSD's Internal ADM Standard, and ensuring personal information is handled within the principles of the Data Protection Use Policy.

This includes (but is not limited to):

- Whether the proposed use of the ADM process is compliant with MSD's ADM Standard
- Whether new client facing communications related to the 26WR process are sufficiently transparent and understandable
- Whether existing internal privacy controls within MSD (in relation to CMS and MyMSD) are appropriate.

There is no further privacy assessment required for MSD's use of CMS as this use is captured by one of the approved existing use cases for CMS (recording MSD client information). Established controls and remediations for CMS will be applicable here and the initiative does not change these.

There is also no further privacy assessment required for the client's use of the MyMSD portal as this use is captured by one of the approved existing use cases for MyMSD (allowing clients to see their personal information that MSD holds about them). Established controls and remediations for MyMSD will be applicable here and the initiative does not change these.

Note that there are recommended controls that have already been incorporated into MSD's BAU processes. These controls were not included in this assessment, as they are established enterprise controls of approved MSD Systems (e.g. CMS, MyMSD).

Human Rights and Ethics	Full Scope

The transition from a 52WR to a 26WR process for JS is intended to place new requirements on beneficiaries (in order to pursue a policy goal seen as beneficial overall). Given the composition of the JS recipient population, those burdens will fall disproportionately on Māori (and other minorities) and may cause material hardship. The imposition of those burdens may, therefore, amount to (indirect) discrimination under the Human Rights Act.

Such discrimination is unlikely to be *unlawful*, since it would be justifiable under s.5 of the Bill of Rights Act, as a reasonable limit to the freedom from discrimination that is 'demonstrably justifiable in a free and democratic society'. Nonetheless, MSD should be conscious that these changes are likely to cause disproportionate hardship to some portions of its client population. The Human Rights assessment draws attention to that risk.

The transition from a 52WR to a 26WR process raises some ethical concerns. It will be an extra barrier that may not be met by some clients for reasons other than will those targeted by the policy: some clients will simply find the new reapplication process too difficult to manage.

Information Management	Out of Scope

As the project is only shortening the time for expiring and not substantially changing anything else about the process, such as where we are storing information, there are no IM risks.

Summary of Findings

Security
s9(2)(k)

s9(2)(k)

Privacy

There are limited privacy risks associated with the move from a 52WR to 26WR. This is because no new personal information is collected from the client as part of this operational shift. There are also no changes to the way that collected client information is stored, accessed, or shared by MSD through the reapplication process.

ADM

ADM will not be used to decline client reapplications. ADM only occurs at the point of regrant because all reapplication components are met, the client has not declared a change in circumstances in their online reapplication, and the client has reapplied online before their 26WR expiry. If the client does not complete all reapplication components (eligibility, employment, obligations/intent to reapply) then the client's benefit will expire at the point of the 26-week expiry. This occurs via automation rather than automated decision-making. Clients are advised 25 working days before their expiry what they are required to do and by when. A reminder letter is also issued. If the client declares a change in their online reapplication, then this is sent to a staff member for manual assessment. Clients are also unable to reapply online after their expiry date – they must contact us and discuss their situation. Explanation can be found here

Due to the potential impact on an individual's entitlement, the 26WR ADM was evaluated against the ADM Standard to ensure compliance.

Integrity

One of the main risks associated with the reapplication process relates to the integrity of the process (i.e. how it presents an opportunity for clients to continually be regranted their benefit without direct engagement with an MSD staff member). Integrity and Debt team confirmed that the integrity risk level is not increased by the use of ADM - a more frequent reapplication will act as an additional integrity control. We note that online applications with little to no engagement with staff enable these types of misuse to continue, however increased overall frequency of engagements including for the purpose of employment outcomes may raise the threshold for some determined clients to continue misusing the welfare system, and we would expect a slight drop in reapplications due to this.

Monitoring and Assurance

MSD's ADM standard requires that a monitoring approach and compliance review are put in place for all processes using ADM. Regular monitoring must be carried out to ensure that automated decision-making continues to produce expected results. s9(2)(k)

s9(2)(k)

The assurance check will be carried out by the 26WR Project Team and wider Income Portfolio team members if required for four weeks after launching. This is when a staff member determines whether conditions for ADM exist, all relevant components of the reapplication have been met, and that JS should have been regranted. If the outcome of the assurance assessment matches the system (e.g., regrant) then ADM works correctly. s9(2)(k)

s9(2)(k) f issues are identified specifically for ADM, then another round of assurance checks need to be scheduled once a system fix has been urgently deployed.

The Information Group's assurance function will complete two compliance reviews on 26WR's ADM process – the first compliance review is completed in early August 2025, and this will provide full accreditation, and the second compliance review will take place one year after 26WR going live in July 2026. This second review will ensure that the 26WR process still meets the ADM standard. An ad hoc compliance review may be carried out earlier where significant changes have occurred that may impact the ADM, for example should the current ADM standard review result in significant changes..
ADM Monitoring Memo

Unlawful Data Repurposing

There is a risk of personal Information be used other than for the purpose for which it was collected and for reasons other than those permitted under a Privacy Act exception. The personal information collected from clients from specific/specified engagements in the thirteen weeks leading up to the reapplication deadline will be captured on their MSD record. This information may be considered for reapplication purposes and provide clients with a simplified reapplication experience where clients have met eligibility and/or work search activities. For example, when a client applies for and is granted childcare assistance within 13 weeks of their benefit expiry date, the client's eligibility component of their reapplication is met and they will complete a simplified reapplication. The client will be required to complete an employment engagement. After discussion with the project team, we found that the proposed use of the information gathered during these specific/specified engagements fall within the original lawful purpose of collection and relates to the Ministry's functions or activities (see Specific engagements).

Human Rights

The transition from a 52WR to a 26WR process reapplication process for JS is intended to place new requirement on beneficiaries in order to pursue policy goals seen as beneficial overall.

Given the composition of the JS recipient population, those burdens will fall disproportionately on Māori (and other minorities) and may cause material hardship. Given their disproportionate effect and the likelihood they will cause material hardship, the imposition of those burdens may amount to (indirect) discrimination under the Human Rights Act.

Such discrimination is unlikely to be *unlawful*, since it would be justifiable under s.5 of the Bill of Rights Act, as a reasonable limit to the freedom from discrimination that is 'demonstrably justifiable in a free and democratic society'.

Similar points can be made about all of the privacy and security risks raised elsewhere in this SPHRaE report.

- If there is a data breach the seriousness of which is exacerbated by a move to 26WR process, probably the clients affected by such a breach will be disproportionately Māori given the composition of the JS population.
- If there are issues around availability because of the increased frequency of reapplications, those issues will disproportionately effect Māori and other minorities.
- If clients find the 26WR process too difficult and fail to obtain support to which they are entitled, the cohort of improperly unsupported clients is likely to be disproportionally Māori and other minority.

As noted, it seems unlikely that any of these disproportionate impacts would be unlawful under NZ's Human Rights Legislation, since they are likely to be justifiable under s.5 of the Bill of Rights Act.

Nonetheless, MSD should be conscious that these changes are likely to cause disproportionate hardship to some portions of its client population.

Ethics

The ethical risks associated with transitioning to a 26WR process broadly echo those raised under the human rights section, though without the human rights analysis' focus on minority groups. The transition will impose requirements on vulnerable persons Some will fail to meet the new reapplication process for reasons other than those which motivate the policy change: they will be too disorganised, too stressed, too distracted or the like.

However, the move from a once to a twice-yearly reapplication process is unlikely to increase burdens sufficiently to raise serious ethical concerns. I think these ethical concerns are minor.

The privacy review of this SPHRaE has raised issues around the use of ADM to approve specified applications. Given that those decisions are made only to approve, and not to deny reapproval, I have no ethical concerns.

Information Management

N/A – see "Scope" section

Compliance to Standards

Standard	Compliant	Comment (Comments and link to remediation plan required where not compliant)
Information Classification Standard	Yes	
Data Jurisdiction Standard	Yes	
Privileged Access Management Standard	Yes	
Third Party Assurance Standard	Yes	
Identity Governance Standard	N/A	Not part of this assessment – existing CMS and MyMSD compliance to standards will apply
Automated Decision-Making Standard	Yes	
Information Retention and Disposal Standard	N/A	Not part of this assessment – existing CMS and MyMSD retention and disposal timeframes will apply
Minimum Metadata Capture Standard	Yes	SWIFTT records details of the approval, whether it was ADM from within SWIFTT or if it came from a human using CMS. The detail is recorded in a table within the database which is shared with IAP.
Authentication Standard	Yes	
LDAP Directory Standard	Yes	
Encryption Standard	Yes	
Key Management Standard	Yes	
Patch Management Standard	Yes	
Vulnerability Management Standard	Yes	
Service Security Baseline Standard	Yes	
Remote Access Standard	N/A	
Password Standard	Yes	
Digital Information Standard	Yes	All information will be stored in digital format. Any information collected from clients physically will be translated and held digitally.

Risks

Risk Profile

There are **8 low risks** associated with the 26WR. The risk profile below summarises the risks which are detailed in the risk assessment in Appendix 1.

All 3 risks with future controls met their target residual risk level. Target residual risk is the level of residual risk anticipated after the remediation of ineffective or partially effective controls. The **26 key controls** that mitigate the identified risks were assessed. 17 were found to be effective and 9 recommended controls were excluded from the assessment because they are already integrated as a BAU practice in MSD's Service Delivery processes. A qualified accreditation was agreed with the business conditionally to the compliance review of the PC2, PC16, PC17, C10, C30 and C37. The evidence of effectiveness was provided and final review completed. The details of the control assessment activities are included in Appendix 2.
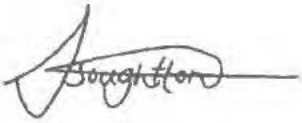
		CONSEQUENCE				
		Routine	Minor	Moderate	Major	Severe
LIKELIHOOD	Almost Certain					
	Likely					
	Possible		PR01,			
	Unlikely	PR04 PR05	PR01, HRE01, HRE02	PR03		
	Rare	PR02, HRE03		SR01		

KEY:	Target Residual Risk: R##	Current Residual Risk: R##	Target Residual Risk = Current Residual Risk: R##
	Security Risks: SR##	Privacy Risks: PR##	Human Rights Risks: HR##
	Ethics Risks: ER##	Information Management Risks: IMR##	

Remediation Plan		

The table below outlines the **agreed remediation activities and the outcome of the completed remediation.** The control details, including results of assessment activities are included in Appendix 2.

Control Ref & Title	Agreed Remediation Activities	Impacted Risks

The table below outlines those **controls that have now been assessed,** evaluated and are currently compliant with the ADM Standard and the security requirements.

Control Ref & Title	Evidence to be provided – All Completed	By Who/When
PC02 Monitoring Process	For the 26WR process, the project team will conduct the monitoring for three months during July, August and September. s9(2)(k) s9(2)(k) Remediation completed: Monitoring results have shown that there are no anomalies in the use of ADM for 26-week reapplications. As of 1 September, 12,399 instances meet ADM conditions out of a total of 35,008 regrants. This means that about 35% of 26-week reapplication regrants were made using ADM. (See Appendix 2)	Florentine Eistetter / September 2025
PC16 Compliance Process	The ISI team will complete a compliance review based on 26WR's ADM process one month after 26WR going live and one year after launching. Full certification will be provided after the first compliance review is completed by August 2025. These reviews ensure that the 26WR process still meets the ADM standard. An ad hoc compliance review may be carried out earlier where significant changes have occurred that may impact the ADM, for example should the current ADM standard review result in significant changes. Remediation completed: Regular monitoring concluded at the end of September 2025 and ADM process is compliant with the ADM Standard. Another round of assurance will be required in one year's time, as specified in the SPHRaE and outlined in the agreed Memo. Craig Dixon (Portfolio Manager) will serve as our primary point of contact for this assurance process in July 2026 (See Appendix 2)	Florentine Eistetter / August 2025 and TBC / July 2026
PC17 Assurance	An assurance check will be carried out by the 26WR Project Team and wider Income Portfolio team members if required for four weeks after launch. This is when a staff member determines whether conditions for ADM exist, all relevant components of the reapplication have been met, and that JS should have been regranted. If the outcome of the assurance assessment matches the system i.e. regrant then ADM works correctly s9(2)(k) s9(2)(k) If issues are identified specifically for ADM, then another round of assurance checks is completed once a system fix is deployed. Remediation completed: All high-level results show that ADM is working as intended. Assurance checks were	Florentine Eistetter / August 2025

	carried out by the project team using reporting, and manually assessing reapplications using the 26-week reapplication ADM conditions (See Appendix 2)	
s9(2)(k)		Erica Scott / June 2025
		Erica Scott / June 2025
		Erica Scott / June 2025

Approvals

Certification
☒ Certified
☐ Qualified Certification
☐ Not Certified
Comments
A qualified accreditation was agreed with the business conditionally to the compliance review of the PC2, PC16, PC17, C10, C30 and C37. The evidence of effectiveness was provided and final review completed. A second round of assurance will be conducted in July 2026.
Magnus O'Neill GM Information / Chief Information Security Officer / Chief Privacy Officer   Date: 7/10/25
I confirm that this report accurately represents the security and privacy risks associated with the identified scope and that the controls relied upon in this assessment are in place and operating at the time this certification was provided.

Accreditation

☒ Accredited

☐ Qualified Accreditation

☐ Not Accredited

Comments

A qualified accreditation was agreed with the Information, Privacy and Security (IPS) team conditionally to the compliance review of the PC2, PC16, PC17, C10, C30 and C37. The evidence of effectiveness was provided and final review completed. A second round of assurance will be conducted in July 2026.

_____   Date:

Shannon Soughtton, Income Portfolio Owner

_____   Date: 17/10/2021

Viv Rickard, Deputy Chief Executive Service Delivery

I confirm that the remediation plan and the associated controls referenced in this assessment are currently in effect and functioning as intended at the time this certification was issued.

Appendix 1 – Risk Assessment

Security Risk Assessment

The table below details the information security risks identified based on the effect they have on the confidentiality, integrity, and availability of Ministry data. The controls in bold are the key controls and have the strongest effect on reducing risk. The control detail and results of assessment of control effectiveness is outlined in Appendix 2.

#	Risk Description	Inherent Risk	Current Controls	Current Residual Risk	Future Controls	Target Residual Risk	Rationale
s9(2)(k)							

Privacy Risk Assessment

The table below details the privacy risks identified based on the effect they have on the alignment with the principles of the Privacy Act. The controls in ~~bold~~ are the key controls and have the strongest effect on reducing risk. The control detail and results of assessment of control effectiveness is outlined in Appendix 2.

#	Risk Description	Inherent Risk	Current Controls	Current Residual Risk	Future Controls	Target Residual Risk	Rationale
PR01	**26-week automated reapplication process not compliant with current legislation and regulations** Risk: The ADM is designed and operationalised without following the current legislative authorities resulting in a breach of the Social Security Act and the Information Privacy Principles Cause: • The project team (e.g.: Policy, Business Operations, IT Design) does not fully understand their obligations when using ADM. • The ISI was not part of the initial stages of the project and the team developed the ADM tool without a privacy by design approach. Affects: Social Security Act, ADM Standard	High (Major/ Likely)	• PC01 – ADM Assessment Checklist • PC05 – IT Testing Results (TBC) • PC13 – Notification Process • PC14 – Accuracy of Personal Information • PC15 – Decision Review	Low (Minor/ Possible)	• PC02 – Monitoring Process • PC04 – Legislative Changes (ADM Modernisation Bill) • PC16 – Compliance Process • PC17 – Assurance Process	Low (Minor/ Unlikely)	The 26WR process was evaluated against the ADM Standard legal authority. See ADM Assessment Checklist for full compliance assessment
PR02	**Personal information may be accessed or used inappropriately** Risk: Personal information may be accessed or used inappropriately during the manual reassessment of applications. Cause: • Those involved don't understand the way in which personal information can be viewed, modified, deleted, used and disclosed. • Staff has insufficient understanding of or not applying the business requirements, Privacy Act and the Ministry's policies, standards, guidelines, procedures and tools. • Employee browsing. • Inadequate system safeguards to prevent inappropriate access. Affect: IPP5	Medium (Moderate/ Possible	• PC03 – Education and Awareness • PC06 – Access Monitoring • PC09 – Standard Operating Procedures • PC10 – Access Management • PC11 – Segregation of Duties • PC12 – Existing MSD Internal Policies	Very Low (Routine/Rare)		Very Low (Routine/Rare)	

#	Risk Description	Inherent Risk	Current Controls	Current Residual Risk	Future Controls	Target Residual Risk	Rationale
s9(2)(k)							
s9(2)(k)							

#	Risk Description	Inherent Risk	Current Controls	Current Residual Risk	Future Controls	Target Residual Risk	Rationale
PR05	Lack of clarity around the changes in the reapplication process Risk:: The use of ADM is not communicated to the impacted clients in a way that is easy for them to understand Cause: Clients are not informed in a clear and transparent way: • That the decision to regrant benefit is made using ADM. • The role of humans in the reapplication process and who is accountable. • Why the user must input any required information, what will the information be used for, and what the impact will be, as well as ADM being involved. • Reapplication decision is made incorrectly, and clients don't know how to challenge or appeal the decision Affects: IPP3 & ADM Standard	High (Almost Likely)	• PC03 - Education and Awareness • PC09 – Standard Operating Procedures • PC13 – Notification Process • PC15 – Decision Review	Very Low (Routine/ Unlikely)		Very Low (Routine/ Unlikely)	• A campaign letter or email was sent around 4 weeks ahead of 1 July 2025 to all JS clients affected by these changes to provide general information about what the changes mean for clients. This included information about what clients need to do to reapply for their benefit and the increased frequency of those reapplications. For sole parents and grand-parented JS clients, this also included information about the changes to income charging and the removal of the temporary full-time employment exemption. • Following the campaign, clients may contact MSD to find out further information about what the change means for them. There are three main channels in which they can do this – the contact centre, the service centres and the Work and Income website. • Doogle/HIYA information about transitioning clients is available to MSD staff to help guide conversations. • A dedicated page was added to the Work and Income website with information about the uses of ADM for reapplication. • Information must be provided to the data subject when the personal information is collected (e.g., This means we need to update consent forms, privacy statements). This moment is previous to the processing of the personal information for ADM. Information about how the ADM might affect the individual concerned should be meaningful and understandable, if possible, with real and tangible examples about its effects.

Human Rights & Ethics Risk Assessment

The table below details the Human Rights and Ethical risks identified. The controls in bold are the key controls and have the strongest effect on reducing risk. The control detail and results of assessment of control effectiveness is outlined in Appendix 2.

#	Risk Description	Inherent Risk	Current Controls	Current Residual Risk	Future Controls	Target Residual Risk	Rationale
HRE01	**Risk:** The transition to a 26WR process disproportionately disadvantages Māori and other minorities groups and therefore discriminates against them. **Cause:** The policy change may be indirectly discriminatory, given the composition of the MSD's client population. This discrimination is unlikely to be unlawful, since the policy is almost certainly justifiable under s5 of the Bill of Rights Act, however there is a residual reputational risk that the change will appear to disproportionately disadvantage minority groups.	Low	• HREC01-Specific/Specified Engagements	Low		Low	
HRE02	**Risk:** The policy change may lead to vulnerable clients failing to reapply for the JS for reasons other than those which motivate the policy change. **Cause:** Some clients may find the more frequent reapplication schedule and associated obligations (e.g., keeping a record of job applications) a barrier to retaining benefits that they're otherwise entitled to and would appropriately receive because of challenges associated with factors such as literacy, stable accommodation, and opportunity and capacity to meet their obligations.	Low	• HREC0-Excemptions & Exceptions Regime • HREC03 - Accessibility	Low		Low	

Appendix 2 – Controls

The table below provides details of the controls relied upon in the risk assessment above, the results of assessment activities to determine whether key controls are effective, and any agreed remediation activities where controls are not effective. The details of the control assessment activities, including why certain controls were not selected for assessment, can be found in the Control Assessment Report.

#	Control Description	Control Validation Activities Completed	Control Effectiveness	Agreed Remediation Activity (where control ineffective / partially effective)
		Human Rights and Ethics		
HREC01	Specific/Specified Engagements The personal information collected from clients from specific/specified engagements in the thirteen weeks leading up to the reapplication deadline will be captured on their MSD record. This information may be considered when a client has satisfied their requirements for reapplication for JS and provide clients with a simplified reapplication experience. Control Owner: Business Team	At present Māori are more likely to have their benefit cancelled through the reapplication process (3.5 percent of Māori compared to 2.7 percent NZ European) and the additional reapplication may see more benefit cancellations. However, this may be mitigated by recognition of prior engagements between the client and MSD, because it is possible that these clients are having additional engagements with MSD that may suffice as specified activities (for example, an application for social housing may satisfy the eligibility component of a client's reapplication. and a large proportion of social housing applicants are Māori). Specific engagements	Effective	
HRC02	Exemptions & Exceptions Regime	Clients who have a good and sufficient reason or exceptional circumstances can have extra time to complete their reapplication. • Good and sufficient reason: 10 extra working days to complete. • Exceptional circumstances: 20 extra working days Clients must complete their reapplication before the end of the extension period. A client or partner may be granted a temporary exemption from meeting some or all of their work obligations or work preparation obligations. Before MSD grants an exemption, it must check if the exemption reason is full or partial (or both).	Effective	
HRC03	Accessibility	MSD have existing accommodations in place for accessibility (for clients with literacy issues) Under the new 26-week reapplication clients may be able to complete their reapplication entirely online. This increases accessibility for clients who may not be able to attend an in-person appointment.	Effective	
HRC04	Monitoring Process MSD should monitor outputs of the process, so it is aware of whether the process is disproportionately affecting minority groups. Outputs (i.e., the number of clients and the composition of the groups who do not have their benefits regranted) should be reported to the project team. It is unlikely any remediation will be required, but it is possible that clients who are members of a minority group are strikingly over-represented in clients whose benefits automatically come to end because they have not submitted a new application prior to the expiration date.	Monitoring for discrimination is an integral part of MSD's business as usual (BAU) practices.	Not Assessed (Enterprise Control)	

#	Control Description	Control Validation Activities Completed	Control Effectiveness	Agreed Remediation Activity (where control ineffective / partially effective)
			Privacy	
PCO1	ADM Risk Assessment / ADM Standard Assess the proposed implementation of the policy against the requirements of MSD's ADM Standard; this is a formal way to identify and track all ADM Standard relevant deliverables – such as legislation, IT architecture and testing, transparent client facing communications. It also assesses evidence provided to show the ADM will improve efficiencies and effectiveness of decision making and balance factors such as cost, accuracy, reliability and safeguarding the wellbeing of those affected. Control Owner: Amanda Aggio / Senior Privacy Advisor	• A full ADM Assessment was conducted to confirm ADM compliance: • Legislative changes are forthcoming to permit the use of ADM in the 26WR process. Additional Evidence: • ADM Risk Assessment One Pager https://objective.ssi.govt.nz/documents/A16787318/details • ADM Checklist Assessment 20240903 ADM compliance checklist for 26-week reapplications details - Objective ECM • Complex Algorithm Assessment https://objective.ssi.govt.nz/documents/A16787605/details	Effective	
PCO2	Monitoring Process System monitoring set up to ensure ADM and human assessment of reapplications are performing as expected (identifying errors, meeting policy and legal intent, safeguards are effective) Control Owner: Florentine Eistetter / Delivery Lead	Evidence:	Effective	• **Monitoring:** For the 26-week reapplication process, the project team will conduct the monitoring for three months during July, August and September. s9(2)(k) s9(2)(k) https://objective.ssi.govt.nz/documents/A16927103/details **Responsible:** Florentine Eistetter The agreed 26-week reapplication ADM monitoring and assurance activities have been completed, and the project team has shared results of those activities to inform the compliance review. • **Monitoring results** Monitoring results have shown that there are no anomalies in the use of ADM for 26-week reapplications since 1 July 2025. All high-level results show that ADM is working as intended. Monitoring relied on project reporting that is analysed using the 26-week reapplication ADM conditions. As of 1 September, 12,399 instances meet ADM conditions of a total of 35,008 regrants. This means that about 35% of 26-week reapplication regrants were made using ADM. s9(2)(k) Another round of assurance will be required in one year's time, as specified in the SPHRaE and outlined in the agreed Memo. Craig Dixon (Portfolio Manager) will serve as our primary point of contact for this assurance process in July 2026. • **Reports** There are a few reports used for monitoring. They are all captured here: https://objective.ssi.govt.nz/documents/fA2183496 (IMPORTANT: These reports contain personal information and access to them are restricted to the project team) Note that the report for 1 September was used to carry out retrospective monitoring back to go-live. All details for the 1,067 assurance checks completed are captured here: https://objective.ssi.govt.nz/documents/A17133978/details (IMPORTANT: These reports contain personal information and access to them are restricted to the project team) The row highlighted yellow is the record where we identified the one IT issue that was successfully remediated in the 25 August 2025 IT release.

#	Control Description	Control Validation Activities Completed	Control Effectiveness	Agreed Remediation Activity (where control ineffective / partially effective)
PC03	**Education and Awareness** Programmes ensure that those involved understand the expectations and responsibilities that apply to them (including following the Code of Conduct and Privacy Policies for staff). This control is internal to MSD and relates to staff access to CMS. Ensure staff is aware of the changes in the reapplication and have the information necessary to respond to clients' requests about privacy and the uses of ADM Control Owner: Florentine Eistetter / Delivery Lead	Evidence: • Comms plan https://objective.ssi.govt.nz/documents/A16781445/details • HIYA/Doogle content 26 Week Reapplications 5 May HIYA Content (Final) https://objective.ssi.govt.nz/documents/A16885646/details 5 May Doogle Content (Final) https://objective.ssi.govt.nz/documents/A16836710/details • User guides/training approach 26 week reapp PPT FINAL https://objective.ssi.govt.nz/documents/A16922677/details 26 week reapp workbook Final https://objective.ssi.govt.nz/documents/A16922675/details Facilitation guide 26 week re-app FINAL https://objective.ssi.govt.nz/documents/A16922676/details	Effective	• **Website content** – late June. **Responsible**: Florentine Eistetter • **Training material**: Use 5 May Doogle and HIYA staff guidance until the full suite of content for 1 July is approved on 20 June. **Responsible**: Florentine Eistetter
PC04	Legislative Changes Legislative Bills to ensure the uses of ADM for reapplication are compliant with the law Control Owner: Leah Asmus / Policy Manager	(From 1st July 2025) The Social Security Amendment Bill is changing the expiry date for JS from 52-weeks to 26-weeks and requires recipients (and any partner included in their JS benefit) to reapply in order to continue receiving a benefit, including provisions to support implementation through the use of Automated Decision-Making (Est. 1st July 2026) A broad-based authorisation in the SSA will authorise the use of ADM across MSD's portfolio responsibilities, whether under other legislation (primary or secondary) or other sources of authority, accompanied by appropriate safeguards. • Cabinet Paper: Cabinet Paper - Social Security Amendment Bill - Approval for Introduction details - Objective ECM • Draft Cabinet Paper: Draft Cabinet Paper - Social Security Amendment Bill details - Objective ECM • PCO details 20240823 Manifesto Bill drafting instructions - for PCO details - Objective ECM	Effective	

#	Control Description	Control Validation Activities Completed	Control Effectiveness	Agreed Remediation Activity (where control ineffective / partially effective)
PC05	**Testing Results** To ensure an algorithm function correctly, several tests should be conducted based on accuracy, performance, security and fairness. The type of testing depends on whether the algorithm is rule-based, machine learning (ML), or artificial intelligence (AI) – driven Examples: • Unit testing: tests individual components (e.g.: functions, methods). • Integration testing: ensures the algorithm works correctly when integrated with other systems. • Regression testing: ensures changes or updates do not break existing functionality. • Data integrity testing: helps ensure that data is accurate by validating that data values conform to the expected format, range and type. Control Owner: Erica Scott / Technology Delivery Lead	Evidence: Evidence doesn't exist until after go-live • IT architecture document https://objective.ssi.govt.nz/documents/fA2083566 . See Security Controls.	Effective	• IT design docs referencing IT architecture for evidence. **Responsible:** Erica Scott • document describing test approach. **Responsible:** Erica Scott See Security Controls
PC06	**Access Monitoring** Ensures that access to personal information is logged and reported and there is evidence of monitoring, reviewing and action taken as required for: • unusual viewing activity (e.g. excessive number of views by a user in a period, excessive number of viewers in a period; viewing is unrelated to a business requirement); • unusual modification or deletion activity (e.g. modification or deletion would be unusual, is unrelated to a business requirement, personal information is deemed sensitive); • malicious intrusion activities. Control Owner: IT, Privacy and Security team	Evidence: Embedded as a BAU practice at MSD's Service Delivery function.	Not Assessed (Enterprise Control)	*No plans to remediate – consistent with other Ministry systems.* All of MSD's Service Delivery currently relies on its embedded Access Monitoring Practices to manage CMS.
PC07	Security & Privacy Breach Management Process Ensures that unauthorised and inappropriate access, use or disclosure which impacts the privacy of individuals and that meet the threshold for management: • are recorded (e.g. source is referenced to a system-allocated breach number); • are appropriately assessed, analysed and categorised; • are acted upon (including required reporting) within agreed timeframes (e.g. pushing / reporting of breaches that are approaching or have passed agreed timeframes for action); • there is an organisational commitment for the ongoing monitoring of breach management effectiveness and capability • result in improvements to security measures that will help prevent future breaches. Control Owner: IT, Privacy and Security team	Evidence: Embedded as a BAU practice at MSD's Service Delivery function.	Not Assessed (Enterprise Control)	*No plans to remediate – consistent with other Ministry processes*

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#	Control Description	Control Validation Activities Completed	Control Effectiveness	Agreed Remediation Activity (where control ineffective / partially effective)
PC08	**Breach Management Training** Training for breach management ensures that system users are aware of their responsibilities as they apply to breach management procedures **Control Owner: ISI Foundations team**	Evidence: Embedded as a BAU practice at MSD's Service Delivery function.	Not Assessed (Enterprise Control)	*No plans to remediate – consistent with other Ministry processes*
PC09	**Standard Operating Procedures** Provide those involved with information and guidance on the required processes and procedures. **Control Owner: Florentine Eistetter/ Delivery Lead**	Evidence: • Op Pol Design: 2025_Operational Policy Design Document - 26 week reapplications FINAL (signed off) https://objective.ssi.govt.nz/documents/A17008975/details 2025_Operational Policy Design Document - 26 week reapplications for Jobseeker Support (removal of annual income...) FINAL (signed off) https://objective.ssi.govt.nz/documents/A17008976/details • Business process models https://objective.ssi.govt.nz/documents/A17061734/details • Specified/Specific Engagements https://objective.ssi.govt.nz/documents/A16922651/details	Effective	• **Business Plan:** cannot be finalised until Op Pol design is finalised and CMS is confirmed for staff facing reapplications. Likely by 30 May. **Responsible:** Florentine Eistetter • **Op Pol Design:** drafts will probably be finalised by 04/06/2025. **Responsible:** Florentine Eistetter
PC10	**Access Management** Will ensure that only authorised users within MSD are given access to systems and devices that hold personal information and that privileges are appropriate to their role (internal control to MSD). **Control Owner: IT, Privacy and Security team**	Access Management is embedded as a BAU practice at MSD's Service Delivery function. SORT and CMS have defined security roles to govern access management of MSD staff. Service Delivery heavily relies on MSD employees following the Code of Conduct. Note: this is in relation to the employee browsing risk that relates to CMS, particularly in the context of complex-high needs clients.	Not Assessed (Enterprise Control)	*No plans to remediate – consistent with other Ministry systems.* *All of MSD's Service Delivery currently relies on its embedded Access Management Practices to manage CMS.*
PC11	**Segregation of Duties** Ensures roles and responsibilities for initiating, submitting, processing, authorising, reviewing and reconciling transactions and activities are clearly defined and implemented to reduce the opportunity for unauthorised or unintentional access to personal information (internal control to MSD). **Control Owner: IT, Privacy and Security team**	Evidence: Embedded as a BAU practice at MSD's Service Delivery function.	Not Assessed (Enterprise Control)	*No plans to remediate – consistent with other Ministry systems.* *All of MSD's Service Delivery currently relies on its embedded Segregation of Duties to manage CMS.*
PC12	**Existing MSD Internal Policies** Existing privacy and security safeguards currently in place for CMS (including role-based access controls) will continue to apply. MSD staff members with access to CMS will have also received personal information privacy training in line with MSD's current staff Code of Conduct and Privacy policies. **Control Owner: IT, Privacy and Security team**	Evidence: Embedded as a BAU practice at MSD's Service Delivery function.	Not Assessed (Enterprise Control)	*No plans to remediate – consistent with other Ministry processes*

#	Control Description	Control Validation Activities Completed	Control Effectiveness	Agreed Remediation Activity (where control ineffective / partially effective)
PC13	**Notification Process** ensures: • individuals are provided with appropriate and timely notice of the decision or action; • queries and objections from an individual are recorded, acknowledged, assigned for action and responded to within agreed timeframes (e.g. pushing / reporting of queries and objections that are approaching or have passed agreed timeframes for action); • where appropriate, the decision or action is put on hold pending resolution for or against; • individuals have the opportunity to have the decision or action reviewed. Control Owner: Rebecca Wilson	Evidence: • Comms Plan: https://objective.ssi.govt.nz/documents/A16781445/details • Letters: 2024 10 17 APPROVED 26-Week JS Reapplication Letters details - Objective ECM	Effective	• **Comms plan**: Comms plan and email as interim evidence until approved content is available in late June. **Responsible**: Florentine Eistetter
PC14	**Accuracy of personal information collected from an individual** Defines systems, processes and forms that ask for personal information in a way that encourages individuals to provide accurate, current and complete personal information and does not encourage individuals to provide unnecessary personal information. Control Owner: Florentine Eistetter/ Delivery Lead	Evidence: ADM will sweep the system and create a simple reapplication form for clients that have completed the three components below: • Determination of eligibility • A suitable employment engagement • Agreement to obligations andconfirmation they intend to reapply for JS The client will receive the simple reapplication form and confirm the information before the benefit renewal. For clients that have declared changes in circumstances, a full reapplication process will be triggered and the reapplication will be pushed to a manual assessment. • Application Questionnaire https://objective.ssi.govt.nz/documents/A16767086/details	Effective	
PC15	ADM Decision Review Channel If a client wishes to review or dispute a decision, there should be a clear process available to do this Control Owner: Business team	Evidence: Embedded as a BAU practice at MSD's Service Delivery function. Clients will be able to review our decision using our current Review of Decision pathway. We will include a clarifying sentence and link to existing BAU guidance in the business process. • Review of a decision - Work and Income	Effective	
PC16	Compliance Process Structured method for identifying, evaluating and managing privacy risks to ensure that an organisation's handling of personal information complies with privacy laws, principles and internal policies Control Owner: Amanda Aggio / Senior Privacy Advisor and Craig Dixon / Portfolio Manager Income		Effective	The Information Group's assurance function will complete two compliances on 26WR's ADM process: one month after launching and one year after 26WR going live. This review ensures that the 26WR process still meets the ADM standard. An ad hoc compliance review may be carried out earlier where significant changes have occurred that may impact the ADM, for example should the current ADM standard review result in significant changes. The compliance review was to be completed by August 2025 and July 2026 and is tracked via 26WR's detailed project plan. **Responsible**: Florentine Eistetter ADM Monitoring Memo: https://objective.ssi.govt.nz/documents/A16927103/details Monitoring and Assurance were completed satisfactorily (see PC02 and PC17). This control will be fully assessed in July 2026 when another round of assurance will be conducted by the business. Craig Dixon will be our point of contact.

#	Control Description	Control Validation Activities Completed	Control Effectiveness	Agreed Remediation Activity (where control ineffective / partially effective)
PC17	**Assurance** Structured approach to verify and demonstrate that an organisation is handling personal information in compliance with privacy laws, principles, and best practices. Checking if privacy controls and practices are actually working in practice **Control Owner:** Florentine Eistetter/ Delivery Lead		Effective	An assurance check will be carried out by the 26WR Project Team and wider Income Portfolio team members if required for four weeks after launch. This is when a staff member determines whether conditions for ADM exist, all relevant components of the reapplication have been met, and that JS should have been regranted. If the outcome of the assurance assessment matches the system ie regrant then ADM works correctly ^s9(2)(k) f issues are identified specifically for ADM then another round of assurance checks need to be scheduled. **Responsible:** Florentine Eistetter ADM Monitoring Memo: https://objective.ssi.govt.nz/documents/A16927103/details The agreed 26-week reapplication ADM monitoring and assurance activities have been completed, and the project team has shared results of those activities to inform the compliance review. · Assurance results Assurance checks were carried out by the project team using reporting, which manually assessed reapplications using the 26-week reapplication ADM conditions. The project team carried out detailed assurance checks on 1,067 ADM regrants. The project team were provided with a list of randomly selected ADM regrants and asked to check whether all ADM conditions were met. 99.9% of assurance results showed that ADM is working as intended and that all ADM conditions were met. One of the checks identified a small-scale IT issue where a client's JS was regranted using ADM although a client declared a change in their online reapplication. A total of eight clients were affected by the IT issue. All eight remained eligible for JS. IT released a fix on 24 August and subsequent checks confirmed the release was successful. · Reports There a few reports used for monitoring. They are all captured here: https://objective.ssi.govt.nz/documents/fA2183496 (IMPORTANT: These reports contain personal information and access to them are restricted to the project team) Note that the report for 1 September was used to carry out retrospective monitoring back to go-live. All details for the 1,067 assurance checks completed are captured here: https://objective.ssi.govt.nz/documents/A17133978/details (IMPORTANT: These reports contain personal information and access to them are restricted to the project team). The row highlighted yellow is the record where we identified the one IT issue was successfully remediated.
Security (controls numbered according to CISO Risk & Controls Framework ( ))				
C10	**As-Built Documentation** Details of changes are sufficiently documented and reviewed prior to implementation. This includes: • Details of business requirements the changes are supporting. • Technical documentation detailing changes to support those business requirements for each individual system involved. This includes SWIFTT, CMS, MyMSD, EOS, Q-Manager and IIB • Technical documentation detailing interactions between systems. **Control Owner:** Erica Scott/ Technology Delivery Lead	s9(2)(k)		

#	Control Description	Control Validation Activities Completed	Control Effectiveness	Agreed Remediation Activity (where control ineffective / partially effective)
		s9(2)(k)		
C30	**Separation of Pre-Production Environments** Changes are developed and tested in separate Non-Production environments with final acceptance testing conducted in a Pre-Production or UAT environment that is sufficiently like Production to provide confidence in the test results. This includes changes made to SWIFTT, CMS, MyMSD, EOS and Q-Manager. Control Owner: Erica Scott / Technology Delivery Lead			
C37	**Release Management** The Ministry uses a defined release management process to ensure software and firmware updates (including new releases) and configuration changes are deployed in a non-operational (e.g. development or test) environment prior to being deployed into production. This includes ensuring that functional testing, regression testing, and user acceptance testing is performed in line with the scope of the changes to the system. Control Owner: Erica Scott / Technology Delivery Lead			
C28	**Change Management** The Ministry's IT Change Management processes are followed requiring all changes to system's to be documented, tested, approved and communicated prior to implementation in production. Control Owner: Erica Scott / Technology Delivery Lead	The implementation of this Enterprise Control has not been assessed for this SPHRaE	Not Assessed (Enterprise Control)	
C54	**Information Security Incident Management** An Information Security Incident Management process ensures preparedness to respond to information security incidents and allows any information security incidents to be responded to, contained, and dealt with in a controlled manner to minimise the Consequence of an event. Control Owner: Devlin Lee-Joe, Director Technology Security and Identity	The implementation of this Enterprise Control has not been assessed for this SPHRaE	Not Assessed (Enterprise Control)	

Report

MINISTRY OF SOCIAL DEVELOPMENT
TE MANATŪ WHAKAHIATO ORA

Date:	3 April 2024	**Security Level:**	IN CONFIDENCE

To: Hon Louise Upston, Minister for Social Development and Employment

This report contains legal advice and is legally privileged. It should not be disclosed without further legal advice.

Safeguards for the Ministry of Social Development's Use of Automated Decision-Making

File ref: REP/24/3/259

Purpose of the report

1   This is the third report in a suite of three providing you with advice on the Ministry of Social Development's (MSD) use of automated decision-making (ADM). This is Paper 3: Safeguards for the Ministry of Social Development's Use of Automated Decision-Making.

> **Paper 1: Overview Paper: Strengthening the Ministry of Social Development's Position in its Use of Automated Decision-Making**
> Overview of MSD's current use of ADM and recommended next steps in the ADM work programme
>
> **Paper 2: Automated Decision-Making Legislative Enabling Framework**
> Seeks your agreement to policy decisions relating to an enabling provision for the use of ADM.
>
> **Paper 3: Safeguards for the Ministry of Social Development's Use of Automated Decision-Making**
> Seeks your agreement to policy decisions on safeguarding the use of ADM, subject to Paper 2 decisions.

2   This report sets out the safeguards that are in place for MSD's use of ADM and, subject to your decisions in companion Paper 2 [REP/24/3/258 refers], seeks your agreement to seek Cabinet approval to expand the application of the existing safeguarding provisions for MSD's use of ADM beyond their current targeting to child support payments.

Executive summary

This section contains legal advice at paragraphs 5 and 9, and at recommendation 5 and is legally privileged.

3 MSD uses automation and ADM in some processes in the welfare system to improve the efficiency of decision-making and to provide timely assistance to our clients. It is critical for us to have appropriate safeguards in place to support the safe use of ADM by MSD, and to protect the interests and wellbeing of our clients who are affected by automated decisions.

4 We have introduced an ADM Standard (the Standard) which contains safeguards across a range of areas that must be met when there is a proposal to automate a decision at MSD. Our Standard is designed to help mitigate risks already seen internationally when ADM is poorly implemented.

5 s9(2)(h)

6 We have had constructive engagement with the Office of the Privacy Commissioner since the time of developing the Standard, and from 1 July 2023, we are statutorily required to consult with the Privacy Commissioner when developing or amending the Standard. We intend to consult with them further on a proposed minor amendment to the Standard to reflect your feedback from December 2023 [REP/23/12/958 refers] and any other changes that may be proposed during further work.

7 From 1 July 2023, as part of the Child Support Pass-On changes, our use of ADM in respect of child support payments became subject to legislative safeguards, including the requirement for MSD to have a Standard and to comply with it. The safeguarding provisions currently apply by legislation solely to MSD's use of ADM for child support payments. Our view is that ADM should only be used when appropriate safeguards are in place. Therefore, subject to your decisions in Paper 2, we seek your agreement to seek Cabinet approval to expand the application of the existing safeguarding provisions beyond their current targeting to child support payments to cover other uses of ADM within MSD.

8 We considered whether our existing safeguards could be strengthened by other options but found that they appropriately balance the efficiency and effectiveness of ADM while maintaining the flexibility to adapt to rapidly emerging technological changes, although consultation feedback from some agencies noted preference for alternative options.

9   s9(2)(h)

10   We recognise the importance of an all-of-government approach to the use of ADM in New Zealand. While we do not have a mandate to lead work on a cross-government approach, we are committed to actively supporting any work in this space.

Recommended actions

It is recommended that you:

1   **note** that the Ministry of Social Development's (MSD) use of automated decision-making (ADM) is governed by our ADM Standard (the Standard) which provides a range of safeguards to support the safe use of ADM by MSD, and to protect the interests and wellbeing of our clients

2   **note** that we have had engagement with the Office of the Privacy Commissioner in the past and intend to consult with them further on a proposed minor amendment to the Standard to reflect your feedback from December 2023 and any other changes that may be proposed during further work

3   **note** that from 1 July 2023, our use of ADM for child support payments became subject to legislative safeguards, including the requirement for us to have a Standard and to comply with it

4   **agree**, subject to your decisions in Paper 2 [REP/24/3/258 refers], to seek Cabinet approval to expand the application of the existing safeguarding provisions beyond their current targeting to child support payments

AGREE / DISAGREE

5   s9(2)(h)

Simon MacPherson   Date
Deputy Chief Executive, Policy

Hon Louise Upston   Date
Minister for Social Development and
Employment

It is critical for us to have safeguards for the Ministry of Social Development's use of automated decision-making

11   As noted in Paper 1 [REP/24/3/257 refers], the Ministry of Social Development (MSD) uses automation and automated decision-making (ADM) in some processes in the welfare system to deliver support to our clients.[1] The use of ADM can improve the efficiency of decision-making and provide timely assistance to our clients.

12   It is critical for us to have appropriate measures or safeguards in place to support the safe use of ADM by MSD, and to protect the interests and wellbeing of our clients who are affected by automated decisions. These safeguards will continue to remain critical as our use of ADM is expected to expand under the multi-year Te Pae Tawhiti transformation programme. If not implemented rigorously, ADM can carry the risk of causing harm to clients by automating decisions at scale that contain unintended bias or discrimination. This could result in potential negative impacts on clients, including on those that are disproportionately represented in the welfare system, for example, Māori communities [REP/23/12/958 refers].

We have introduced a Standard with safeguards that must be met when automating decisions

13   We have introduced an ADM Standard (the Standard) to govern the development of new processes that use ADM at MSD (Appendix 1). It contains a range of safeguards in the form of requirements that must be met when there is a proposal to automate a decision at MSD, and the automated decision has the potential to affect an individual's entitlement, obligations, or eligibility status for support delivered or funded by MSD. The Standard is designed to help mitigate risks already seen internationally when ADM is poorly implemented.

14   We began developing the Standard as internal guidance in 2021, incorporating key principles from the Algorithm Charter for Aotearoa New Zealand, the Principles for the Safe and Effective Use of Data and Analytics, and the Data Protection and Use Policy (which aligns with and is based on te ao Māori values). We consulted on the proposed Standard with New Zealand government agencies, the Office of the Privacy Commissioner (OPC), and with our internal Māori communities' team. The Standard was first approved by MSD's Leadership Team in 2022.

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[1] Automation is the use of electronic systems to replace repeatable processes to reduce dependency on manual actions or interventions. If there is a decision, a human is still involved in the decision-making. Automated decision-making (ADM) occurs when the electronic system makes a decision within an automated process where there is no substantial human involvement in making that decision. Thus, automating parts of a *process* is different to automating a *decision* within the automated process. ADM is, technically speaking, a form of Artificial Intelligence (AI). However, it is important to clarify that our current use of ADM does not include generative AI, for example, large language models.

15 From 1 July 2023, as part of the Child Support Pass-On changes, we are required by legislation to have an approved Standard for our use of automated electronic systems in respect of child support payments under section 363A(5) of the Social Security Act 2018 (SSA). We are also required to ensure that the use of the system is consistent with the approved Standard (section 363A(4)(c) of the SSA). We have voluntarily chosen to apply the requirements of the Standard to the development of any new processes that use ADM at MSD.

The Standard provides safeguards covering a range of areas including transparency and human oversight

16 The Standard requires that we have taken sufficient steps to manage unintended bias or discrimination, are transparent with clients about our use of ADM, and are maintaining human oversight by providing channels for public inquiries or for challenging automated decisions. We will continue to operate multiple channels for client engagement, including through phone calls and face-to-face appointments. This was also recommended by the National Beneficiaries Advocacy Consultative Group during consultation.

17 A high-level summary of the safeguards provided by the Standard has been set out in Table 1, and a more detailed table can be found in Appendix 2.

Table 1: Safeguards provided by MSD's ADM Standard

Area	Safeguards
General requirements	ADM must improve efficiencies and effectiveness of decision-making and balance factors such as cost, accuracy, and safeguarding the wellbeing of those affected.
Checking accuracy and bias	Accuracy and reliability must be assessed before implementation of ADM. Steps must be taken to identify and manage unintended bias and discrimination.
Policy, fraud, and legal considerations	Automated decisions must be lawful and align with policy intent. Impact on fraud and/or client non-compliance must be assessed before implementation.
Transparency requirements	The use of ADM must be communicated to individuals in a way that is easy to understand and clearly shows a decision was made using automation.
Human oversight requirements (for public inquiries)	A visible point of contact must be nominated for public inquiries about decisions made using automation.
Human oversight requirements (for appealing decisions)	MSD must provide a visible and accessible channel for challenging or appealing decisions made using automation.
Compliance with the Standard	Compliance with the Standard must be verified for all new uses of ADM through risk assessments (this is done using MSD's Privacy, Human Rights and Ethics framework). Regular monitoring and compliance reviews must be carried out to ensure that the approved ADM continues to meet the requirements of the Standard.

Our Standard is consistent with key principles from national and international best practice guidelines

This section contains legal advice at paragraphs 19-21 and is legally privileged.

18   We are among the first public service agencies in New Zealand to develop a Standard with safeguards of this nature. We are also among the first public service agencies to be subject to legislative obligations to both have a Standard and to approve the use of ADM where the proposed use meets legislative requirements.

19   s9(2)(h)

20

21
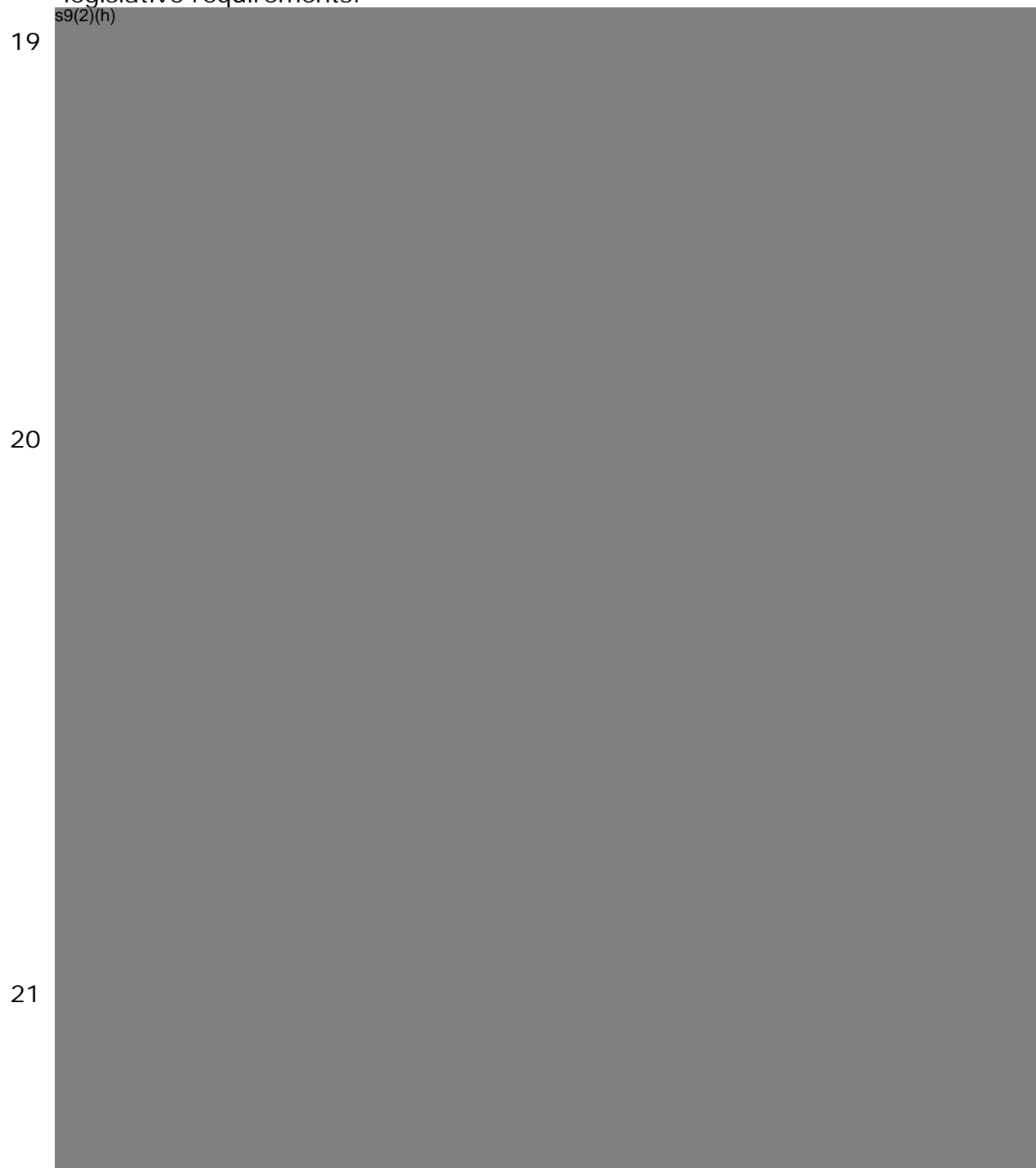
Development of the Standard itself is subject to safeguards

22   From 1 July 2023, as part of the Child Support Pass-On changes, development of the Standard itself became subject to certain safeguarding provisions. For example, we are statutorily required to consult with the Privacy Commissioner when developing or amending the Standard. We have had constructive engagement with the OPC since the time of developing the Standard, and intend to consult with them further on a proposed minor amendment to the Standard to reflect your feedback from December 2023 [REP/23/12/958 refers] and any other changes that may be proposed during further work. The SSA also requires that the Standard must be published on the Gazette and on our website to ensure public transparency about our use of ADM for child support payments.

23   A high-level summary of these safeguards has been set out in Table 2, and a more detailed table can be found in Appendix 2.

Table 2: Safeguards for development of MSD's ADM Standard

Area	Safeguards
Approval of the Standard	The Standard, and any changes to it, are approved by MSD's Leadership Team. MSD must consult with the Privacy Commissioner on the Standard as part of the approval process.
Review of the Standard	The Standard must be reviewed at least once every three years.
Publication requirements	The Standard must be published in the Gazette and on MSD's website.
Relation to legislation	Primary legislation requires MSD to have a Standard and to ensure that MSD's use of ADM in respect of child support payments is consistent with the Standard.

There are additional legislative safeguards for our use of automated decision-making

24   From 1 July 2023, MSD's use of ADM for child support payments became subject to additional legislative safeguards. For example, there is a requirement that MSD may approve the use of ADM only if the automated electronic system remains under departmental control. A summary of these legislative safeguards has been set out in Table 3, and a more detailed table can be found in Appendix 2.

Table 3: Additional legislative safeguards for MSD's use of ADM

Area	Safeguards
Reliability requirements	MSD may approve the use of ADM only if it is satisfied that the system is under the department's control, and that the system has the capacity to make the decision with reasonable reliability. Meeting the reliability requirement necessarily involves assurance and testing for accuracy.
Human alternative available	One or more persons must always be available as an alternative to automated electronic systems to make the decision.
Substitution of automated decision	MSD staff may substitute an automated decision with a new decision under the same provision if it is more favourable to the affected person.
Review rights remain unaffected	Clients' rights of review or appeal against an automated decision continue as they would have if the decision were made by a person.

25   Other general legal protections and accountability mechanisms also continue to apply to MSD's use of ADM, including under the Privacy Act 2020, the Human Rights Act 1993, and the New Zealand Bill of Rights Act 1990.

We considered whether our existing safeguards could be strengthened

26   We considered whether our existing safeguards could be strengthened by other options and assessed them against criteria such as flexibility to respond to emergent changes, time and legislative changes required to implement, administrative feasibility, and cost and compliance burden.

27   **ADM processes listed in legislation:** To provide public transparency, the ADM Standard is currently gazetted as well as published on MSD's website. In addition to this, the Standard requires MSD to communicate information about the use of ADM to individuals affected by that use. We considered whether listing every ADM process in either primary or secondary legislation would lead to increased transparency. We assessed that any such measure would not substantively increase transparency beyond the current publication requirements and would require legislative mechanisms to add, amend, or remove processes from the statutory list. Adding, amending, or removing approved processes from legislation would be bureaucratically burdensome, and it will only become increasingly more burdensome over time as our use of ADM expands under the Te Pae Tawhiti transformation programme. We concluded that this option could create significant barriers to some uses of ADM, particularly in an operational context.

28 **Legislation being more prescriptive:** Legislation currently already prescribes certain core requirements for MSD's use of ADM to operate safely, for example, requirements around reliability, availability of human alternative, avenue for challenging or appealing decisions, and the use of the system being consistent with the approved Standard. We considered whether legislation being more prescriptive about the Standard, for example, by incorporating key principles of the Standard in legislation, would strengthen this area. During consultation on the suite of draft papers, this option was also preferred by the OPC, the Department of Internal Affairs (including the Government Chief Digital Officer function and the Government Chief Privacy Officer), and the Public Service Commission. However, as ADM sits in a rapidly emerging technological space, at this stage, we do not prefer this option because it would reduce the flexibility to adjust to evolving changes to technology and our understanding of ADM at a time when we are developing our level of maturity. Our Standard is designed to be responsive to emergent changes, and to evolve to ensure that any current issues or risks are promptly addressed as they become apparent. s9(2)(h)

s9(2)(h)

29 **ADM Standard in legislation:** We considered whether having the entire Standard in either primary or secondary legislation would contribute to increased transparency and accountability around MSD's use of ADM. Feedback from the OPC also recommended considering including the entire Standard in secondary legislation. s9(2)(h)

The Standard is already available to the public on MSD's website and on the Gazette, incorporating it in legislation would provide no extra benefit to our clients in terms of transparency. We concluded that such a measure would be too prohibitive and would effectively mean that the Standard would no longer remain fit for purpose to respond to any evolving changes or risks associated with the use of ADM. The OPC also suggested developing a statutory accountability mechanism for the Standard, however, we view that to be best considered as part of design for any all-of-government solution.

30 **External review**: The Standard requires a compliance review at least once every three years or more frequently (based on the nature and level of risk connected to the process) to ensure that any ADM approved under the Standard continues to meet the requirements of the Standard. This process is currently overseen by MSD's internal teams, and we considered whether conducting an external review of compliance of processes with the Standard would strengthen this area. We assessed that this option would involve the challenge of obtaining sufficiently skilled external resource, significantly high costs and compliance burden, and timing constraints. We concluded that doing so would neither be an efficient use of resources, nor be proportionate as an agency-specific response. We believe such a measure would be more feasible as part of an all-of-government framework including an oversight body with specialist skills and capability to monitor public agencies' use of ADM. In their feedback, the OPC agreed that external review might be more appropriate for a future all-of-government framework for ADM and recommended that client representatives be included in any internal MSD review.

We recommend expanding the application of the existing safeguards to other uses of automated decision-making

This section contains legal advice at paragraph 34 and is legally privileged.

31 Ultimately, upon assessing all options, we concluded that our existing safeguards appropriately balance the efficiency and effectiveness of ADM with sufficient transparency, without reducing the flexibility to adapt to rapidly emerging technological changes, prohibiting the use of ADM, or creating a disproportionate compliance burden. Our view is that any additional measures would be better implemented if they applied uniformly as part of a wider all-of-government approach involving all public agencies using similar technological tools for decision-making.

32 While we consider that our existing safeguards are appropriate, they currently apply by legislation solely to MSD's use of ADM for child support payments. Our view is that the existing safeguards should apply to other uses of ADM, therefore, subject to your decisions in Paper 2 [REP/24/3/258 refers], we seek your agreement to seek Cabinet approval to expand the application of the existing safeguarding provisions beyond their current targeting to child support payments to cover other uses of ADM within MSD. The OPC were supportive of this proposal.

33 Subject to guidance from the Parliamentary Counsel Office, we anticipate this could build on the existing ADM provisions that are currently targeted to child support payments, by making a series of amendments that would remove existing restrictions and expand the application of those existing provisions, including the broader application of the Standard. Incorporating a broader requirement in primary legislation for MSD to have and comply with the Standard together with other safeguarding provisions would provide the public with transparency and confidence that MSD is taking appropriate measures to ensure responsible use of ADM.

34 s9(2)(h)

We support a cross-government approach for the use of automated decision-making

35 The lack of an all-of-government approach including a regulatory framework and an independent body to oversee public agencies' use of ADM has meant that MSD has had to set and monitor our use of ADM against our Standard.

36 Though we do not have a mandate to lead work on a cross-government approach, s9(2)(h)

37 Nevertheless, we are committed to actively supporting any ongoing work on a cross-government approach. We have engaged with the Ministry of Business, Innovation and Employment (MBIE) who are leading cross-agency discussions on an all-of-government work programme on Artificial Intelligence (AI). We also note that the Government Chief Digital Officer is progressing the Public Service AI Framework, which would sit alongside the work that MBIE are doing on AI across the wider economy. We will continue to share our work to date to support any all-of-government initiatives on the use of ADM.

Next steps

38 We are available to discuss the contents of this report with you, if needed. Subject to your agreement, we will begin work on a draft Cabinet paper for your consideration. We will also look to explore opportunities to engage and collaborate within New Zealand as well as internationally to test our current approach and explore opportunities for improvements.

Appendices

Appendix 1: Automated Decision-Making Standard

Appendix 2: Safeguards for the Ministry of Social Development's use of Automated Decision-Making

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Responsible Manager: Leah Asmus, Policy Manager, Welfare System Policy

Appendix 1

Automated Decision-Making Standard

Approved by:	Leadership Team
Standard Owner:	General Manager Information
Review date:	1 March 2025

1 Definitions

1.1.   **Automation** is the use of systems or components of systems to replace repeatable processes in order to reduce dependency on manual actions or interventions.

1.2.   Processes can be automated based on the application of:

(i)   known business rules, and/or

(ii)   data-based algorithms without involvement or assessment by a human, including statistically or analytically derived patterns in machine learning or Artificial Intelligence.

1.3.   A **decision** for the purpose of this standard is the action of choosing between two or more possible actions and may be derived from legislative, cabinet or other legal authority or can be operational, and may be discretionary or non-discretionary.

1.4.   An **automated decision** for the purpose of this standard is a decision within an automated process where there is no substantial human involvement in making the decision.

1.5.   **Discretionary decisions** require an exercise of judgment to choose between two or more possible actions.

1.6.   A non-discretionary decision **does not** require any exercise of judgement to determine the appropriate action.

1.7.   A **Business Owner** is the person who is accountable for the automated process at any given time.

1.8.   For the purposes of this standard, "**bias**" refers to the tendency of an automated decision process to create unfair and unjustified outcomes, such as favouring or disfavouring one group over others.

1.9.   Automated decisions may be biased because, for instance, the **datasets** they rely on are biased, potentially as a result of how data was collected in the past, or because **social conditions** mean that some groups are overrepresented in some risk groups.

1.10.   The prohibited grounds of discrimination are set out in the **Human Rights Act 1993 Section 21**: sex, marital status, religious belief, ethical belief, colour, race, ethnic or national origins, disability, age, political opinion, employment status, family status and sexual orientation.

1.11.   Discrimination on these grounds can be justified under the **Bill of Rights Act 1990 Section 5**, but only to such reasonable limits that are lawful and can be clearly and ethically justified.

2 Applicability

2.1 This standard **must** be applied using the operational guidance when:

   (i) there is a proposal to automate a decision (as defined in sections 1.3 and 1.4), **AND**

   (ii) the automated decision has the **potential to affect**, an individual's entitlement, obligations, or eligibility status for support delivered or funded by the Ministry of Social Development (the Ministry).

2.2 Where a complex algorithm is being proposed, the Model Development Lifecycle **must** be used.

2.3 Any exception to this standard **must** be approved by the Chief Executive before automated decision-making can be implemented.

3 Standard Requirements

3.1 General

3.1.1 Automated decision-making **must**:

   (i) improve efficiencies and effectiveness of decision making and balance factors such as cost, accuracy, reliability and safeguarding the wellbeing of those affected.

   (ii) comply with all applicable Ministry policies and standards that relate to the privacy, security and management of information.

3.1.2 Automated decision-making **must not** create inefficiencies for those the decisions directly affect, for example, creating manual workarounds for a client to enable automation, or unnecessarily increasing time from application to notification of a decision than would otherwise occur if it was manually completed.

3.1.3 There **must** be clear, relevant, and accessible guidance for users who are required to input or provide data to be used in automated decision-making, for example, a service user entering their information in MyMSD.

3.2 Accuracy, bias and discrimination

3.2.1 Accuracy and reliability **must** be assessed before automated decision-making is implemented to ensure, insofar as possible, that automated decision-making is producing expected results, that automated decisions do not deny clients full and correct entitlement (FACE), and bias and discrimination is well managed.

3.2.2 Based on the assessment carried out under 3.2.1, where evidence suggests that automated decision-making has resulted in unintended bias, steps **must** be taken to identify and remove or mitigate the unintended bias, and any residual risk **must** be accepted by the Business Owner.

3.2.3 Where unintended bias cannot be removed or sufficiently mitigated, substantial human involvement **must** be included in the process. This would then mean that the decision is no longer an automated decision.

3.3 Policy, fraud and legal considerations

3.3.1 Automated decisions **must** be lawful and align with policy intent.

3.3.2 An assessment must be undertaken to determine whether any proposed automated decision-making has the potential to:

   (i) Increase (or decrease) the likelihood that people will commit internal or external fraud or client non-compliance; or

(ii) increase (or decrease) the scale or size of potential internal or external fraud or client non-compliance.

3.3.3 Any increased risk of fraud **must** be accepted by the Business Owner before automated decision-making can be implemented.

3.3.4 Prior to automating discretionary decisions, you **must** ensure that any legal risk(s) are identified and mitigated or accepted by the Business Owner before automated decision-making can be implemented.

3.4 Transparency

3.4.1 The Ministry **must** make information publicly available about:

(i) what policies and processes are used to identify and mitigate risks associated with automated decision-making, in particular those that relate to human rights and ethics; and

(ii) what decisions are made using automated decision-making as soon as reasonably practicable after they have been:

a. identified;

b. assessed against the Standard; and

c. approved by the Business Owner and the Standard Owner.

3.4.2 The Ministry **must** provide as much transparency as possible, while minimising the risk of fraud, to clearly explain how a decision has been made through the use of automation, including the role of humans in automating the decision and who is accountable for the process and the decision made.

3.4.3 If a lawful restriction prevents explanation, the Ministry **must** provide as much explanation as possible to the individual and clearly outline what details have been withheld and why.

3.4.4 The use of automated decision-making **must** be communicated to the individual in a way that is easy to understand and clearly shows a decision was made using automation, the outcome of that decision, and the process for challenging or appealing decisions.

3.5 Human oversight

3.5.1 A visible and accessible point of contact **must** be nominated for public inquiries about decisions made using automation.

3.5.2 The Ministry **must** provide a channel for challenging or appealing decisions made using automation and this channel **must** be made easily visible and accessible to the individual(s) impacted by the decision.

3.5.3 The process to review an automated decision that has been challenged or appealed **must not** itself be an automated process.

3.6 Compliance and assurance

3.6.1 Compliance with this standard **must** be verified for all new uses of automated decision-making through the existing Security, Privacy, Human Rights and Ethics Certification and Accreditation process.

3.6.2 Regular monitoring **must** be carried out to ensure that the automated decision-making continues to produce expected results and to ensure bias and discrimination are well managed.

3.6.3 A compliance review **must** be carried out at least once every three years or more frequently (based on the nature and level of risk connected to the process) to ensure that any automated

decision-making that is approved under this standard continues to meet the requirements of the standard.

4 References

4.1.1 Principal tools and policies used as inputs in the development of this Standard.

Principles for Safe and Effective Use of Data and Analytics

Algorithm Charter for Aotearoa New Zealand

Data Protection and Use Policy

4.1.2 Tools that directly support the application of this Standard.

Operational Guidance

Data Model Lifecycle

PHRaE guidance: Operational analytics and automation

Appendix 2

Safeguards for the Ministry of Social Development's (MSD) Use of Automated Decision-Making (ADM)

Table 1: Safeguards provided by MSD's ADM Standard

Area	Safeguards
General requirements (Section 3.1 of the Standard)	ADM must improve efficiencies and effectiveness of decision-making and balance factors such as cost, accuracy, reliability and safeguarding the wellbeing of those affected. ADM must comply with all applicable policies and standards of MSD that relate to the privacy, security, and management of information.
Requirements for checking accuracy and bias (Section 3.2 of the Standard)	Accuracy and reliability must be assessed before implementation of ADM, and steps must be taken to identify and manage unintended bias and discrimination. Where unintended bias cannot be removed or sufficiently mitigated, substantial human involvement must be included in the process (this would then mean that the decision will no longer be an automated decision).
Policy, fraud, and legal considerations (Section 3.3 of the Standard)	Automated decisions must be lawful and align with policy intent. Impact on fraud and/or client non-compliance must be assessed before implementation. Specific requirements apply to proposed automation of discretionary decisions.
Transparency requirements (Section 3.4 of the Standard)	The Standard requires MSD to make information publicly available about what decisions are made using ADM. The use of ADM must be communicated to individuals in a way that is easy to understand and clearly shows a decision was made using automation, the outcome of that decision, and the process for challenging or appealing decisions.
Human oversight requirements for public inquiries and appeals (Section 3.5 of the Standard)	The Standard requires that a visible and accessible point of contact must be nominated for public inquiries about decisions made using automation.
	An easily visible and accessible channel must be provided to those impacted by the automated decisions for challenging or appealing decisions made using automation.
Compliance with the Standard (Section 3.6 of the Standard)	Compliance with the Standard must be verified for all new uses of ADM through risk assessments that cover privacy, human rights, and ethics considerations (this is done using MSD's Privacy, Human Rights and Ethics (PHRaE) framework). Regular monitoring must be carried out to ensure that ADM continues to produce expected results. Regular compliance reviews must be carried out (frequency to be based on the nature and level of risk connected to the process) to ensure that any approved ADM continues to meet the requirements of the Standard. This process is overseen by the Information Group's assurance function.

Table 2: Safeguards for development of MSD's ADM Standard

Area	Safeguards
Approval of the Standard	The Standard, and any changes to it, are approved by the Leadership Team, which is the highest level of governance body within MSD.
Consultation requirements	When developing, amending, revoking, or replacing the Standard, MSD is statutorily required to consult with the Privacy Commissioner, under section 363A(6)(a) of the Social Security Act 2018 (SSA). As a good practice, we also consult with the Government Chief Privacy Officer.
Review of the Standard	The Standard must be reviewed at least once every three years (section 363A(6)(b) of the SSA). However, the Standard is designed to evolve to ensure that any current issues or risks are picked up and addressed promptly. The next periodic review is scheduled for March 2025, but the Standard can and will be reviewed earlier than that as and when needed.
Publication requirements	The Standard must be published in the Gazette (section 363A(6)(c) of the SSA), and on MSD's website (section 363A(6)(d) of the SSA).
Relation to legislation	Primary legislation requires MSD to have an approved Standard for the use of automated electronic systems (section 363A(5) of the SSA), and to ensure that the use of the system is consistent with the approved Standard (section 363A(4)(c) of the SSA). This is currently limited to MSD's use of ADM in respect of child support payments (based on an approved information sharing agreement between MSD and the Inland Revenue Department).

Table 3: Additional legislative safeguards for MSD's use of ADM

Area	Safeguards
Reliability requirements	Section 363A(4)(a) of the SSA requires that MSD may approve the use of an automated electronic system only if the system is under the department's control, and if MSD is satisfied that the system has the capacity to make the decision with reasonable reliability (section 363A(4)(b) of the SSA). Meeting the reliability requirement necessarily involves assurance and testing for accuracy.
Human alternative always available	Section 363A(4)(d) of the SSA requires that MSD may approve the use of an automated electronic system only if one or more persons are always available as an alternative to make the decision.
Substitution of automated decision	Section 363C(2)(b)(ii) of the SSA provides that a specified person (e.g., MSD staff acting under a delegation from the chief executive) may substitute an automated decision with a new decision if they are satisfied that the new decision is more favourable to the affected person and could have been made under the same specified provision as the automated decision.
Rights to review and appeal processes remain unaffected	Section 363D(1) of the SSA provides that a person affected by MSD's use of automated electronic systems will continue to have the same rights of appeal or rights to apply for (administrative or judicial) review in relation to an automated decision as they would have had if the decision had been made by a specified person (e.g., MSD staff).