



Approved information sharing agreement between IR and DIA: passport contact information

A report by the Privacy Commissioner to
the Minister of Revenue under section
96P of the Privacy Act 1993.

September 2013

Executive summary

This is my report on the first information sharing agreement to be approved under Part 9A of the Privacy Act.

The agreement is between Inland Revenue (IR) and the Department of Internal Affairs (DIA) for the supply of passport contact information. The purpose of the agreement is to assist IR in the administration of the Tax Administration Act 1994, the Student Loan Scheme Act 2011 and the Child Support Act 1991. In particular, the agreement is to enable IR to contact overseas-based student loan borrowers, and overseas-based people who are liable for child support.

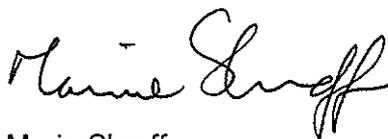
I am satisfied that this information sharing agreement meets the requirements set out in Part 9A of the Privacy Act, and in particular those set out in section 96N. In particular I consider the agreement does not intrude unreasonably on the privacy of individuals, and that it puts adequate privacy safeguards in place.

My one significant area of concern with the agreement is that the transfer of the details of all passport applicants from DIA to IR is undesirable and should not be continued indefinitely. However I accept that this is the most practical and cost-effective approach in the short term, and that reasonable mitigations have been put in place.

I am also satisfied that the consultation undertaken by IR has been adequate, and in particular that the views of my office have been adequately taken into account in the development of the agreement.

The reporting requirements for the agreement are still subject to discussions between my office and IR.

My detailed comments on the agreement are structured under headings that reflect the specific criteria for approved information sharing agreements in section 92N of the Privacy Act.



Marie Shroff

Privacy Commissioner

Comments on the agreement

1. Does the information sharing agreement facilitate the provision of any public service or public services?

The information sharing agreement between DIA and IR will provide IR with contact information to assist it to deliver the student loan and child support schemes. These are public functions or duties that are imposed on IR by law, and by government policy. They therefore fit the definition of "public service" in section 96C of the Privacy Act.

2. Is the type and quantity of personal information to be shared under the agreement no more than is necessary to facilitate the provision of that public service or those public services?

The type and quantity of personal information to be shared is no more than necessary, to the extent that it relates to overseas based student loan borrowers, and parents liable to pay child support. Contact information makes up the majority of the information provided, with identifying information (name, date of birth and passport number) making up the remainder.

However, I am concerned that this agreement authorises the transfer of personal information about all adult passport holders to IR, not just personal information relating to people who are the targets of the policy. The transfer of unnecessary data is highly undesirable.

A preferable system would be for IR to provide selected records for DIA to match against its records and for DIA only to return positive matches to IR. However, I accept that DIA does not currently have the technical ability to match data in this way. I understand that future development of DIA's technology systems will enable this, and consider the agreement should be reviewed at that time, with a view to narrowing its scope.

I note that the agreement has taken some useful steps to mitigate the over-supply of information. IR will only perform a match against its records of student loan borrowers in default and parents who are liable for child support. In both cases it will only perform the match when IR holds information that suggests those people are overseas based. Unverified data will be segregated from IR's core systems, and the CDs used to transfer data and all unmatched data must be destroyed within 30 days.

I am also satisfied with the specific protections relating to passport numbers in clause 11 of the agreement. Passport numbers will only be used as part of the confirmation process where original information is incomplete or unclear, will not be used as part of the matching process, and will not be entered into IR's primary information system.

3. Will the agreement unreasonably impinge on the privacy of individuals and contain adequate safeguards to protect their privacy?

Impact on privacy

I am satisfied that the immediate effect of the sharing agreement appears unlikely to cause harm to individuals. The initial action triggered by a positive match is to contact the individual by telephone, and for the individual's identity to be confirmed before further information is discussed. No adverse action will be taken by IR on the basis of information obtained under the agreement until the identity of the individual and the accuracy of contact information has been confirmed.

However, there are still privacy risks that need to be managed. Passports are closely linked to New Zealanders' rights of freedom of movement. They also represent a critical identity document that New Zealanders living overseas are unlikely to be able to do without. People must provide contact information to DIA if they wish to apply for a passport. They have no choice in the matter. So they are entitled to expect that government will treat the information with a proper degree of care.

Reasonable justification for sharing

Here, I accept that there is a reasonable justification for sharing the information concerned because:

- In each case, the individuals affected have clear statutory obligations that they are not meeting
- Passport application information is one of the few reliable sources of overseas address information available to government.

I would be less likely to support the use of information from passport applications in the absence of both clear statutory obligations on the individuals concerned and a significant policy need to contact individuals based overseas.

Adequate safeguards

I am satisfied that the agreement has adequate safeguards in place to protect the privacy of individuals. Clause 11 of the agreement lists the controls that will be in place to help safeguard the collection, verification, storage, prompt use and timely destruction of information.

Normally, I would expect an approved information sharing agreement to list the adverse actions that might be taken against individuals and set out the process that must be followed before undertaking those adverse actions. Section 96Q of the Privacy Act anticipates that this will be the normal process.

This agreement does not contain such a list. Here, I consider this acceptable because:

- It is information already held by IR – not contact information provided by DIA under the agreement – that is the basis for IR’s decision whether to take adverse action against an individual. The contact information is used so that individuals can be contacted before adverse actions are considered. It will provide the individuals with the opportunity to avoid the adverse actions by remedying their default, or proving that they are not liable.
- The process set out in the agreement for contacting individuals and validating information offers greater protection to individuals’ privacy than the requirements for adverse actions under section 96Q.

4. Will the benefits of sharing personal information under the agreement be likely to outweigh the financial and other costs of sharing it?

Given the low projected cost of operation, I agree with IR’s analysis that the information sharing is likely to achieve a positive direct financial return. The projections about the financial benefits from sharing contact information are broadly supported by the levels of debt recovered during the IR pilot exercise.

However, the cost-benefit analysis that was provided to me fails to take into account the fact that at least a proportion of student loan debtors will eventually return to compliance of their own accord. I believe a marginal benefit calculation would result in a more accurate - and lower - projection of the direct financial benefit of this aspect of the sharing programme.

In addition to the direct financial benefit, I also accept that there is significant intangible value in removing the perception that student loan and child support payment obligations can be avoided by leaving New Zealand, and that the total scale of debt involved justifies taking measures of this nature.

5. Are there any potential conflicts or inconsistencies between the sharing of personal information under the agreement and any other enactment, and have they been appropriately addressed?

I am not aware of any conflicting enactment that will impact on this proposal. I understand that IR has performed this check and it believes there are no issues.

6. Other issues

Consultation

I am satisfied that IR has undertaken adequate consultation in preparing this agreement. It has identified and consulted with key groups in the relevant sectors, and provided sufficient time for them to respond. The agreement forms part of long-running policy programmes around overseas-based student loan borrowers and child support debtors that have themselves been subject to wider consultation.

I am also satisfied that IR has adequately considered the views of my office, and has taken them into account in its decision-making.

Reporting

At this stage, I have yet to specify reporting requirements for the agreement. Discussions are still underway with IR on what reporting is required. Also, the regulations under the Privacy Act that would set out the potential categories for reporting have yet to be passed. However, I am confident that an appropriate reporting regime can be put in place.