



Privacy Commissioner
Te Mana Matapono Matatapu

Review of statutory authorities for information matching

Report by the Privacy Commissioner to the Minister of Justice pursuant to section 106 of the Privacy Act 1993 in relation to a review of the operation of authorised information matching programmes:

- Customs/IR Child Support Alerts
- Customs/IR Student Loan Interest
- MSD/IR Working For Families Tax Credits Administration
- Customs/MBIE Motor Vehicle Traders Imports
- NZTA/MBIE Motor Vehicle Traders Sellers
- BDM/NZTA Deceased Driver Licence Holders

August 2014

Contents

1. **Executive Summary**
2. **Customs/IR Child Support Alerts Programme**
(Customs and Excise Act 1996, s.280K)
3. **Customs/IR Student Loan Interest Programme**
(Customs and Excise Act 1996, s.280H)
4. **MSD/IR Working For Families Tax Credits Administration Programme**
(Tax Administration Act 1994, s.85G)
5. **Customs/MBIE Motor Vehicle Traders Imports Programme**
(Motor Vehicle Sales Act 2003, ss.120 and 121)
6. **NZTA/MBIE Motor Vehicle Traders Sellers Programme**
(Motor Vehicle Sales Act 2003, ss.122 and 123)
7. **BDM/NZTA Deceased Driver Licence Holders Programme**
(Births, Deaths and Marriages Act 1995, s.78A)
8. **Background: Information matching**

Abbreviations and acronyms

The abbreviations and acronyms used in this report are:

BDM	Births, Deaths and Marriages
Customs	New Zealand Customs Service
IR	Inland Revenue
MBIE	Ministry of Business Innovation and Employment
MSD	Ministry of Social Development
NZTA	New Zealand Transport Agency
ROI	Return on investment

1. Executive Summary

1.1 Section 106 periodic reviews

Section 106 of the Privacy Act 1993 ("the Act") requires the Privacy Commissioner to carry out reviews of operating information matching programmes and to consider whether:

- the authority conferred by each enabling provision should be continued
- any amendments to the enabling provision are necessary or desirable.

In this report I assess the ongoing value and suitability of the following programmes:

- Customs/IR Child Support Alerts
- Customs/IR Student Loan Interest
- MSD/IR Working For Families Tax Credits Administration
- Customs/MBIE Motor Vehicle Traders Imports
- NZTA/MBIE Motor Vehicle Traders Sellers
- BDM/NZTA Deceased Driver Licence Holders

1.2 Customs/IR Child Support Alerts Programme

The programme helps IR to identify parents in serious default of their child support obligations who leave for or return from overseas so that IR can take steps to recover the outstanding debt.

This programme forms part of IR's business as usual operations so there are no specific on-going costs attributed to its operation. I am confident the programme is providing a significant return on investment. There has been an increasing level of repayments made by parents in serious default that are identified as crossing the border. In 2009, 4700 payments totalling \$3m were received, while last year 16,203 payments totalling \$9.2m were received.

I am satisfied that effective controls are in place and the programme has operated compliantly.

I recommend that this programme should continue and I have no suggested amendments to its operation.

1.3 Customs/IR Student Loan Interest Programme

The programme enables IR to detect student loan borrowers who leave for or return from overseas so that IR can administer the student loan scheme and its interest-free conditions.

There are no specific on-going costs attributed to this programme as it forms part of IR's business as usual operations. It is clear that without the operation of the programme many thousands of borrowers would incorrectly receive interest free student loans.

I am satisfied that effective controls are in place and the programme has operated compliantly. The scale of matching raises no particular concerns, and receiving information directly from Customs is the most appropriate and efficient way for IR to collect this information.

I recommend that this programme should continue and I have no suggested amendments to its operation.

1.4 MSD/IR Working For Families Tax Credits Administration Programme

The programme operates to simplify the transition of Working for Families Tax Credits assistance between MSD and IR in order to support people moving into employment.

This programme is an integral part of the larger Working for Families system so there are no specific costs attributed to its operation. Each year, between 17,000 and 22,000 people benefit from uninterrupted Working for Families payments during their transition into employment. There is no apparent alternative process to achieve the same outcome.

IR internal audits have concluded in each year that there were effective controls over the administration of this programme. The amount of information disclosed by MSD to IR is significant but necessary to achieve the outcome for individuals.

I recommend that this programme should continue and I have no suggested amendments to its operation.

1.5 Customs/MBIE Motor Vehicle Traders Imports Programme

The programme assists MBIE to identify people who have imported more than three motor vehicles in a 12 month period and are not registered as motor vehicle traders.

The programme has recently received increased resources allowing it to operate more regularly. Registrations and enforcement action have increased as a result.

The scale of the programme raises no concerns, and it has generally operated compliantly. There is no other systematic way of identifying unregistered traders importing vehicles without access to the Customs information.

I recommend that this programme should continue and I have no suggested amendments to its operation.

1.6 NZTA/MBIE Motor Vehicle Traders Sellers Programme

The programme assists MBIE to identify people who have sold more than six motor vehicles in a 12 month period and are not registered as motor vehicle traders.

The programme has recently received increased resources allowing it to operate more regularly. Registrations and enforcement action have increased as a result.

The scale of the programme raises no concerns, and it has generally operated compliantly. There is no other systematic way of identifying unregistered traders selling vehicles without access to NZTA sales data.

I recommend that this programme should continue and I have no suggested amendments to its operation.

1.7 BDM/NZTA Deceased Driver Licence Holders Programme

The programme helps NZTA to improve the quality and integrity of data held on the Driver Licence Register (DLR) by identifying licence holders who have died.

Without the programme's operation, the data quality of the DLR would diminish to an unacceptable level. The scale of the programme raises no concerns, and it has generally

operated compliantly. There is no other systematic way of identifying the records of deceased drivers without access to DIA death data.

I recommend that this programme should continue and I have no suggested amendments to its operation.

A handwritten signature in black ink, appearing to be 'John Edwards', written over the end of the previous paragraph.

John Edwards
Privacy Commissioner
August 2014

2. Customs/IR Child Support Alerts Programme

2.1 Programme objective

To identify parents in serious default of their child support obligations who leave for or return from overseas so that IR can attempt contact and take steps to recover the outstanding debt.

2.2 Recommendations

I recommend that this programme should continue and I have no suggested amendments to its operation.

2.3 Programme assessment

Assessment summary

This programme forms part of IR's business as usual operations so there are no specific on-going costs attributed to its operation. I am confident the programme is providing a significant return on investment. There has been an increasing level of repayments made by parents in serious default that are identified as crossing the border.

I am satisfied that effective controls are in place and the programme has operated compliantly. The scale of matching raises no particular concerns, and receiving information directly from Customs is the most appropriate and efficient way for IR to collect this information.

Financial cost/benefit and other outcomes

This programme now forms part of IR's business as usual operations so there are no specific on-going costs attributed to its operation.

Since the programme commenced, 2,685 of the 3,465 (77%) parents in serious default identified by this programme as crossing the border have made payments totally \$40.97 million. Payments received during the programme's operation have steadily increased. In the year to 30 June 2009, 4700 payments totalling \$3m were received, while last year 16,203 payments totalling \$9.2m were received.

Compliance/operational difficulties

The programme has been subject to annual internal audits through to 2012 and a letter of assurance process in 2013. For each year of operation IR has reported that effective controls are in place and the programme has operated compliantly.

Scale of matching process

The scale of matching raises no particular concerns. An agreement between the Commissioner of Inland Revenue and the Privacy Commissioner sets the criteria for determining those in serious default of their child support obligations. The criteria set in 2008 were reviewed in 2010 and 2013. The serious default threshold has remained unchanged with the current agreement in force until 28 February 2016.

Alternative methods to achieve results

I believe that receiving information directly from Customs is the most appropriate and efficient way for IR to collect this information. Relying on voluntary disclosure has proven ineffective, and processing manual requests for arrival and departure information under section 17 of the Tax Administration Act 1994 is labour intensive for both Customs and IR.

2.4 Programme history

The programme started in September 2008.

	2008/09	2009/10	2010/11	2011/12	2012/13
Possible matches identified	6,928	6,042	6,264	7,108	10,060
Arrival cards received for liable parents	1,219	1,440	1,080	1,034	1,057
Cards not useable or did not meet matching criteria	22	233	192	108	96
Remaining cards where contact attempted with liable parent	917	860	888	926	961
New contact details updated	394	465	300	413	212
Existing contact details confirmed	332	160	191	228	379
Contact details not useful	191	235	397	285	370

2.5 Programme operation

The programme involves a two-way electronic exchange of information between IR and Customs in near real-time. IR sends the details of individuals in serious default of their child support obligations to Customs for inclusion in either a Person of Interest (POI) list or an Alert (ALS) list.

Customs supplies POI information to IR where there is an exact match result between information on the POI list and information generated when an individual passes through Customs. POI information is automatically added into IR's administrative records for further action by Child Support Officers.

When an ALS list alert occurs, Customs supplies IR the same information as in the POI process but as the match result is less certain, the information is verified before being added into IR's database. In addition to the electronic information, Customs send a copy of the front side of the individual's arrival card.

Action taken as a result of the information received from Customs is governed by IR policy.

2.6 Programme authorisation

The programme was authorised on 19 December 2007 by the Taxation (Business Taxation and Remedial Matters) Act. Section 263 of the amending Act inserted new section 280K into the Customs and Excise Act 1996.

3. Customs/IR Student Loan Interest Programme

3.1 Programme objective

To detect student loan borrowers who leave for or return from overseas so that IR can administer the student loan scheme and its interest-free conditions.

3.2 Recommendations

I recommend that this programme should continue and I have no suggested amendments to its operation.

3.3 Programme assessment

Assessment summary

There are no specific on-going costs attributed to this programme as it forms part of IR's business as usual operations. Without the use of this programme many thousands of borrowers who do not meet the criteria for receiving interest free student loans would incorrectly benefit from the policy.

I am satisfied that effective controls are in place and the programme has operated compliantly. The scale of matching raises no particular concerns, and receiving information directly from Customs is the most appropriate and efficient way for IR to collect this information.

Financial cost/benefit and other outcomes

There are no specific on-going costs attributed to this programme as it forms part of IR's business as usual operations. A full history of interest write-offs is not available. But the sum of \$36m of loan interest for 2012 and 2013 that would have been incorrectly written off is significant. Also significant is the \$96m of write-offs reversed as a result of a one-off correction that covered the 1999 to 2006 period.

Compliance/operational difficulties

The programme has been subject to annual internal audits through to 2012 and a letter of assurance process in 2013. For each year of operation IR has reported that effective controls are in place and the programme has operated compliantly.

Scale of matching process

The scale of matching raises no particular concerns. While the records of all student loan borrowers with balances over \$20 are required to be held on Customs system to monitor their travel movements, the information Customs holds about each borrower is limited to their name, date of birth and IRD number.

Alternative methods to achieve results

I believe that receiving information directly from Customs is the most appropriate and efficient way for IR to collect this information. Relying on voluntary disclosure has proven ineffective, and processing manual requests for arrival and departure information is labour intensive for both Customs and IR.

3.4 Programme history

The following table shows the number of borrowers and value of student loan interest that would have been incorrectly written off had this programme not been in place.

Tax Year	Number of borrowers	Value of incorrect write-off without programme operation
2009	11,973	Figure not available
2010	9,649	Figure not available
2011	13,174	Figure not available
2012	15,804	\$26 million
2013	15,934	\$10 million

The policy to make student loans interest free for borrowers living in New Zealand commenced from 1 April 2006. The programme started with a match to determine which students were in New Zealand or overseas as at 1 April 2006, with an on-going matching process to track subsequent border crossings from that date.

Historical match run

In 2007 IR ran a special one-off match to remedy incorrectly applied interest write-offs to non resident borrowers between 1999 and 2006. Resident borrowers were required to file a tax return or respond to a Personal Tax Summary in order to receive the interest write-off. However IR did not apply this rule and gave write-offs to all borrowers showing as resident in their records (many borrowers had travelled overseas without telling IR). The historic match run identified those borrowers who did not meet residency conditions for the interest write-offs that were applied. IR reversed write-offs totalling \$96m relating to 29,846 borrowers.

Aside from some initial issues with the accuracy of reported figures about the number of borrower records processed we have reported that the programme has operated compliantly.

3.5 Programme operation

The programme involves a two-way electronic exchange of information between IR and Customs in near real-time. IR provides Customs with the full name, date of birth, and IRD number for student loan borrowers for storage in a Person of Interest (POI) list. The matching process involves a character-by-character comparison of the family name, given names, and date of birth.

Customs supplies information to IR where there is an exact match between information on the POI list and passenger movement information generated when an individual passes through Customs. For matched individuals, Customs supplies IR with the date, time and direction of travel (arrival or departure).

On receipt of the travel movement information IR starts counting the number of days that the borrower remains in or out of New Zealand. IR issues a notice of adverse action (s.103 notice) at approximately 140 days, advising the borrower that if they remain in or out of New Zealand (as the case may be) their eligibility for an interest-free loan may change.

3.6 Programme authorisation

The programme was authorised on 27 March 2007 by the Student Loan Scheme Amendment Act 2007. Sections 33 and 41 of the amending Act respectively inserted new section 62A into the Student Loan Scheme Act 1992 (now Student Loan Scheme Act 2011, s.208), and new section 280H into the Customs and Excise Act 1996.

4. MSD/IR Working For Families Tax Credits Administration Programme

4.1 Programme objective

To simplify the transition of Working for Families Tax Credits (FTC) payments between MSD and IR in order to support people moving into employment.

4.2 Recommendations

I recommend that this programme should continue and I have no suggested amendments to its operation.

4.3 Programme assessment

Assessment summary

This programme is an integral part of the larger Working for Families system so there are no specific costs attributed to its operation. Each year, between 17,000 and 22,000 people benefit from uninterrupted FTC payments during their transition into employment.

IR internal audits have concluded in each year that effective controls over the administration of this programme are in place. The amount of information disclosed by MSD to IR is necessary to deliver uninterrupted FTC payments to individuals. There is no apparent alternative process to achieve the same outcome.

Financial cost/benefit and other outcomes

This programme is an integral part of the larger Working for Families system so there are no specific costs attributed to its operation. The programme's operation ensures that there is no gap in FTC payments. For some people this is an important payment to help cover family expenses during the period between receiving a last benefit payment and first payment from employment. Each year, between 17,000 and 22,000 people have benefited from continued FTC payments during their transition into employment.

Compliance/operational difficulties

For each year of operation IR has reported that effective controls are in place and the programme has operated compliantly. However a separate audit of the online transfer system in 2009 revealed security access to the exchange file was set to read-write rather than read-only access, providing an opportunity for fraudulent activity. No evidence of any fraud was found and the fault was promptly remedied.

Scale of matching process

The amount of information disclosed by MSD to IR is necessary in order for IR to correctly assess and calculate the right amount of family assistance payable. The number of transactions is determined by how many individuals move from benefit into paid employment.

Alternative methods to achieve results

There is no apparent alternative process to achieve the outcome of uninterrupted FTC payments as individuals move from benefit assistance into paid employment. IR considers the timing of the payment critical for individuals to meet expenses associated with starting a new job. Manual application processes are considered too slow and inefficient.

4.4 Programme history

The following table shows the number of FTC recipients who had their FTC assistance transferred from MSD to IR to support their transition into employment.

Tax Year	Number of recipients
2009	22,385
2010	20,576
2011	18,958
2012	17,593
2013	17,069

IR has been successfully reporting on the operation of this programme using the process audit approach developed by this Office.

4.5 Programme operation

Each week, MSD sends IR details of clients with children in their care who have had their benefit granted, resumed, cancelled or suspended because of a cessation or commencement of employment.

IR compares the MSD information with tax information it holds and for successful matches it updates the tax record and starts, stops, or changes the amount of family assistance paid to the individual.

To enable FTC payments to be stopped or started without delay, the Privacy Act allows IR to immediately cease or commence a tax credit payment without first sending the individual a notice of adverse action. However, IR must give notice to the individual immediately after a suspension, providing the individual an opportunity to challenge the action.

4.6 Programme authorisation

The programme was authorised on 1 April 2005 by the Taxation (Working for Families) Act 2004. Section 27(1) of the amending act inserted new section 85G into the Tax Administration Act 1994.

5. Customs/MBIE Motor Vehicle Traders Imports Programme

5.1 Programme objective

To identify and contact individuals who have imported more than three motor vehicles in a 12 month period and are not registered as motor vehicle traders, and take action if there is a strong case for prosecution.

5.2 Recommendations

I recommend that this programme should continue and I have no suggested amendments to its operation.

5.3 Programme assessment

Assessment summary

The programme has recently received increased resources allowing it to operate more regularly. Registrations and enforcement action have increased as a result.

The scale of the programme raises no concerns, and it has generally operated compliantly. There is no other systematic way of identifying unregistered traders importing vehicles without access to the Customs information.

Financial cost/benefit and other outcomes

The primary benefit of this programme is one of consumer protection by ensuring that individuals importing vehicles as a business for resale are registered or face criminal charges. Registered dealers must comply with the requirements of the Motor Vehicle Sales Act 2003. Prior to the current regime, MBIE estimates that 70% of motor vehicle sales occurred outside the licencing system.

Since 2012, this programme has been resourced to operate regularly. As a result both registrations and enforcement action have increased. The cost of operating this programme is funded through payments received from individuals applying to register or renew their registration as motor vehicle traders.

Compliance/operational difficulties

In 2009 an audit revealed that return transfers of information to Customs were unsecured because a security feature was not properly enabled. The problem was remedied and no data breach occurred.

In 2012/13 we asked MBIE to provide additional details about how it manages match information in order to comply with destruction rules. We found that MBIE was not compliant with those rules. In January 2014 MBIE provided an assurance that it had modified its procedures and each of the destruction criteria was now being complied with.

Scale of matching process

The scale of matching raises no particular concerns. The volume of records is low, and the amount of information about each individual or entity is limited to that necessary for MBIE to carry out the programme's objectives.

Alternative methods to achieve results

I believe that receiving information directly from Customs is the most appropriate and efficient way for MBIE to collect information about motor vehicle imports. MBIE can obtain information through complaints, but the public are unlikely to be aware of the number of vehicles being imported by an unregistered trader. A second option is to use a team of inspectors to visit

people suspected of acting as motor vehicle traders. This option would be resource intensive and difficult to implement without access to Customs data.

4 Programme history

	2006/07	2007/08	2008/09	2009/10	2011/12	2012/13
Match runs	2	10	4	3	4	12
Entities received for matching	4,145	1,593	249	259	1,371	3,964
Entities of interest identified	612	826	64	87	15	286
Notices of adverse action sent	510	686	96	122	17	415
Registrations as a result of notices of adverse action	35	28	6	3	4	28
Entities referred to the National Enforcement Unit	45	13	0	2	0	9

The programme first operated in 2004/05. The 2012/13 year was the first time that MBIE has completed a full year of matching. Previously, competing resource issues impeded its ability to consistently operate the programme.

5.5 Programme operation

Each month, Customs sends MBIE a file of all individuals or entities that have imported more than three motor vehicles within the previous 12 months. The Customs information includes name, address and contact information of the importer, and details of the vehicles imported.

MBIE manually matches the Customs data against the Motor Vehicle Traders Register to identify the status (registered or unregistered) of each person or entity. Unregistered individuals are sent a notice of adverse action. If no response is received, or no new registration occurs, a second notice is sent advising that the matter may be referred to the Registrar's National Enforcement Unit for prosecution.

5.6 Programme authorisation

The programme was authorised on 15 December 2003 by section 120 and 121 of the Motor Vehicle Sales Act 2003.

6. NZTA/MBIE Motor Vehicle Traders Sellers Programme

6.1 Programme objective

To identify and contact people who have sold more than six motor vehicles in a 12-month period and are not registered as motor vehicle traders, and take action if there is a strong case for prosecution.

6.2 Recommendations

I recommend that this programme should continue and I have no suggested amendments to its operation.

6.3 Programme assessment

Assessment summary

Since 2012, the programme has been resourced to operate regularly. As a result both registrations and enforcement action have increased significantly. The scale of the programme raises no concerns, and it has generally operated compliantly. There is no other systematic way of identifying unregistered traders selling vehicles without access to NZTA sales data.

Financial cost/benefit and other outcomes

The primary benefit of this programme is one of consumer protection against dishonest practices by ensuring that individuals acting as motor vehicle traders are registered. Registered dealers must comply with the requirements of the Motor Vehicle Sales Act 2003, and where individuals are not appropriately registered, enforcement action can be carried out.

The cost of operating this programme is funded through payments received from individuals applying to register or renew their registration as motor vehicle traders. Since 2012, the programme has been resourced to operate regularly. As a result both registrations and enforcement action have increased significantly.

Compliance/operational difficulties

In 2012/13 we asked MBIE to provide additional details about how it manages match information in order to comply with destruction rules. We found that MBIE was not compliant with those rules. In January 2014 MBIE provided an assurance that it had modified its procedures and each of the destruction criteria was now being complied with.

Scale of matching process

The scale of matching raises no particular concerns. The volume of records is modest, and the amount of information about each individual or entity is limited to that necessary for MBIE to carry out the programme's objectives.

Alternative methods to achieve results

I believe that receiving information directly from NZTA is the most appropriate and efficient way for MBIE to collect information about motor vehicle sales. MBIE can obtain some information through complaints processes, but the public are unlikely to be aware of the number of vehicles being sold by an unregistered trader. A second option is to use a team of inspectors to visit people suspected of acting as motor vehicle traders. This option would be resource intensive and difficult to implement without access to NZTA data.

6.4 Programme history

	2008/09	2009/10	2011/12	2012/13
Match runs	4	3	2	11
Records received for matching	1,647	1,603	4,808	27,837
Individuals or entities of interest identified	600	973	139	585
Notices of adverse action sent (figures include second letters)	684	422	139	980
Registrations as a result of notices of adverse action	77	5	22	54
Not registered because primary purpose not financial gain	393	252	31	104
Entities referred to the National Enforcement Unit	0	0	0	167

The 2012/13 year was the first time that MBIE has completed a near full year of matching. In common with the Customs/MBIE Motor Vehicle Traders Imports Programme, competing resource issues previously impeded its ability to consistently operate the programme.

6.5 Programme operation

Each month, NZTA sends MBIE a file containing the full name, date of birth and address of all individuals or entities who have sold more than six vehicles in a 12-month period. MBIE compares the NZTA data with its Motor Vehicle Traders Register to identify those that are unregistered.

For those individuals or entities that MBIE believes should register as a trader, MBIE sends the notice requesting registration, or seeks an explanation about why the individual or entity does not need to be registered. Failure to respond to the notice may result in a referral to the Registrar's National Enforcement Unit for possible prosecution under the Motor Vehicle Sales Act.

6.6 Programme authorisation

The programme was authorised on 15 December 2003 by section 122 and 123 of the Motor Vehicle Sales Act 2003.

7. BDM/NZTA Deceased Driver Licence Holders Programme

7.1 Programme objective

To improve the quality and integrity of data held on the Driver Licence Register (DLR) by identifying licence holders who have died.

7.2 Recommendations

I recommend that this programme should continue and I have no suggested amendments to its operation.

7.3 Programme assessment

Assessment summary

The programme has enabled NZTA to make significant gains in data quality through the identification and timely updating of DLR records relating to recently deceased drivers. The scale of the programme raises no concerns, and it has generally operated compliantly. There is no other systematic way of identifying the records of deceased drivers without access to DIA death data.

Financial cost/benefit and other outcomes

The primary benefit of this programme is the significant improvement in data quality of the DLR. The improved data quality reduces the risk of someone committing identity fraud by obtaining a driver licence using a deceased person's identity. The programme also enables prompt cancellation of licence records, removing the risk of sending distressing licence renewal notices to next of kin after the licence holder's death.

The annual cost of postage and stationery for this programme is approximately \$8000, along with a similar annual cost for the supply of data from DIA. The programme is operated using existing staff capacity.

Compliance/operational difficulties

One processing error and one issue of non compliance with destruction rules have occurred during the review period.

While manually processing the records of a historical match run involving 600,000 death records, NZTA staff failed to check 421 partially matched records prior to letters being sent out. Of the 421 letters sent, NZTA received responses from 23 people who advised that they were not deceased. NZTA decided not to cancel any of the 421 driver licence records. New automated processes ensure this problem should not recur.

As part of a review of how I assess each operating programme, I asked NZTA to explain how it complies with the destruction rules in the Act. NZTA found that it was not deleting the death information once it had been used, so was not complying with section 101(4) of the Act. NZTA subsequently deleted the retained information and has modified its ongoing business practices to comply with the destruction rules.

Scale of matching process

The scale of matching raises no particular concerns. The exchange of data is limited to the information necessary for NZTA to identify and cancel the records of recently deceased driver licence holders.

Alternative methods to achieve results

I believe that receiving information directly from DIA is the most appropriate and efficient way for NZTA to collect this information. Prior to the programme operating, NZTA received deaths information via ad-hoc communications from executors of estates, the Police, or next of kin. On average NZTA estimated that only 15% of deaths were recorded on the DLR using these ad-hoc methods.

7.4 Programme history

Historic match run

The historic match run involved death records for the period 1 January 1987 to 30 September 2008.

Match runs	1
Records received	600,023
Possible matches identified	236,501
Notices of adverse action	53,680
Driver licence records cancelled	216,582

Regular match runs

	2008/09	2009/10	2010/11	2011/12	2012/13
Match runs	19	26	26	26	26
Records received	20,073	28,787	29,460	29,772	30,256
Possible matches identified	11,238	18,306	18,588	19,300	19,846
Notices of adverse action	8,156	12,319	11,614	11,826	12,048
Courtesy letters sent	2,398	3,669	5,082	5,430	5,883
Driver licence records cancelled	10,559	16,268	17,147	16,641	18,489

7.5 Programme operation

Each fortnight, NZTA accesses the DIA Agency Pick-up Service to receive details about newly deceased individuals. The death details include full name (current and at birth), gender, date and place of birth, date of death, home address, and a Death Registration Number.

The death details are matched against a copy of the DLR information held in the NZTA Driver Licence Data Warehouse. The matching process uses the first name(s), middle name(s), surname, date of birth and gender.

Where NZTA intends to cancel a driver licence that is current or has expired within the last two years it sends a notice of adverse action. For all other cases, NZTA sends a courtesy letter advising the estate that the licence record is being cancelled.

7.6 Programme authorisation

The programme was authorised on 27 September 2001 by the Births, Deaths, and Marriages Registration Amendment Act 2001. Sections 3 and 4 of the amending Act inserted new section 78A and Schedule 1A into the Births, Deaths, Marriages, and Relationships Registration Act 1995.

8. Background: Information matching

8.1 Description of information matching

Information matching involves the comparison of one set of records with another, usually to find records in both sets that belong to the same person. Matching is commonly used to detect fraud in social assistance programmes, or to trace people who owe debts to the Crown.

Oversight of this area of activity is important to safeguard individuals and maintain transparency and trust in government. The Privacy Act regulates information matching through controls directed at:

- authorisation - ensuring only programmes clearly justified in the public interest are approved
- operation - ensuring that programmes operate within the information matching framework
- evaluation - subjecting programmes to periodic review.

8.2 Periodic review of information matching programmes

Section 106 of the Privacy Act requires the Commissioner to perform a periodic review of the operation of every information matching provision and to consider whether:

- the authority conferred by each provision should be continued
- any amendments to the provision are necessary or desirable.

A periodic review is necessary to assess the continuing value and suitability of a programme, taking into account the experience of the programme operating. A programme may lose effectiveness over time if 'hit rates' have peaked or the wider context has changed.

To conduct this review, we have referred to the information matching guidelines set out in section 98 of the Privacy Act. In particular we focus on whether each programme:

- continues to achieve its objective by providing significant monetary benefits or other comparable benefits to society
- raises concern because of the scale of matching (for example, because of the number of agencies involved, the frequency of matching, or the amount of personal information being disclosed)
- complies with the information matching rules in the Privacy Act.