

31 July 2015

Hon Amy Adams
Minister of Justice
Parliament Buildings
WELLINGTON

Dear Minister

FOUR MONTHLY REPORT OF THE PRIVACY COMMISSIONER FOR THE PERIOD 1 MARCH 2015 TO 30 JUNE 2015

Introduction

The process of transformation and modernisation of the Office that I commenced on my appointment is continuing apace. Key progress from the reporting period includes:

- Bringing a more clear “service” orientation to our demand driven policy work. In particular we are assisting Government agencies to safely meet Ministers’ expectations in respect of collaborative working, and information sharing.
- Increased investment in online tools to assist business and government to understand and comply with their legal obligations in an efficient manner, including online training programmes, and a privacy statement generator (Priv-O-Matic).
- Launching a policy initiative to gauge support for the office playing a role in facilitating transparency reporting.
- Improving public confidence in the oversight of security and intelligence agencies.
- Providing more prompt and effective redress for complainants and dramatically reducing (to single figures) the number of complaint files that have been open for 6 months.

Complaints and investigations

Demand for our 0800 Enquiries line remains strong and in line with projected workloads. We moved to increase the channels through which the public can communicate with us, including deploying a secure on-line complaints form which the public have begun to use. We received 26 data breach notifications, a slight decrease in previous reporting. We implemented new processes to reduce the age of complaints and an increasing number of complaints are resolved by settlement. For the year ended 30 June we had processed 813 complaints.

Policy

We provided advice to government agencies on a varied range of policy initiatives over the reporting period, including:

- Review of the Customs and Excise Act;
- Review of the Health and Safety in Employment Act;
- Reforms of the operation of Courts and Tribunals;
- Te Ture Whenua Māori Land Register;
- Social Housing and the proposed Tenancy Bonds Replacement System;
- Trans-Tasman Arrangement for information sharing to support recovery of Student Loan debt (IRD);
- Options to share birth and death information with domestic agencies, and with Registrars in Australia and other jurisdictions in the Pacific.
- Law Commission's Reviews of National Security Information in Proceedings and the Extradition Act and Mutual Assistance in Criminal Matters Act.

We made submissions to Select Committees including:

- Commerce Committee on the New Zealand Business Number (NZBN) Bill;
- Law and Order Committee on the Organised Crime and Anti-corruption Bill;
- Law and Order Committee on Petition of Hilary Kieft and 6 others.

We had discussions with a number of government agencies considering using the AISA mechanism to support new policy initiatives including, for example, justice sector agencies (the Ministry of Justice, Corrections and Police) to address concerns arising recently in relation to their identity records.

A significant focus was our work to support the development and implementation of an AISA to support the Hamilton inter-agency children's action plan by 30 June 2015. The Privacy (Information Sharing Agreement for Improving Public Services for Vulnerable Children) Order 2015 received Royal Assent on 29 June. The agreement authorises the sharing of personal information to enable public and private sector agencies working with vulnerable children and their families to identify families and children in need of assistance and determine appropriate referrals to address those needs. It also provides for monitoring outcomes for vulnerable children and their families, including sharing information for the purpose of the professional supervision of service providers. We are now working with the Ministry of Social Development to agree the terms of reporting needed to implement the agreement.

In June we hosted a quarterly meeting of the Intelligence & Security Oversight Group (OPC, IGIS, Ombudsman and Auditor-General), met with the independent reviewers of intelligence and security, and provided input to assist with the privacy section of the Ministry of Justice prepare New Zealand's Sixth Periodic Report under the International Covenant on Civil and Political Rights.

There has also been an increase in the number of private sector agencies proactively contacting us for guidance to assist in the development of their policies and processes. In response, we developed and released Priv-o-matic: our new open-source privacy statement generator.

Education and communications

Our new online learning modules Privacy 101 and Health 101 are being well received and the two modules have over 2,000 registrations. We have just released our latest module on Approved Information Sharing Agreements (AISAs).

Our Privacy Impact Assessment (PIA) Handbook has very recently been released on our website. We have worked to provide up to date and practical guidance in a format that business and government agencies can readily adopt. The two-part structure supports this. The first part helps an agency to decide if a PIA is necessary. The second part steps them through the process of doing one. The Handbook contains several templates that agencies can use as the basis for their own PIAs.

May was a busy month of privacy activities. Along with our colleagues across the Asia-Pacific, we marked Privacy Week at the beginning May with a series of privacy videos and vines; a privacy-themed art exhibition and a number of topical seminars including on drones and the internet of things. The successful Identity conference, held at Te Papa later in the month, had wide ranging New Zealand and international keynote speakers and received very favourable feedback.

We received 272 media enquiries in the 2014/15 year.

International

The office was represented by senior staff at two international meetings of data protection authorities held in our region; the 57th International Working Group on Data Protection in Telecommunications (IWGDPT) in Korea in April and the 43rd Asia Pacific Privacy Authorities (APPA) Forum in Hong Kong in June.

At the IWGDPT we presented a paper, with input from Canada, on 'Promoting accountability when governments access personal data held by companies' which was formally adopted as a, [IWGDPT working paper](#). This initiative is a foundation part of ongoing work on transparency reporting which is intended to promote accountability and public trust.

The Commissioner undertook international speaking engagements at major international conferences in Berlin, Germany, and Singapore during April which were able to be combined into a single trip. Conference organisers met the bulk of the travel and associated costs. The value of these events was enhanced by the opportunity provided to hold bilateral meetings with commissioners and other contacts in Paris, Brussels, Berlin and Singapore. In Brussels the Commissioner met with MFAT and European Commission officials.

The Office continues to provide a Secretariat to the International Conference of Data Protection and Privacy Commissioners which is the primary forum at international level for privacy and data protection authorities. This role is from New Zealand's current status as Chair of the Conference which is expected to continue into 2016. The office has built a [website](#) for the Conference and has been busy in the build up to the annual meeting in Amsterdam in October.

In the APEC Data Privacy Subgroup, the Office has been leading work in updating the APEC Privacy Framework with the expectation that a new version of the Framework will be endorsed in August.

Financials

The financials show a higher than budgeted surplus for the year ending 30 June 2015. Additional funds were allocated in the budget to meet the expected increased capacity needs to meet the expected influx of information sharing agreements and the law reform process. Due to factors outside our control, this work has not progressed as expected and we have not established the expected new positions at this time. Additional funding provided for that purpose was for year one of the changes. The surplus, attributable to reduced personnel expenditure, is carried forward to enable us to meet the demand expected in the next financial year. With our baseline funding reducing in 2015/16, the funds will need to be available to meet these capacity demands within the lower baseline.

Attachments

I have attached more detailed financial and performance reports for your information. The financials and performance reports are provisional and subject to a formal audit. They may vary from those finally reported in the Annual Report.

Please advise if you would like any further information on the matters referred to above, or if you would like more detail as a matter of course.

Yours sincerely

A handwritten signature in black ink, appearing to be 'John Edwards', written over a white background.

John Edwards
Privacy Commissioner

Encl: Appendix A: Financials for period ending 30 June 2015
Appendix B: Performance against Statements of Service Performance - Year to Date

Appendix A : Financials for period ending 30 June 2015

**Statement of Comprehensive Income
For the 12 Months to 30 June 2015**

Prev. Year YTD Actual \$000		June 2015 YTD Actual \$000	June 2015 YTD Budget \$000	YTD Var \$000	YTD Var %	Year-End SOI Forecast \$000
	Revenue					
3,584	Revenue from Crown	5,376	5,171	205	3	5,171
297	Other Income	68	261	(192)	-383	261
32	Interest	67	40	27	67	40
3,913	Total revenue	5,511	5,472	40	0	5,472
	Expenditure					
111	Marketing	113	156	(23)	-38	156
27	Audit Fees	28	25	3	12	25
100	Depreciation	143	170	(27)	-18	170
352	Rental	383	413	(30)	-7	413
541	Operating	655	551	54	18	551
2,908	Staff Costs	3,537	4,124	(587)	-16	4,124
3,949	Total expenditure	4,859	5,439	(580)	-11	5,439
(36)	Net surplus / (deficit)	652	33	619		33

**Statement of Financial Position
As at 30 June 2015**

	June 2015	June 2015	YTD	Year-End
	Actual	Budget	Var	SOI
	\$000	\$000	\$000	Forecast
				\$000
ASSETS				
Current Assets				
Cash & Cash Equivalent	1,052	894	158	894
Debtors and Other Receivables	172	-19	191	(19)
Inventory	21	11	10	11
Prepayments	17	16	1	16
Total Current Assets	1,263	991	272	901
Current Liabilities				
Creditors and other payables	217	283	(66)	283
Employee Entitlements	138	122	16	122
Total Current Liabilities	356	405	(49)	405
Working Capital	907	496	411	496
Non-Current Assets				
Property, Plant and Equipment	555	-	555	-
Intangible Assets	37	-	37	-
Total Non-Current Assets	592	293	299	293
Non-Current Liabilities				
Lease incentive	91	-	91	-
Non-Current Liabilities				
Total Non-Current Liabilities	91	-	91	-
Net Assets	1,408	789	619	789
Public Equity				
Opening Balance	756	756	-	756
Accumulated Surplus	652	33	619	33
Total Public Equity	1,408	789	619	789

Statement of Cash Flows
As at 30 June 2015

	June 2015	June 2015	Year-End SOI
	Actual	Budget	Forecast
	\$000	\$000	\$000
Cash Flows from Operating Activities			
<i>Cash was Provided from:</i>			
Government Grant	5,376	5,171	5,171
Other Income	69	261	261
Interest	67	40	40
	5,512	5,472	5,472
<i>Cash was Applied to:</i>			
Payments to Suppliers	1,145	1,719	1,719
Payments to Employees	3,520	3,550	3,550
Payments of GST	70	(3)	(3)
	4,735	5,266	5,266
Net Cash Flow applied to Operating Activities	777	206	206
Cash Flows from Investment Activities			
Cash was applied to			
Purchase of Fixed Assets	522	110	110
<i>Net Cash flows applied to Investing Activities</i>	(522)	(110)	(110)
Cash was Provided from:			
Sale of Fixed Assets	-	-	-
Net Cash Flow from Investment Activities	-	-	-
Net Increase/(Decrease) in Cash Held	254	96	96
Cash brought forward	798	798	798
Closing cash carried forward	1,052	894	894
Cash made up of:			
Cash on hand	450		
National Bank - Cheque	85	94	94
National Bank - Deposit	967	800	800
	1,052	894	894

Appendix B : Performance against Statements of Service Performance – Year to 30 June 2015

Output 1 - Guidance, education and awareness

Measure	Achieved As at 30 Jun	Expectation As at 30 Jun (As per the SPE)
Guidance, education and awareness: Quantity		
Education workshops delivered	26	35
Presentations at conferences / seminars	86	35
Public enquiries received and answered	8,314	7,000
Media enquiries received and answered	271	250
Guidance, education and awareness: Quality		
Evaluations show that at least of 90% of respondents are satisfied with the overall effectiveness of the workshops they attended	97%	90%
Website contains up-to-date copies of all privacy codes and commentary, all formal statutory reports of the Privacy Commissioner, all current published guidance from the Privacy Commissioner, and additional resources to support compliance with the Act.	Achieved	Achieved
Guidance materials produced by the Privacy Commissioner meet the 'Plain English Writing Standard.'	An external review is being undertaken. Results will be reported in the Annual Report.	Achieved
Guidance, education and awareness: Timeliness		
Respond to 90% of 0800 line enquiries within one working day	98%	90%
Guidance materials are produced within agreed timelines	Achieved	Achieved

Output 2 - Policy and Research

Measure	Achieved As at 30 Jun	Expectation As at 30 Jun (As per the SPE)
Policy and Research: Quantity		
New policy files opened during the year	121	80
Identifiable progress in international efforts in which we are engaged to enhance cooperation and interoperability between privacy laws across trading partners	Achieved	Achieved
Cross-border enforcement laws and practices in place	Achieved	Achieved
Maintain close working relationship with Ministry of Justice officials on the content and progress of the law reform	Achieved	Achieved
Survey of recipients of policy advice indicate that at least 70% are satisfied with the service they received from the Privacy Commissioner	To be measured through annual survey – results due next month.	Achieved
Our participation in the law reform process is valued by stakeholders	To be measured through annual survey – results due next month.	Achieved
Policy and Research: Timeliness		
Advice on proposals provided within agreed timeframes	To be measured through annual survey – results due next month.	90%
Requests for input into law reform is made available within agreed timelines	To be measured through annual survey – results due next month.	90%

Output 3 - Better Public Services

Measure	Achieved As at 30 Jun	Expectation As at 30 Jun (As per the SPE)
Better Public Services: Quantity		
Information matching programmes monitored	56	52
New information sharing or matching programmes assessed	4	10
Toolkit produced for government agencies preparing to implement new information sharing programmes	Achieved	Achieved
Complaints able to be made online through the Privacy Commissioner website	Achieved	Achieved
An active programme of engagement with the Government Chief Privacy Officer (GCPO) to improve the handling of personal information within the public sector	Achieved	Achieved
Better Public Services: Quality		
All statutory obligations to report on information matching met	To be reported later in the year.	100%
60% of recommendations from formal review of information sharing or matching programmes have been acted upon within 30 working days of the date of the review report being received	To be reported later in the year.	60%
A trend of reducing concern about government agencies sharing personal information	Measurement of this is based on an external survey undertaken every two years. Next survey due in 2016.	Achieved
Better Public Services: Timeliness		
Statutory timelines for reporting on information matching met	Achieved	100%
Percentage of responses to requests to review information sharing agreements provided within agreed timeframes	Achieved	90%

Output 4 - Compliance

Measure	Achieved As at 30 Jun	Expectation As at 30 Jun (As per the SPE)
Compliance: Quantity		
Number of complaints received	794	800
Number of current complaints processed to completion or settled or discontinued	813	800
Compliance: Quality		
Complainants' and respondents' satisfaction with the complaints handling process rated as "satisfactory" or better in 80% of responses to a survey of complaints received and closed in the preceding period	56%	80%
Of the complaints processed, 30% are closed by settlement between the parties	Achieved – 44%	Achieved
Amendments to codes of practice meet all statutory requirements	N/a - no amendments made in the current year.	100%
An external review of a sample of complaints investigations rates 70% as 3.5 out of 5 or better on the legal analysis, correctness of the legal conclusions, soundness of the investigative procedure and timeliness of response	To be reported later in the year.	70%
Compliance: Timeliness		
Complaints received are acknowledged within 5 days of receipt	Achieved.	100%
80% of complaints are completed, settled or discontinued within nine months of receipt	86%	85%
Review of the operation of Credit Reporting Privacy Code commenced	Commenced	Achieved