

Approved information
sharing agreement:
supporting the delivery of
public services by Inland
Revenue and the Ministry of
Social Development.

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

September 2017

Executive Summary

This is my report on the approved information sharing agreement (AISA) between Inland Revenue (IR) and the Ministry of Social Development (MSD) approved under Part 9A of the Privacy Act.

The purpose of this AISA is to support public services, namely the accurate and efficient assessment of both tax obligations and entitlement to benefits and subsidies (as defined in the agreement).

The AISA provides the legal framework to enable IR and MSD to replace several existing 'product-centric' agreements (including five Authorised Information Matching Agreements) authorised under various Acts with one approved agreement.

This AISA is an example of an agreement that the Law Commission envisaged would occur when it proposed the AISA framework as its preferred approach to information sharing in its 2011 review of the Privacy Act. Inland Revenue's use of the AISA to deliver public services more efficiently is a positive step in the use of the mechanism.

I am satisfied that the AISA meets the requirements set out in Part 9A of the Privacy Act, and in particular those set out in section 96N. I provided comments to Inland Revenue in the development of this AISA to support the Minister of Revenue's decision-making prior to the approval of this agreement. I am satisfied that during the consultation process my views have been acknowledged and led to significant development of this agreement.

My detailed comments on the agreement are structured under headings that reflect the specific criteria for approved information sharing agreements in Section 96N of the Privacy Act.



John Edwards
Privacy Commissioner

Comments on the agreement

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

The AISA is intended to provide for information sharing between IR and MSD for the purposes of facilitating the accurate and efficient assessment of both tax obligations and entitlements to benefits and subsidies (clause 5). This purpose meets the criteria of supporting the delivery of public services.

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?

Under the AISA, the information that is currently shared between the two agencies under a number of existing arrangements will continue to be shared. The information being shared mainly relates to personal details (for example, name, address or contact details), family circumstances (spouse, children and care arrangements), income details, and unique identifiers (IRD number or social welfare number). Some additional information will be shared to enable the assessment of entitlement to student allowance and housing assistance.

I am satisfied that the type and quantity of personal information to be disclosed under this agreement is reasonably necessary to achieve the policy objective of facilitating the accurate and efficient assessment of both tax obligations and entitlement to benefits and subsidies (as defined in the agreement).

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

I am satisfied that this agreement does not unreasonably impinge on the privacy of individuals and contains adequate safeguards to protect individuals' privacy. For example, the parties are required to:

- ensure information is transferred via secure mechanisms that meet mandated security standards;
- have procedures for the appointment and training of authorised staff so that information is shared appropriately and is only used for the purposes specified in the agreement;
- regularly undertake an audit on the operation of the agreement to check the safeguards are operating as intended, that these remain sufficient to protect the privacy of individuals, and to ascertain whether any issues have arisen in practice that need to be resolved; and
- regularly report on the operation of the agreement.

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

I am satisfied that this agreement will result in positive benefits that outweigh the costs of sharing the information. The individual information matching agreements between IR and MSD to be consolidated under this AISA have been periodically reviewed and found to provide significant monetary savings or other benefits.

The consolidation of the existing agreements under one framework will provide for IR and MSD to share information more efficiently. The AISA will support better administration of jointly administered services such as Working for Families tax credits, child support, and student loans.

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 potential conflicts between the agreement and any other enactment. I note that the Taxation (Annual Rates for 2016–17, Closely Held Companies, and Remedial Matters) Act 2017 has repealed in whole or in part the provisions governing the existing information exchanges between IR and MSD, with effect from 31 August 2017. This legislative amendment facilitates the consolidation of information sharing arrangements between the parties under the proposed AISA by virtue of section 81A of the Tax Administration Act 1994.