

Ministry of Social Development information matching: 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 information matching
authorised by:**

**Accident Compensation Act 2001, section 281
Births, Deaths, Marriages, and Relationships Registration Act 1995, section 78A
Corrections Act 2004, section 180
Customs and Excise Act 2018, section 308
Education Act 1989, section 226A and section 235F
Education Act 1989, section 307D
Social Security Act 2018, schedule 6 clause 13**

September 2019

Contents

1. **Introduction**
 2. **Commissioner's Findings**
 3. **Accident Compensation Act 2001, section 281**
 - 3.1. ACC/MSD Benefit Eligibility Match
 4. **Births, Deaths, Marriages, and Relationships Registration Act 1995, section 78A**
 - 4.1 BDM Deaths/MSD Deceased Persons Match
 - 4.2 BDM Marriages/MSD Married Persons Match
 - 4.3 BDM/MSD Identity Verification Match
 - 4.4 BDM/MSD Overseas-Born Name Change Match
 5. **Corrections Act 2004, section 180**
 - 5.1. Corrections/MSD Prisoners Match
 6. **Customs and Excise Act 2018, section 308**
 - 6.1. Customs/MSD Arrivals and Departures Match
 7. **Education Act 1989, section 226A and section 235F**
 - 7.1. Education Institutions/MSD Loans and Allowances Match
 8. **Education Act 1989, section 307D**
 - 8.1. MoE/MSD Results of Study Match
 9. **Social Security Act 2018, schedule 6 clause 13**
 - 9.1. Justice/MSD Warrants to Arrest Match
- Appendix A. Background information to information matching and section 106**

1. Introduction

The purpose of this report:

In this report I assess, under section 106 of the Privacy Act 1993, the ongoing value and suitability of the seven information matching provisions that the Ministry of Social Development (MSD) uses. These provisions are used to verify eligibility, to trace debtors, and to assist the Ministry of Justice in getting people with outstanding warrants to engage with the justice system.

MSD additionally conducts information matching and sharing for international social welfare reciprocity agreements. I have separately reviewed these provisions.

Section 106 requires me to periodically review those information matching provisions listed in Schedule 3 of the Privacy Act to ensure any intrusion on individuals' privacy remains justified. I report my findings to the Minister of Justice, who must table a copy of my report in the House of Representatives. The requirement for periodic reassessment of information matching arrangements is valuable as the forecast benefits from information sharing between agencies are sometimes not achieved or decline over time for various reasons. Periodic reassessment ensures that the costs of the programme and the intrusion on privacy remains justified by the benefits to individuals or society.

What is information matching?

Agencies specified in section 97 of the Privacy Act conduct information matching when they compare one set of data about individuals with another set. They usually do this to find records in both sets that are about the same person.

For the purposes of the Act, section 97 defines an information matching programme as involving two specified agencies comparing at least two documents that each contain personal information about ten or more individuals, to produce or verify information that may be used for the purpose of taking adverse action (e.g. altering a payment or investigating an offence) against an identifiable individual.

Appendix A provides more detail on information matching, section 106 and the approach I have taken in undertaking this review.

Differences between 'authorised information matching' and 'information sharing'

An alternative mechanism for authorising information sharing was added to the Privacy Act in 2013. This approach allows for the information sharing to be authorised by an Order-in-Council rather than requiring legislation. The agencies agree a "Approved Information Sharing Agreement" which specifies the information to be shared and the processes. The Privacy Commissioner may review the operation of these agreements but is not required to do so on a regular basis. Agencies are tending to replace information matches with Approved Information Sharing Agreements.

2. Commissioner's Findings

My assessments of the ongoing value and suitability of the seven provisions reviewed are:

Accident Compensation Act 2001, s 281

This provision permits MSD to identify individuals whose entitlement may have changed because they are receiving Accident Compensation Corporation (ACC) payments, and to assist MSD in the recovery of outstanding debts.

I consider that the authority conferred by section 281 of the Accident Compensation Act 2001 should be continued without amendment.

Births, Deaths, Marriages, and Relationships Registration Act 1995, s 78A and Schedule 1A

This provision permits the Department of Internal Affairs to disclose birth, marriage, civil union, name change and death information to MSD to verify a person's eligibility or continuing eligibility, and to identify debtors.

I consider that the authority conferred by section 78A and Schedule 1A of the Births, Deaths, Marriages, and Relationships Registration Act should be continued without amendment.

Corrections Act 2004, s 180

This provision permits MSD to detect people who are receiving income support payments while imprisoned, and to assist MSD in the recovery of outstanding debts.

I consider that the authority conferred by section 180 of the Corrections Act 2004 should be continued without amendment.

Customs and Excise Act 2018, s 308

This provision permits MSD to identify current clients who leave for or return from overseas while receiving income support payments, and to assist MSD in the recovery of outstanding debts.

When section 308 was re-drafted from the previous section 280 of the prior 1996 Act, the information flow was changed in the drafting despite there not being any change in the matching activity.

This provision has recently (May 2019) been superseded by an information sharing agreement and should be repealed.

Education Act 1989, s 226A and s 235F

This provision allows MSD Studylink to verify student enrolment information, from public and private educational institutions respectively, to confirm entitlement to allowances and loans.

I consider that the authority conferred by sections 226A and 235F of the Education Act 1989 should be continued without amendment.

Education Act 1989, s 307D

This provision permits MSD to determine eligibility for student loans and/or allowance by verifying students' study results.

I consider that the authority conferred by section 307D Education Act 1989 should be continued without amendment.

Social Security Act 2018 schedule 6, cl 13

This provision enables MSD to suspend or reduce the benefits of people who have an outstanding warrant to arrest for criminal proceedings as an incentive for the individual to resolve the warrant.

I consider that the authority conferred by the Social Security Act 2018 schedule 6 clause 13 should be continued without amendment.

My detailed assessment of the provisions outlined above follows.

Appendix A gives a brief background to information matching, section 106 and the approach I have taken in undertaking this review.

A handwritten signature in blue ink, consisting of a large, stylized 'J' followed by a horizontal line and a short vertical stroke at the end.

John Edwards
Privacy Commissioner
September 2019

3. Accident Compensation Act 2001, s 281

Provision objective

To identify individuals whose MSD entitlement may have changed because they are receiving ACC payments, and to assist MSD in the recovery of outstanding debts.

Finding

I consider that the authority conferred by section 281 of the Accident Compensation Act 2001 should be continued without amendment.

Provision Authorisation

This programme was first authorised in 1991 by the Accident Compensation Amendment Act 1991 s 2. The authorisation was retained in the Accident Rehabilitation and Compensation Insurance Act 1992 s 165, the Accident Insurance Act 1998 s 354 and the Accident Compensation Act 2001 s 281.

3.1. ACC/MSD Benefit Eligibility Match operation

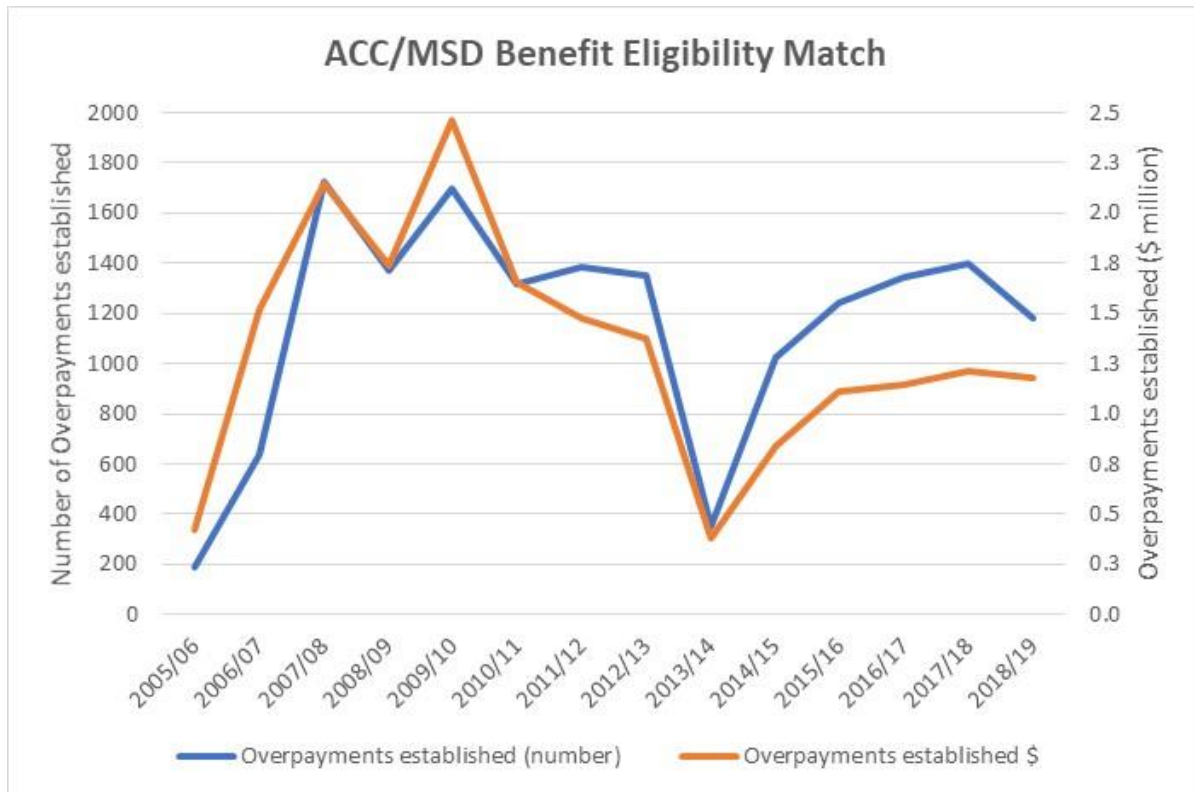
Each week, ACC sends MSD, by encrypted online transfer, details about individuals who have claims where there has been no payment made to the claimant for six weeks, current claims that have continued for two months since the first payment, and current claims that have continued for one year since the first payment. For these people, ACC provides MSD with the full name (including aliases), date of birth, address, IRD number, ACC claimant identifier, payment start/end dates and payment amounts.

MSD compares the ACC information with its client data to identify individuals receiving payments from both agencies. The matching process produces positive matches that are weighted to indicate the probability that an MSD client is the person in the ACC data. Only positive matches are loaded into MSD systems for further processing.

MSD verifies if individuals who were in receipt of payments from both agencies were eligible to receive the MSD payments at all and, if so, at the rate it was paid. Where ACC payments have ceased, MSD verifies the rate of the ongoing benefit entitlement.

MSD commenced operating this match in 2005.

Match results



The drop in 2013/14 reflects re-allocation of MSD matching resources to deal with an information sharing programme with Inland Revenue.

MSD report the value of overpayments established follow a match but this does not mean that all of those amounts will be recovered. Repayments are generally scheduled as small amounts over a long repayment period during which beneficiaries circumstances will generally change resulting in further engagement with MSD. These subsequent contacts will often mean that re-payments (if they continue) cannot continue to be traced in MSD's systems as resulting from this information match.

Over the period the match has been operating 1.7% of the letters sent advising of changes have been successfully challenged.

Additional assistance granted because of this match was not reported to the Commissioner prior to 2013/14 as the focus was on adverse consequences of matching.

Debt recovery notification results

On 30 May 2011, MSD started using information received through this match to assist them in the recovery of outstanding debts. MSD receives debt recovery notifications for all former (non-current) clients who have outstanding benefit debt. The notifications enable MSD to re-establish contact with debtors, or to maintain accurate contact information.

Provision assessment

This provision was previously assessed in the report [Integrity Intervention Matches \(July 2013\)](#)

Financial cost/benefit and other outcomes

MSD are not able to provide an estimate of the costs involved in the programme as the processing is handled alongside other information matching activities.

MSD forecast that the programme would uncover \$3.8 million in annual overpayments for the 2006/2007 financial year. The actual amount identified has fallen short of this, but annual overpayments identified are still significant and typically exceed \$1 million each year.

The programme also identifies some individuals who are not receiving all their entitlements and these cases are also corrected.

Compliance/operational difficulties

There have been no significant compliance issues or operational difficulties with this programme. A minor issue was raised in the audit of this match (and several others operated by MSD) in 2013/14. The audit identified that MSD was removing data from view but leaving the data in their system for up to two and a half years, rather than deleting the data as soon as it was no longer required. We worked with MSD to remedy this issue. Other minor issues were identified and resolved in 2015 when the online transfer system was audited. No issues were identified in a subsequent audit of the online transfer system in 2018.

A search of privacy complaint records did not find any complaints relating to this programme.

Scale of matching

The scale of the match is appropriate. Only two agencies are involved, and the information is limited appropriately to the purpose.

Alternative methods to achieve results

This match was implemented to compensate for clients not always meeting their obligation to inform MSD of changes to their circumstances in a timely manner.

MSD also receive information on ACC payments via the approved information sharing agreement between MSD and Inland Revenue. This agreement replaced the IR/MSD Commencement/Cessation Match, an authorised information match. This information match was, however, processed over a period of one year and so would not detect overpayments (or underpayments) sufficiently promptly.

Amendment to the information matching provision

MSD have no suggestion for amendment to this provision. I am satisfied that the provision is suitably constrained and does not require amendment.

4. Births, Deaths, Marriages, and Relationships Registration Act 1995, s.78A (Schedule 1A – disclosure to MSD of death information)

Provision objective

The objectives of the provision are to verify an individual's eligibility for benefits and to identify debtors.

MSD operates four information matching programmes under this provision with information from the Births, Deaths, and Marriages registers (BDM) maintained by the Department of Internal Affairs.

- BDM Deaths/MSD Deceased Persons Match: to identify current clients who have died so that MSD can stop making payments in a timely manner.
- BDM Marriages/MSD Married Persons Match: to identify current clients who have married so that MSD can update client records and reassess their eligibility for benefits and allowances.
- BDM/MSD Identity Verification Match: to verify eligibility for assistance.
- BDM/MSD Overseas-Born Name Change Match: to verify eligibility for assistance.

Finding

I consider that the authority conferred by section 78A of the Births, Deaths, Marriages, and Relationships Registration Act 1995 should be continued without amendment.

Provision Authorisation

This provision was authorised in 2001 when section 78A was inserted into the Births, Deaths, Marriages, and Relationships Registration Act 1995. The provision was amended in 2009 to include name change information by the Births, Deaths, Marriages, and Relationships Registration Amendment Act 2008.

Provision assessment

This provision was previously assessed in the report [Integrity Intervention Matches \(July 2013\)](#) and, with respect to the BDM/MSD Overseas Born Name Change Match, was also assessed in a report [Review of statutory authorities for information matching \(September 2017\)](#).

Financial cost/benefit and other outcomes

MSD are not able to provide an estimate of the costs involved in operating the four matches.

The benefits from the matches can be categorised as follows.

Benefits of match:	Minimising overpayments	Blocking an opportunity for fraud	Aids clients	Avoids duplicate records
BDM Deaths/MSD Deceased Persons	✓	✓		
BDM Marriages/MSD Married Persons	✓			
BDM/MSD Identity Verification		✓	✓	
BDM/MSD Overseas Born Name Change				✓

Compliance/operational difficulties

There have been no significant compliance issues or operational difficulties with the Deaths, Marriages or Identity Verification matches. A minor issue was raised in the audit of these matches in 2013/14. The audit identified that MSD was removing data from view and leaving the data in their system for up to two- and one-half years, rather than deleting the data as soon as it was no longer required. We worked with MSD to remedy this issue. Other minor issues were identified in audits, required as a condition of the use of online transfers, of the online transfer process used for Deaths and Marriages information. In 2012 the audit found that encryption on DIA's secure 'drop-box' did not meet the required standard. The issue was resolved after DIA upgraded the level of encryption to an acceptable level. In 2018 the audit identified minor improvements, that the agencies agreed to address.

MSD do not currently receive civil union information under the BDM Marriages/MSD Married Persons Match as this would require changes to their systems and processes.

For the BDM/MSD Overseas-Born Name Change Match, no further issues have occurred since those reported upon in the 2017 review. During the first two years of operation, the files received from the Department of Internal Affairs were retained for longer than necessary, although in a way that was not readily accessible. This was not in compliance with the requirement to delete information when it was no longer required. In addition, the letter sent to individuals advising of potential issues identified through the match was not fully compliant with the statutory requirements. MSD resolved these issues in July 2015.

A search of privacy complaint records did not find any complaints relating to these matches.

Scale of matching

The scale of each match is appropriate. In each instance only two agencies are involved, and the information is limited appropriately to the purpose.

Alternative methods to achieve results

For the Deaths, Marriages or Overseas-Born Name Change matches MSD could alternatively rely upon individuals to notify the changes in circumstances, however these matches were instituted to remedy the difficulties that arose when that approach was relied upon. Not all individuals or executors are prompt in notifying changes. This can result in significant overpayments occurring and consequent difficulties when attempting to recover the overpayments.

When people apply for benefits, MSD need to verify that the identity claimed by applicant for benefits is valid and eligible to claim benefits. The BDM/MSD Identity Verification Match makes this process less onerous for the applicant than alternatives, such as producing all the identity documentation, would be.

Amendment to the information matching provision

MSD have no suggestion for amendment to this provision. I am satisfied that the provision is suitably constrained and does not require amendment.

4.1. BDM Deaths/MSD Deceased Persons Match

Match operation

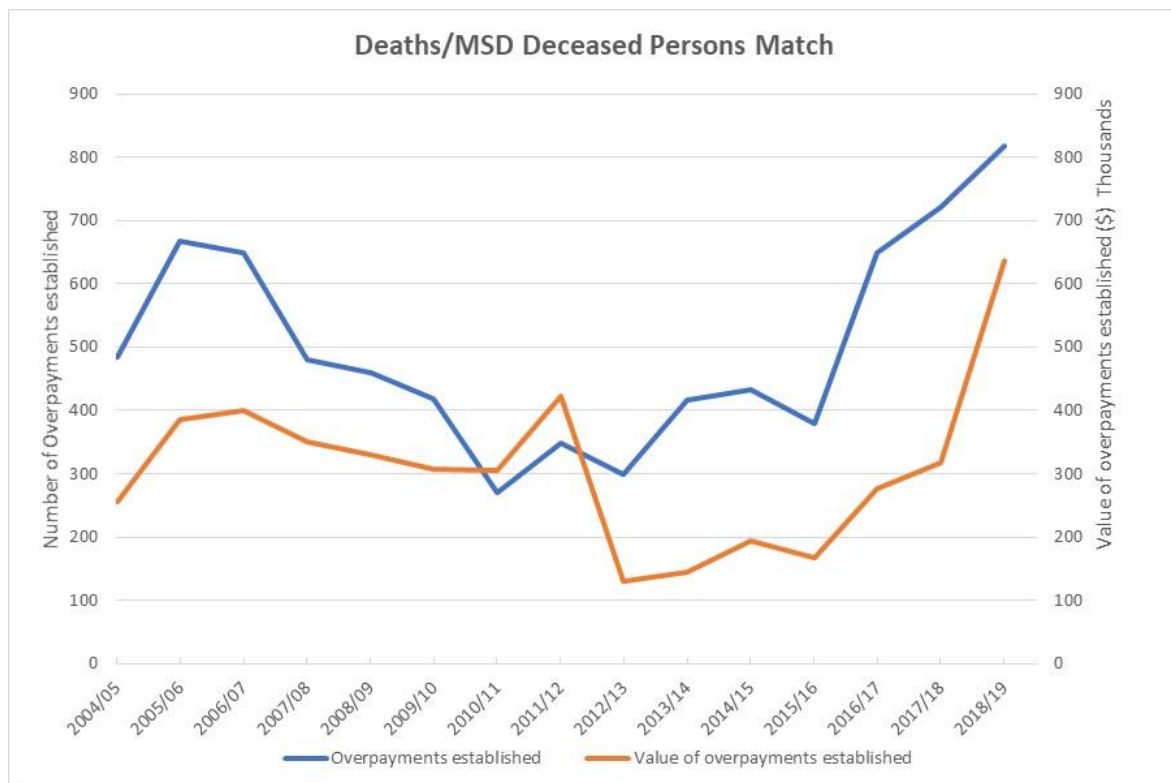
Each week, BDM provides MSD with the details of newly deceased individuals. The death details include full name, gender, date of birth, date of death, home address and spouse's name. To retrieve the BDM file, MSD uses an encrypted connection to access the DIA web server via the Government Logon Service.

The extracted data is matched against current copies of MSD databases containing beneficiary and student records, held in MSD's data warehouse. The information elements used to match the deaths records against the MSD records include surname, first name and date of birth. The matching algorithm produces match results that are weighted on a scale of one to nine (one being an exact match on all matching criteria, and nine being the least exact match) to indicate the probability that an MSD client is the person on the deaths register. The match results are transferred into MSD's data matching case management system, AIMOS.

Specialist data matching officers check the match results before sending a notice of adverse action (section 103 notices) to the estate of each deceased person. Once the section 103 notice period has ended, if no challenge to the details in the notice has been received, the data matching officers contact the relevant areas of MSD to end the services being provided to each deceased person.

MSD commenced operating this match in 2004.

Match results



4.2. BDM Marriages/MSD Married Persons Match

Match operation

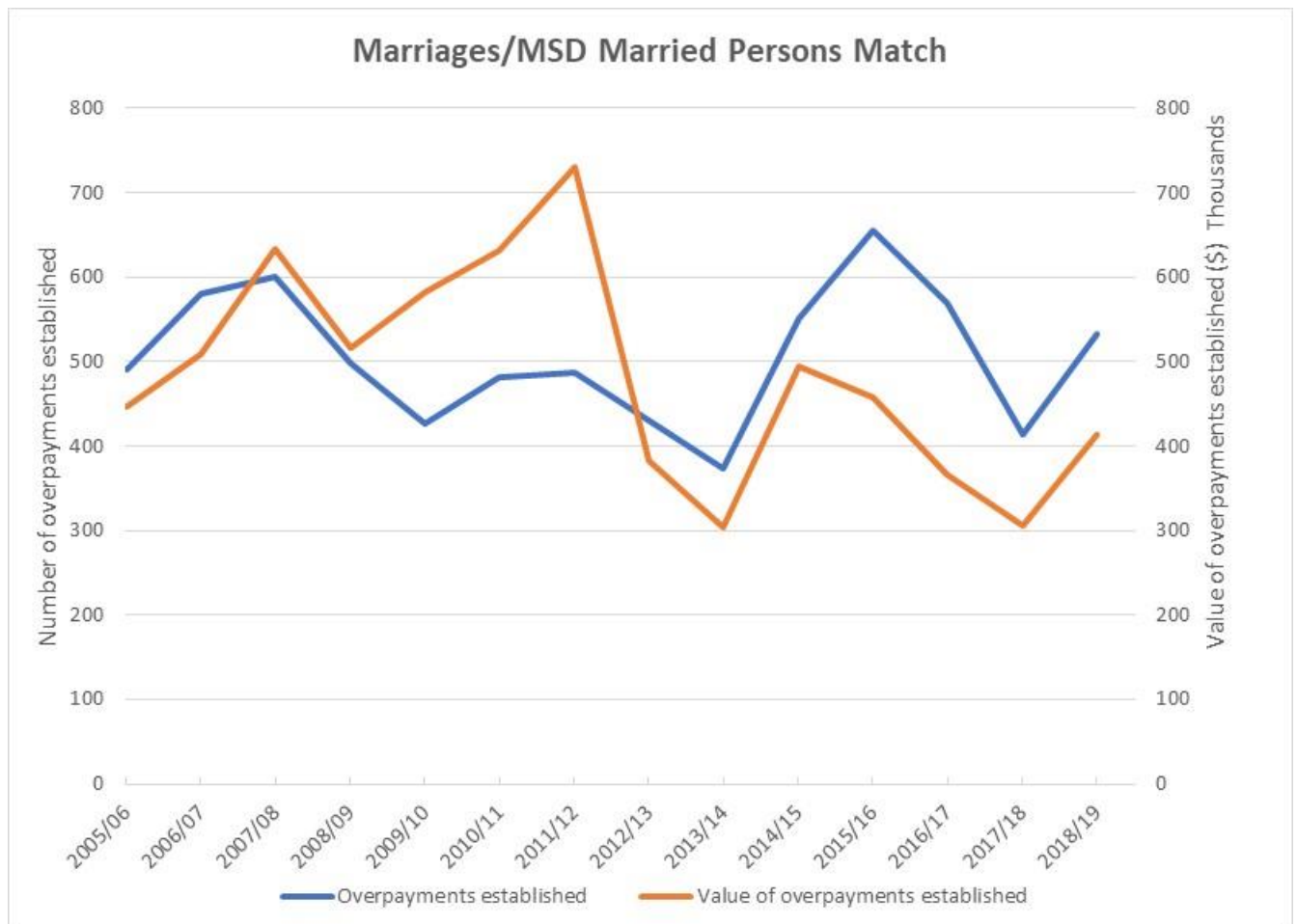
Each week, BDM provides MSD with the details of newly married individuals. The marriage details include marriage registration date, marriage date and first name, surname, date of birth and address for both spouses. To retrieve the BDM file, MSD uses an encrypted connection to access the DIA web server via the Government Logon Service (GLS).

MSD compares the marriage information with its active client data. The matching process produces match results that are weighted to indicate the probability that an MSD client is the person on the marriages register.

The match results are transferred into MSD's data matching case management system, AIMOS, where they are manually checked before any action is taken. These preliminary checks may reveal, for instance, that the beneficiary has already notified MSD of the marriage.

MSD commenced operating this match in 2005.

Match results



4.3. BDM/MSD Identity Verification Match

Match operation

Each quarter, BDM provides MSD with an encrypted CD of birth, name change, and death records for the 90 years prior to the extract date. The birth details include the full name, gender, birth date and place, birth registration number, and full name of both mother and father. Name change information includes the date a name was last used. The death details include the full name, gender, birth date, death date, home address, death registration number, and spouse's full name.

Every day MSD compares the birth, name change, and death records with copies of MSD client records for clients who have been granted financial assistance the previous day.

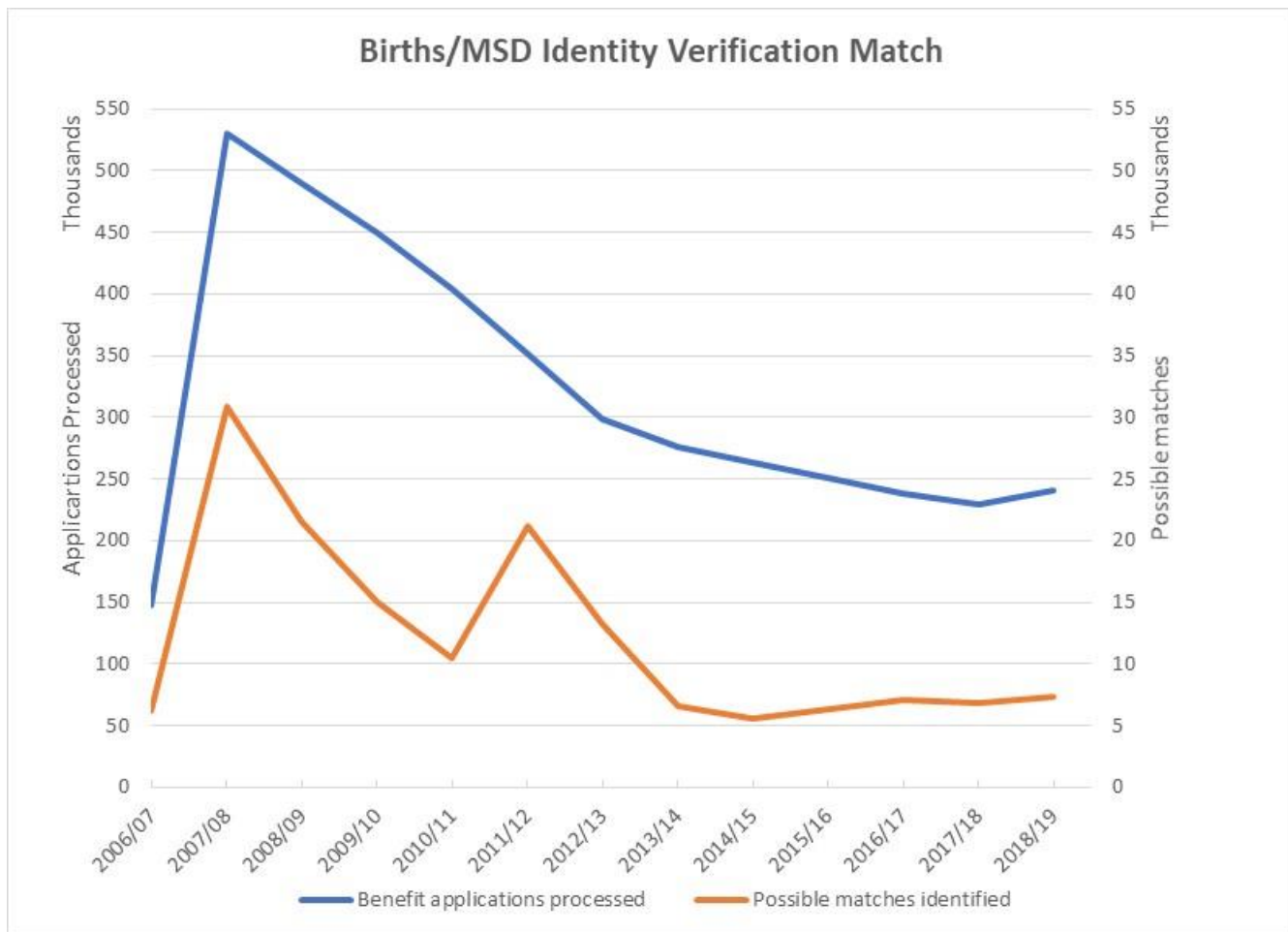
The matching process produces positive matches that are weighted to indicate the probability that an MSD client is the person on the births or deaths registers. The birth records of interest which signal possible fraud are those that do not match. Conversely, the death records of interest which signal possible fraud are those which do match a record of an applicant.

Where an exact birth record match occurs, the Social Welfare Number and Birth Record Number are added to a register so that those records are excluded from future matching cycles. Where a partial match or no match occurs, those records are transferred from the data warehouse into a separate database in which MSD staff manually scrutinise and verify each record.

If MSD finds any difference between information on the birth record and the information it holds, it sends a letter to individuals explaining that their MSD record has been updated. Any difference that involves a change in an individual's benefit eligibility results in a notice of adverse action (section 103 notice) being sent.

MSD commenced operating the match in 2007 and added name change information in May 2018. Between Nov 2008 and May 2009 MSD conducted a historical data matching exercise to identify cases of significant fraud where superannuation payments were continuing to be paid to relatives of the deceased. (Refer page 77 of the Privacy Commissioner's Annual report for 2011 for a fuller description of the historical data matching exercise.)

Match results



4.4. BDM/MSD Overseas-Born Name Change Match

Match operation

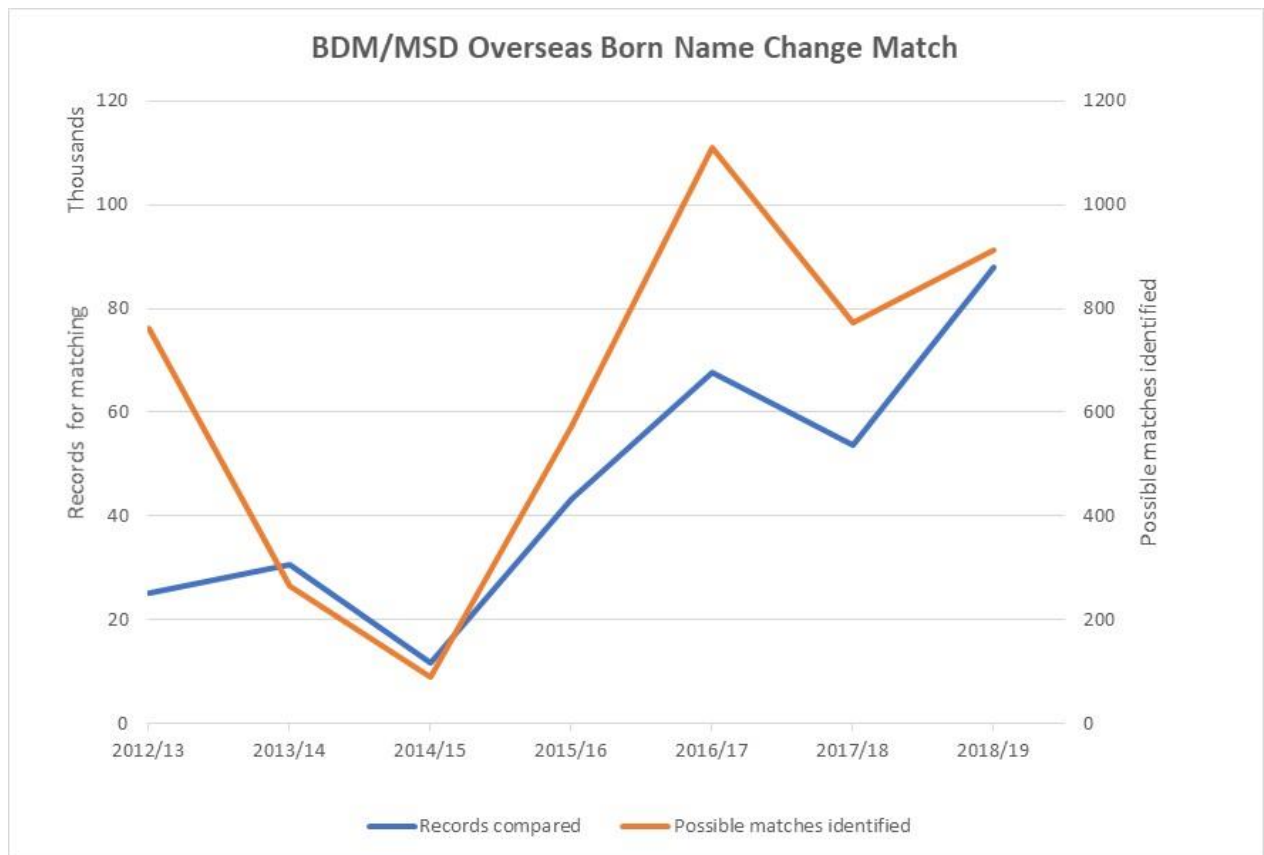
Each quarter, BDM provides MSD with an encrypted CD of all name change records from January 2009 to the extract date. The records start from January 2009 as a law change resulted in a new register being created from that date; and the file includes all name change records. Records that have been provided previously are not excluded as any subsequent name changes are added to the initial record for that person and the (initial) Registration Date does not change. The name change details include the full name at birth, former full name, new full name, birth date, residential address, and country of birth.

MSD compares the name change records with MSD client records to identify clients who have registered a name change and not advised MSD of the new name. The matching process produces positive matches that are weighted to indicate the probability that an MSD client is the person on the Name Change Register.

If MSD finds any discrepancies, these are manually verified before any action is taken, including sending notices of adverse action. From time to time MSD may conduct investigations using the results of a match if fraud is suspected.

MSD commenced operating the match in 2012. In 2013/14 the match was run three times, in 2014/15 only once, in 2015/16 three times again. In other years it has been run four times.

Match results



5. Corrections Act 2004, s 180

Provision objective

To detect people who are receiving income support payments while imprisoned, and to assist MSD in the recovery of outstanding debts.

Finding

I consider that the authority conferred by section 180 of the Corrections Act 2004 should be continued without amendment.

Provision Authorisation

This programme was authorised in 1991 when section 36F was inserted into the Penal Institutions Act 1954 by the Penal Institutions Amendment Act 1991. The authorisation was retained by the Corrections (Social Assistance) Amendment Act 2008 as section 180.

5.1. Corrections/MSD Prisoners Match operation

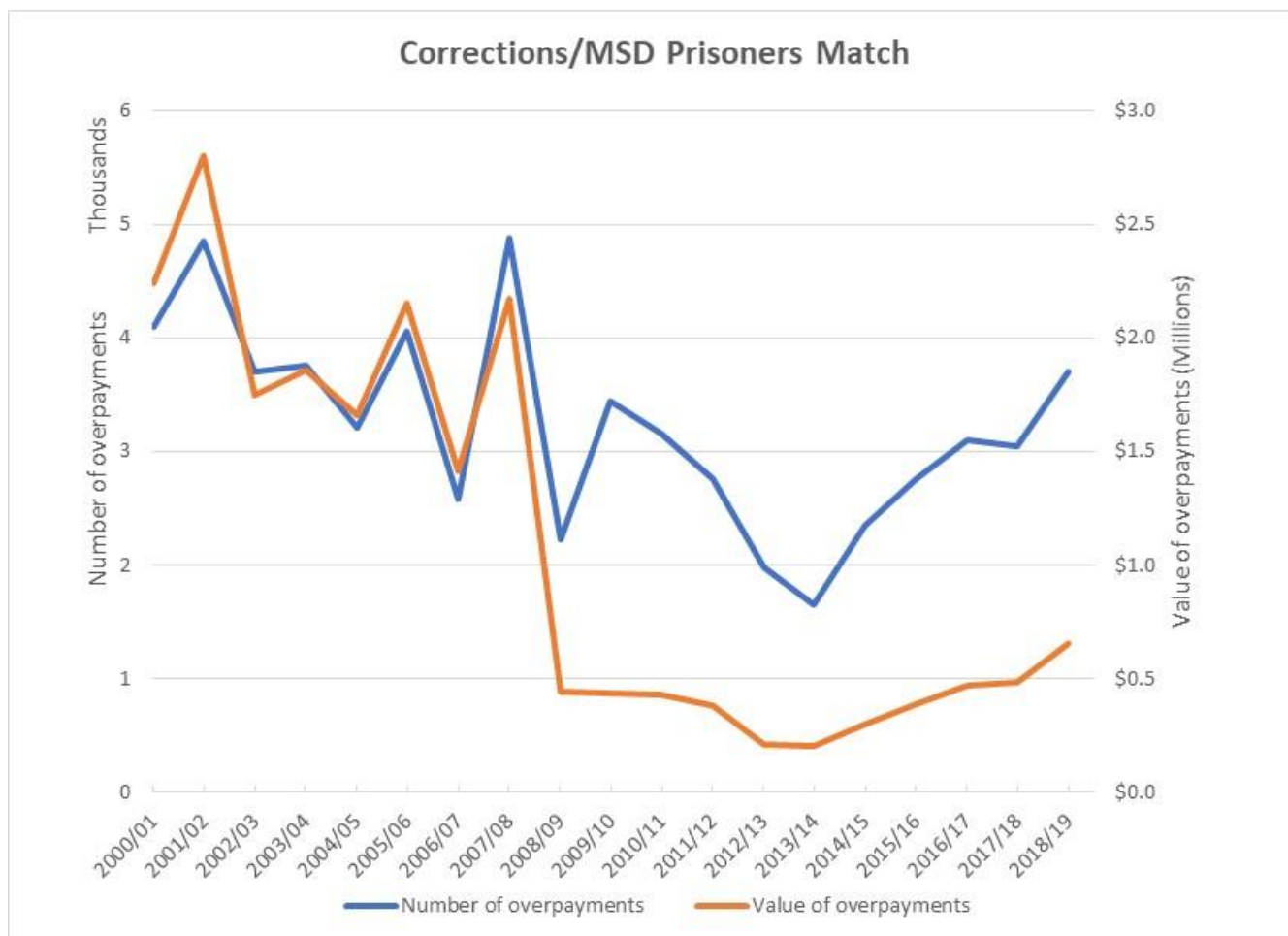
MSD commenced operating this match in 1995. In 2007/08 the match was changed from a weekly basis to a daily basis with a consequent significant reduction in overpayment amounts.

Each day, Corrections extracts from their Corrections Analysis and Reporting System (CARS) details of all prisoners who are received, on muster, or released from prison. Prisoner details disclosed include the full name (including aliases), date of birth, prisoner unique identifier, prison location, along with incarceration, parole eligibility, and statutory release dates.

The MSD matching process uses name and date of birth information to determine a match. Each positive match receives a rating ranging from match level one where the surname, first name, second name, and date of birth all agree, to match level 13 where there is a less exact match.

To minimise overpayments, MSD immediately suspends benefit and student payments rather than sending a notice of adverse action and waiting five working days before taking the action. Notices (following the suspension action) are still sent to beneficiaries at their home addresses with a duplicate addressed to the prison. This immediate suspension is authorised by section 180C(1) of the Corrections Act 2004.

Match results



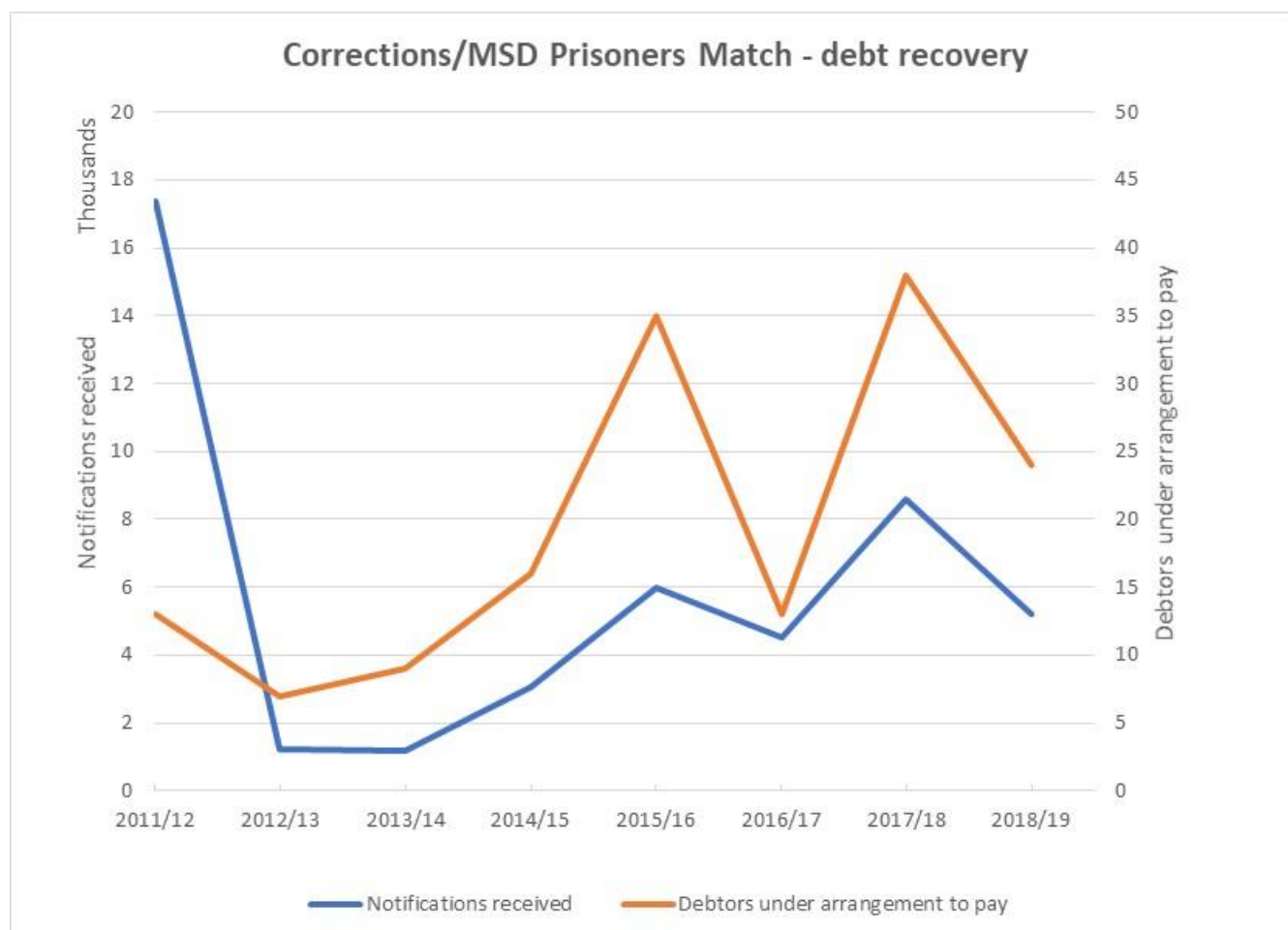
In 2008/09 there was a dramatic increase in the number of records disclosed from Corrections to MSD. This is because changes were made to the programme in November 2008, including;

- all prisoners were included in the match rather than just new arrivals;
- all prisoner alias names were included, linked to their true name to reduce the possibility that an unconnected person's benefit is suspended; and
- the programme was been extended to match against MSD's student records, following the discovery that prisoners were fraudulently accessing the government's student loan scheme.

At the same time MSD's total overpayments dropped by about 75% from an annual average of \$1.8 million, because MSD began to immediately suspend benefits without waiting for a response to the notice of adverse action. This change in process aimed to reduce prisoner debt levels and their impact on prisoner rehabilitation.

Debt recovery notification results

In 2011/12 MSD started reporting on its use of Corrections data to recover debts from former clients. The notifications enable MSD to re-establish contact with debtors, or to maintain accurate contact information.



Match assessment

This provision was previously assessed in the report [Integrity Intervention Matches \(July 2013\)](#).

Financial cost/benefit and other outcomes

MSD are not able to provide an estimate of the costs involved in the programme as the processing is handled alongside other information matching activities. The match provides significant benefits by identifying overpayments, and by minimising the level of overpayments through being operated daily.

Compliance/operational difficulties

There have been no significant compliance issues or operational difficulties with this programme. A minor issue was raised in the audit of this match (and several others operated by MSD) in 2013/14. The audit identified that MSD was removing data from view and leaving

the data in their system for up to two-and one-half years, rather than deleting the data immediately it was no longer required. We worked with MSD to remedy this issue. Other minor issues were identified in 2015 when the online transfer system was audited. No issues were identified in a subsequent audit of the online transfer system in 2018.

A search of privacy complaint records did not find any complaints relating to this programme.

Scale of matching

The scale of the match is appropriate. Only two agencies are involved, and the information is limited appropriately to the purpose. Several enhancements have resulted in an increase in the scale of matching. In 2007 the frequency of matching was increased from weekly to daily. From 2008, Corrections started sending details of all prisoners on muster (formerly just new prisoner records were provided), including details of all prisoner alias names. At the same time MSD began matching the prisoner information against student records.

Alternative methods to achieve results

Receiving information directly from Corrections appears to be the most appropriate and efficient way for MSD to be informed about beneficiaries entering prison. There appears to be no effective alternative to this programme. In 2005, MSD introduced a voluntary disclosure process to encourage prisoners to notify Work and Income that they are in prison. The initiative enjoyed limited success.

Amendment to the information matching provision

MSD have no suggestion for amendment to this provision. I am satisfied that the provision is suitably constrained and does not require amendment.

6. Customs and Excise Act 2018, s 308

Provision objective

To identify current clients who leave for or return from overseas while receiving income support payments, and to assist MSD in the recovery of outstanding debts.

Finding

This provision has recently (May 2019) been superseded by an information sharing agreement and should be repealed.

Provision Authorisation

This programme was authorised in 1991 when section 305B was inserted into the Customs Act 1966 by the Customs Amendment Act 1991. The provision was carried into the Customs and Excise Act 1996 as section 280. The provision was updated when section 280 was replaced by the Employment Services and Income Support (Integrated Administration) Act 1998. A provision was then written into the Customs and Excise Act 2018 as section 308 and the Agreement was saved by Schedule 1 Part 1 clause 20(1) of the Customs and Excise Act 2018.

While the new section 308 was intended to reflect the previous section 280 it reversed the information flow of the matching process. Instead of authorising Customs to supply records about people departing or arriving in New Zealand, the new section 308 requires MSD supply a list of people of interest to Customs who would then return relevant information. This copies the process used by Inland Revenue which is authorised in the immediately preceding sections 306 and 307.

6.1. Customs/MSD Arrivals and Departures Match operation

MSD commenced operating this match in 1992. Daily processing commenced on 15 July 2013.

Each day, Customs creates a file of passenger arrival and departure information and place it on a website within the secure Customs network. Each travel movement record includes the traveller's full name, date of birth, gender, travel document number, Citizenship code, and flight details.

MSD uses an encrypted communication session to access the Customs website and retrieve the file. Access to the Customs website is limited to specific MSD internet addresses to prevent access by unauthorised users.

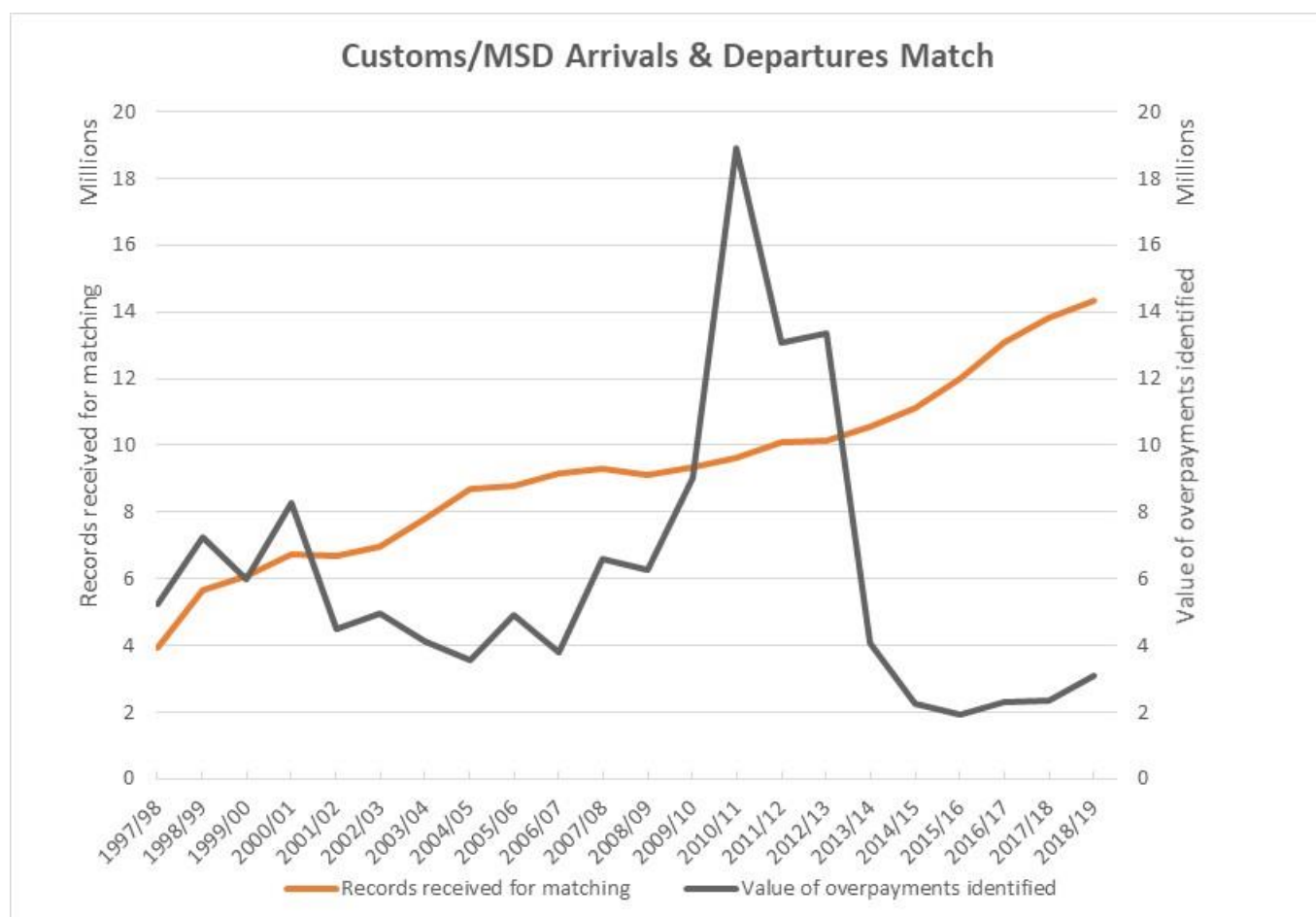
MSD compares each traveller's name, date of birth, and gender with their beneficiary and student databases. Each positive match receives a rating ranging from match level one where the surname, first name, second name, and date of birth all agree, to match level 13 where there is a less exact match.

For matched individuals, MSD checks its records to see if there has been any reason given for the overseas travel. MSD may also check the travel details again by using a look-up access to the Customs system. This practice started at the same time (2009) as MSD started to suspend Sickness, Unemployment, Emergency, or Independent Youth Benefit

benefits immediately, using the authority granted under section 103(1A) of the Privacy Act 1993.

MSD are now operating under the approved information sharing agreement which allows for immediate suspension of a benefit (other than New Zealand Superannuation, Veterans Pension or Student Allowance).

Match results



In September 2010 MSD decided to re-allocate resources to this programme to clear a backlog of work.

On 30 May 2011, MSD started using information received through this programme to assist it in the recovery of outstanding debts. The notifications enable MSD to re-establish contact with former clients and to maintain accurate contact information.

In July 2013 the match was altered so that working age clients who do not advise of their travel intentions prior to departure have their benefit suspended automatically when matched with Customs data. This has significantly reduced the volume of cases that resulted in overpayments.

Match assessment

This provision was previously assessed in the report [Integrity Intervention Matches \(July 2013\)](#).

Financial cost/benefit and other outcomes

MSD are not able to provide an estimate of the costs involved in the programme as the processing is handled alongside other information matching activities. The match provides significant benefits by identifying overpayments, and by minimising the level of overpayments through being operated daily.

Compliance/operational difficulties

There have been no significant compliance issues or operational difficulties with this programme. A minor issue was raised in the audit of this match (and several others operated by MSD) in 2013/14. The audit identified that MSD was removing data from view and leaving the data in their system for up to two and a half years, rather than deleting the data immediately it was no longer required. We worked with MSD to remedy this issue. Other minor issues were identified in 2017 when the online transfer system used for file transfers was audited, and in 2019 when the look-up access was audited. These issues have been addressed.

A search of privacy complaint records did not find any complaints relating to this programme.

Scale of matching

The scale of the match is appropriate. Only two agencies are involved, and the information is limited appropriately to the purpose.

Alternative methods to achieve results

MSD could rely upon clients to notify all travel that might affect eligibility for any benefits or allowances. This would place a significant, onerous burden on those individuals and the information would still need to be checked for accuracy. This match makes this process less onerous for the applicant than alternatives would be.

Amendment to the information matching provision

This provision has recently (May 2019) been superseded by an information sharing agreement and should be repealed.

7. Education Act 1989, s 226A and s 235F

Provision objective

Sections 226A and 235F of the Education Act 1989 allow MSD StudyLink to verify student enrolment information, from public and private educational institutions respectively, to confirm entitlement to allowances and loans.

Finding

I consider that the authority conferred by sections 226A and 235F of the Education Act 1989, should be continued without amendment.

Provision Authorisation

This programme was authorised in 1993 by section 15 of the Education Amendment Act 1993. The provision was updated when section 226A was replaced by the Employment Services and Income Support (Integrated Administration) Act 1998.

A specific provision covering private educational institutions was inserted into the Education Act as section 238B by the Education Amendment Act 1993. The provision was updated when section 238B was replaced by the Employment Services and Income Support (Integrated Administration) Act 1998. Section 238B was replaced by section 235F by the Education Amendment Act 2011.

7.1. Education Institutions/ MSD Loans and Allowances Match operation

MSD commenced operating this match for allowances in 1998 and for loans in 1999.

The participants - MSD (StudyLink), tertiary education institutions, and secondary schools (in respect of students aged 18 or older) - know this process as the Verification of Study (VoS).

The bulk of requests for VoS records are batched for each institution and placed on a stand-alone server at MSD for the relevant institution to download. Institutions with the appropriate systems draw down the batches of requests they have to verify. Match results are sent back to MSD in the same way. This online channel is used by the larger education providers to process the majority of VoS requests.

Requests are faxed to those institutions which have not developed computer systems to handle the requests, generally because they handle only a low volume of requests.

MSD StudyLink requests verification of student course enrolments and provides the student's full name, date of birth, MSD client number and student ID number.

The educational institutions return to MSD StudyLink the student's enrolled name, date of birth, MSD client number, student ID number and study details.

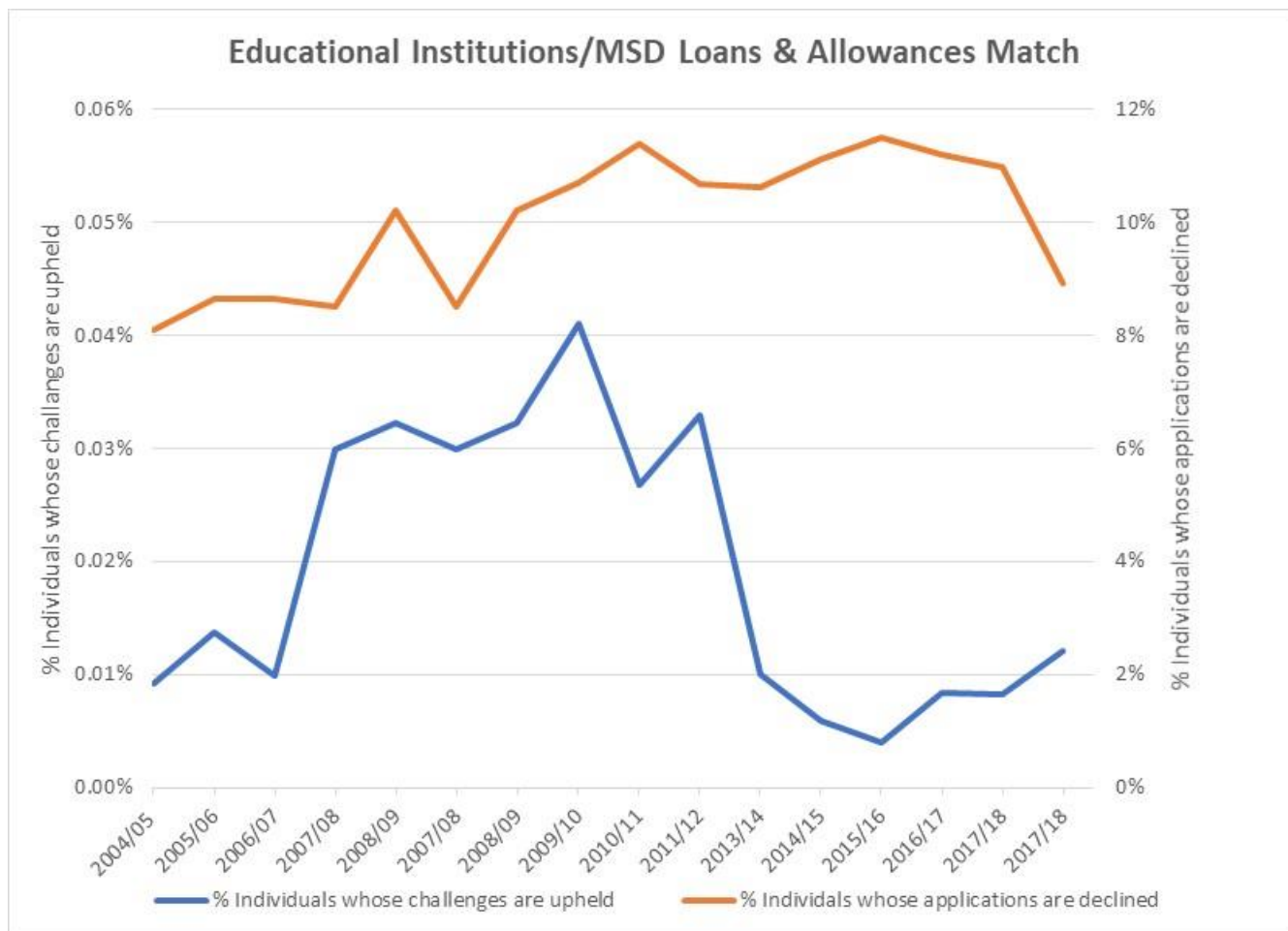
MSD compares the returned data with its student database. The results of this process inform decisions on granting an allowance or loan. A student is only eligible if he or she is:

- enrolled in an approved programme of study;
- studying full-time (for loans and allowances); or

- for loans, part-time full-year or (from 1 January 2004) part-time part-year with 0.3 or more Equivalent Full-Time Student.

When three VoS attempts have proved unsuccessful the applicant is notified that as a result of the match the applicant appears not to be eligible. They are also invited to show why their application should not be declined (this is a notice of adverse action, required under s 103 of the Privacy Act). MSD will make up to 12 attempts to request the data from the institution as delays can occur in the institutions.

Match results



The percentage of people who challenged (successfully) the accuracy of the match is low (around 0.05%), but also demonstrates that MSD does have an effective process for correcting errors.

The percentage of applicants who had their application declined (around 10%) demonstrates the continued need for this match.

Match assessment

This provision was previously assessed in the report "[MSD StudyLink Matches \(January 2014\)](#)".

Financial cost/benefit and other outcomes

MSD are not able to provide an estimate of the costs involved in the programme. The verification by MSD of the information provided by the clients is necessary to minimise the risk that loans or allowances will be paid out to clients who are not eligible.

Compliance/operational difficulties

There have been no significant compliance issues or operational difficulties with this programme. Minor issues were identified in 2014 and in 2017 when the online transfer system was audited. These issues were addressed when they were identified.

A search of privacy complaint records did not find any complaints relating to this programme.

Scale of matching

The scale of the match is appropriate. MSD only requests information from the educational institution that is relevant to each particular individual, and the information exchanged is limited appropriately to the purpose.

Alternative methods to achieve results

MSD is seeking through this match to verify information provided by clients. Other potential sources of the information such as the Ministry of Education or Statistics New Zealand also have information that is sourced from the educational institutions, but their information is unlikely to be as timely as that held by the educational institutions.

Amendment to the information matching provision

MSD have no suggestion for amendment to this provision. I am satisfied that the provision is suitably constrained and does not require amendment. I also note that the Privacy Bill, as reported back from the Select Committee, appropriately does not prevent new agreements being made under this provision.

8. Education Act 1989, s 307D

Provision objectives

To determine eligibility for student loans and/or allowance by verifying students' study results.

Finding

I consider that the authority conferred by section 307D Education Act 1989 should be continued without amendment.

Provision Authorisation

This programme was authorised in 2006 by section 52(1) of the Education Amendment Act 2006 which inserted section 307D into the Education Act 1989.

8.1. MoE/MSD Results of Study Match operation

MSD commenced operating this match for allowances in 2006 and for loans in 2010.

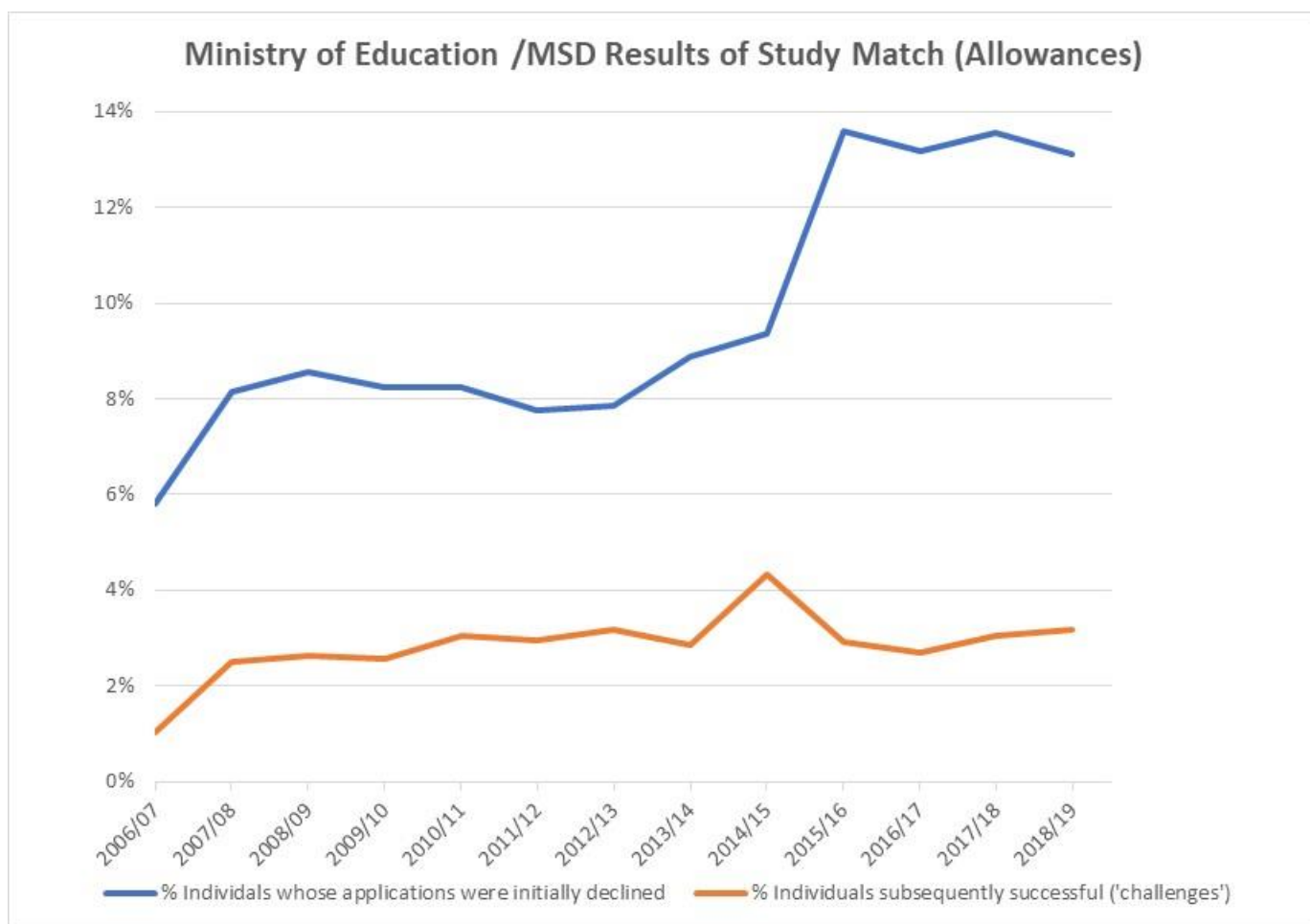
Tertiary education institutions are required to send students' results of study information to the Ministry of Education as part of the 'course completion' component of their electronic single data returns. This is usually done three times during the year. By accessing the data from the Ministry of Education rather than directly from each tertiary education institution StudyLink gains the efficiency of dealing with a single agency and avoids imposing a double reporting burden on the institutions.

StudyLink loads a daily file of requests for Results of Study records to the 'Verification of Study' secure website. The file is downloaded by the Ministry of Education and matched against the single data returns submitted by institutions. Response files for each request are electronically returned to StudyLink using the same secure website.

Use of Inland Revenue tax file number in matching

MSD provides an applicant's IR number (where known) to MoE to use in the matching process. The Ministry of Education receives Inland Revenue tax file numbers in the reporting from educational institutions solely for use in this match. I have considered this use and have accepted as meeting the threshold of being essential to the success of the programme.

Match results



Individuals may make more than one application for loans and/or allowances in a year.

Notices of adverse action are sent when StudyLink cannot satisfactorily match the information supplied, or when the response indicated eligibility criteria have not been met. More than one adverse action letter may be sent for an application (for example a notification letter and a letter subsequently declining their application).

In around 25% of cases the applicant provides clarification of details or updated information when contacted. This is recorded as a successful challenge. An application may also be reinstated if the student provides additional information about their study history, or successfully applies for an exemption.

Match assessment

This provision was previously assessed in the report "[MSD StudyLink Matches \(January 2014\)](#)".

Financial cost/benefit and other outcomes

MSD are not able to provide an estimate of the costs involved in the programme. The verification by MSD of the information provided by the clients is necessary to minimise the risk that loans or allowances will be paid out to clients who are not eligible.

Compliance/operational difficulties

There have been no significant compliance issues or operational difficulties with this programme. A search of privacy complaint records did not find any complaints relating to this programme.

Scale of matching

The scale of the match is appropriate. MSD is able to obtain the information required from a single agency as the Ministry of Education needs to collect the information for its' own purposes. The information exchanged is limited appropriately to the purpose.

Alternative methods to achieve results

MSD seeks through this match to verify information provided by clients. Rather than seeking verification from the Ministry of Education, MSD could instead verify the information directly with the relevant educational institutions as occurs with the Educational Intuitions/MSD Loans and Allowances Match. This would be more complicated to operate and duplicate the administrative impact on the various institutions.

Amendment to the information matching provision

MSD have no suggestion for amendment to this provision. I am satisfied that the provision is suitably constrained and does not require amendment.

9. Social Security Act 2018 schedule 6, clause 13

Provision objectives

This provision enables MSD to suspend or reduce the benefits of people who have an outstanding warrant to arrest for criminal proceedings as an incentive for the individual to resolve the warrant.

Finding

I consider that the authority conferred by the Social Security Act 2018 schedule 6 clause 13 should be continued without amendment.

Provision Authorisation

This programme was authorised in 2013 when section 126AC was inserted in the Social Security Act 1964 by section 57 of the Social Security (Benefit Categories and Work Focus) Amendment Act 2013. The provision is retained in the Social Security Act 2018 Schedule 6 clause 15.

9.1. Justice/MSD Warrants to Arrest Match operation

The agencies commenced operating the match in 2013.

Each day Justice extract Warrants to Arrest information based on the following criteria:

- the warrant must be at least 28 days old;
- the defendant may not have name suppression;
- the defendant must be at least 17 years old as at the date of the extract;
- the warrant is a defendant in criminal proceedings only;
- the warrant must not be issued in the Youth Court; and
- the defendant must not have a confidential Justice name and address.

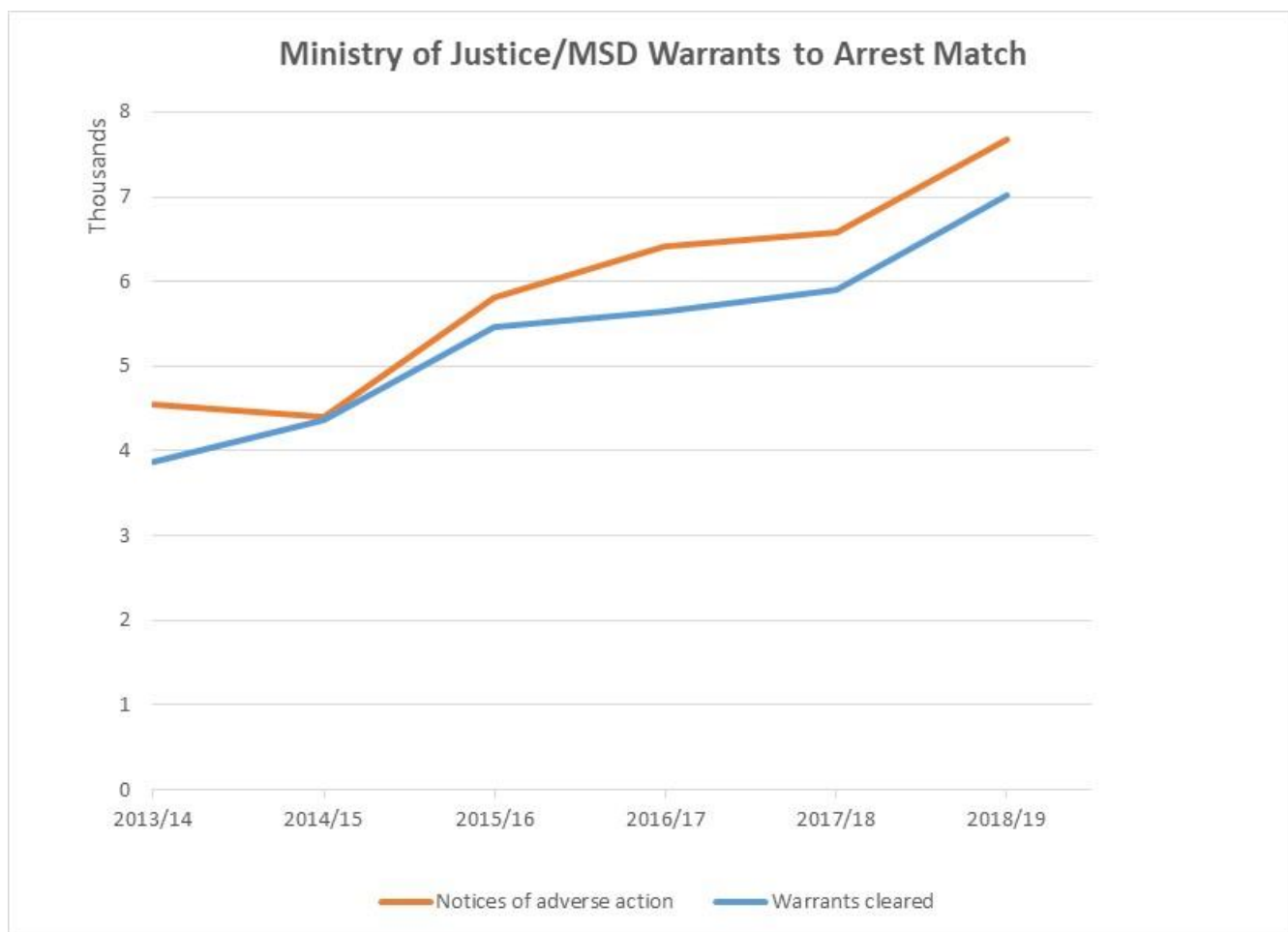
Justice provides MSD, by secure online transfer, the full name (and alias details), date of birth, address, Justice unique identifier and warrant to arrest details for individuals that have met the selection criteria.

MSD compare the Justice information against MSD held information based on full name and date of birth. The matching process takes into account any transposition between first and second name and specific digit transposition errors which occur with date of birth information.

An individual may have more than one warrant outstanding. One record is received for each warrant and the warrant records are processed individually so an individual may receive separate letters relating to different warrants.

All singular exact matches are processed automatically. All other potential matches are manually verified before any adverse action process is initiated.

Match results



Note, these results are affected by the reporting dates as action may be started in one year and completed in the next.

Match assessment

Financial cost/benefit and other outcomes

MSD are not able to provide an estimate of the costs involved in the programme. The results do demonstrate that the programme does succeed in encouraging people to resolve outstanding warrants.

Compliance/operational difficulties

There have been no significant compliance issues or operational difficulties with this programme. A minor issue was raised in the audit of this match (and several others operated by MSD) in 2013/14. The audit identified that MSD was removing data from view and leaving the data in their system for up to two- and one-half years, rather than deleting the data immediately it was no longer required. We worked with MSD to remedy this issue. Other minor issues were identified in 2014 and in 2017 when the online transfer system was audited. These issues were addressed when they were identified.

A search of privacy complaint records did not find any complaints relating to this programme.

Scale of matching

The scale of the programme is appropriate. Justice limit the information provided to MSD

Alternative methods to achieve results

Other methods to clearing outstanding warrants to arrest are already being applied. The Information Matching Privacy Impact Assessment stated that: "As at 16 April 2012 there were approximately 37,000 unresolved Warrants To Arrest (WTA) for 15,000 people. Due to this high volume, the Police can only follow-up on a small number of WTAs. "

Further: "Information provided from the Ministry of Justice shows that 58 per cent of people who have a WTA clear them within 28 days of issue."

This information match, which only covers warrants over 28 days overdue, serves as a backstop to the other approaches.

Amendment to the information matching provision

MSD have no suggestion for amendment to this provision. I am satisfied that the provision is suitably constrained and does not require amendment.

Appendix A: Background to 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, but can also be used ensure people get entitlements as in the case of the unenrolled voters programmes.

Oversight of this 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 that only programmes clearly justified in the public interest are approved;
- operation – ensuring that programmes operate within the information matching framework; and
- evaluation – subjecting programmes to periodic review.

Section 106

Section 106 of the Privacy Act requires the Privacy Commissioner to undertake periodic reviews of the operation of each information matching provision and to consider:

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

A periodic review is necessary to assess the ongoing value and suitability of a programme in light of experience operating the programme. A programme may lose effectiveness over time if hit rates have peaked or the wider context has changed.

To conduct these reviews I primarily consider the information matching guidelines set out in section 98 of the Privacy Act. In particular I focus on whether each provision:

- continues to achieve its objective by providing significant monetary benefits or other comparable benefits to society;
- raises concern because of the scale of matching (because of the number of agencies involved, the frequency of matching, or the amount of personal information being disclosed); and
- is operating within the information matching controls in the Privacy Act.