

Appendix B - Regulatory Impact Statement: Veterans' Affairs AISA

Coversheet

Purpose of Document	
Decision sought:	This analysis and advice have been produced for the purpose of informing Cabinet's final policy decisions on the Veterans' Affairs Approved Information Sharing Agreement (AISA).
Advising agencies:	<p>This Regulatory Impact Statement (RIS) has been developed by Veterans' Affairs in conjunction with the following agencies who are proposed to be parties to the AISA:</p> <ul style="list-style-type: none"> • Accident Compensation Corporation (ACC) • Department of Corrections (Corrections) • Te Tari Taiwhenua Department of Internal Affairs (DIA) • Health New Zealand (Health NZ) • New Zealand Customs Service (Customs) • The New Zealand Defence Force (NZDF) • Te Tāhuhu o te Mātauranga Ministry of Education (MOE) • The Ministry of Health (MOH) • The Ministry of Social Development (MSD) • Kairēhita Matua – Whānautanga, Matenga, Mārenatanga The Registrar-General, Births, Deaths, and Marriages (Registrar-General)
Proposing Ministers:	Hon Peeni Henare (April 2023) Chris Penk (May 2024)
Date finalised:	<p>28/04/2023 – Original version</p> <p>29/03/2024 – Update to remove The Māori Health Authority (MHA) as a party.</p>
Problem Definition	
<p>Most of the information required to assess entitlements or services must currently be provided directly by veterans or their family and whānau. Due to the age of many veterans, much of this is provided in paper form and sent by post. This places a burden on the veteran, their family and whānau, and results in delays to the provision of entitlements or services.</p> <p>Equally, it is difficult for the agencies to exercise powers to not provide services, to adjust services, to prevent fraud or mistaken identity, and to prevent the accumulation of debt for veterans due to the lack of information sharing.</p> <p>The issues regarding information sharing were identified in the Paterson Report in June 2017 and a recommendation made that Veterans' Affairs reviews its information sharing.</p>	

Executive Summary

Problem Statement

Most of the information required to assess entitlements or services must currently be provided directly by veterans or their family and whānau. Due to the age of many veterans, much of this is provided in paper form and sent by post. For example, if a veteran needs to prove their income, they're required to locate last year's tax statement in their physical records, then make a copy and post this to Veterans' Affairs. This places a burden on the veteran, their family and whānau, and results in delays to the provision of entitlements or services.

Equally, many government agencies have incomplete or missing information on veterans. This lack of information sharing makes it difficult for agencies to provide adequate services for veterans, including preventing fraud and accumulation of debt.

Criteria

Veterans' Affairs examined possible options to improve the information sharing relating to veterans and their family and whānau. When considering the options, the following were taken into account:

- Efficiency for veterans and their family and whānau
- Accuracy and timeliness of information
- Transparency regarding how information will be shared and used by government agencies
- Achievability within a reasonable time (up to two years).

Options Considered

The following options were considered to address the problem:

- Option A - Status Quo – this would involve making no changes to the way information is shared.
- Option B - Development of Memoranda of Understanding (MOUs) – this would involve putting in place a small number of MOUs between government agencies and Veterans' Affairs to support sharing under the exceptions to the Privacy Act or other legislation where allowable.
- Option C - Development of an Approved Information Sharing Agreement (AISA) – this would enable two-way sharing with government agencies for a variety of specified purposes.
- Option D - Amend Primary Legislation – this would involve an extensive process to update the Veterans' Support Act 2014 and other primary legislation.

A key difference between an AISA and a MOU is that an AISA can also authorise departures from the information privacy principles (IPPs) that each organisation is required to follow under the Privacy Act if there is a clear public policy justification and the privacy risks of doing this are managed appropriately.

The other difference is an AISA can be used to share information about:

- Sex offenders or high-risk offenders by Corrections;
- An individual's enrolment at a registered school in NZ by Te Tāhuhu o te Mātauranga |Ministry of Education; and
- An individual's birth, marriage, civil union or death by the Registrar-General.

Preferred Option

As a result of this analysis, Veterans' Affairs has identified the preferred option is to create an AISA because it meets all four of the criteria:

- Efficiency for veterans and their family and whānau – Information about veterans and their family and whānau would be able to be shared with and by Veterans' Affairs.
- Accuracy and timeliness of information – This will occur when Veterans' Affairs and other government agencies are able to gain access to information from an authoritative source in a timely fashion.
- Transparency regarding how information will be shared and used by government agencies – The AISA and related Order in Council would be public and also all sharing would be documented in the relevant privacy statement. It is also proposed that information about how the AISA functions will be readily available, easy to navigate, and clear and easy to understand.
- Achievability within a reasonable time (up to two years) – It is expected an AISA would take approximately 18 months to deliver.

Using an AISA would also enable predictable and consistent outcomes for the government agencies involved.

Public Consultation

Public consultation began on 29th August 2022 and closed on 7th October 2022. Thirty-seven submissions were received in response to the initial public consultation, coming mainly from individuals, with three submissions from organisations. This is a very high number of submissions in relation to a proposed AISA especially from individuals. This reflects the level of engagement from the veteran community with Veterans' Affairs.

The submissions for and against appeared roughly even, however many did not provide a clear answer to the questions posed about whether there was value in sharing information in specific circumstances. A key theme to the feedback from those opposed centred around a distrust for government agencies to securely transfer and store personal information about them.

Initial consultation feedback did not provide a clear answer to the questions posed about whether there was value in sharing information in specific circumstances, a set of definite questions was therefore developed by Veterans' Affairs to seek further clarity on the views expressed. Twenty-five clarifying submissions were received from both organisations and individuals, most of which were strongly supportive of the AISA.

Limitations and Constraints on Analysis

The initial problem statement was identified as part of the [Paterson Report](#) in June 2017 and a recommendation made that Veterans' Affairs reviews its information sharing. This recommendation did not limit the analysis. When completing the analysis Veterans' Affairs considered all information sharing with government entities and not just those parties listed as part of the recommendation. The analysis was constrained to solutions for information sharing only with New Zealand government entities.

The Privacy Act 2020 sets the framework for how personal information must be managed. The information proposed to be shared is considered personal information therefore only options that enabled compliance with the Privacy Act were considered.

The Privacy Act also sets out what an AISA can contain and how it can modify the way the Privacy Act applies, such as authorising exemptions from some of the information privacy principles. The Privacy Act also sets out the process that must be followed to make an AISA. To come into force, an AISA must be authorised through an Order in Council. The Operation of the AISA is subject to reporting in accordance with requirements set by the Privacy Commissioner.

Costs and time to develop options were not a limiting factor in the analysis.

Responsible Manager (April 2023)

Marti Eller

Deputy Head of Veterans' Affairs

Veterans' Affairs New Zealand – Te Tira Ahu Ika A Whiro



28 April 2023

Responsible Manager (February 2024)

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29 February 2024

Quality Assurance

Reviewing Agency: Department of Internal Affairs

Panel Assessment & Comment: The panel considers that the information and analysis summarised in the RIA overall **meets** the quality assurance criteria.

This RIS provides all of the necessary information. There was solid analysis about why an AISA could help ease administrative burdens for veterans and their whānau, and lead to faster adjustments to their services and support. While most of the RIS was reasonably clear, in places it was not as clear or concise as it could be, for example when explaining the problem for each of the agencies.

While only a moderate amount of feedback was received, the RIS also clearly shows evidence of effective consultation with stakeholders that is proportionate to the type of policy change (i.e., introducing an AISA).

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

Background

1. Veterans' Affairs provides services, entitlements, and support to veterans with injuries and illnesses related to qualifying service so that they can be well at home, at work, and in their communities. Veterans' Affairs is a unit within the New Zealand Defence Force which operates under the Veterans' Support Act 2014.
2. Veterans' Affairs works alongside other government agencies and veterans' groups to:
 - Support veterans with qualifying service, as well as their family and whānau.
 - Celebrate their courage, comradeship, and commitment.
 - Commemorate their loss and sacrifice.
3. Veterans' Affairs does this by:
 - Providing support to veterans with injuries and illnesses relating to qualifying service, their family and whānau, so they can be well at home, at work, and in their communities.
 - Helping coordinate commemorative activities.
 - Maintaining over 180 service cemeteries throughout New Zealand.
 - Working with other organisations that also support and advocate for veterans.
4. Veterans' Affairs clients range in age from 19 to more than 100 years old, and include retirees, those in civilian life, current service members, and their families and whānau. It is estimated that there are over 31,000 New Zealanders who could be eligible for support, services, and entitlements from Veterans' Affairs. The average age of a veteran supported by Veterans' Affairs is in excess of 80 years old.
5. Currently Māori constitute approximately 30% of New Zealand Defence Force personnel whereas they make up 16% of the general population in New Zealand.

Services to Veterans and their Family and Whānau

6. Veterans' Affairs provides services to veterans and their family and whānau residing both in New Zealand and overseas. In all cases, the provision of a service will depend on whether a veteran or their family and whānau have applied for or elected to utilise a particular service.
7. Examples of the types of support provided by Veterans' Affairs to veterans and their family and whānau include:
 - Treatment or rehabilitation when a veteran is sick or injured.
 - Mental health support.
 - Financial support if a veteran cannot work full time or at all, expenses associated with treatment, impairment compensation, support for children and dependants, and expenses associated with the death of a veteran.
 - In-home rehabilitation/support to independence, including home modifications, training for independence, home help, childcare payments and attendant care.
 - Vocational rehabilitation for veterans returning to work and continuing recovery while at work and vocational assistance for a veteran's spouse or partner if a veteran is unable to undertake vocational rehabilitation.
 - Support to participate in commemorations of service including events, travel, and projects.

8. A number of government agencies are currently involved in providing services, support or entitlements to veterans and their families and whānau alongside Veterans' Affairs.

Agency	Services in relation to veterans	Primary Legislation
Accident Compensation Corporation (ACC)	Depending on the scheme the veteran is part of, based on their qualifying service, certain conditions are not covered by ACC but funded by Veterans' Affairs instead. Veterans' Affairs may also top up ACC payments.	Accident Compensation Act 2001
Department of Corrections (Corrections)	<p>Rehabilitation services stop when a veteran is in prison (subject to a few exceptions) and are passed over to Corrections to provide. On release, the obligation to provide these services is passed back to Veterans' Affairs.</p> <p>Financial payments to the veteran stop when they are in prison.</p> <p>Veterans' Affairs may provide support services to aid a veteran's reintegration on release and may also provide information to Corrections for provision to the Parole Board.</p>	Corrections Act 2004
Department of Internal Affairs (DIA)	<p>Provide travel documents to veterans and their families and whānau.</p> <p>Provide identity services to other organisations.</p>	Passports Act 1992
Inland Revenue	<p>Income information is used to determine compensation payment amounts paid to veterans. These payments are based on previous income or lump sums depending on the circumstances.</p> <p>On a veteran's death Veterans' Affairs may provide childcare payments, income compensation or pensions for spouses, partners, children and dependents, depending on the veteran's service and whether the veteran's death is service-related.</p>	Tax Administration Act 1994
Ministry of Education (MOE)	Provide education to families and whānau of veterans.	Education and Training Act 2020
Ministry of Health (MOH)	Provide medical care to veterans and their families and whānau.	Health Act 1956
Ministry of Social Development (MSD)	Administer and pay the Veteran's Pension on behalf of Veterans' Affairs.	Social Security Act 2018
New Zealand Customs Service (Customs)	Manages border risks associated with veterans and their luggage / goods.	Customs and Excise Act 2018
New Zealand Defence Force (NZDF)	<p>Confirm the veteran's service to determine if he or she may be eligible for Veterans' Affairs services.</p> <p>Provide health records to enable ongoing care and determination of coverage for support such as impairment compensation.</p>	Defence Act 1990
Registrar-General, Births, Deaths and Marriages (Registrar-General)	Manage the birth, marriage and death records for veterans and their families and whānau within New Zealand.	Births, Deaths, and Marriages Registration Act 1995

Existing Legislation

9. The primary legislation governing the principles and controls under which personal information can be shared is the Privacy Act 2020.
10. Veterans' Affairs has several Memoranda of Understanding (MOUs) with the Ministry of Social Development and ACC that involve information sharing. These agreements do not enable variation of the privacy principles. This means in accordance with the Privacy Act personal information may only be shared between agencies through either authorisation under the Privacy Act or primary powers in legislation.
11. Before Veterans' Affairs was established in 1999, the Ministry of Social Development was responsible for the War Pensions Act 1954. During that time, the Ministry of Social Development had greater ability to receive information from other agencies such as Corrections and the Department of Internal Affairs than Veterans' Affairs currently does. However, these sharing provisions were not carried over when Veterans' Affairs separated from the Ministry of Social Development.
12. Furthermore, the Births, Death, Marriages, and Relationships Registration Act 1995 (BDMRRA) restricts the sharing of birth, death, marriage and civil union records unless authorised under the BDMRRA. Currently Veterans' Affairs is not authorised to receive these records. Section 78A of the BDMRRA authorises the establishment of information sharing agreements and AISAs to share information collected under the BDMRRA.
13. Without an AISA or powers in primary legislation the Department of Corrections has no power under the Correction Act 2005 to share information with Veterans' Affairs about when veterans enter or are released from prison.

Current Arrangements

14. Most of the information required to assess entitlement for services must now be provided by veterans or their family and whānau. Due to the age of many veterans, much of this is provided in paper form and sent by post.
15. Information is also sought from other government agencies e.g., ACC, with the veteran's consent. The veteran provides consent at the time that they first access Veterans' Affairs services, but this may have been given many years prior. Even with reminders, due to the makeup of the veteran community, many are not in a position to remember giving consent. There is a further challenge in relation to consent as a number of veterans are incapable of providing informed consent and may not have a representative who is legally authorised to consent on their behalf.

What is the policy problem or opportunity?

16. There is a burden on the veteran, their family and whānau to provide information to support requests for entitlements or services as it cannot be shared directly from the agency holding the information, much of this information is provided in paper form and sent by post. In addition to the administrative burden this also results in delays to the provision of entitlements or services.
17. Veterans' Affairs is constantly receiving feedback from veterans that they should be able to access information already held within Government. There are frustrations regularly expressed when veterans have to seek information from other agencies to provide it to Veterans' Affairs.
18. The issues regarding information sharing were identified in the [Paterson Report](#) in June 2017. A recommendation was made that "*Veterans' Affairs reviews its information-sharing and relationship arrangements with the Defence Force and ACC, progresses information-sharing arrangements with IRD for the purposes of weekly compensation and broader tax issues, and explores ways to share information with health practitioners.*"

19. The challenges around access to information and the need to provide information are illustrated in the surveys completed by Veterans' Affairs clients. There were 186 comments about the need to improve information sharing in the latest survey.
20. There are a number of legislative barriers that currently inhibit the ability of the identified agencies to share information:
- Births, Deaths, Marriages, and Relationships Registration Act 1995 – Section [78A](#) of the BDMRRA restricts disclosure of personal information without an Information Matching Agreement¹, AISA or other exception in the BDMRRA.
 - Corrections Act 2004 – A partial prohibition under sections [181A](#) and [182A](#) exists in relation to information relating to highest-risk offenders and sex offenders, which is only able to be shared via an AISA.
 - Tax Administration Act 1994 – IRD cannot disclose tax information without consent, or an AISA under section [18\(1\)](#).
21. In addition, there are also the following non-legislative barriers:
- A higher than average number of clients have an inability to provide informed and appropriately authorised consent due to their age or medical capacity.
 - A Veteran who has died is unable to consent to their information being shared therefore identification of the executors of the estate is required.
 - The Crown is a single legal entity – the Crown cannot effectively refund itself unless the ability to do so is prescribed in statute (e.g., Accident Corporation Act 2001, s281 - Disclosure of information by Corporation for benefit and benefit debt recovery purposes).
22. This results in a number of problems being faced by the identified agencies.

Problem Faced	Agency
Lack of awareness of entitlements	<ul style="list-style-type: none"> • ACC • Ministry of Health • Veterans' Affairs
Delay in provision of services / entitlements	<ul style="list-style-type: none"> • Veterans' Affairs • Ministry of Health
Require consent to be obtained before sharing information	<ul style="list-style-type: none"> • ACC • DIA • Inland Revenue • Veterans' Affairs • Defence
Duplication of services	<ul style="list-style-type: none"> • ACC
Incurrence of debt	<ul style="list-style-type: none"> • Veterans' Affairs • MSD

¹ This is an older information sharing mechanism enabled under Part 7 Subpart 4 of the Privacy Act 2020. Information matching agreements generally focus on sharing bulk information sets between parties.

Problem Faced	Agency
Inability to be able to share information with consent	<ul style="list-style-type: none"> • Corrections • MOE • Registrar-General, Births, Deaths and Marriages
Ability to detect and prevent fraud	<ul style="list-style-type: none"> • Veterans' Affairs

What objectives are sought in relation to the policy problem?

Key Objectives

23. The key objective sought is to improve the delivery of services, entitlements, and support to veterans and their family and whānau by easing the burden for veterans and their families and whānau when assessing eligibility for services by reducing the number of documents that need to be provided.
24. In addition, Veterans' Affairs is seeking to improve the delivery of government services by:
 - Allowing organisations to correctly identify an individual who is a veteran and their family and whānau.
 - Protecting public revenue through timely adjustment in funding.
25. There will be some variation in how some of these objectives are realised, depending on the specific needs for each agency.

Negative Consequences

26. It has been identified that as a consequence of improving the information sharing to improve the delivery of services, entitlements and support there may be a number of adverse outcomes to veterans and their families and whānau. These include:
 - Agencies declining to provide requested services or additional services.
 - Cancellation or modification of services.
 - Undertaking a reconsideration of decision or undertaking an appeal in respect of the services.
 - Engaging in civil proceedings.
 - Investigating any matter that may constitute an offence under any legislation it administers and prosecuting the offence or reporting any suspected offence to the New Zealand Police or Serious Fraud Office.
27. Individuals may be concerned that improving information sharing may have a negative impact on their privacy. A Privacy Impact Assessment was developed as part of the public consultation to discuss the privacy risks and the proposed mitigations. In addition, the Office of the Privacy Commissioner has been consulted as part of developing solutions for improved information sharing. It is expected the impact on individuals' privacy will be minimal and the benefits outweigh this.
28. Veterans' Affairs has an established and robust review and appeals process in place for use in scenarios where a veteran or their family and whānau do not agree with a decision that Veterans' Affairs has made, or where the veteran or their family and whānau is unhappy with the level or extent of service received or not received. The review and appeals process is comprised of the following steps:
 - A discussion with Veterans' Affairs about a decision made, or service levels;

- A review of the decision or service, either by a Review Officer or the Veterans' Service Review Panel (if in relation to meeting the definition of qualifying service);
- An appeal to the Veterans' Entitlement Appeal Board; and
- An appeal to the High Court of New Zealand.

Section 2: Deciding upon an option to address the policy problem

What criteria will be used to compare options to the status quo?

29. Veterans' Affairs examined possible options to improve the information sharing relating to veterans and their family and whānau. When considering the options, the following were taken into account:
- Efficiency for veterans and their family and whānau – This will occur when veterans and their family and whānau are not required to provide information already held by another government agency.
 - Accuracy and timeliness of information – This will occur when Veterans' Affairs and other government agencies are able to gain access to information from an authoritative source in a timely fashion.
 - Transparency regarding how information will be shared and used by government agencies – This will occur when veterans and their family and whānau are able to access information in one central location about how their information will be shared.
 - Achievability within a reasonable time (up to two years) – This will be based on the process steps that are required to implement the option, the number of individual agreements required and the expected timeframes based on other similar work within New Zealand.
30. Compliance with the Privacy Act was not considered as a criterion as one of the limitations on the analysis was that all options proposed must conform with the Privacy Act. Furthermore, veterans and their family and whānau are required by law to provide the majority of the information to the relevant government agencies as part of receiving services from them.
31. At an operational level when considering the individual sharing arrangements with each agency privacy will be a key consideration when determining what information is to be shared.
32. Feedback was sought through public consultation as to whether the criteria used to compare the options were appropriate. Only one of the thirty-seven submissions answered the question posed. The submission stated they thought services delivered by Veterans' Affairs should acknowledge Veterans' Affairs objectives described in the MOU with the New Zealand Vietnam Veterans, family and whānau. These objectives are focused on the services delivered by Veterans' Affairs rather than the mechanics of delivery.

What scope will options be considered within?

33. The Privacy Act 2020 sets the framework for how personal information must be managed. The information proposed to be shared is considered personal information therefore only options that enabled compliance with the Privacy Act were considered.
34. The Privacy Act provides four key legislative enablers to share personal information between parties:
- In accordance with the privacy principles
 - As part of an Information Matching Programme – Since the introduction of the Privacy Act 2020 no new programmes are allowed to be developed.
 - Under an AISA – This also allows the privacy principles to be varied if justified.

- In accordance with specific legislation that overrides the general provisions of the Privacy Act.
35. Although it is possible for information sharing provisions to exist under all four of the enablers only one legal basis can be utilised at any given time for a specific information share.
 36. When completing the analysis Veterans' Affairs considered all information sharing with government entities and not just those parties listed as part of the recommendation in the Paterson Report. The analysis was constrained to solutions for information sharing only with New Zealand government entities.
 37. Due to resource and budget constraints Veterans Affairs only considered delivery of the same option for all identified parties.
 38. Inland Revenue were requested by Veterans' Affairs to participate in developing an improved solution to provide details of veterans' income and details of child support payments made by a veteran. However, Inland Revenue advised that currently information is able to be shared under a Memorandum of Understanding under the Tax Administration Act where consent is obtained. Inland Revenue did not have the resources required at the time to explore whether a change would be beneficial.
 39. Veterans' Affairs reviewed the information sharing arrangements between other agencies. There was a mixture of all four of the above legal options utilised. However certain agencies such as the Registrar-General, Births, Deaths and Marriages were significantly limited by their legislation in which options could be utilised for new information sharing programmes. In the previous years, a number of AISAs have been developed as these provide more flexible information sharing arrangements that can encompass multiple parties in one arrangement.

What options are being considered?

40. The following options were considered:
 - **Option A - Status Quo** – this would involve making no changes to the way information is shared.
 - **Option B - Development of Memoranda of Understanding (MOUs)** – this would involve putting in place a small number of MOUs between government agencies and Veterans' Affairs to support sharing under the exceptions to the Privacy Act or other legislation where allowable.
 - **Option C - Development of an Approved Information Sharing Agreement (AISA)** – this would enable two-way sharing with government agencies for a variety of specified purposes.
 - **Option D- Amend Primary Legislation** – this would involve an extensive process to update the Veterans' Support Act 2014 and other primary legislation.

Option A - Status Quo

41. This would involve continuing to use the current provisions and methods for information sharing between the parties. There would be no change in the arrangements.
42. Veterans' Affairs has several Memoranda of Understanding (MOUs) with the Ministry of Social Development and ACC that involve information sharing. These agreements were in place under the Privacy Act 1993. In terms of the sharing of personal information, these agreements have no basis in law as since 1993, the Privacy Act has provided that personal information may only be shared through either authorisation under the Privacy Act or primary powers in legislation.
43. There are several barriers for retaining the status quo, including the need to heavily rely on consent from the individual. Due to current limitations in the ability to share information, heavy administrative burdens (with costs attached) are placed on veterans

and their family and whānau in providing evidence of the various requirements such as proof of marriage or income received. This often results in delays in providing services.

44. The inability to share personal information also makes it difficult for agencies to exercise their powers:
 - To provide services correctly in terms of their legislation;
 - Not to provide services to an ineligible person;
 - To adjust, reduce or stop services; and
 - To prevent fraud or overpayment occurring which must then be repaid by the individual.
45. Information about information sharing that is occurring is currently explained in the Veterans' Affairs privacy statement provided to veterans and their family and whānau. Further information is also provided at the time the information is collected from the individual.

Option B - Development of Memoranda of Understanding (MOUs)

46. This option would involve putting in place a small number of Memoranda of Understanding (MOUs) between government agencies and Veterans' Affairs to support sharing under the exceptions to the Privacy Act or other legislation, where allowable. It is expected that this process would take approximately twelve months to be completed.
47. Individual MOUs would need to be developed with the following agencies:
 - Department of Corrections (Corrections)
 - Te Tari Taiwhenua | Department of Internal Affairs (DIA)
 - Health New Zealand (Health NZ)
 - New Zealand Customs Service (Customs)
 - The New Zealand Defence Force (NZDF)
 - The Ministry of Health (MOH).
48. The majority of the sharing would occur under the exceptions to the Privacy Act which allow sharing with consent. Therefore, the challenges regarding consent would still apply.
49. There are some circumstances where even with the individual's informed consent, information cannot be shared under an MOU due to legislative restrictions. These include the sharing of information relating to:
 - Sex offenders or high-risk offenders by Corrections;
 - An individual's enrolment at a registered school in NZ by Te Tāhuhu o te Mātauranga |Ministry of Education; and
 - An individual's birth, marriage, civil union, or death by the Registrar-General.
50. The option of putting in place a number of MOUs would assist in addressing specific information sharing gaps. However, it will still result in some gaps where the veterans and their family and whānau will be required to provide the information needed and in the majority of cases the veteran would still be required to provide consent in advance of the sharing occurring.
51. MOUs are relatively easy to update between the parties if the information sharing needs to be adjusted at a later date as long as the information sharing remains authorised under the exceptions to the Privacy Act. Consultation is only required with the two impacted parties.
52. Information about information sharing under the various MOUs would be explained in the Veterans' Affairs privacy statement provided to veterans and their family and whānau. Further information would also be provided at the time the information is collected from the individual.

Option C - Development of an Approved Information Sharing Agreement (AISA)

53. An AISA is a legal mechanism made by Order in Council under Part 7 subpart 1 of the Privacy Act that authorises the sharing of personal information between organisations to facilitate the provision of public services or government policy.
54. An AISA would enable information about veterans and their family and whānau to be shared between the parties. The details of the specific information that may be provided and received by each party, and the uses and purposes for which shared information may be used by that party, are set out in the AISA.
55. A key difference between an AISA and a MOU is that an AISA can also authorise departures from the information privacy principles (IPPs) that each organisation is required to follow under the Privacy Act if there is a clear public policy justification and the privacy risks of doing this are managed appropriately. An AISA will usually adjust the following IPPs:
 - IPP 2 - personal information should usually be collected directly from the individual concerned.
 - IPP 10 - information collected by a party should usually only be used for the purpose for which it was originally collected.
 - IPP 11 - personal information should not usually be disclosed to another person or organisation.
56. By enabling variation of the IPPs this would enable sharing without the consent of the individual. This will streamline the information sharing process in the majority of cases and also remove the risk around ensuring informed consent is obtained.
57. The other difference is an AISA can be used to share information about:
 - Sex offenders or high-risk offenders by Corrections;
 - An individual's enrolment at a registered school in NZ by Te Tāhuhu o te Mātauranga |Ministry of Education; and
 - An individual's birth, marriage, civil union or death by the Registrar-General.
58. By providing certainty around information to be shared, an AISA removes doubt around privacy implications and barriers to information sharing under the Privacy Act. AISAs are also public documents. An AISA can only be made if it meets a certain standard, including having checks and balances in place to protect the privacy of individuals. The Privacy Act sets out a transparent process to make an AISA, which includes:
 - Consulting with the Privacy Commissioner, who can also review an AISA once it comes into effect and make other recommendations for change;
 - Undertaking consultation with affected persons; and
 - Requiring an Order in Council to bring the AISA into force.
59. An AISA will reduce duplication of effort by combining multiple existing and possible new MOUs into a single agreement. This will provide greater transparency for people wishing to understand how their personal information may be used and shared.
60. The majority of work to develop an AISA is completed by the lead agency, Veterans' Affairs, with the other agencies involved reviewing key documents. An AISA does not mandate changes to business processes and technology but rather enables sharing where possible if desired.
61. The complete process for developing an AISA is approximately eighteen months.
62. If the AISA itself needs to be changed, usually to add an additional purpose, then the process specified in the Privacy Act must be followed and a new Order in Council developed. This process takes approximately 18 months and usually requires three separate approvals from Cabinet at various stages of the process.
63. AISAs are supported by operating procedures which detail how the information sharing occurs within the bounds of the AISA. These are developed with consultation between

the parties and the Office of the Privacy Commissioner. Changes to operating procedures are relatively simple and require consultation with the Office of the Privacy Commissioner.

64. It is relatively unusual for an AISA to require change after it has been developed. However, changes to the operating procedures are common as business processes change and develop.

Option D - Amend Primary Legislation

65. This option would update the Veterans' Support Act 2014 and other primary legislation such as the Births, Deaths, Marriages, and Relationships Registration Act 2021.
66. Amending legislation is a lengthy process and includes public consultation on the draft legislation, Select Committee processes and political debate. The speed of the process would depend on how the changes to the legislation relating to veterans rate against other government priorities, whether the changes are considered controversial, and the availability of specialist policy resources to lead the work. It is expected it would take three to five years to amend primary legislation due to the respective priority when compared to other legislative changes within New Zealand.
67. Achievability is a concern with this option, given the length of the process of legislative change and the changing government priorities at this time. There is also a limited case for a change of this nature, given that the Privacy Act already provides an option, in the form of an AISA, to enable sharing between organisations.
68. Once primary legislation has been amended to reflect the information sharing required it is not possible to adjust it at a later date without following the same process used to originally amend the legislation.

Public Consultation

69. Public consultation began on 29th August 2022 and closed on 7th October 2022. The following activities occurred during the consultation period:
 - Stakeholder packs - The main mailout of the 'packs' were sent to the 47 organisations detailed in Appendix B on the first day of consultation.
 - Email newsletter – Veterans' Affairs twice included an article in its email newsletter about the consultation. The newsletter was emailed to 3,742 subscribers, and it had an open rate of 71%. The newsletter generated 544 clicks though to the AISA page on Veterans' Affairs website.
 - Veterans' Affairs AISA webpage – Veterans' Affairs published a dedicated webpage (<https://www.veteransaffairs.mil.nz/about-veterans-affairs/our-programmes/aisa/>) containing information about the proposed changes and copies of all the documents. The webpage had 1,274 unique views.
 - Social media – Veterans' Affairs posted 13 times to their Facebook page which has 4,200 followers. The average reach for each post was approximately 1,300. Thirty-three comments were made on the posts.
 - Media - A media release went out the first week of the consultation. It was only picked-up by Sunlive, Tauranga.
 - Zoom meeting – Two individuals, other than staff, attended the call. The attendees were a Viet Nam veteran and a delegated representative from The Royal New Zealand Artillery Association.
70. Thirty-seven submissions were received in response to the initial public consultation, coming mainly from individuals with three submissions from organisations. This is a very high number of submissions in relation to a proposed AISA especially from individuals. This reflects the level of engagement from the veteran community with Veterans' Affairs.

71. The submissions for and against appeared roughly even as detailed below.

Sentiment	Number of Submissions
In Favour	17
Ambivalent	1
Opposed	13
Uncategorised	5

- 72. However, many submitters did not provide a clear answer to the questions posed about whether there was value in sharing information in specific circumstances. A key theme to the feedback from those opposed centred around a distrust for government agencies to securely transfer and store personal information about them. Veterans' Affairs reviewed the safeguards in the draft AISA and believes these are sufficient to mitigate the identified concerns.
- 73. Initial consultation feedback did not provide a clear answer to the questions posed about whether there was value in sharing information in specific circumstances. A set of definite questions was therefore developed by Veterans' Affairs to seek further clarity on the views expressed. Twenty-five clarifying submissions were received from both organisations and individuals, most of which were strongly supportive of the AISA. Appendix A details the responses.
- 74. As a result of feedback received as part of the public consultation an additional safeguard has been included in the draft AISA to require parties to seek the consent of individuals prior to sharing their information in situations where consent is appropriate. However the draft AISA confirms that the party are not required to establish the individual's legal ability to provide consent.

How do the options compare to the status quo/counterfactual?

	Option A – Status Quo	Option B – Development of Memoranda of Understanding (MOUs)	Option C - Development of an Approved Information Sharing Agreement (AISA)	Option D – Amend Primary Legislation
Efficiency for veterans and their family and whānau	A number of agencies are not in a position to share information and therefore information has to be provided by the veteran.	<p style="text-align: center;">+</p> <p>MOUs would enable sharing with consent in most instances. However certain parties such as the Registrar-General, Corrections and MOE would be unable to share information in some circumstances.</p>	<p style="text-align: center;">++</p> <p>An AISA would enable sharing in all cases without the need for consent to be obtained.</p>	<p style="text-align: center;">++</p> <p>Legislative change would enable sharing in all cases without the need for consent to be obtained.</p>
Accuracy and timeliness of information	Information has to be manually provided by the veteran in some circumstances which doesn't provide any surety of accuracy and there is a delay in the provision.	<p style="text-align: center;">+</p> <p>Accurate information could be provided by agencies with an MOU in place. Consent would first need to be obtained from the individual which would take additional time to obtain.</p>	<p style="text-align: center;">++</p> <p>Accurate information could be provided by agencies. Consent would not need to be obtained; therefore, information could be provided as soon as required.</p>	<p style="text-align: center;">++</p> <p>Accurate information could be provided by agencies. Consent would not need to be obtained; therefore, information could be provided as soon as required.</p>
Transparency regarding how information will be shared and used by government agencies	Transparency is achieved through provision of details by the respective agencies. This is usually provided on their website.	<p style="text-align: center;">+</p> <p>Transparency is achieved through provision of details by the respective agencies. This is usually provided on their website.</p>	<p style="text-align: center;">++</p> <p>Transparency is achieved through provision of details by the respective agencies. This includes a requirement for the lead agency to make available hard copies of the AISA. Information provided by the agencies is further complemented by an Order in Council that is publicly available and information contained on the Office of the Privacy Commissioner's website.</p>	<p style="text-align: center;">+</p> <p>Transparency is achieved through provision of details by the respective agencies. Information provided by the agencies is further complemented by primary legislation that is publicly available.</p>
Achievability within a reasonable time (up to two years)		<p style="text-align: center;">++</p> <p>MOUs generally take about 6 months to develop. In this case a number are required.</p>	<p style="text-align: center;">++</p> <p>The development process for an AISA is well established and documented. Previous AISAs have a history of being delivered in up to two years.</p>	<p style="text-align: center;">-</p> <p>The process to change primary legislation is impacted by a number of factors. It is expected it could take three to five years.</p>
Overall assessment	0	5	8	4

Key: ++ meets criteria + partially meets criteria - does not meet criteria

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

The Proposed Solution

75. As a result of this analysis, Veterans' Affairs has identified the preferred option is to create an AISA because it meets all four of the criteria. No trade-offs were made where identifying the preferred solution as it met all the criteria identified.
76. Using an AISA would also enable predictable and consistent outcomes for the government agencies involved. In contrast to using MOUs, an AISA would enable information to be shared with all the government agencies involved including those with legislative barriers, such as Corrections and the Registrar-General, Births, Deaths and Marriages (Registrar-General) where legislation prevents sharing under an MOU.
77. AISAs, which are a more recently developed type of information sharing agreement under the Privacy Act, authorise the sharing of personal information between organisations to facilitate the provision of public services or government policy. They also allow the privacy principles to be varied.
78. Development of a Veterans' Affairs AISA would enable information about veterans and their family and whānau to be shared between the parties. The details of the specific information that may be provided and received by each party, and the uses and purposes for which shared information may be used by that party, are set out in the AISA.
79. The development of an AISA to facilitate sharing information to facilitate public services is cornerstone of a unified public sector, which is a major focus of State Services Commission led reforms.

Impacted Parties

80. The Veterans' Affairs AISA proposes to allow prescribed access to information about veterans and other claimants held by the relevant government agencies that will be parties to the AISA. The lead agency for the AISA is Veterans' Affairs.
81. It is proposed the parties to the AISA are:
 - Accident Compensation Corporation (ACC)
 - Department of Corrections (Corrections)
 - Te Tari Taiwhenua | Department of Internal Affairs (DIA)
 - Health New Zealand (Health NZ)
 - New Zealand Customs Service (Customs)
 - The New Zealand Defence Force (NZDF)
 - Te Tāhuhu o te Mātauranga | Ministry of Education (MOE)
 - The Ministry of Health (MOH)
 - The Ministry of Social Development (MSD)
 - Kairēhita Matua – Whānautanga, Matenga, Mārenatanga | The Registrar-General, Births, Deaths, and Marriages (Registrar-General).
82. The AISA would vary the following principles under the Privacy Act:
 - IPP 2: Source of Personal Information - It would not be a breach of information privacy principle 2 or the Health Information Privacy Code rule 2 for a party to collect personal information from another party in accordance with the AISA for one of the purposes of the AISA.
 - IPP 10: Limits on the Use of Personal Information - It would not be a breach of information privacy principle 10 or the Health Information Privacy Code rule 10 for personal information to be used by a party in accordance with the AISA for one of the purposes of the AISA.

- IPP 11: Limits on Disclosure of Personal Information – It would not be a breach of information privacy principle 11 or the Health Information Privacy Code rule 11 for a party to disclose personal information to another party in accordance with the AISA for one of the purposes of the AISA. It would also not be a breach of information privacy principle 11 or the Health Information Privacy Code rule 11 for a party to disclose personal information to another party as part of making a request for personal information.

What are the marginal costs and benefits of the option?

83. Improving information sharing about veterans and their family and whānau has the potential to significantly improve the delivery of services, entitlements, and support to veterans and their family and whānau.
84. These benefits are not quantifiable at this point, and the timing of their realisation will depend on when parties are able to begin sharing under the AISA and update their databases and processes. Not all parties will be ready and able to begin information sharing immediately, for a range of reasons. It is known cost savings are expected for veterans as certain items that are expected to be provided such as birth certificates currently cost \$33 per certificate.
85. Cost savings are expected to be incurred by Veterans' Affairs due to:
 - A reduction in the number of interactions with clients needed to process services, entitlement and support requests.
 - A reduction in time utilised for consent management.
 - Reduced levels of overpayments that then need to be recovered from clients.
 - Reduced levels of fraud.
86. Fees are not expected to be charged by the agencies sharing information.
87. It is expected that a large amount of the information sharing will be conducted on an individual basis and utilise existing technologies such as SEEMAIL. Therefore, costs are not expected to be incurred by the parties for technology improvements.

Additional costs of the preferred option compared to taking no action			
Affected groups	Comment	Impact	Evidence Certainty
Veterans and their family and whānau	There are no added costs for Veterans and their family and whānau.	Low	High – The parties legislatively can not charge fees to individuals.
	There is a perceived negative impact that support will be reduced to individuals. However, legislation requires the support to be reduced therefore regardless of improved information sharing the support would be reduced once know and any debt incurred would be reclaimed.	Low	High – Legislation requires entitlements to be reduced.

Additional costs of the preferred option compared to taking no action			
Affected groups	Comment	Impact	Evidence Certainty
Regulators (Office of the Privacy Commissioner)	There is a one-off administrative cost to government to develop the AISA.	Low – met within existing baselines	Medium – Costs of previous AISAs are well understood.
Veterans' Affairs	There is a one-off administrative cost to government to develop the AISA.	Low – met within existing baselines	Medium – Costs of previous AISAs are well understood.
	The AISA does not compel technology or process changes to occur.	Low – met within existing baselines	High – The majority of sharing is on an individual basis therefore technology exists to support this already.
Other Parties	There is a one-off administrative cost to government to develop the AISA.	Low – met within existing baselines	High – Majority of the cost is incurred by Veterans' Affairs.
	The AISA does not compel technology or process changes to occur.	Low – met within existing baselines	High – The majority of sharing is on an individual basis therefore technology exists to support this already.
Total monetised costs	Not applicable		
Non-monetised costs	Not applicable		

Additional benefits of the preferred option compared to taking no action			
Affected groups	Comment	Impact	Evidence Certainty
Veterans and their family and whānau	Cost saving as information will not need to be purchased in some instances e.g., birth certificates. Faster access to services and entitlements. Proactive identification of services and entitlements available.	High	High – Multiple reports have identified areas for improvement around information sharing and the frustrations around the existing arrangements.

Additional benefits of the preferred option compared to taking no action			
Affected groups	Comment	Impact	Evidence Certainty
Regulators (Office of the Privacy Commissioner)	Legal clarity around the information sharing occurring.	Low	High – An Order in Council will be developed.
Veterans' Affairs	Reduced costs for providing services and entitlements to individuals who don't qualify.	Low	High – Overpayment amounts are quantifiable.
	Reduction in debt collection activities associated with over payment.	Low	High – Collection of debt is quantifiable.
	Improved data integrity.	Low to medium	Medium – The level of integrity issues is not quantified.
	More efficient service delivery and better protection against fraudulent interactions and transactions.	High	High – The level of time taken working with clients to gather information from other agencies is known.
Total monetised benefits	Not applicable		
Non-monetised benefits	Not applicable		

Section 3: Delivering an option

How will the new arrangements be implemented?

88. The legal arrangements underpinning the sharing of information is the AISA itself, which will be signed by the signing authorities of the parties to the AISA, and the Order in Council that will be approved by Executive Council.
89. A further two Cabinet approvals will be required as part of the process to develop the required Order in Council. It is expected these will occur as follows:
 - July 2023 - Approval of policy decisions and issuance of instruction to draft the Order in Council.
 - December 2023 – Approval by Executive Council.

Therefore, it is expected the AISA would come into force in early 2024.

90. Once these arrangements are in place, Veterans' Affairs will work with the parties to develop operating procedures, to outline exactly what information fields they need, including the business reason for each requirement, and the proposed details of how information will be shared, managed, and kept safe.
91. The operating procedures will be developed using standard templates utilised for other AISAs developed by DIA. As most of the proposed parties are already party to one of the DIA AISAs this will reduce the time needed to agree the template.
92. Generally operating procedures are developed by the lead agency initially and provided to the other agencies for review and comment. Usually, it takes less than a day to develop a set of operating procedures for a given information share.
93. The operating procedures are reviewed by the Office of the Privacy Commissioner and signed off at Chief Executive level by Veterans' Affairs and the other party.
94. Veterans' Affairs anticipates that information sharing will be put in place over a period of twelve months. Priorities and timing will be negotiated to make sure any urgent needs are addressed as soon as possible.
95. It is expected most of the information sharing will be conducted on an individual basis as each client engages with Veterans' Affairs or the other agencies about their needs. The exception to this is the flagging of Veterans within the health systems which is likely to occur in bulk on a regular scheduled basis.
96. It is not expected that significant IT changes are needed to operationalise the AISA as most of the information sharing will be on an individual basis through SEEMAIL or phone.
97. Ongoing information sharing services will be managed by the Business Systems team at Veterans' Affairs and supported by Legal. Veterans' Affairs are already party to another AISA and therefore are familiar with the requirements of developing and operating an AISA.

How will the new arrangements be monitored, evaluated, and reviewed?

98. As required by the Privacy Act 2020 s154, Veterans' Affairs, as lead agency for the AISA, will report on the AISA annually or less frequently. The Office of the Privacy Commissioner will specify the frequency of reporting.
99. The normal expectation is that Veterans' Affairs will report on the operation of the AISA in New Zealand Defence Force's published annual report required under the Public Finance Act 1989. The report is expected to cover the rate of uptake of the AISA, the level of information sharing under the AISA, and handling of adverse actions affecting individuals whose information is shared.
100. Parties to the AISA will be required to report annually to Veterans' Affairs on their use of the AISA, including number of adverse actions as a result of the information shared

under the AISA. Every party to the AISA must conduct regular internal audits of the operation of the AISA.

101. The Privacy Commissioner may review the operation of any AISA at any time, on the Commissioner's own initiative (Privacy Act 2020 s158). However, no such review may be conducted before the end of 12 months after the Order in Council (OIC) approving the AISA is made.
102. The Commissioner must provide a report on any such review to the relevant Minister if any major concerns are identified, and may recommend that the AISA should be amended, or that the OIC should be revoked. The types of circumstances that might prompt a major review of an AISA could include an AISA:
 - Operating in an unusual or unexpected way (not foreseen by the Commissioner of the parties when the agreement was entered into).
 - Failing to facilitate the provision of public services intended.
 - Unreasonably impinging on the privacy of individuals.
 - Operating in such a way that the costs of sharing information under the AISA outweigh the benefits.
103. In these circumstances the Minister is required to present the Commissioner's report and then the Government's response to the House of Representatives.
104. In the normal course of events, amendments can be made to an AISA at any time by the lead agency (Veterans' Affairs) if new needs emerge or the AISA needs to be updated (Privacy Act 2020 s157). Significant amendments must be notified to the Minister and the Privacy Commissioner, and the OIC must be amended through appropriate processes. Minor amendments (e.g., change of name of a party, fee updates etc) do not need to be notified in this way, and do not amend the OIC.
105. Stakeholders may raise concerns about the AISA and its operations with Veterans' Affairs at any time. The first opportunity was at the public consultation conducted at the drafting stage of an AISA. The AISA and reporting on the AISA are always publicly available.
106. In the event a veteran feels that their privacy has been compromised by the use of the AISA they are able to make a complaint to the agency concerned, Veterans' Affairs or the Office of the Privacy Commissioner in accordance with the Privacy Act.
107. Veterans' Affairs has an established and robust review and appeals process in place for use in scenarios where a veteran or their family and whānau do not agree with a decision that Veterans' Affairs has made, or where the veteran or their family and whānau is unhappy with the level or extent of service received or not received. The review and appeals process is comprised of the following steps:
 - A discussion with Veterans' Affairs about a decision made, or service levels;
 - A review of the decision or service, either by a Review Officer or the Veterans' Service Review Panel (if in relation to meeting the definition of qualifying service);
 - An appeal to the Veterans' Entitlement Appeal Board; and
 - An appeal to the High Court of New Zealand.

Appendix A – Scenario Submissions

Scenario	Desirable	Not Desirable
When leaving NZDF, NZDF can notify VA of all veterans with qualifying service so VA can reach out to advise the veteran of the services available to them.	25	
When a veteran wishes to become a client, VA can confirm their service history with NZDF.	25	
Where a veteran is claiming ACC and employed by NZDF, VA can process a request to top-up the veteran's salary /services without the need for the veteran to provide all their ACC cover documents to VA.	22	2
VA and/or MSD can increase benefits paid by MSD if the benefits are lower than the maximum claimable by a veteran.	20	2
VA and/or MSD can decrease benefits paid by MSD if the benefits are greater than the maximum claimable by a veteran.	19	4
Where a veteran is known to be deceased by either MSD or VA, they can advise the other party to cease payments.	25	
Where a veteran's contact details have been updated by either MSD or VA, they can advise the other party to keep the records aligned.	24	1
When a veteran's family applies for services from VA, they do not need to prove their relationship to the veteran to VA as they have already proven this with MSD.	23	2
Where a veteran is claiming ACC, VA can process a request to top-up the veteran's salary / services without the need for the veteran to provide all their ACC cover documents to VA.	22	3
Where a veteran is receiving ACC and support from VA, VA are able to check the veteran is not receiving more support than legislatively allowed.	24	1
When a veteran enters prison VA can cease financial payments to the veteran.	20	2
When a veteran leaves prison VA can automatically restart financial payments to the veteran.	22	1
When a veteran enters prison VA can provide details of the veteran's rehabilitation and treatment plan to ensure ongoing care.	22	2
When a veteran leaves prison Corrections can provide details of the veteran's rehabilitation and treatment plan to ensure ongoing care.	21	1
When a veteran is preparing to leave prison, VA is able to work with Corrections to develop a support plan for reintegration.	22	1
When Corrections are preparing submissions to the Parole Board, VA can provide details about the support available to the veteran.	24	1
When applying to become a client of VA the veteran does not have to provide a copy of their passport as this will be obtained from DIA.	23	

When applying to be a client or obtain services the veteran / other claimant does not have to provide copies of their birth, marriage, or death certificates as these can be accessed directly from DIA.	23	
If a veteran is claiming entitlements that are only available to NZ based veterans, then these may be investigated based on the location the veteran's passport is sent to.	22	2
If a veteran is claiming entitlements that are only available to NZ based veterans, then these may be investigated based on their travel movements out of the country.	20	3
DIA can provide the veteran a way to prove they are a veteran to other organisations in digital channels.	22	1
Health agencies are made aware a patient is a veteran through a veteran flag on the National Health Index, and therefore can offer more tailored services.	23	
GPs are made aware a patient is a veteran, so they can provide free appointments.	23	
When applying for an education bursary the veteran / other claimant is not required to provide evidence the child is attending school as this is confirmed by the Ministry of Education.	23	2