

# Aide-mémoire



**MINISTRY OF SOCIAL  
DEVELOPMENT**  
TE MANATŪ WHAKAHIATO ORA

**Date:** 29 September 2016      **Security Level:** IN CONFIDENCE

**For:** Hon Jo Goodhew, Associate Minister for Social Development

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## Update on the collection of Individual Client Level Data

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**Purpose** This aide-memoire provides you with feedback from the recent meeting of the NGO Advisory Group's (on 5 September) on the collection of individual client level data, and signals the likelihood of a broader public debate on this topic as a result of letting contracts for Building Financial Capability (BFC) services.

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**Background** The NGO Advisory Group (the Group) meetings are held quarterly to provide the Group with an update of Ministers key priorities, and seek their input to decisions facing Community Investment (CI) with regard to the Community Investment Strategy (the Strategy).

CI is progressing two workstreams that are likely to generate public interest in the next month:

- The requirement for all providers to collect individual client level data by 1 July 2017, on the basis that it can be used on an identifiable basis for specific purposes
- The letting of contracts for the new BFC services from 1 November which will include the collection of identifiable client level data for use on an unidentifiable basis until 30 June 2017, followed by use on an identifiable basis from 1 July 2017.

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**The Group are concerned about how the data collection requirements will be perceived and received by the NGO sector** Data ownership has been an on-going discussion with the Group, along with discussions concerning the ethical and legal issues of shared customer data. At the most recent meeting, CI staff outlined the intent to collect individual client level data and use it in an identifiable way for specific purposes. The Group expressed the following particular concerns with this intent:

- the impact on the trust that customers, particularly those who are difficult to engage in support services,

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will have in providers

- compliance with the requirements of the Privacy Act and the consent that they believe will be required from customers
- the provision of client's personal information to the Ministry
- the ethics of providers not receiving funding if clients do not consent to share personal data, and the financial impact on them
- the safety of data being shared between providers and CI, and the risk of personal information being disclosed
- the cost to providers of a new data collection system
- the likely quality of the data collected given the financial pressures the Group argue that providers are under
- the potential for international criticism.

The Group strongly advised that we work closely with the Privacy Commissioner (which we intend to do), and to expect a strong public reaction from providers. We also expect to work with the Government Chief Privacy Officer (GCPO) on these issues.

None of the issues identified are new to the debate about the use of identifiable client information and it is fair to say that the sector is divided in their views on this. Ministers have strongly and repeatedly signalled that this is the direction that contracting will need to move in to enable implementation of a social investment approach.

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**We will be signalling this intent to a wider audience in the next month**

We are in the process of finalising the procurement of new BFC services.

We will include a clause on the requirement to collect individual client level data. Given these are multi-year contracts we will also signal the intent to move from using this data in a non-identifiable way (which is the case for the current financial year) to using it on an identifiable basis from 1 July 2017.

We intend to include a clause in the contract that signals this intent and briefly outlines that we will work through the privacy, practical and ethical aspects of this approach over the next six months.

This approach is consistent with the approach we outlined in our recent briefing to you on this topic [REP/16/9/1137 refers].

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**We are committed to implementing the client level data collection requirements**

We have work underway to advance how we implement this data collection requirement:

- we are engaged with the Social Investment Unit (SIU) on what they have learned through their work on client-level data collection, including their work with key stakeholders in this area such as the NZ Data Futures

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Forum, the Privacy Commissioner and the GCPO

- we have included the Lead of the SIU on the governance of our prototype project for results-based contracting, which includes a specific focus on data collection and will draw on their expertise in our work with providers
- we are working on a Privacy Impact Assessment (PIA) to identify any potential privacy risks and mitigations. We will engage with the Privacy Commissioner on the PIA and align it with the PIA work that the SIU has already progressed.

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**There is a risk of a public reaction to the collection and use of identifiable data and we are preparing for it**

In addition to the advice of the Group, we have had both informal and formal feedback that providers will raise their concerns about the data collection requirements and intended use with you directly and in the public domain. For example, Trevor McGlinchey, in his capacity as Executive Officer of New Zealand Council of Christian Social Services published a think piece on 28 September on Community Scoop reiterating many of the concerns noted above. This reaction needs to be balanced against other feedback we have had from providers about the necessity of collecting this type of data if we are to make better investments in social services and to improve those services.

We have been preparing a communications plan to manage our response to these concerns. The communications plan will include key messages like:

- the purpose and importance of client level data collection to determining what works best for particular clients and how effective these services have been for them
- the benefits that we expect customers and providers will see from the analysis of the data we collect
- the fact that other parts of the social sector operate in this way already – like Health, Work and Income
- a sense of what we will use identifiable client level data for and what we won't, that this is a first step which will be closely managed across Government with input from the Privacy Commissioner.

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**Our response at this stage is limited by what we can definitively say at this stage**

Ideally, we would be able to give the public (including providers, and current and potential clients) a clear idea of when we will and won't be using individual client level data on an identifiable basis. That picture would potentially limit the scope of public concern, and focus the debate on how the data is collected, managed and used.

There is an ongoing public discussion being progressed through the Data Futures Partnership, and ongoing discussion between Ministers, over the past two years about the nature and use of

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identifiable data by Government. As part of this work the SIU have been working with the Privacy Commissioner and the GCPO on how the matching and analysis of data needs to be managed so that clients' privacy rights are protected. This work is being progressed through a Privacy Impact Assessment (PIA).

Until we have clarity, we will have to refer to the process as evolutionary with careful consideration with the appropriate parties such as the Privacy Commissioner and the GCPO involved as the principle mechanism for resolving it. We will be testing how to manage the data collection and analysis through the prototype we have on results-based contracting. We will explore how best to engage with existing data use forums such as the NZ Data Futures Forum on practical ways to collect and use identifiable data.

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**We will work with the BFC sector to collect, manage and use client level data**

We are meeting with the budget services sector umbrella groups on Thursday 6 October to discuss how best to engage providers in the collection, management and use of client level data. We have also prepared material for our staff to use when negotiating new contracts with successful BFC providers.

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**We will keep you updated as work with stakeholders progresses**

We will liaise with your office in the preparation of the communications plan for both BFC procurement and the broader issue of client level data.

We will keep you update with the progress of the PIA process, and with any public commentary that may arise and our response to it.

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**File Reference:** REP/ 16/9/1143