



Briefing Note: Ministerial consultation - 'Developing Options for a New Approach to Digital Identity' Cabinet paper

To:	Hon Chris Hipkins, Minister of Education		
Date:	26 October 2018	Priority:	Medium
Security Level:	In Confidence	METIS No:	1150037
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Messaging seen by Communications team:	No	Round Robin:	No

Purpose of Report

The purpose of this paper is to provide you with advice for discussion of the 'Developing Options for a New Approach to Digital Identity' Cabinet paper which is scheduled for discussion at the Cabinet Economic Development Committee (DEV) on 31 October 2018.

Note that the Ministry recommend that you support this paper as the Ministry of Education and education sector agencies are reliant on this work to be able to deliver and consume robust cost-effective identity services for teachers, students and parents/whānau.

Agree that this Briefing will be proactively released after a decision has been made on the 'Developing Options for a New Approach to Digital Identity' Cabinet paper.

Agree / Disagree

Summary

- The 'Developing Options for a New Approach to Digital Identity' Cabinet paper presents options for a new approach to digital identity that moves away from a sole reliance on RealMe (developed when there were no market alternatives) to an ecosystem model involving government and the private sector in the provision of digital identity services.
- The paper is scheduled for discussion at the Cabinet Economic Development Committee (DEV) Cabinet Government Administration and Expenditure Review Committee (GOV) on 31 October 4 September 2018.
- The model envisages a regulatory and policy framework (Digital Identity Trust Framework) developed in close collaboration with citizens, public agencies and the private sector, within which the government and private sector deliver a range of identity services for citizens and businesses.

- Cabinet approval is sought to release the remainder of contingency funding (\$5.15 million) to enable officials to develop such a digital identity ecosystem, and a RealMe product strategy that aligns with the decisions made on this paper.
- We recommend that you support this paper as the Ministry of Education and education sector agencies are reliant on this work to be able to deliver and consume robust cost-effective identity services for teachers, students and parents/whānau.



Stuart Wakefield
Chief Information Officer
Business Enablement and Support

26/10/18

Hon Chris Hipkins
Minister of Education



Proactively Released

Background

1. The Department of Internal Affairs (DIA) has been working on a sustainable approach to digital identity for some time [Refer METIS 1053048, 20 March 2017, and METIS 1036342, 5 December 2016]. It has most recently investigated the digital identity approaches across the New Zealand public and private sector landscape and approaches taken in comparable jurisdictions, including the role of government, and consulted directly with key players in Australia, Canada and the United Kingdom.
2. The key points of this analysis are outlined in a 1-page discussion paper originally prepared for the Cabinet Government Administration and Expenditure Review (GOV) Committee [Annex One] and A3-poster 'Digital Identity - a cornerstone of the digital nation NZ wants to become' [Annex Two].
3. It is clear that there is an ongoing role for government in digital identity. This view is shared by jurisdictions, such as Australia, the United Kingdom and Canada. Government's current role is a main digital identity service provider. This may change over time to a strong regulator, as the market matures and as citizens' appetite increases for more convenient and integrated services across both the public and private sectors. However, it is likely that citizens will continue to expect highly trusted access to government services and that government will take appropriate steps to ensure that their personal data is security and privacy protected.
4. However, RealMe struggles to keep pace. Without significant investment RealMe cannot keep up with evolving technology, security, citizen, agency and private sector needs. A new and more sustainable approach is required.
5. The recommended approach includes developing a Digital Identity Trust Framework with citizens, public agencies and businesses. The Framework would set the standards, policies and legislation for digital identity in New Zealand, ensuring all users have a safe and secure way of connecting with government and non-government services (e.g. banking) online. For example, any organisation wanting to provide digital identity services would need to meet the requirements set out in the Framework.
6. The benefits of moving towards a new co-designed operating model for public and private digital identity services are envisaged to be significant, resulting in a robust, reliable and resilient digital identity environment that costs the Government less in the long run.
7. The Ministry of Education is working with sector and industry partners to enable simpler digitally delivered assessments, enrolment in tertiary institutions, and equitable digital access by leveraging robust digital identity systems and processes.
8. To date our focus has been on identity services for teachers, but this is moving to develop services for students, and subsequently for parents/whānau. We have had an active joint investment programme with the DIA in support of teachers. Over the past year, we have been running a series of pilots and trials with schools and telecommunications providers to develop technical and commercial solutions for equitable digital access for our underserved learners and their families. To accelerate this we have initiated a project in the inaugural GovTech Lightning Lab, and have applied to the Digital Government Partnership 2018-19 Innovation Fund for funds to scale the solution(s) identified in the Lab.
9. We are reliant on the approach proposed in the Cabinet paper as it will increasingly underpin identity and access management in the education sector (and other agencies / sectors) as the sector increasingly transitions to digital services.

Next steps

10. We recommend that you support this paper as the Ministry of Education and education sector agencies are reliant on this work to be able to deliver and consume robust cost-effective identity services for teachers, students and parents/whānau.

Proactive Release

11. We recommend that this Briefing is proactively released after a decision has been made on the 'Developing Options for a New Approach to Digital Identity' Cabinet paper, as per your expectation that information be released as soon as possible. Any information which may need to be withheld will be done so in line with the provisions of the Official Information Act 1982.

Annexes

- Annex 1: Digital Identity – Cabinet Paper High-level Narrative
- Annex 2: Digital Identity A3 - a cornerstone of the digital nation NZ wants to become

Digital Identity - A Cabinet Government Administration and Expenditure Review (GOV) Committee discussion paper - High-level Narrative

- Digital identity (who we are online) is the key to the digital world.
- Safe, secure and accessible digital proof of identity enables citizens to get the services they need from Government and the private sector.
- It also enables businesses to realise the economic opportunities presented by an increasingly digital world.
- It's an essential building block underpinning the Government's priorities of digital rights and economic development.

The current state

- Anticipating the need for secure and safe digital identity authentication, the New Zealand Government invested in launching RealMe.
- RealMe was developed when there were no market alternatives for digital identity services, and built to the highest level of identity assurance (that needed for a passport).
- It performs this function well, but doesn't provide the flexibility that Government agencies and private companies need today, so some have developed their own digital identity solutions.

The opportunity

- With new technologies like Blockchain developing quickly and market solutions now available, there's an opportunity for the New Zealand Government to take a smarter, more agile approach to digital identity.
- The new approach would include an Identity Trust Framework to enhance citizens' trust and confidence by setting the standards, rules, legislation and policies for a wider digital identity ecosystem.
- This would ensure that Government agencies and private sector providers operate digital identity services to a consistent standard.
- It would also allow greater flexibility to meet emerging digital challenges, and pave the way for alignment with other jurisdictions (UK, Australia and Canada).

The benefits

- Citizens firmly in control of their personal data and will find it easier to manage their identity online.
- Government services will be easier to access online and citizens will be able to choose to join up services and share their information seamlessly.
- A robust identity ecosystem should reduce the risks of online activity, such as impersonation, fraud, or money laundering.
- Citizens will have increased trust and confidence in the online services they use and have confidence they are secure and privacy protected.
- NZ companies delivering digital identity services would have more opportunities to grow their business.

What do we need from Ministers?

- Approval to continue to develop a new approach to digital identity.
- Approval to draw-down the remainder of a tagged contingency (\$5.15m) to continue this work.

Digital Identity - a cornerstone of the digital nation NZ wants to become

What is digital identity?

- An electronic representation of an individual
- Provides a means for people to undertake online what they have traditionally done manually
- A critical enabler of the digital economy and transformation of government services

RealMe's current role

- Originally developed by government as there was no market – Logon (user name and password) and Identity Verification Service (IVS)
- RealMe IVS provides a high-strength digital identity (passport grade)

Why is it important?

- **Citizens** - can access online services easily and with confidence that their information is secure, and privacy protected
- **Organisations** - can trust that people are who they say they are online
- **Private sector** - can develop new digital services and meet compliance requirements e.g. Anti-Money Laundering
- **Choices** – for citizens and businesses, which fit the way they transact online today and in the future
- **International trade and interoperability** - is supported in a digital environment

Why do we need a new approach?

- **RealMe struggles to keep pace** – without significant investment RealMe cannot keep up with evolving technology, security, citizen, agency and private sector needs
- **Lacks choice** – RealMe is a one-size-fits all model at passport strength
- **Complex** - RealMe is not easy or convenient for citizens or businesses, who are used to using simpler methods to prove their identity online
- **Fragmented** - investment lacks clear direction and strategy in the public and private sectors
- **Market maturing** - market can now provide alternate digital identity services

What will happen to RealMe?

- **RealMe IVS** – will continue as a high strength identity provider and will be mandatory for certain government services e.g. passports
- **Private sector identity providers** – would offer identity services to government at lower strength levels in a tiered approach
- **RealMe logon** – a new solution would be found to reduce government costs, with logon services supplied by the private sector
- s 9(2)(f)(iv)

What actions will be taken?

- **Trust framework** (rules, standards, legislation) - co-designed with agencies, citizens and private sector
- **Experiments, Use cases and Prototypes** – will be used to define the future role of government and the private sector in digital identity
- **User testing** - comprehensive testing with citizens
- **Strategic partnerships** - with private sector e.g. TradeMe, Banks, Blockchain companies
- **Governance** – established with members from a wide stakeholder group

What outcomes are sought?

- **Open, scalable and financially sustainable model** – which partners public, private and non-profit sector efforts appropriately
- **Citizen-centred** - designed and delivered around citizens' needs
- **Choices for citizens** - which reflect the risk and value of simple and more complex services
- **Choices for Ministers** - about how to involve the private sector and what needs to stay within government
- **Opportunities created** – for NZ companies to provide identity services
- **Government's role** – could shift to standard setting and regulation, as the market matures