

Chair

Cabinet Committee on Government Expenditure and Administration

REVISED E-GOVERNMENT STRATEGY

Proposal

- 1 In this paper, I propose that Cabinet endorse the revised E-government Strategy (Annex 1). I also provide a progress report on the e-government programme in support of this proposal (Annex 2).

Executive Summary

- 2 The E-government Strategy ('the strategy') has been revised for the second time. This has been done to ensure that the e-government programme is driving ahead in the right directions, that agencies know what is expected of them, and that e-government challenges are understood and addressed.
- 3 The strategy should be seen primarily as an aspirational statement of the Government's vision and commitment to using public sector information and technology to improve public sector performance in delivering results to New Zealanders. The strategy now provides a context for enabling long-run change in government, summarised in a new e-government mission statement:
 1. *By June 2004, the Internet will be the dominant means of enabling ready **access** to government information, services and processes.*
 2. *By June 2007, networks and Internet technologies will be integral to the **delivery** of government information, services and processes.*
 3. *By June 2010, the operation of government will have been **transformed** through its use of the Internet.*
- 4 Good progress is being made toward achieving e-government goals. The foundations for e-government are being progressively developed. Agencies are delivering e-government initiatives that increasingly build on these foundations. During 2002, the United Nations report *Benchmarking E-government: A Global Perspective* ranked New Zealand third among 169 nations on a global e-government leadership index.
- 5 The public is responding positively to e-government. For example, since its implementation, use of the new all-of-government portal ('the portal') has shown strong monthly growth running ahead of underlying growth in the use of the Internet.
- 6 We have seen how we can leverage investments in e-government. Reuse of parts of the portal by *WorkSite* (the new labour market portal) has provided immediate capital savings of \$400,000. Many more opportunities of this type exist.
- 7 Much has been learned, both about e-government and about the realities of inter-agency collaboration. This learning shows that, while the E-government Strategy is sound, there are significant challenges ahead of the programme, and collaboration requires commitment, time, trust, and resources. It also requires common frameworks of standards, and good governance arrangements that support cross-agency decision-making and the right balance of decision-rights between the centre and line agencies.
- 8 Ministers are asked to approve this revision, and take steps to ensure that as many government agencies as possible actively commit themselves to its implementation.

Background

- 9 Cabinet first endorsed the E-government Strategy on 2 April 2001. It was agreed that I would periodically revise the strategy [CAB Min (01) 10/12 refers]. The first revision was released in December 2001. It focussed most on building solid foundations for our e-government programme – an area where the centre of government has an ongoing lead responsibility.
- 10 In the context of looking at options for the future funding requirements for e-government, in February 2002 Ministers also agreed that for all e-government initiatives, no matter how funded, agencies must be able to demonstrate that in addition to normal consultation requirements, consultation with SSC over alignment with the E-government Strategy has occurred. Ministers further agreed that for all individual or multi-agency e-government initiatives funded from baseline, new initiative funding or other sources, agencies must be able to demonstrate that each proposed initiative has net benefits (including positive fiscal gains where possible) so that the portfolio of e-government initiatives has net benefits at any time. Agencies seeking new funding must meet usual budget process requirements around priorities; assessment of costs, benefits and risks; and business case development [CAB Min (02) 8/2A refers].
- 11 This second revision builds on the progress made in foundation building. Ministers should now be seeing widespread e-government activity in agencies as they use these foundations. The revised strategy is designed to maintain the overall context and direction of this activity by building on progress so far, highlighting challenges ahead, and providing the ongoing support from the centre that agencies require if our e-government programme is to be effective.

Comment

- 12 There are three essential messages in the E-government Strategy. First, use of the Internet has the potential to help us transform government into a more open, responsive, effective, and efficient institution delivering better value to New Zealanders. Second, taking a people-centric and collaborative approach to service delivery and internal administrative processes, and developing the enabling infrastructures of government, is the only way this will be achieved. Third, the Internet is a new channel for delivery of government that will augment, not replace, traditional methods unless shifts in demand indicate otherwise.
- 13 Our e-government programme will deliver the following benefits:
 - social gains, from providing better services and making government more people-centric, open, responsive and participative;
 - economic gains, from reducing compliance and transactions costs for businesses and individuals, providing better targeted public services, and making government a more efficient component of the economy;
 - fiscal gains, through more efficient and cost-effective public expenditure on service delivery, and supporting information and technology systems; and
 - general capability and performance gains across government.
- 14 Since the last revision of the strategy, we have seen new reasons and opportunities to improve government. Through the *Review of the Centre* and associated initiatives, we have set goals for the public sector that are complemented by our e-government goals. This has made it important to align and clarify the relationship between the two programmes. The latest revision shows how e-government is an enabler of our wider goals for the public sector, especially our desire that government deliver more people-centric and integrated services, and that collaboration between its agencies increase.

- 15 Agencies are now consulting with the SSC as required, which is enabling it to test for alignment with the E-government Strategy, and also to ensure that e-government initiatives are being developed in the context of *Managing for Outcomes* and the *Statement of Intent* process. In this way, the SSC can ensure that e-government is being used to improve agency performance in delivering services and achieving outcomes.

Progress to date

Foundation building

- 16 The portal is the most visible achievement of the e-government programme so far. We know that people are using e-government, and are interested in seeing more of it¹. The portal provides access to a rising number of government services – approximately 2500 by March 2003 – for the increasing numbers of New Zealanders going online. It is a tangible example of what we will achieve through e-government.
- 17 The portal is important not just because of the access to government it provides. It has also given us a new ability to see what government does, who it does it for, where and how this occurs, and where opportunities for improvement exist.
- 18 Creating the portal has demonstrated the benefits, costs, and realities of cross-agency collaboration. It could not have been built without the leadership, facilitation, coordination, and resources provided by the centre. Equally, it would not exist without the dedicated effort of nearly 90 central government agencies and 86 local authorities.
- 19 The portal provides two types of e-government infrastructure. First, it is the online ‘single-window to government’ delivery channel, providing ready access at the all-of-government level. Second, the database of agency-level NZGLS metadata records (Metalogue™), used to create the content of the portal, is an example of ‘component infrastructure’ (a new element of our strategy). It is already being reused as a core component of *WorkSite* – the new labour market portal that several agencies have created. This has enabled immediate capital savings of \$400,000, with ongoing operating savings in the region of \$18,000 per annum. The portal search engine, and other parts of the portal infrastructure are currently being leveraged in the same way, and more is planned.
- 20 As well as the portal, other progress includes:
- implementation of the New Zealand Government Locator Standard (NZGLS) – [CAB Min (01) 38/2B refers], which has already achieved its early goals, and is internationally recognised as innovative practice;
 - development of the authentication policy framework as a foundation for trustworthy e-government [CAB Min (02) 12/2A refers]; and progress on developing options for implementing electronic authentication in government;
 - implementation of the e-Government Interoperability Framework (e-GIF) [CAB Min (02) 18/2C refers], a critical first step toward cost-effective service integration that is now a key element of the e-government programme; and
 - continued development and agency uptake of the Secure Electronic Environment (S.E.E.) initiative.

Agencies’ achievements

- 21 The first thing to note about agencies’ achievements is that it is reasonable to expect to see the beginnings of widespread delivery against our e-government goals. The level of active commitment many agencies are showing to the programme is encouraging. The foundation

¹ See New Zealand results from the GO 2002 study, available at <http://www.e.govt.nz/programme/go-survey-2002.asp>

building discussed above would not have been possible without a high level of effort from agencies.

22 Second, readers of the strategy will see a growing list of agencies' e-government achievements that is too long to include in this paper. The following three achievements illustrate how agencies are contributing to our e-government goals:

- **Convenience and satisfaction** – provision of NCEA results via the Internet;
- **Integration and efficiency** – development of WorkSite, the new labour market portal; and
- **Participation** – MoRST's recent use of the Internet to enable public consultation over the New Zealand Biotechnology Strategy.

An emerging culture of collaboration

23 A culture of collaboration among agencies, both among themselves and with the centre, is emerging around e-government. The portal is the obvious example of the benefits of collaboration, but we are also seeing its beginnings in initiatives such as the labour market portal that involves five agencies, and the e-Health initiatives that are being developed between the Ministry of Health and District Health Boards. Local government is collaborating in developing e-government, especially through its contribution to the portal. It is important that Ministers and the centre support the collaboration shown by these early steps, especially as many aspects of our public management system still inhibit this type of behaviour.

Revised strategy

Drivers of the revision

24 The revision accounts for the following:

- **The Review of the Centre and Managing for Outcomes:** The E-government Strategy supports the outcome oriented, people-centric, and collaborative style of government that we are aiming for. This revision ensures alignment between e-government and these goals.
- **E-government goals for achievement by 2004:** we still expect that the Internet will be the dominant means of enabling ready access to government by June 2004. The revision builds on progress toward this goal.
- **Learning since the last revision:** the previous revision identified some major challenges ahead of the programme. Experience shows that there are even more challenges ahead.
- **Agencies deliver e-government, not the centre:** the long-run success of the e-government programme depends on agencies, acting with the support of the centre. During 2002, good progress has been made in putting e-government foundations in place. This has been a prerequisite for serious effort by agencies, which can now confidently begin to use these foundations.
- **Agencies have had sufficient time to prepare themselves:** we articulated our vision for e-government in May 2000. Agencies have had nearly three years to understand and incorporate e-government into their strategies and business plans. Ministers should now expect to see agencies actively planning and implementing e-government initiatives.
- **E-government means long-run change:** the revision shows that the change sought through e-government and the *Review of the Centre* requires long-term effort, and that agencies will pass through a number of developmental stages. Achieving ready access to government via the Internet is only the first step in transforming government. The strategy now includes two new elements in the e-government mission that will frame the e-government goals we will need to set beyond June 2004.
- **Autonomy may be traded off in the collective interests of efficiency and effectiveness:** we have learned this through the experience of developing and implementing some

e-government initiatives, notably the e-GIF and the NZGLS. Some goals and benefits cannot be realised without all agencies acting in concert, and sometimes these benefits outweigh those that may arise from agency autonomy.

- 25 **Agencies need overarching direction, facilitation, and support from the centre:** inter-agency collaboration and coordination is difficult and time-consuming. It is not costless, but is worthwhile. To be effective it often needs to be facilitated, and informed by a big picture view. Maximising the value of e-government requires the centre to provide ongoing facilitation, coordination, and support for agencies. It must create the all-of-government context vital to the e-government efforts of agencies. The revision provides for this in a variety of ways, focussed around a “service delivery architecture” to guide the electronic enablement and integration of services.
- 26 **Providing all-of-government infrastructure does not fit with the role of agencies:** strategy, leadership, shared conceptual models, and facilitation is not the only support that agencies need from the centre. They also need access to shared ‘infrastructure’, much of which is being built and operated by the E-government Unit (EGU) of the State Services Commission. Examples include common policy and standards frameworks such as the e-GIF, and shared information and technology resources such as the new e-government portal.
- 27 This points to the future role of the centre in the implementation and governance of the e-government programme. The early assumption that agencies would develop and provide shared infrastructure was largely mistaken. While many agencies are making a major contribution to the programme, ‘lead agencies’ for the provision of common, sector-wide, e-government infrastructures have not generally emerged, except where there is a clear fit with an agency’s core business (e.g. LINZ’s leadership of the development of geospatial data standards).
- 28 This is because such a role does not often fit with the functions of line agencies. They are also not funded for it. It is better aligned with the position and role of central agencies in assuring the capability and performance of the State sector as a whole. The revised strategy now assumes an ongoing, but not exclusive, role for the centre in developing and operating common infrastructure. It also assumes the active involvement of agencies in the conduct and governance of much of this work.

Key features of the revision

- 29 The strategy retains the overall direction, goals, and structure of the previous version, based on:
- a view that e-government is not a vast IT project, but rather is an enabler of better organised and more participative government that delivers better results and value for money;
 - a commitment to building the programme on solid foundations; and
 - a ‘single enterprise’ view of government, underlying a generic ‘architecture’ for how agencies can collaboratively use information and technology to support service design and delivery.
- 30 The first major change introduced in the revision is an expanded e-government mission. Previously, the mission of the strategy stopped at using the Internet to ensure ready access to government by 2004. This takes us only part way to our goals. If we are genuinely committed to e-government playing a role in transforming government, we need to think and act in a longer timeframe - at least until 2010. The mission of the strategy is therefore now expanded to:
1. *By June 2004, the Internet will be the dominant means of enabling ready access to government.*

2. *By June 2007, networks and Internet technologies will be integral to the **delivery** of government information, services and processes.*
3. *By June 2010, the operation of government will have been **transformed** through its use of the Internet.*

- 31 The second major change is the introduction of a 'service delivery architecture'. This provides a common basis for understanding how government services can be improved through integrated service delivery and shared use of information and technology.
- 32 The first step we took in addressing this was to implement the e-GIF. The new service delivery architecture embodies the e-GIF and relates it to the operations of agencies. It treats government as a single enterprise with a diverse set of operating units. It assumes that, rather than being unique, many aspects of what agencies do are generic (e.g. 'accept an electronic payment', 'authenticate an individual', 'change address', 'deliver a secure e-mail', 'consult on a policy'). These functions may best be electronically enabled in a standardised manner by all agencies, based on the logic of "build once, use many times".
- 33 This does not mean that agencies will all share exactly the same information and technology. For a start, the architecture does not seek to override or ignore any of the provisions of the Privacy Act 1993. Instead, implementation of the architecture will consist of:
 - *shared generic components*: components developed and implemented only once, and used by many or all agencies (e.g. the portal);
 - *distributed generic components*: standardised components that support a generic activity, but are implemented locally (e.g. a technology solution for handling online registrations that can be incorporated into different business processes in different agencies); and
 - *unique components*: components that are specific to a particular agency, function, or service (e.g. Inland Revenue Department transaction processing systems).
- 34 The architecture pulls the roles of the centre and of agencies into balance. Importantly, it relies heavily on local, not centralised, implementation on an 'as required' basis. This allows weaknesses of decentralised management (e.g. unnecessary duplication of investment and effort going into creating incompatible information, business processes, and technology) to be avoided, without taking the risks associated with over-centralisation (e.g. creating single points of failure, constraining flexibility and innovation, and inappropriate levels of standardisation).
- 35 The architecture also supports improving the quality and consistency of government service delivery, as experienced by the public. It will enable agencies to deliver their services in ways proven successful in New Zealand (e.g. taking a best practice approach to online delivery of licences, or delivery of secure electronic correspondence).
- 36 The next major change in the strategy is the identification of several new challenges. Among them I would highlight:
 - **Trust**: if New Zealanders do not trust e-government they will not use it. Building trust requires us to pay close attention to privacy, security, authentication, and the quality of what we offer to the public. Meeting this challenge will be one of the most important parts of our programme up to, and beyond, June 2004. The strategy addresses this through a variety of initiatives.
 - **Governance**: e-government and our RoC initiatives depend on collaboration, horizontal integration, and the involvement of most government agencies. The public sector governance environment plays a significant role in this. Three major governance questions arise around e-government:

- *Cross-boundary decision-making.* How can we balance the vertical style of current arrangements with mechanisms that enable more horizontal decision-making, and management of accountabilities that cross agency boundaries?
 - *Wider State sector participation in e-government.* Much service delivery happens outside of the core Public Service. The levers currently available to us mean that State sector agencies have so far only been invited to participate in the programme.
 - *Optimizing the allocation of decision rights.* While an ongoing role for the centre in infrastructure development and operation is assumed, there is still a need to question the current roles of the centre and agencies in making decisions about the future information and technology environment across the sector. If we are moving towards a more “single enterprise” view of government, we have to ask where certain roles, decision-making rights, and accountabilities are best allocated – with agencies, at the centre, or at some intermediate point.
- **Data quality and information management:** integration of services means alignment and possible integration of data (consistent with Privacy Act requirements), and consistency of information management practices. Inevitably, agencies will face problems with the variable quality and consistency of data, and its storage on different software and hardware platforms. The solution is to progressively invest in improving data quality and information management in ways that enhance, not restrict, future flexibility.
- 37 The final change to the strategy is the way it is published. The e-government programme has become much more complex over the past three years. It now comprises many projects in many agencies, and has diverse linkages with other issues and initiatives. It is also constantly evolving and changing. Accordingly, the strategy is now primarily intended for online access, and is best viewed via the Internet. Given the declining for a paper version, and the fact that the chief audience of the strategy is still public servants with Internet access, the EGU will now only produce low-cost printed copies on demand.

Risks

- 38 The e-government programme is exposed to a wide range of risks. Some are the usual fiscal and performance risks associated with any organisational change programme of such scope. Others relate to running major IT projects. Our usual budgetary, project monitoring, and performance assessment regimes are satisfactory for managing these risks.
- 39 There is strategic risk associated with the quality of our E-government Strategy. This is mitigated by wide involvement of agencies in developing the strategy, the knowledge of other countries’ e-government strategies incorporated into our own, and the involvement of the E-government Advisory Board in overseeing it.
- 40 There is a risk of people not using e-government, and some of the benefits of the programme not being realised. This risk will be mitigated by:
- agencies basing their e-government initiatives on what their clients want and are capable of, not just what agencies want to provide; and
 - the strategy’s dual focus on improved service delivery and back-office cost-effectiveness, which means that even if no services were delivered online we can still make gains in the quality of those services (e.g. through integration) and the efficiency of service delivery through other channels (e.g. through interoperability and better information management) that will justify the programme.
- 41 Another risk exists around striking the wrong balance between centralisation and decentralisation of e-government decision rights, and infrastructures. The strategy states that the best solutions most likely be will be found somewhere in the middle.

- 42 The next major risk is that agencies do not fully participate in the programme. While we have said that e-government is not optional for the Public Service, we must recognise that participation requires commitment of considerable resources. These demands can compete with the functions that agencies are specifically funded to undertake. Also, while wanting all-of-government involvement, we have been limited to encouraging the participation of wider State sector agencies, which is consequently very uneven.
- 43 There are two mitigations for this. Regarding the Public Service, Ministers must require their agencies to demonstrate how they are delivering on our e-government goals, and ensure that they are resourced to do so. Regarding other State sector agencies, I believe that these agencies should be participating in e-government on the same basis as the Public Service. Depending on the outcome of current work on the governance of Crown entities, I propose to report to Ministers on options for more fully involving the wider State sector in e-government.
- 44 Another risk is the fact that, as well as affecting government, people, and business, e-government will also affect the voluntary and community sector, and contracted service providers to government. Mitigation of this risk will again come through agencies. Where agencies work with these groups, they should encourage them to adopt e-government as and where appropriate.
- 45 Finally, there is an ongoing concern about equity. Although it is narrowing, we are still faced with a digital divide and general gap in abilities, skills, and attitudes between those who can and can't access and benefit from e-government. Aside from the work we are doing through our *Connecting Communities* strategy and through project PROBE, this risk can be mitigated by:
- not moving services online without understanding the capabilities of those who use them;
 - not arbitrarily closing offline channels in favour of online ones;
 - designing online services with maximum accessibility in mind; and
 - not seeing e-government as the answer to all issues we face in delivering better service.

Consultation

- 46 All Public Service agencies, the non-Public Service departments, some State sector and local government organisations, and community and voluntary organisations have consulted in the development of the E-government Strategy. Public and non-Public Service departments have commented on this paper as they are directly affected by it.

Treasury Comment

- 47 Treasury agrees that SSC's commitment, via the strategy, to align e-government architecture with e-service delivery is valuable. This updated strategy also shows significant enhancements on the earlier 2001 version. Going forward, Treasury recommends the E-government Strategy recognises more clearly the value of both individual agency, and cross-agency, e-initiatives in delivering net benefits and improved agency performance. Whether particular components of the e-government programme are built (including individually or as cross-agency initiatives) depends on the net benefits of each initiative. CAB Min (02) 8/2A requires each e-initiative to show positive net benefits (social, economic and financial), including positive fiscal gains where possible.
- 48 We recommend that SSC strengthen the strategy by making clearer the principles for e-government and strategies that deliver net benefits for different citizen groups (individuals, business, government). In our view, the strategy is more likely to evolve from being aspirational to helping to deliver improved results, if there are clear priorities, measurable objectives, performance targets, criteria for success, and sound evaluation processes.

- 49 Significant ongoing leadership is required from SSC, and from agencies, to ensure this strategy dovetails with Managing for Outcomes, Statement of Intent processes, and budget processes to deliver results. SSC has an important role in coordinating, brokering, and securing agency commitment to delivering cross-agency e-services and in supporting individual initiatives. Voluntary participation by agencies provides an important check on whether the benefits of any e-initiative outweigh its costs.

Financial implications

- 50 The cost of implementing new parts of the strategy for which the E-government Unit is responsible has been funded through the 2003/04 Budget, with the exception of the authentication project. The final cost for an authentication solution will depend on the outcome of decisions to be made on the approach for implementing the authentication policy framework we agreed in April 2002 [CAB Min (02) 12/2A refers].
- 51 The strategy will also have a financial impact in agencies, as they seek funding to implement e-government initiatives. Ministers should regard the cost of e-government initiatives as reflecting normal agency spending on information and technology, or development of new or improved services and business processes. E-government reshapes why and how agencies spend money on these things. Ministers have already made decisions intended to ensure that all e-government initiatives are in alignment with the E-government Strategy; that each proposed initiative has net benefits (thereby ensuring the portfolio of e-government initiatives has net benefits at any time; and that initiatives put forward for new funding align with budget strategies and priorities, and include assessment of costs, benefits and risks; and business case development [CAB Min (02) 8/2A refers].

Human rights implications

- 52 There are no human rights implications arising from this proposal.

Legislative implications

- 53 This proposal has no legislative implications.

Regulatory impact and compliance cost statement

- 54 A Regulatory Impact Statement is not required, as this proposal has no legislative or regulatory implications. Also, this proposal does not impose any compliance costs on business.

Gender implications

- 55 There are no gender implications arising from this proposal.

Publicity

- 56 I propose to publicise the revised E-government Strategy, highlighting the good progress agencies have made to date in implementing it.

Recommendations

- 57 It is recommended that the Committee:
- 1 **note** progress with the e-government programme so far;

- 2 **note** the relationship between e-government, Managing for Outcomes and the Statement of Intent process, and Review of the Centre initiatives;
- 3 **note** the addition of new elements to the e-government mission;
- 4 **note** development of the service delivery architecture and the component approach to its implementation;
- 5 **note** that agencies are required to be able to demonstrate that all e-government initiatives are in alignment with the E-government Strategy and budget processes, and that each proposed e-initiative has net benefits, including positive fiscal gains where possible (CAB Min (2) 8/2A refers);
- 6 **approve** the revised E-government Strategy, and its publication by the Minister of State Services;
- 7 **agree** that all Public Service departments, the New Zealand Police, the New Zealand Defence Force, the Parliamentary Counsel Office, the New Zealand Security Intelligence Service, and the Government Communications Security Bureau, should ensure that their planning shows appropriate alignment with the E-government Strategy;
- 8 **agree** that, in developing their plans, these agencies should encourage contracted service providers and non-government organisations that they work with to adopt e-government as and where appropriate;
- 9 **invite** the Minister of State Services to write to chief executives of the agencies noted in rec. 7 above, reminding them of their obligation to implement the E-government Strategy;
- 10 **invite**, in coordination with the Minister of State Services:
 - 10.1 Responsible Ministers to write to State sector agencies (excepting State Owned Enterprises and Offices of Parliament) encouraging them to implement the revised E-government Strategy;
 - 10.2 the Minister for State Owned Enterprises to communicate the revised strategy to State Owned Enterprises, inviting their participation in it as appropriate;
 - 10.3 the Minister for Local Government to communicate the revised strategy to local government, and invite its participation in implementing it;
- 11 **invite** the Speaker of the House to direct the Office of the Clerk of the House of Representatives and the Parliamentary Service to implement the E-government Strategy on the same basis as the Public Service;
- 12 **note** that the Minister of State Services will publicise the revised E-government Strategy,
- 13 **note** that the Internet will be the primary means of publishing the strategy; and
- 14 **agree** to the public release of this paper and its annexes on the website of the e-government programme.

Hon Trevor Mallard
Minister of State Services

Background

- 1 The e-government programme commenced with the formal establishment of the E-government Unit (EGU) of the State Services Commission on 1 July 2000. In establishing the Unit, Cabinet noted that it would have the following roles [CAB (00) M14/1(F) refers]:
 - *Strategy*: development of overarching e-government strategy, and common system and data management policies, standards and guidelines;
 - *Leadership*: facilitate the uptake by government agencies of the e-government vision and IS and data management policies, standards and guidelines;
 - *Co-ordination/collaboration*: identify opportunities for beneficial collaboration across government agencies, leverage better returns from existing information management and technology (IM & T) investment, and provide co-ordination for multi-agency e-government projects;
 - *Policy*: provide advice to the Minister of State Services in relation to e-government; and
 - *Monitoring*: monitor progress toward achieving the e-government vision and in relation to IM & T investment (continuation of existing SSC role).
- 2 Cabinet approved the E-government Strategy on 2 April 2001 [CAB Min (01) 10/12]. The Minister of State Services published a revised version of the strategy in December 2001.

Major activities – E-government Unit

- 3 Major areas of activity specified in purchase agreements and undertaken by the EGU in 2002 were focused on building foundations for e-government. This included:
 - the development and implementation of authentication policy options to ensure people will trust on-line government through appropriate identification and protection of customers;
 - progress on development and implementation of a change-of-address strategy;
 - evaluation of a whole-of-government electronic purchasing solution (GoProcure™);
 - operation of central e-government infrastructure to support the whole-of-government web portal as the primary entry-point to government on-line;
 - completion and operation of the E-government Interoperability Framework (e-GIF) to provide standards which will enable agencies to use information technology to effectively support interagency collaboration; and
 - updating the E-government Strategy to ensure that it remains relevant.

Electronic authentication

- 4 In April 2002 Cabinet agreed a policy framework to underpin electronic authentication, directed Public Service departments to adopt the policy framework, and agreed that the EGU would report back in June 2003 with:
 - a review of public opinion, the political and international climate, and changes in technology regarding an opt-in solution;
 - a cost-benefit analysis of implementation options; and
 - a detailed design of the preferred option.

[CAB Min (02) 12/2A refers]

Annex 2 - E-government programme progress Report – 1 January to 31 December 2002

- 5 At 31 December 2002, the Authentication project was on-track for development of papers for consideration by Cabinet in June 2003.

Change of address

- 6 During the early part of the year initial scoping was undertaken to ascertain what would be required to develop an all-of-government change of address service. Conceptually, such a service would allow people to notify different government agencies of a change of address electronically, using the Internet, in a single transaction.
- 7 Whilst appearing simple, delivery of a high integrity change of address service requires:
- an authentication mechanism, to ensure the person is who they say they are;
 - common data formats, so that information can be shared between the change of address system and agencies' own systems without further intervention; and
 - data quality processes, to ensure accuracy of address information provided.
- 8 Given the complexity of the issue, the focus of the project moved to first developing data standards and quality processes relating to name and address information. The EGU is working with Land Information New Zealand and a range of other agencies to develop a New Zealand version of Extensible Name and Address Language (xNAL) - a standard for inclusion in the e-Government Interoperability Framework (e-GIF). The standard is due by 30 June 2003.

E-procurement

- 9 On 28 March 2002, the Ministers of Finance and State Services agreed 'in-principle' to fund the evaluation and start-up costs of GoProcure™, an electronic procurement system intended to automate procurement and realise benefits for public service departments, a selected group of Crown entities, and suppliers to those agencies. This approval was based on a business case that indicated financial benefits for agencies that implement e-procurement. Accordingly, it was determined that, pending the results of an evaluation phase to be run during 2003, an operational e-procurement system should be funded by agencies.
- 10 In November 2002, Cabinet approved the first phase evaluation and implementation of GoProcure™, with a requirement for new capital of \$2.0 million in fiscal year 2002/03, and \$1.5 million in the fiscal year 2003/04.
- 11 The intention was that charges on agencies will cover the repayment by SSC of the \$3.5 million capital, plus capital charge, plus the other costs of operating GoProcure™. Total costs to be met by agency charging are \$8.0 million over five years.
- 12 The evaluation phase, a pilot involving rolling an operational system out to 5 – 6 agencies to test whether the systems and business model will work in practice, commenced in November 2002.

E-government infrastructure and the new government Internet portal

- 13 In November 2001, Cabinet directed the EGU to implement a new Internet portal for government [CAB Min (01) 36/13 refers]. The Prime Minister launched the new portal on 15 November 2002. The portal contains information on over 2,500 government services. This information has been created by over 90 central government agencies, along with creation of generic service information on over 110 services provided by all local government authorities.

Annex 2 - E-government programme progress Report – 1 January to 31 December 2002

- 14 The portal is meeting all its critical success factors, with traffic levels on average 22% higher than its predecessor, NZGO. Additional resources required to scale the portal up to provide access to information on services from 200 plus agencies, and to provide improved information on local government services, have been provided through the 2003 Budget.
- 15 The EGU assisted a group of agencies working with the Department of Labour to build a labour market portal (www.worksite.govt.nz) by providing access to the databases underlying the government portal. The Department of Labour estimates that leveraging the government portal infrastructure in this way has had an immediate capital saving of \$400,000, with ongoing operating savings in the region of \$18,000 per annum, with a marginal cost in the region of \$100 - \$500 per month for support and data transfers.
- 16 Further opportunities to leverage the portal development have been identified, and discussions with appropriate agencies in the business services and science and technology sectors have commenced.

E-government Interoperability Framework (e-GIF)

- 17 Interoperability means the ability of government organisations to share or integrate information, technology, and business processes in a consistent, cost-effective way. The e-Government Interoperability Framework (e-GIF) applies to every instance where an agency connects electronically with another organisation, whether public or private.
- 18 On 13 June 2002, Cabinet agreed that the e-GIF would govern how public sector organisations are to achieve electronic interoperability from 1 July 2002 onwards [CAB Min (02) 18/2C refers]. Cabinet directed all Public Service departments, the New Zealand Police, the New Zealand Defence Force, the Parliamentary Counsel Office, the New Zealand Security Intelligence Service, and the Government Communications Security Bureau to adopt the e-GIF. Cabinet also requested the Speaker of the House to direct the Office of the Clerk and the Parliamentary Service to adopt the e-GIF.
- 19 The State Services Commissioner has convened an e-GIF Management Committee with senior managers from 11 central government agencies and a local authority to oversee and direct ongoing development and management of the e-GIF, to ensure that the interests of agencies are properly factored into the e-GIF, and for approving any exemptions from it.

E-government Strategy

- 20 In December 2001, the Minister of State Services issued a revised version of the E-government Strategy. The revision was timed to provide agencies with up to date information on progress and directions, so that this could be incorporated into their planning and budgeting cycles.
- 21 In December 2002 a draft version of a second revision was circulated to agencies for the same purpose. As the second revision contains details of the work programme proposed by the EGU, some of which is dependent on new initiatives which are being considered in the 2003 budget round, the Minister of State Services has held off publishing the revision until the bilateral round is completed.
- 22 The revised strategy retains the structure of the version it replaces, with the following being emphasised:
 - a clear statement of the Government's e-government goals;
 - new material placing the strategy in a broader context of:
 - Government goals to improve public management;

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- what New Zealanders want from e-government; and
- public sector ethics, values and standards; and
- new thinking about how service delivery can be electronically enabled.

23 The strategy also provides:

- a summary of what agencies and the EGU have achieved so far;
- a revamped ‘government service delivery architecture’ that explains why such an architecture is important, and how the Government expects agencies will implement it;
- identification of major challenges ahead of the e-government programme; and
- details of major all-of-government e-government projects over the next twelve months, and the respective roles and responsibilities of EGU and agencies.

24 Each of the strategy revisions so far confirms that the emphasis on the EGU having a lead role in building e-government foundations, and agencies having responsibility for building e-government on these foundations, is still appropriate.

An additional focus – developing and operating infrastructure

25 At the time the e-government programme was set up there was an expectation that the EGU would provide strategic leadership, develop policy, facilitate and coordinate agency and sector initiatives and monitor progress, but that major infrastructural initiatives would be developed and operated by “lead agencies” acting in the collective interest.

26 In practice, lead agencies for all-of-government infrastructure development and operation have not emerged for a range of practical and governance reasons. Therefore the EGU has taken a different focus, which is to:

- develop and operate common e-government infrastructure (e.g. the portal, S.E.E. secure e-mail);
- develop and manage business and technical architectures and standards (e.g. the web guidelines, the NZGLS metadata standard, the e-GIF) jointly with agencies;
- develop a policy framework for determining appropriate governance mechanisms for shared inputs;
- enter into memorandums of understanding with agencies for key components of common infrastructure where this aligns with their core business (e.g. Archives New Zealand manages the NZGLS metadata standard);
- disperse day-to-day management of agency-specific components of infrastructure to the agencies themselves (e.g. S.E.E. secure e-mail, portal metadata records, applying e-GIF standards to agency-specific applications etc); and
- provide technology components of the common e-government infrastructure to agencies for their own use; a building-block approach that will ensure maximum value for money through reuse of technology (e.g. the labour market portal www.worksite.govt.nz).

27 The EGU’s experience in this area highlights the practical difficulties of inter-agency collaboration, and the need for continued strategic and operational leadership and support from the central agencies. The EGU contributes its practical experience to the *Review of the Centre*.

Progress by agencies

28 A large number of agencies have contributed to e-government developments, and are making progress towards their own e-government goals. The following is a sample of the range of online services available today:

- *Public Access to Legislation (PAL)* – The Parliamentary Counsel Office is undertaking this landmark project which, when completed, will make New Zealand legislation freely available to the public over the Internet. This project makes a major contribution to the Government's e-government participation goals. An interim website of legislation has been established [here](#).
- [WorkSite](#) (*Labour market portal*) – this multi-agency initiative provides an Internet channel for accessing information and services related to the New Zealand labour market. The portal is a good example of inter-agency collaboration, and also of agencies reusing some of the architecture and components of the all-of-government portal, in line with the intent of the service delivery architecture.
- *Online immigration services* – during the year the New Zealand Immigration Service made it possible for some people to [apply for visas or permits over the Internet](#).
- [Landonline](#) – during the year, issuance of certificates of land title moved from a paper based to an online electronic service. *Landonline* is currently New Zealand's most significant e-government initiative in terms of the transformation of service delivery.
- *Community Organisations Grants (COGS) Online* – The [Community Grants Scheme](#), administered by the Department of Internal Affairs, provides financial grants to community organisations. The complete management of this process is now online so that community groups (on their own, or working with a Grants Advisor) can enter their application, track its progress, and maintain a history of it for future use. The Grants staff in DIA can process the application online with the Grants Committee members also accessing the system.
- *E-licencing* – The Department of Internal Affairs administers the issuing and re-issuing of gaming licences (e.g. for Lotto, Housie, Bingo, poker machines etc). Applications from trusts for re-licencing or changes to licenses can now be made [online](#).
- *eEnablement of the Inland Revenue Department* – The IRD has developed and launched a comprehensive eEnablement Strategy (<http://www.ird.govt.nz/aboutir/reports/e-enablement/>) that sets out a series of 52 linked initiatives that will be implemented over five years. Customers can now use the online calculators to establish their tax position, can file their GST obligations online and can pay their tax liabilities electronically. Work is well underway to provide customers with the ability to file their individual Income Tax Returns electronically and to send and receive emails securely.
- *Online Examination Results* – The New Zealand Qualifications Authority has recently made 750,000 students' results, and records of learning, available [online](#).
- *Diabetes Disease Management* – Counties Manukau District Health Board has implemented an integrated diabetes disease management programme, using best care guidelines, patient held care plans, free three monthly reviews, and comprehensive data collection, all supported by a diabetes care coordinator. The programme is notable for inventing, developing and implementing the "Integrated Care Server" (ICS), creating the ability to provide clinicians with feedback on clinical management, and the ability to share information between clinical care providers.
- [Department of Conservation extranet](#) – this site provides access to DOC databases and GIS/spatial information. It is accessed by over 20 agencies (e.g. regional councils, Landcare Research, Te Papa etc).

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- [*Public Good Science & Technology investment processes*](#) – the Foundation for Research, Science & Technology has implemented two systems for managing these processes. One system allows those successful in obtaining grants to negotiate and complete their contracts online, and provides intelligence to help them match their research with the Foundation's funding. The second system allows researchers to develop and submit research proposals online.
- [*Online import declarations*](#) – businesses can now submit import declarations, manifest information and export data to Customs via an Internet gateway.
- *PapersPast* – Since April 2001 the National Library has added over 400,000 pages of 19th century newspapers to its [*website*](#).
- [*www.marketnewzealand.com*](#) – Developed by Trade New Zealand, the Market New Zealand website is New Zealand's gateway to international trade. It provides a database profiling New Zealand exporters' products and services; a trade enquiry system allowing buyers to register enquiries that are distributed by email to exporters with the appropriate capability and interest; and a news, events, and market intelligence service.
- *Online consultation* – The Department of Internal Affairs has used its website to consult widely on the Gaming Review, proposed legislative changes in Local Government, and leaking buildings.
- [*USAR website*](#) – a website providing an information source for all the various agencies involved in Urban Search and Rescue in New Zealand was developed.
- [*NZTopoOnline*](#) – Land Information New Zealand (LINZ) is providing free access to topographic information for anyone using its website. The service provides another channel for emergency services, and other key stakeholders to access the most up-to-date topographic information held in the New Zealand Topographic Database, and Internet based delivery of a new published map series called NZTopo50.
- [*PositionNZ*](#) – another LINZ service providing free, satellite-accurate, data to determine the precise position of points on the Earth's surface. PositionNZ enables LINZ's geodetic survey contractors to derive accurate positions with just a single GPS receiver. LINZ is also expecting cadastral surveyors to use PositionNZ for the highest available accuracy points for their own work.
- *Bali Bombing: MFAT's "e-appeal" to Overseas New Zealanders* – The Bali bombing presented the Ministry of Foreign Affairs and Trade (MFAT) with its biggest ever consular emergency. Within 24 hours of first reports of the bombing, the Ministry found itself trying to locate around 1400 New Zealanders thought to have been on the resort island at the time. After three days, with the missing list still alarmingly large, MFAT realised it needed to use the medium by which most expatriate Kiwis get their news from home: the internet. This worked extremely well. For example, placement of a banner advert on Xtra's hot mail home page for travelling New Zealanders resulted in 460,971 page impressions of the "Call Home" button with around 500 people clicking through to the actual message. MFAT's innovative use of an "e-appeal" to quickly gather important information from the public earned praise from the media and established a valuable new tool in government's crisis management armoury.

A developing culture of collaboration

- 29 Perhaps the most important aspect of e-government, collaboration is starting to emerge as a new way of developing and delivering e-government. Collaboration is best exemplified by the way that agencies have been working with the centre to develop the e-government portal, especially the collection of NZGLS metadata that underpins the portal.

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- 30 The same spirit of collaboration has made the development of the labour market portal (www.worksite.govt.nz) a success. Here, agencies represented in the portal have collaborated with each other to develop the portal, and with the EGU to leverage the infrastructure of the all-of-government portal and avoid the need for duplicated effort and expenditure, resulting in considerable savings. Similar initiatives are in formative stages, and the EGU is now looking for opportunities to facilitate inter-agency collaboration in actual service delivery.
- 31 Practical lessons about collaboration that have been learned along the way so far include:
- collaboration has little intrinsic value - it is a means to an end and there must be good business reasons for agencies to collaborate;
 - collaboration takes considerable time and money, much of which is currently over and above what agencies are actually funded to do;
 - collaboration requires trust between the parties if it is to produce durable results; and
 - successful collaboration requires close attention being paid to governance arrangements, especially as horizontal operations and/or integration can be in conflict with vertical funding and accountability arrangements.

International comparisons

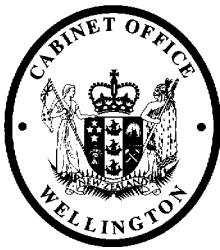
- 32 Over the past few years there have been a plethora of international comparative surveys of progress with e-government initiatives around the world. As major vendors seeking to generate government business have commissioned or conducted many of these surveys, the value of the findings is questionable. In order to gain a better understanding of how New Zealanders were using e-government, during the year the EGU participated in an international study from July to October 2002 conducted by Taylor Nelson Sofres, an independent global research firm.
- 33 The findings of this survey showed that New Zealand had the highest level of per capita Internet usage (71%) out of the 31 countries surveyed. However, among Internet users using e-government services, New Zealand was below the global average of 61% (at 55%). The EGU has used these results to inform the current revision of the strategy and future directions.
- 34 Also, during the year the United Nations produced an international survey that ranks New Zealand as third on a global e-government leadership index. The report, *Benchmarking E-government: A Global Perspective*, was produced by the United Nations' division for Public Economics and Public Administration, in association with the American Society for Public Administration. It examines the approach, progress, and commitment to e-government on the part of the UN's member nations during 2001. Of these, 169 have some form of national government web presence.
- 35 New Zealand was ranked third in the report's overall global e-government leadership index, behind the USA and Australia, and ahead of Singapore, Norway, Canada, UK, Netherlands, Denmark and Germany. The survey method involved:
- examining the nature of a national government's official web presence and rating it against a five level model of e-government maturity. The rating ranged from having an emerging web presence (level 1) to having a seamless online presence (level 5), and
 - looking at other measures of how well positioned UN member states were to deliver e-government. These measures include the development of ICT infrastructures, and measures of human capital.

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- 36 The EGU also maintains ongoing relationships with e-government programmes in a number of other jurisdictions including the Australian Federal and State governments and the governments of the United Kingdom, Ireland, and Canada. In particular, the EGU enjoys a close and productive relationship with the Victorian State Government's e-government programme.
- 37 New Zealand gains a lot of benefit from these relationships, as there is considerable exchange of information and experiences. For instance, both the New Zealand government Web Guidelines and the e-Government Interoperability Framework are based on models made available by the UK government.
- 38 The international comparisons show that the New Zealand e-government programme could be characterised as a "smart follower" programme, exhibiting the following characteristics:
- business, not technology, driven;
 - not leading the world with high-risk, high-cost, technology initiatives;
 - quick to capitalise on the experiences of other governments, to avoid mistakes and capitalise on opportunities;
 - good at small scale innovative solutions;
 - fiscally prudent;
 - focussed on real business gains; and
 - driven by New Zealand's own requirements.

Conclusions

- 39 The e-government programme has maintained its focus on developing the foundations that agencies will use to deliver e-government. The EGU continues to build and manage a network of inter-agency relationships to support achieving the Government's goals, and continues to revise the e-government strategy to ensure it remains timely and relevant.
- 40 Working with a wide range of agencies, the EGU has implemented a number of projects and is focused on leveraging these across the public sector to provide greater value. Many agencies are working with the EGU to support the new government Internet portal, and many agencies are developing e-government applications to support their service delivery functions. A culture of inter-agency collaboration is emerging in connection with the e-government programme.



Cabinet

CAB Min (03) 22/2A

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Minister of State Services

Copies to:

Prime Minister
Deputy Prime Minister
Hon Jim Anderton
All other Ministers
Speaker of the House
Chair, Parliamentary Service Commission
All Chief Executives
Clerk of the House of Representatives
Secretary, EXG

Revised E-Government Strategy

On 30 June 2003, following reference from the Cabinet Committee on Government Expenditure and Administration (EXG), Cabinet:

- 1 **noted** that in April 2001 Cabinet endorsed the first E-government Strategy [CAB Min (01) 10/12];
- 2 **noted** that progress on the e-government programme so far includes foundation building, active commitment by agencies, and an emerging culture of collaboration;
- 3 **noted** that the revised E-government Strategy aligns with Managing for Outcomes, the Statement of Intent process and the Review of the Centre initiatives;
- 4 **noted** that the new e-government mission statement is:
 - 4.1 by June 2004 the Internet will be the dominant means of enabling ready access to government information, services and processes;
 - 4.2 by June 2007 networks and Internet technologies will be integral to the delivery of government information, services and processes;
 - 4.3 by June 2010 the operation of government will have been transformed through its use of the Internet;
- 5 **noted** the development of a 'service delivery architecture' to guide the way agencies integrate services and deliver them electronically, and development of the approach of using standardised information and technology 'components' (i.e. modular pieces of software that can be clipped for a wide variety of purposes much like LEGO™ blocks) to implement the architecture;

- 6 **noted** that agencies are required to be able to demonstrate that all e-government initiatives are in alignment with the E-government Strategy and budget processes, and that each proposed e-initiative has net benefits, including positive fiscal gains where possible [CAB Min (02) 8/2A];
- 7 **approved** the revised E-government Strategy attached to the submission under EXG (03) 40, and its publication by the Minister of State Services;
- 8 **agreed** that all Public Service departments, the New Zealand Police, the New Zealand Defence Force, the Parliamentary Counsel Office and the New Zealand Security Intelligence Service, should ensure that their planning shows appropriate alignment with the E-government Strategy;
- 9 **agreed** that, in developing their plans, these agencies should encourage contracted service providers and non-government organisations that they work with to adopt e-government as and where appropriate;
- 10 **invited** the Minister of State Services to write to chief executives of the agencies noted in paragraph 8, reminding them of their obligation to implement the E-government Strategy;
- 11 **invited**, in coordination with the Minister of State Services:
 - 11.1 Responsible Ministers to write to state sector agencies (except State Owned Enterprises and Offices of Parliament) encouraging them to implement the revised E-government Strategy;
 - 11.2 the Minister for State Owned Enterprises to communicate the revised strategy to State Owned Enterprises, inviting their participation as appropriate;
 - 11.3 the Minister for Local Government to communicate the revised strategy to local government, and invite its participation in implementing it;
- 12 **invited** the Speaker of the House to direct the Office of the Clerk of the House of Representatives and the Chair of the Parliamentary Service Commission to implement the E-government Strategy on the same basis as the Public Service;
- 13 **noted** that the Minister of State Services will publicise the revised E-government Strategy,
- 14 **noted** that the Internet will be the primary means of publishing the Strategy;
- 15 **agreed** to the public release of the paper under EXG (03) 40 and its annexes on the website of the e-government programme.

Secretary of the Cabinet

Reference: CAB (03) 275; EXG Min (03) 7/3

Secretary's Note: This minute has been issued as a separate minute from Cabinet following Cabinet's confirmation of EXG's decisions, because of its importance to all Ministers and Chief Executives. This minute accordingly replaces EXG Min (03) 7/3.