



Department of Internal Affairs, Long-term Insights Briefing 2022

Report of the Economic Development, Science
and Innovation Committee

April 2023

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Department of Internal Affairs, Long-term Insights Briefing 2022

Recommendation

The Economic Development, Science and Innovation Committee has considered a long-term insights briefing from the Department of Internal Affairs—*How can community participation and decision-making be better enabled by technology?*—and recommends that the House take note of its report.

About long-term insights briefings

The Public Service Act 2020 requires chief executives of government departments to develop and publish long-term insights briefings at least once every three years. The briefings must be produced independently of the relevant Minister, and the chief executive must consult the public on the subject matter of the report and a draft version.

The purpose of the briefings is to inform the public about medium- and long-term trends and future risks and opportunities facing New Zealand. The briefings should provide information, impartial analysis, and potential policy responses to the challenges identified in the briefing.

Using technology to improve community participation and decision-making

On 9 November 2022, the Department of Internal Affairs—Te Tari Taiwhenua presented its first long-term insights briefing to the House of Representatives. The briefing is titled *How can community participation and decision-making be better enabled by technology?* Given the topic, the Governance and Administration Committee referred it to this committee for consideration.

The department considers that the topic aligns well with services it currently provides to the public. Technology offers new opportunities for public engagement and connection with decision makers, but also creates new challenges.

The department emphasised that community participation, and the use of relevant technologies, are not limited to voting in elections. Community participation can involve planning for emergency management, discussing infrastructure upgrades, and giving input on the use of collective resources.

The department noted that trust is a central theme across its briefing. It said that technology has a role to play in maintaining public trust in decision-making. Trust is also vital in addressing the long-term trends that the department identified in the briefing. The trends include climate change, geopolitical change, changing populations, and technological advances.

As a result of its research and consultation on its topic, DIA came up with five options for government plans for the future. They are:

- treating access to digital technology as a human right
- partnering with others to create smart towns
- investigating how technology could connect volunteers, charities, and funders
- exploring new ways to bring people together to reach consensus through technology
- establishing trusted spaces, online and offline.

The department said that these options could be used to adapt to the trends noted above. For this to happen, governments need to create an environment where new technologies can be assessed and used for the benefit of the public.

Our hearing with the Department of Internal Affairs—Te Tari Taiwhenua

We held a hearing with the department to discuss its long-term insights briefing. Much of this hearing focused on how digital technology could be used in the future.

Digital technology as a human right

We asked how government might implement the first two options: digital technology access as a human right, and smart towns. The department said that its work to avoid digital exclusion is central to thinking about digital technology as a human right. It emphasised that it was not immediately clear how digital technology could be guaranteed as a right. The main point of this briefing was to think about the themes in the abstract, not to provide a plan for implementation.

The “digital divide” and participation

Many New Zealanders may feel excluded by digital technology. We asked how the department sees community participation as better enabled by digital technology, given this feeling of exclusion.

The department acknowledged that digital exclusion is a complex issue. A decade ago, digital exclusion focused on whether people had access to high speed internet. Now, trust comes to the fore when consulting the public about the use of digital technology. The department said that, as people become more familiar with technology, trust in the technology grows.

We are concerned about government agencies offering only digital options for their services, leading to frustration and a lack of trust. We are pleased that the department acknowledged that not all New Zealanders want to access government services digitally. We heard that the department runs a programme called Digital Assist. This aims to provide support to people to help them get comfortable using digital technology. In other cases, the programme could support people to use other methods (such as paper forms). The department acknowledged that some people still find the use of digital technology frustrating, even when support is available. We would urge the department to keep encouraging ministries to provide non-digital access to services for communities that need them.

Opportunities to use virtual reality for public consultation

We asked about opportunities for using virtual reality to consult on public projects. For example, virtual reality could be used to project what infrastructure upgrades might look like, or to consult on where alcohol or tobacco outlets are allowed to operate.

The department said that it picked this topic for its long-term insights briefing largely because of prospects such as using virtual reality in consultation. We heard that existing online consultation, such as online submissions processes, led to “richer engagement” with the public. Virtual reality could take this consultation to a “whole new level”.

Some local governments are already using digital technology to enhance how they engage with their communities. The department emphasised that public trust and motivation to use the technology are essential for this technology to work well.

We asked about the balance between private sector technological development and public sector use of that technology. We heard that technology is often outsourced to the private sector by New Zealand’s public agencies. The department said that the private sector plays a large role in providing new technology to the public sector. In particular, the private sector offers innovation, capital, and the ability to rapidly implement technological changes.

We heard that there is no shortage of useful technologies and opportunities available to the public sector. The department views its role as providing the infrastructure for the public service to adopt these technologies. This may include providing guidance and rules for new technologies, or helping to remove obstacles to adopting new technologies. The department emphasised that infrastructure makes it easier to create coherence across the public sector, and to take advantage of digital efficiencies.

Regulation of new digital technologies

We asked whether the department did any proactive regulatory work for new technologies. We heard that the department would like to do more proactive work on regulating new technologies. The department stated that it watches new technological developments carefully, and talks to technology vendors regularly about possible regulation.

Government biometric identification

We asked what options the department had considered for regulating the risks of biometric technology such as crimes like fraud and identity theft. Biometric technology is digital technology used for identifying people, such as digital passport technology or facial recognition software. We also asked about other countries that have government-issued digital identity documents.

The department said that digital identification and biometric technology will be central to its future work. It is working with countries such as Australia and the United Kingdom about the uses of digital identity documents. It said it recognises that there are risks associated with holding personal data digitally, particularly where there is potential for data breaches.

Reliance on other countries for digital technology

The department noted that New Zealand does not have a large amount of on-shore technology provision, such as cloud computing servers. We asked what proportion of New Zealand's technology comes from overseas providers, compared to technology from domestic firms.

The department said the digital infrastructure market in New Zealand is no different from other industries that New Zealand relies on imports for. It said its role is in government procurement. We were pleased to hear that two-thirds of government technology contracts procured by the department are with New Zealand firms.

In spite of the reliance on overseas companies for technology, the department said that the New Zealand information technology industry is vibrant. However, the New Zealand industry bases its work on the massive digital infrastructure provided by overseas companies.

We heard that partnerships with other countries are important for keeping up with new developments in digital technology. The department said it works with countries such as South Korea, Uruguay, and the UK on digital government programmes. These international partnerships are useful for sharing information and perspectives on digital government, as well as vendors for digital technology infrastructure.

Trust in digital government services

We note that trust is vital for digital government services to work effectively for the public. Misinformation, disinformation, and malinformation can frustrate efforts to use digital technology most effectively for government services. We asked the department for its views on how trust affects its digital government work.

We were pleased to hear that trust is a priority for the department in all of its digital government work. Transparency, human interaction, and consultation help to build trust with the public. The department noted that it could use algorithms to automate many of its customer-facing processes, but chose not to fully automate. It believes that maintaining some human-operated systems helps to maintain the public's trust in the department's systems.

The department also said that people's trust in the public sector is often built or decreased through individual interactions with public sector workers. For this reason, the department focuses on quality customer service to build trust in digital government services.

Regulation and leadership can build trust in digital government services

We note the department's emphasis on the role of regulation and leadership in building trust in digital government services. We asked how regulation might be balanced against the need for protecting freedom of speech and information on the internet.

The department said that education sits at the core of good regulation. People need to be educated on what the rules are for behaving online, and how to follow those rules. We heard that regulation is useful for incentivising people to follow the rules when interacting online.

Keeping people safe online

The department said that the ongoing regulatory review of media and online content was looking at how to keep people safe when using digital technology. The department emphasised that regulation is necessary so that people can safely explore the internet without being unexpectedly exposed to potentially harmful content. Website operators could self-manage their regulation, but the department said it needs to lead to ensure that operators know what the boundaries of regulation are. We heard that regulation can give people confidence in visiting websites by giving them clear expectations about what they will see.

Regulation of online communications

We note that some topics create division and provoke very strongly opposing views from different people. We asked how the department manages the risks of regulating free speech online, for example the risk of detrimentally affecting discussion of important issues.

The department said that it sticks strictly to a legal framework for regulation of speech online. For example, it looks at whether the content or ideas that are being promoted or spread are illegal. In cases where the content or ideas are illegal to spread, then there should be careful regulation of that content. The department bases its actions on the legislation that empowers it to regulate content. Some of us noted that government should not be in the business of determining the truthfulness or factual nature of content online.

Freedom of speech in digital contexts

We asked how the department might moderate digital engagement events, such as digital town halls, given the importance of free and frank debate. We note that these types of events are not yet being widely used, but could be in future.

The department agreed that it will be challenging to get the balance right. It expects to be working on these issues over the next decade. The challenge it sees is in how laws around bullying and harassment that apply in physical public spaces will apply in digital public spaces. The potential for automated algorithms to amplify potentially harmful messaging makes the regulatory challenge greater, it said. We consider that using algorithms to amplify harmful content online is an area the Government should be carefully monitoring.

Protecting users of new technologies from harm

We note that some technologies are being developed and adopted globally faster than governments are able to regulate their potential for harm. We asked how the department is responding to the challenges that rapidly developed new technologies pose for users.

The department acknowledged that it is challenging to keep up with the array of new technologies coming into markets. It considers that digital safety and technology is a shared responsibility across the public sector. The department said that the decentralisation and diversity of the public sector means that sometimes agencies adopt new technologies quickly, without considering the wider implications. This could be mitigated by creating more thoughtful structures for the use of new technology, including ethics guidance for their use.

Rejection of digital technology

We asked how some communities' rejection of some digital technologies and tools might affect public participation using digital technology. The department noted that partnerships with community groups and non-government organisations are needed to encourage the adoption of digital technology. The relationships that community groups have with their communities can help to build trust in digital technology. This could involve funding events to bring people together digitally. It noted that such events also help to mitigate problems such as loneliness among aging populations.

Our conclusion

We thank the department for this briefing. We are interested in the themes of online regulation and democratic participation, and will continue to monitor the department's work in this area.

We think that there is potential for using digital technology to increase civic participation. We recognise that there are some challenges to overcome before this can be done most effectively, particularly at a national level. We have some concerns about finding the careful balance between regulating content online and protecting freedom of speech. However, we think that the Government could more actively regulate the use of algorithms for spreading harmful content online. We consider that regulation in this area could help to build more trust in digital technology, as well as protect users from harm.

Appendix

Committee procedure

We met between 10 February and 6 April 2023 to consider this briefing. We heard evidence from the Department of Internal Affairs. [The Long-term Insights Briefing is available here.](#)

Committee members

Naisi Chen (Chairperson)

Jamie Strange (Chairperson and member until 8 February 2023)

Glen Bennett

Ingrid Leary (from 8 February)

Melissa Lee

Stuart Smith (from 8 February)

Hon Michael Woodhouse (from 14 February)

Evidence received

We held a hearing with the Department of Internal Affairs about its long-term insights briefing. [You can watch the hearing here.](#)