



Cabinet

CAB Min (12) 29/8A

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Minute of Decision

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Managing the Government's Adoption of Cloud Computing

Portfolio: Internal Affairs

On 20 August 2012, following reference from the Cabinet Economic Growth and Infrastructure Committee (EGI), Cabinet:

All-of-government adoption of cloud computing

- 1 **noted** that, under the direction of the (former) Ministerial Committee on Government Information and Communication Technology (ICT) and the ICT Council, officials have been considering the adoption of the cloud computing business model for the delivery of government ICT, including preparing business cases to explore approaches for its adoption and to implement office productivity services as the first set of cloud-based services;
- 2 **noted** that the New Zealand Cloud Programme Business Case confirms that:
 - 2.1 there are significant financial, efficiency, collaboration and innovation benefits to be gained through the coordinated, all-of-government adoption of cloud computing;
 - 2.2 these benefits are available across a large range of ICT products and services;
 - 2.3 delaying adoption is resulting in opportunity costs;
- 3 **noted** that, as cloud computing is a rapidly-developing business model:
 - 3.1 there is a need to manage its adoption to maximise the benefits of interoperability, collaboration and scale, while managing potential risks to the confidentiality, integrity and availability of government-held information;
 - 3.2 other jurisdictions are also developing all-of-government frameworks to manage these issues;
- 4 **agreed** that:
 - 4.1 an all-of-government 'cloud first' approach be taken for the government's adoption of cloud computing;

4.2 the Government Chief Information Officer (a function of the chief executive of the Department of Internal Affairs) lead work to establish common foundational capability, appropriate policy frameworks and standards, and a service deployment strategy, working collaboratively with relevant agencies and service providers;

5 **agreed** that, until the all-of-government approach is implemented, all State service agencies should obtain guidance from the Department of Internal Affairs before making decisions to adopt cloud-based services;

Policy frameworks, guidelines and other matters

6 **noted** that the adoption of cloud services, whether hosted onshore or offshore, involves potential risks to the confidentiality, integrity, and availability of government-held information;

7 **directed** the Department of Internal Affairs, working collaboratively with other relevant agencies, to:

7.1 develop risk and assurance frameworks and guidance;

7.2 identify and, where appropriate, revise audit and data classification mechanisms;

7.3 report on these matters to EGI in December 2012;

8 **noted** that the work referred to in paragraph 7 above will involve the Department of Internal Affairs, working with the National Cyber Policy Office and the Government Communications Security Bureau, to update guidance on government use of offshore ICT service providers to reflect cloud technology, and to identify any additional mechanisms to sufficiently address the issues of information control, security, and availability inherent particularly in the use of offshore cloud services;

9 **noted** that the adoption of cloud computing will raise a range of commercial issues, including specific issues with regard to procurement processes and thresholds due to the demand aggregation involved and the commercial dynamics of the cloud model;

10 **directed** the Department of Internal Affairs, in consultation with the Ministry of Business, Innovation and Employment, to develop cloud-specific procurement guidelines that address the issues outlined in paragraph 9 above;

11 **noted** that the Minister of Internal Affairs will report to Cabinet as required, as part of his regular reporting on the wider ICT work programme, to seek decisions about significant issues relating to the deployment of cloud services, and to report on progress;

12 **noted** that:



Office productivity services

13 **noted** that the Office Productivity Detailed Business Case confirms significant financial and non-financial benefits of the migration of office productivity services to a cloud service model on an all-of-government basis;

14 **agreed** that office productivity services be the appropriate first set of services deployed, as their deployment would [redacted] provide widespread benefit reflecting the common nature of these services across government agencies;

15 **agreed** that, given the significant nature and extent of government-held information that is supported by office productivity services, and the nature of the risks for data misuse and loss of control, it is appropriate that any cloud-based office productivity services selected for deployment across government agencies be hosted onshore for the time being;

16 **directed** the Department of Internal Affairs to select, procure, and accredit cloud-based office productivity services for deployment across government agencies, subject to the condition outlined in paragraph 15 above;

17 **noted** that the deployment of cloud-based office productivity services will involve an initial implementation with a small number of agencies, with subsequent deployment across the State services and the wider State and public sectors;

18 **noted** that:

[redacted]

Financial implications

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[redacted]

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[redacted]

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[redacted]

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[redacted]

[redacted]

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Publicity

26 **invited** the Minister of Internal Affairs to release communications, which may include the proactive release of the paper under EGI (12) 157, outlining the government's strategy for the use of cloud services, at the appropriate time to align with relevant market engagements.

Secretary's Note: This minute replaces EGI Min (12) 17/8. A Cabinet minute has been issued for this item for the information of all Ministers and Chief Executives.

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