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Te Tari Taiwhenua The Department of Internal Affairs

Proactive release of Cabinet material Proposals for refreshing the Cloud First Policy and strengthening cloud adoption across the public service.

16 May 2023

These documents have been proactively released:

4 April 2023, Cabinet Paper: Proposals for refreshing the Cloud First Policy and strengthening cloud adoption across the public service; and

4 April 2023, ERS 23-MIN-0019 Minute.

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant sections of the Act that would apply have been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to Redaction Codes:

- **Section 9(2)(f)(iv) – confidentiality of advice tendered by Ministers and officials.**

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Cabinet External Relations and Security Committee

Minute of Decision

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Refreshing the Cloud First Policy and Strengthening Cloud Adoption Across the Public Service

Portfolios GCSB / Digital Economy and Communications

On 4 April 2023, the Cabinet External Relations and Security Committee:

Background and potential benefits of cloud computing for the New Zealand public service

- 1 **noted** that agencies face several interdependent and complex challenges when considering cloud adoption;
- 2 **noted** that if the public service is not supported to invest in and adopt cloud services, there is a risk the potential benefits of cloud computing will not be realised;
- 3 **noted** that the Cloud First Policy has become diluted in focus, and the policy does not reflect changes in technology, society or government priorities;

Phase One: Proposals for a refreshed Cloud First Policy

- 4 **noted** that the refresh of the Cloud First Policy represents a significant opportunity to include Te Ao Māori perspectives, and would represent a world first for incorporating indigenous considerations into national cloud policies;
- 5 **noted** that if utilised well, cloud offers the potential to contribute to achieving the carbon reduction aims of the Carbon Neutral Government Programme;
- 6 **noted** that the 2012 directive on the use of Infrastructure-as-a-Service is out of step with technological change and policy aims;
- 7 **noted** that addressing security, including jurisdictional risk concerns, actual and perceived, would support cloud adoption;
- 8 **noted** that legacy, on-premise infrastructure can pose challenges to the management of security risks, transformation of service delivery, and transition to the cloud;
- 9 **noted** that the proposals in the paper under ERS-23-SUB-0019 are not intended to conflict with the Public Finance Act 1989 requirements related to responsibilities and accountabilities of Ministers and chief executives;

Cloud First Policy

- 10 **reconfirmed** the existing Cloud First Policy, that directs agencies to:
 - 10.1 adopt public cloud services in preference to traditional ICT systems;
 - 10.2 have a plan for how they intend to use public cloud services;
 - 10.3 make adoption decisions on a case-by-case basis following a risk assessment;
 - 10.4 only store data classified as RESTRICTED or below in a public cloud service;
- 11 **agreed** that agencies consider accountability, ethics, transparency, and collaboration in relation to Māori data, when making decisions about adopting cloud services;
- 12 **agreed** that agencies make adoption decisions that consider high-level sustainability principles in the public sector's use of cloud;
- 13 **agreed** to revoke the 2012 Infrastructure-as-a-Service directive to provide greater clarity to the Cloud First Policy;
- 14 **agreed** that over time, RESTRICTED information should be hosted in a New Zealand based data centre, where a suitable onshore service exists;
- 15 **agreed** that agencies will not invest in on-premise ICT infrastructure unless specified criteria are met or approved by the Government Chief Digital Officer (GCDO);

Implementation

Reflect societal shifts and commitment to government priorities

- 16 **noted** that the Department of Internal Affairs, in partnership with Statistics New Zealand and the Data Iwi Leaders Group, is working on guidance to support the public service's capability to give effect to Māori interests when making decisions about adopting cloud;
- 17 **directed** officials from the Ministry for the Environment, Ministry of Business, Innovation and Employment, and Department of Internal Affairs to work in association with Iwi and Māori to develop high level principles to encourage and support sustainable adoption and use of cloud technologies;
- 18 **directed** officials from the Ministry of Business, Innovation and Employment, and the Department of Internal Affairs to produce updated guidance in line with the high-level principles to support agencies to adopt cloud technologies in sustainable ways through their procurement activities;

Addressing cloud security and jurisdictional risk concerns to support cloud uptake

- 19 **directed** the GCDO, supported by the National Cyber Policy Office, National Cyber Security Centre and Ministry of Foreign Affairs and Trade, to produce updated guidance to agencies on jurisdictional risk of cloud by August 2023, and thereafter as needed, and at least every five years;
- 20 **noted** the creation of a centralised certification process for onshore hyperscale data centres, to provide confidence to providers and agencies that the facilities have appropriate physical and personnel security, as well as ownership and contractual requirements to host RESTRICTED and below information;

Strengthen GCDO mandate for cloud digital investment

21 **noted** that the GCDO will undertake, with agencies, a stocktake of current and planned expenditure within specified criteria regarding on-premise infrastructure, provide regular reporting on progress, and support agency transition to cloud;

Phase Two: additional interventions to realise the outcomes of the Cloud First Policy

22 **noted** that the challenges of limited capacity and capability, financial resourcing and system-wide prioritisation remain;

23 **invited** the Minister for the Digital Economy and Communications and the Minister Responsible for the GCSB to carry out further work and report back to Cabinet by April 2024 with options to address these challenges;

24 **noted** that further detailed investigation will seek to address barriers raised by agencies, and will include estimating different levels of intervention and investment required;

25 **noted** that the delivery of some elements of Phase Two of the Cloud First Policy will require funding through future Budgets for affected agencies, and that if assumed funding is not included in future Budget packages, elements of Phase Two of the Cloud First Policy will need to be funded through reprioritisation of existing baselines or be reconsidered;

26 **noted** that officials will undertake targeted engagement with agencies and relevant groups, such as the Data Iwi Leaders Group and other Iwi and Māori representatives and industry, to inform the work referred to in paragraph 23 above,

Communication of refreshed policy

27 **noted** that the GCDO will lead, supported by relevant agencies, engagement with the public sector and providers on the refreshed Cloud First Policy;

28 **noted** that communication of the refresh will include explaining the benefits of cloud, acknowledging potential concerns, and highlighting tools for mitigation, while drawing a distinction between the Policy and other issues outside the scope of the refresh;

s9(2)(f)(iv)

s9(2)(f)(iv)

Janine Harvey
Committee Secretary

Present:
Rt Hon Chris Hipkins (Chair)
Hon Carmel Sepuloni
Hon Kelvin Davis
Hon Grant Robertson
Hon Michael Wood
Hon Andrew Little
Hon David Parker
Hon Ginny Andersen

Officials present from:
Office of the Prime Minister
Officials Committee for ERS