

THE DEPARTMENT OF INTERNAL AFFAIRS



Te Tari Taiwhenua

annual report 2008-09
Pūrongo ā Tau

citizens
communities
government
building a strong, safe nation

our vision

The Department of Internal Affairs is a recognised leader in public service – known for innovation, essential to New Zealand, and trusted to deliver

our purpose

The Department of Internal Affairs serves and connects citizens, communities and government to build a strong, safe nation

outcomes we contribute to

Strong Sustainable Communities/Hapū/Iwi

Safer Communities

New Zealand's Approach to Identity is Trusted and Well Led

We also have a key Departmental objective

Executive Government is Well Supported

our workplace principles

We value people

We act with integrity

We provide outstanding service

TE TARI TAIWHENUA
Department of Internal Affairs

annual report 2008–09

Pūrongo ā Tau

Presented to the House of Representatives

Pursuant to Section 44(1) of the Public Finance Act 1989

ISSN: 1173-8979 (Print)

ISSN: 1173-9371 (Online)



table of contents

Part one » Overview

Chief Executive's Overview	6
Nature and Scope of Functions	7

Part two » Our Outcome Contribution

Introduction	10
Strong, Sustainable Communities/Hapū/Iwi	11
Safer Communities	
» Communities are more resilient to hazards and their risks	19
» Gambling is safe, fair, legal and honest	22
» Harm from restricted and objectionable material has been minimised	25
New Zealand's Approach to Identity is Trusted and Well Led	27
Executive Government is Well Supported	33

Part three » Managing the Department

Organisational Health and Capability	36
Our Organisation	38

Part four » Statement of Service Performance

Statement of Responsibility	42
Audit Report	43
Quick Guide to Outputs	45
Vote Community and Voluntary Sector	46
Vote Emergency Management	53
Vote Internal Affairs	59
Vote Local Government	73
Vote Ministerial Services	77
Vote Racing	80
Policy Advice Quality Criteria	82

Part five » Financial Information

Financial Statements – Departmental

Accounting Policies	84
Financial Performance	89
Financial Position	90
Cash Flows	91
Net Surplus to Net Cash Flow from Operating Activities	92
Movement in Taxpayers' Funds	93
Commitments	94
Contingent Assets and Liabilities	95
Unappropriated Expenditure	95
Memorandum Accounts	96
Departmental Appropriations and Expenditure	98
Notes to the Financial Statements	100
Departmental Financial Results	116

Financial Statements – Non-Departmental

Accounting Policies	118
Revenue and Expenditure	120
Expenditure and Appropriations	121
Unappropriated Expenditure	124
Assets and Liabilities	125
Commitments	126
Contingent Assets and Liabilities	126
Notes to the Financial Schedules	127
Trust Money Administered on Behalf of the Crown	132

Other Information

Legislation We Administer	133
Online Information	135

part one »
overview

Chief Executive's Overview

6

Nature and Scope of Functions

7

Chief Executive's Overview



A Greek philosopher once said that the only constant is change. That was some 2,500 years ago but it is an apt description for the year just gone, as change was certainly constant in 2008/09.

The global economic crisis and local recession, and a change in Government for the first time in nine years, impacted significantly on our operating environment – as did the decision to move the all-of-government information and communications technology operations from the State Services Commission to the Department by the end of the 2008/09 year.

We felt the changes in a number of our areas of work. Our role in supporting Executive Government was put to the test as we managed the transition of more than 300 staff and Ministers in the change of executive, which was formed within 11 days of the election – the fastest formation of Government since MMP was introduced in 1996. Our local government work programme was affected by the economy and our new Ministers' priorities, which required a review of our activities and reallocation of resources. Requests for advice and information from ethnic communities doubled as the ethnic sector experienced the impact of the economic situation.

This Annual Report outlines how we met these and other challenges faced in 2008/09 as well as progress in achieving our purpose of serving and connecting citizens, communities and government to build a strong, safe nation. The results of our work are described in our outcomes – *Strong, sustainable communities/hapū/iwi, Safer communities and New Zealand's approach to identity is trusted and well led*, and in our objective – *Executive Government is well supported*.

Having taken over responsibility for Government Technology Services from 1 July 2009, the Department now has an additional objective – to ensure *common information and communications technology services deliver improved State sector performance and better citizen experience*.

We have continued to focus much of our effort on delivering coordinated, accessible and networked State services.

In 2008/09, we focused on providing cost-effective and efficient services, and worked to control costs and make savings while ensuring services to Ministers and the public were not compromised. This will continue to be a focus for the Department.

The theme of constant change experienced in 2008/09 is likely to continue for some years. As outlined in this Annual Report, rather than being thrown by change and uncertainty, the Department was able to deliver to a high level across a range of areas. There is always more to do, and not everything will go right all the time, but I am confident we can attribute our successes so far to good planning and good work rather than good luck.

We are a department capable of leading in areas of great significance and importance to New Zealand. Our work in connecting citizens, communities and government to build a strong, safe nation supports the Government's goal of growing the economy and creating prosperity, security and opportunities for all New Zealanders.

We will continue to work collaboratively as one organisation, provide leadership in our key areas of responsibility, and work with other government agencies to deliver results.

A blue ink handwritten signature of Brendan Boyle.

BRENDAN BOYLE
Chief Executive

Nature and Scope of Functions

as at 30 June 2009

The purpose of the Department of Internal Affairs is to serve and connect citizens, communities and government to build a strong, safe nation.

The Department of Internal Affairs is responsible to six Ministers administering six Votes. The Department also monitors the performance of three Crown entities. The key activities are summarised in the following table.

Hon Nathan Guy

Minister of Internal Affairs
Responsible Minister

VOTE / CROWN ENTITIES	OUTPUTS PROVIDED BY THE DEPARTMENT
Vote Internal Affairs	<ul style="list-style-type: none"> » Contestable services » Identity services » Information and advisory services » Policy advice » Regulatory services
<i>Crown entities:</i>	
New Zealand Fire Service Commission	
Office of Film and Literature Classification	
Lottery Grants Board	

Hon John Key

Minister Responsible for Ministerial Services

VOTE / CROWN ENTITIES	OUTPUTS PROVIDED BY THE DEPARTMENT
Vote Ministerial Services	<ul style="list-style-type: none"> » Support services to Members of the Executive » VIP transport » Visits and ceremonial events coordination

Hon Pansy Wong

Minister for Ethnic Affairs

VOTE / CROWN ENTITIES	OUTPUTS PROVIDED BY THE DEPARTMENT
Part of Vote Internal Affairs – Services for Ethnic Affairs	<ul style="list-style-type: none"> » Services for ethnic affairs, including policy advice

Hon John Carter

Minister of Civil Defence

VOTE / CROWN ENTITIES	OUTPUTS PROVIDED BY THE DEPARTMENT
Vote Emergency Management	<p>Emergency management services, including:</p> <ul style="list-style-type: none"> » management of national emergency readiness, response and recovery » policy advice on matters relating to emergency management » support services, information and education

Minister for Racing

Vote Racing	Policy advice on matters relating to racing
--------------------	---

Hon Tariana Turia

Minister for the Community and Voluntary Sector

VOTE / CROWN ENTITIES	OUTPUTS PROVIDED BY THE DEPARTMENT
Vote Community and Voluntary Sector <i>Crown entity:</i> Charities Commission	Community and voluntary sector services, including: <ul style="list-style-type: none"> » administration of grants » community advisory services » policy advice

Hon Rodney Hide

Minister of Local Government

VOTE / CROWN ENTITIES	OUTPUTS PROVIDED BY THE DEPARTMENT
Vote Local Government	Support services for local government, including: <ul style="list-style-type: none"> » information, support and regulatory services » policy advice on matters relating to local government

The Department also works with various portfolio-related statutory bodies, trusts and committees (for example, the Lottery Grants Board), providing them with advice, administrative support and management of appointment processes. We also manage appointment processes for the 12 community trusts (Responsible Minister: Minister of Finance), the Peace and Disarmament Education Trust, and the Pacific Development and Conservation Trust (Responsible Minister: Minister for Disarmament and Arms Control).

The Minister of Internal Affairs is the Responsible Minister for the Department. The Responsible Minister oversees the Government's ownership interest in the Department, which encompasses its strategy, capability, integrity and financial performance.

part two »

our outcome contribution

Introduction	10
Strong, Sustainable Communities/Hapū/Iwi	11
Safer Communities	
» Communities are more resilient to hazards and their risks	19
» Gambling is safe, fair, legal and honest	22
» Harm from restricted and objectionable material has been minimised	25
New Zealand's Approach to Identity is Trusted and Well Led	27
Executive Government is Well Supported	33

Introduction

The Department has a strong focus on achieving outcomes.

We have identified three outcomes that we believe contribute to the priorities for citizens, communities and government. These are:

- » Strong, sustainable communities/hapū/iwi
- » Safer communities (this outcome has three parts: communities are more resilient to hazards and their risks; gambling is safe, fair, legal and honest; harm from restricted and objectionable material has been minimised)
- » New Zealand's approach to identity is trusted and well led.

We also contribute to the objective¹:

- » Executive Government is well supported.

The following sections outline our contribution to achieving these outcomes.

1 'Objectives' recognises that not all departmental functions are to achieve outcomes, as they are not directly targeting societal, economic or environmental effects. From 1 July 2009, the Department has a new objective – *common information and communications technology services deliver improved State sector performance and better citizen experience.*

Strong, Sustainable Communities/Hapū/Iwi

Strong, sustainable communities, hapū and iwi are an important building block for positive social, economic, cultural and environmental well-being. Achieving strong, sustainable communities involves empowering them to identify their needs and to access the resources to best meet these.

The Department's particular responsibilities for helping build strong, sustainable communities include:

- » supporting the system of local government through the administration of aspects of the statutory framework, the provision of information and advice, and the facilitation of central and local government engagement
- » enhancing community development by providing advice on community and voluntary issues, community advisory and information services, and administration of grants
- » contributing to a strong, self-directed ethnic sector by promoting the advantages of ethnic diversity in New Zealand.

During the year, the Department's work in this area was influenced by the new Government's priorities. This involved reviewing the cost and relative priority of activities, partly in response to the overall financial and economic pressures, and partly to reallocate resources to take account of the priorities of new Ministers. It also meant working more closely with related agencies, such as the Office for the Community and Voluntary Sector.

Our research on the key drivers and trends likely to impact on local government and communities/hapū/iwi over the next 5-20 years suggests we need to capitalise on the benefits of growing diversity in the population, work alongside whānau/hapū/iwi to unleash their full potential, and encourage innovation in an environment of financial constraint.

As a result, a longer-term strategic work programme has been developed, designed to better position the Department to support strong, sustainable communities/hapū/iwi in the future.

The following sections highlight our key activities during the year. Our work towards this outcome also recognises the needs of diverse groups, in relation to

reducing inequalities, supporting effectiveness for Māori, Pacific peoples, positive ageing, ethnic responsiveness and people with disabilities.

Working with local government

Local authorities determine how rates are spent in a community and are the principal providers of local infrastructure, amenities, facilities and services and administrators of legislation, setting and enforcing local bylaws. They directly contribute to the health and well-being of communities. Priorities for local authority spending need to be determined by local government in consultation with their communities in a fair and transparent manner.

Increasingly there is an expectation that local government will be more efficient, less bureaucratic and less costly to ratepayers, thereby reducing impediments to development. As well, it is expected local government will adopt better financial planning to enable ratepayers and voters to make better decisions about trade-offs.

The new Government's priorities and the Minister of Local Government's early request for public feedback on the Local Government portfolio resulted in a substantial increase in the Department's workload, all of which was managed within existing budgets. In 2008/09, the Department prepared replies to 1,807 items of ministerial correspondence for the Minister of Local Government. This compares with a total of 581 for the whole of 2007/08. The increase resulted from the Minister's request for public comment on local government issues and the major policy projects being undertaken. The major themes running through the correspondence were:

- » Auckland governance issues
- » examples of areas where correspondents thought local government reform is necessary, including the number of councils, rates increases and council spending, bureaucracy, and inefficient or slow decision making (for example, on building or resource consents)
- » particular concerns or disputes with councils, or disagreement with councils' decisions (for example, the Dunedin Stadium, the Timaru Aquatic Centre, Whenuapai airbase, and noise control).

Despite these challenges facing the Department this year, the Minister of Local Government indicated a high degree of satisfaction with our performance.

Meeting Government's priorities

Meeting the new Government's priorities meant a shift in the Department's local government work programme. The major elements of the revised work programme were:

- » Auckland governance reform
- » improving local government transparency, accountability and financial management
- » developing a clear process for determining the allocation of functions and costs between central and local government.

These areas are discussed further below.

Auckland governance reform

Governance arrangements for the Auckland region have been a concern of successive governments for over 50 years. In the early part of 2008/09, the Department focused on working with Auckland councils to deliver integrated planning and decision making within the existing governance arrangements.

The Department led central government's input into the One Plan, a comprehensive, integrated and prioritised strategic work programme for the Auckland region. This required collaborative action by councils across priority areas such as improving public transport, and building strong communities. One Plan was approved by the Regional Sustainable Development Forum and subsequently adopted by the Auckland Regional Council in October 2008.

The Royal Commission on Auckland Governance, established in late 2007, delivered its report to the Governor-General in March 2009. The Department led an all-of-government response to the Royal Commission's report, and successfully delivered advice to enable Government to make an early initial response to the Royal Commission's recommendations.

The Department delivered detailed policy advice and support that led to the enactment of the Local Government (Tamaki Makaurau Reorganisation) Act 2009. The Act established the Auckland Council and the Auckland Transition Agency. The Auckland Transition Agency is empowered to design, establish and manage the transition from the existing eight councils to the new unitary Auckland Council by 31 October 2010, in time for the next local government elections.

Towards the latter part of the year, we assisted with appointments to the governing body and the physical establishment of the Auckland Transition Agency Office. The rapid establishment of the Auckland Transition

Agency was necessary to enable it to begin its large and complex job of reforming Auckland governance. The Department is responsible for monitoring the work of the Auckland Transition Agency and its progress with the Auckland Governance Reforms.

We led the work on the Local Government (Auckland Council) Bill, which was introduced to the House in May 2009. The Bill provides for the high-level structure of the Auckland Council, and allows for the determination of boundaries and the membership and number of local boards.

Improving local government transparency, accountability and financial management

The Department is looking at how to make local government's long-term planning processes less complex and costly, as well as ways in which councils' financial reporting could be improved to provide better and more easily understood information. We prepared discussion papers and circulated these for consultation with the local government sector and other organisations with a specific interest in the review's scope.

We began a review of aspects of the Local Government Act 2002 to improve the transparency, accountability and financial management of local government. Policy advice on this work will be concluded in 2009/10.

Allocating functions between local and central government

We are examining the extent to which functions and costs have been imposed on local government by legislation promoted by central government, in relation to devolved regulatory functions. We began scoping the development of principles that could guide future policy decisions on when functions should be devolved or imposed upon local councils. This work will be concluded in 2009/10.

Supporting local government activity

The Department continued to work with the local government sector and across the central government agencies that interact with it to promote collaboration. This included:

- » **Resource Management Act (RMA) Reforms** – territorial authorities and regional councils have important roles in the resource management system. The Department contributed to ensuring that the proposals to streamline the system would be effective in reducing the costs that are generated and passed on by councils when performing their statutory roles.

- » **Building Act Review** – the Department assisted in the scoping of the proposed review of the Building Act 2004.
- » **Regulatory Reform** – we contributed to the Treasury-led development of advice on the regulatory review programme. This has strong links to local government, for example through building regulation reform and the review of drinking water standards implementation.
- » **Urban Development** – the Department hosted the Interagency Urban Development Unit during 2008/09. Through a public discussion document, the Unit sought ideas on ways to address barriers to urban development, such as coordination/integration, land assembly, funding, planning, development control, and affordability. Working with major private and public sector players, the Unit developed policy ideas, some of which will be considered in other work programmes, such as RMA Phase 2 reforms, Auckland governance work, and the National Infrastructure Plan.
- » **Job Summit** – we supported the local government sub-group of the Māori Economy, Local and Regional Government Stream at the Job Summit in February 2009. The Department made a strong contribution to developing the local government-related options discussed in this stream. We contributed to the resulting work, led by Local Government New Zealand (LGNZ), on identifying and rolling out good practice and streamlined consenting practice under the Building Act and RMA.

The Department also supported other significant local government projects, including:

- » completing work on the government response to the Local Government Rates Inquiry and providing advice on the Local Government Commission's review of local government legislation. The findings of these reviews will continue to inform policy advice, for example Te Puni Kōkiri's work on the rating of Māori freehold land
- » advising on the impact of Treaty settlements on local government
- » funding LGNZ to develop and run a two-year professional development programme for council-elected members.

Our operational activities with respect to local government include:

Rates Rebate Scheme: We administer the Rates Rebate Scheme in conjunction with local authorities. Both the Department and local authorities promote the scheme, with the Department providing general information through brochures and its website as well as targeted information for specific sectors. Nearly 110,000 rebate applications, to a value of \$52.6 million, were granted to assist low income owners to pay their local authority rates. This compares with 108,000 applications (\$48 million) in the previous year. The average value of rebate granted in 2008/09 was \$483.

Lake Taupo Harbourmaster: We provide harbourmaster services for Lake Taupo. During the year, facilities at three of the most heavily used boat launching areas on the lake were significantly upgraded, while improvements were also made to the Lake Taupo Landing Reserve, which the Department administers. Draft navigation safety bylaws for Lake Taupo were released for public comment and it is anticipated that the bylaws when finalised will improve the efficiency of the harbourmaster's enforcement activities.

Improving information about local government

To better understand the impact of legislation, we continued to increase the amount of research and analysis we produce on local government. This work also helps guide the development of good practice in the local government sector. The Local Government Information Series was launched in 2008. To date, 14 volumes have been publicly released covering a range of topics. These volumes are available on the www.localcouncils.govt.nz website.

Several pieces of work were also carried out around council collaboration and governance at a level below the main council, such as community boards or committees. Findings from both these pieces of work identified the importance of good relationships between councils and boards, and having clear parameters and goals to guide the use of community boards or committees.

Water network assets that supply and treat drinking water, wastewater and stormwater for communities are vital for community well-being. During 2008/09, we completed a stocktake of these assets using material available from councils. This study provides a basis for further work and analysis of this important infrastructure area.

In 2009, councils prepared and consulted on their long-term council community plans (LTCCP). These documents set the direction of councils for 10 years, and

provide a clear indication of expenditure and income likely to be incurred by communities. We undertook a rigorous analysis of the draft LTCCPs to extract a range of financial and non-financial information. The results were used to inform the Minister of Local Government in discussions with the local government sector, and to provide councils with an early indication of broader issues. Some councils used the findings as a basis for reshaping their final plans.

Information and resources are readily available to the public on the www.localcouncils.govt.nz website about the functions and services of local government, elections, and Māori participation in local government as well as the different ways in which people can have a say. In 2008/09, there were 790,470 hits and 5,908 downloads from this site.

Māori participation in council decision-making processes in four councils was reviewed². The findings indicated that relationships between Māori and these councils have strengthened over the last 5–10 years and identified a range of formal and non-formal mechanisms for enhancing Māori capacity. This was based on an understanding of local conditions and the development of trust.

Working with communities

The provision of information, advice and resources to communities/hapū/iwi through our network of community advisory services enables those communities and groups to take responsibility for identifying their own needs and aspirations, and to utilise resources to give effect to these outcomes. This ensures initiatives are community owned and driven.

Over the past year, the Department worked with communities/hapū/iwi throughout New Zealand, providing community development advice on capacity building and leadership to assist engagement and participation in communities, and supporting communities to help themselves. This work was carried out against a backdrop of the global financial crisis and the onset of a national economic recession which impacted many community groups, especially in terms of their access to funding resources. For example, in the wider Auckland area the ASB Community Trust withdrew 2008/09 funding allocations in late 2008 as a direct result of the economic recession. As a result, the Lottery Community Committees in the Auckland and Waikato areas experienced a significant increase in applications for funding. Our work included supporting the distribution commit-

tees which funded critical social service organisations such as budgeting services.

We also held funding information workshops in bigger venues to accommodate larger attendance numbers and encouraged other funding agencies to attend and make presentations. Regional staff worked with specific community organisations to assist them in coping with the impact of the recession in an environment of rising unemployment and decreased grant funding from other providers. For example, we assisted a social services provider in financial difficulties to obtain funding from a private sector funder.

We continued to monitor the effects and impacts of the recession and provided regular briefings for the Minister for the Community and Voluntary Sector on this issue.

Advisory services

Our Community Advisory Service, which is offered by staff in our 16 regional locations, provided communities with advice, information and assistance. It also facilitated collaboration between government agencies, private sector organisations and communities.

For example, the Department worked collaboratively with the Māori Land Court, Inland Revenue and other government agencies to hold a series of information seminars, focusing on funding, charitable status and taxation, restoration and protection, governance and trusteeship, at marae throughout the country. Twenty-eight seminars were held and people from well over 300 marae participated. Many tāngata whenua participated in the seminars. The seminars were well received, with a number of participants remarking on the usefulness of the range of information presented and the interagency approach. Some participants said that what they had learned at the seminars would enable them to fulfil their role as trustees more effectively.

In another instance, the Department, in collaboration with Te Runaka ki Otautahi o Kai Tahu, organised a community development hui in the Otautahi Māori community. The hui supported the strengthening of existing relationships within the community, and enabled new relationships to be formed. It also made available a practical resource kit on community development, and information about Department-administered grant funding and advisory services.

Another important source of information for community groups is CommunityNet Aotearoa (www.community.net.nz), a website hosted and funded by the Department. In the year to 30 June 2009, traffic to the

² Hamilton City Council, Environment Bay of Plenty, Porirua City Council, Marlborough District Council.

website site increased by 15 per cent compared with the previous year. This traffic comprised:

- » 2,772,229 page views
- » 94,597 downloads.

The Community Resource Kit with information on setting up and running community groups is available on the website.

Access to grants funding resources and expertise

The Department assists communities to gain access to grants funding, resources and expertise through:

- » providing advice to applicants on grants funding
- » administering a range of national and regional Lottery- and Crown-funded grant schemes and independent trusts
- » providing grant decision makers with policy advice and recommendations on grant applications.

Grant funding administered by the Department increased during 2008/09:

	2007/08 (\$m)	2008/09 (\$m)
Lottery grants ³	92.5	103.0
Crown-funded grants	15.1	23.7
Total	107.6	126.7

Examples of things happening in communities as a result of grants from the funds administered by the Department include:

- » The Significant Projects Fund made a grant for the completion of a Visitor Centre at the Orokonui EcoSanctuary in Otago. The sanctuary provides public education programmes on the unique native flora, fauna and ecology. Native species are being conserved within the Sanctuary and a nursery programme operates from which protected species can be moved to other protected areas, restocking forests. The centre will provide a base for research, education, community participation, recreation and tourism.
- » The Community Sector Research Fund made a grant to the Auckland Women's Centre which will enable research on teenage parenting to be undertaken.

- » The Lottery Individuals with Disabilities committee made 631 grants to people with disabilities, for mobility scooters, vehicles and modifications and communication equipment. This contributes to their continued mobility, independence and well-being.

- » A Lottery National Community Committee grant enabled the 87 Citizens Advice Bureau offices to continue to help people deal with the rising incidence of recession-related problems, and provide information on consumer rights, budgeting advice, legal assistance, income support, and housing/tenancy issues.

- » The Lottery Community Facilities Fund provided a grant to the Palmerston North City Council to build a community house which will provide shared accommodation for a number of community organisations providing social services. The advantages of this concept are lower overhead costs, shared administration facilities, maximum use of shared spaces and common equipment areas, and the heightened visibility of the services available to the public. Clients of the community organisations can access many agencies in this central location.

- » The Regional Lottery Community Committees (West Coast/Nelson-Marlborough Committee) has given grant funding to the Combined Adolescent Challenge Training Unit and Support (Cactus) since 2006. Their aim is to tackle youth crime in Picton through a military-style training programme for young people. Youth offending has dropped from 120 offences in 2005 to 20 in 2007, to minimal numbers in 2008.

- » The Community Organisation Grants Scheme (COGS) provided grant funding to many community organisations, iwi and hapū, large and small, who provide a range of local services in their communities. For example, COGS provided a grant to Napier Victim Support to recruit and train volunteers dealing with the victims of homicide, suicide and sexual violence.

- » The Community Partnership Fund assists communities to enhance their uptake of digital technologies. Computers in Homes, a programme delivered in low income communities, provides computer training for parents in their children's school and a computer to take home. It also funds the Computer Clubhouse, an after-school programme which teaches young people a range of computer skills.

³ Based on New Zealand Lottery Commission profit forecast made in mid June yearly. Higher than expected profits were announced and paid to New Zealand Lottery Grants Board the year after.

Support for volunteering

The Department continued to promote and support volunteering through the delivery of community advisory services and by administering grants schemes including the Support for Volunteering Fund.

Improving efficiency and effectiveness

We undertake annual surveys of our grant applicants, community advisory service clients, and funding committee members. These surveys have shown consistently high levels of satisfaction with the services provided by the Department. For 2008/09, the performance targets were raised from 85 per cent to 90 per cent overall satisfaction and these revised targets were met. The information gathered through the surveys assists us to identify further areas for improvement and opportunities to streamline processes and reduce the costs for applicants.

Over the year, the Department invested in building capability and capacity to improve the quality of services provided to communities. In particular, we made progress during the year in strengthening our capability to meet Treaty obligations and improving outcomes for Māori.

Overall, the Māori rōpū we work with report that our staff are supportive and our services are delivered in a culturally appropriate way. Through building relationships based on manaakitanga and trust, the Department is able to support rōpū to achieve outcomes that are important to them.

We are continually looking to improve our performance and deliver better services. Several initiatives are underway and designed to achieve improvements in grants administration. Expected benefits of these include:

- » reduced compliance requirements on applicants
- » streamlined and aligned processes
- » improved cost effectiveness of grants administration and reduced costs
- » better targeting of grants to applications meeting community needs and bringing long-term benefits to communities
- » quality operational policy
- » defined and measurable performance standards
- » the incorporation of robust reporting, monitoring and accountability processes.

This work will be supported by a monitoring and evaluation programme which over the next few years will

help the Lottery Grants Board measure the success of its investments in communities, and provide it with a better idea of just where its activities are making a difference.

In 2008/09, the Department undertook initial work to investigate replacing the ageing online grants application system (Grants Online) with a new grants and client management system. Further development work is planned for 2009/10. This will be integrated with the above initiatives to streamline funding practices and systems.

Promoting citizenship

As our population becomes increasingly diverse, the concept of New Zealand citizenship as a shared bond or collective identity, transcending differences in religion, ethnicity and social backgrounds, will become increasingly important. New Zealand citizenship began on 1 January 1949 when the British Nationality and New Zealand Citizenship Act came into force. Prior to 1949 there were no New Zealand citizens, as people born or naturalised in New Zealand were British subjects, a status common to the peoples of the United Kingdom and the British Empire.

In celebration of the 60th anniversary of the creation of New Zealand citizenship we ran several initiatives this year, including a Parliamentary citizenship ceremony; a national survey of public attitudes towards citizenship; the development of a citizenship educational website and associated teaching materials; and a secondary school essay competition. This programme of work will continue during the 2009/10 year, and is designed to raise public awareness of the meaning and importance of New Zealand citizenship.

Working with the ethnic sector

The increasing diversity of New Zealand presents opportunities and challenges. Census 2006 showed almost 23 per cent of the New Zealand population was born overseas and that there are over 200 ethnic groups in New Zealand. To make sure New Zealand benefits from our increasing diversity, we need to ensure that people from all backgrounds feel valued and able to contribute to the development of our country.

The Department, through the Office of Ethnic Affairs (the Office), plays a key role in working with ethnic New Zealanders – people whose culture and traditions distinguish them from the majority in New Zealand. Our purpose is to contribute to strong, self-directed and integrated ethnic communities, so that all

New Zealanders feel confident, equal and proud citizens of New Zealand.

During the year, our increased presence in the community and our outreach activities into the regions generated a significant increase in demand for our services. This may also have been influenced by increasing concerns within ethnic communities about the current economic situation. For example, requests from ethnic communities for advice or information almost doubled during 2008/09, when compared with the previous year.

In the current economic climate, we can play a role in promoting the benefits of diversity to organisations and businesses making employment decisions.

Promoting the benefits of diversity

In May 2009, the Office, in association with English Language Partners New Zealand and the British Council, hosted a series of activities throughout the country to promote the economic benefits of diversity. The activities, which included public forums, business case studies and media presentations, raised awareness of how employing people from diverse backgrounds can be both an asset to businesses and contribute to economic growth.

We increased our ongoing work with the Ministry of Economic Development and the Ministry of Foreign Affairs and Trade, on ways of tapping into the expertise and contacts of ethnic communities. This will benefit New Zealand's trade and economic development and increase employment opportunities for ethnic people.

We will continue to promote the economic benefits of diversity and enable all people to have equal access to employment and business opportunities.

Improving government responsiveness to ethnic diversity

The Office provided leadership across the State sector to improve responsiveness to ethnic diversity. We worked closely with the Department of Labour, Ministry of Social Development, Ministry of Women's Affairs, Te Puni Kōkiri, Ministry of Pacific Island Affairs and other agencies to enable equal access to services by ethnic communities.

We continued to provide Intercultural Awareness and Communication training, which promotes intercultural effectiveness as a core business skill. Thirty sessions were delivered to a range of government and non-

governmental agencies throughout the country. An additional seven sessions were delivered as part of a three-year project with Auckland Regional Council (ARC), which involves the training of frontline staff from local district councils and ARC. There is significant demand for a 'Training for Trainers' module, which will support agencies' delivery of their own Intercultural Awareness and Communication training programmes.

The Office participates in the implementation of the Government's New Zealand Settlement Strategy at both national and regional levels. The Strategy, led by the Department of Labour, assists new settlers who have been in New Zealand for more than two years.

The Department worked to increase its own responsiveness to ethnic diversity. For example, the Office and the Department's Local Government and Community branch delivered Intercultural Awareness and Communication training to frontline Departmental staff, and provided funding workshops with interpreters for Korean, Chinese and Kiribati communities.

Enabling equal access to government services

To be able to fully participate in society and access government services, people need to be able to communicate and have equal access to information. The Office's Language Line service provides quick, cost-effective telephone interpreting services to people with limited English who need to transact business with government agencies. It has had a steady uptake since its launch in 2003, supporting approximately 164,000 calls to date.

Language Line Call Volumes



The top five languages requested since the inception of the service in 2003 are: Mandarin, Samoan, Korean, Cantonese and Tongan.

By the end of the 2008/09 year, 63 agencies (an increase of 11 from 2007/08) and 93 educational institutions, such as schools, were participating in the Language Line service. Language Line will continue to be extended, with a focus on health, justice and local government agencies.

Encouraging greater civic participation

The Office works to enable ethnic people to participate in all aspects of New Zealand life, so that they become confident, equal and proud New Zealanders. During 2008/09, we assisted ethnic communities to increase their participation in democratic processes. For example, we ran six civic participation workshops, which focused on accessing the justice system and creating awareness of New Zealand's legislative processes. Civic participation includes involvement in the decision making of public boards. To encourage greater participation in this area, the Office streamlined its Nominations Service, targeting qualified candidates for specific public boards.

Building capacity within ethnic communities

Community forums are a key means to update ethnic communities on government activities and receive feedback about community needs. The Office held forums for a range of communities, with specific meetings for refugees and new migrants, women and ethnic youth. Pan-ethnic forums were also held, bringing communities together to consider common interests.

The Office, in association with the Federation of Islamic Associations of New Zealand and New Zealand's Muslim communities, continued to deliver the Building Bridges programme. This programme demystifies Islam for New Zealanders and promotes participation by New Zealand Muslims in New Zealand society, through a series of workshops, forums and awareness-raising activities. The Office and the Islamic Women's Council of New Zealand produced a directory for Muslim

women's organisations, to assist organisations which provide services to Muslim women to work together.

One of the Office's key projects during 2008/09 was the Strengthening Ethnic Non-Governmental Organisations programme, funded by the Department of Labour's migrant levy. This project provided governance training and mentoring to Non-Governmental Organisations (NGOs) who provide settlement services to refugees and migrants. As a result, 22 Ethnic NGOs from Auckland, Hamilton, Wellington and Christchurch said they would commit to learn more about governance and review their procedures. The aim of the programme is to strengthen these organisations' infrastructure, enabling them to provide services and understand the importance of good succession planning. It also develops leadership skills which can be transferred to any board situation.

Increasing visibility of ethnic communities

Increasing awareness of the existence of diverse groups is the first step towards community acceptance of them. During 2008/09, we contributed to projects aimed at increasing the visibility of ethnic communities. These included the Diversity Stage at the ASB Polyfest and contributing work to national meetings for ethnic communities such as the 'Rising Dragons, Soaring Bananas' conference for New Zealand's Chinese communities.

The media can play a key role in assisting the wider community in understanding issues relating to ethnic diversity. During the year, the Office hosted several Ethnic Media Gatherings, providing a channel of communication between ethnic media, mainstream media and government. This initiative supports improved communication to the community as a whole about ethnic communities and their issues as well as encouraging the development of information to better meet the needs of ethnic communities.

Safer Communities

Protecting citizens by building safer communities is a fundamental responsibility of government.

The Department supports safer communities by:

- » efficiently and effectively fulfilling its regulatory roles
- » helping build the capability of relevant sector groups
- » supporting communities and individuals by raising their awareness of risks.

Our particular areas of responsibility for building safer communities are civil defence and emergency management, gambling and censorship.

Communities are more resilient to hazards and their risks

New Zealand's dynamic physical environment exposes us to a wide variety of hazards. Our overall aim is for communities to be more resilient to these hazards and their risks. The Department's specific focus in this area is on civil defence emergencies and fire. We do this largely through our leadership role in developing structures and processes to support individuals and communities in reducing the risk of, getting ready for, responding to, and then recovering from any civil defence emergencies that occur. In respect of fire, the Department provides fire policy advice to the Minister of Internal Affairs.

The key pieces of legislation under which we operate are:

- » the Civil Defence Emergency Management (CDEM) Act 2002, which established the framework for managing risk posed by hazards. Under the CDEM Act, the National CDEM Strategy set out the Government's vision for CDEM in New Zealand as 'Resilient New Zealand – communities understanding and managing their hazards'
- » the Fire Service Act 1975, which established the New Zealand Fire Service Commission (a Crown entity). The Commission is responsible for the New Zealand Fire Service and has agreements for service with volunteer brigades. The Commission is the National Rural Fire Authority, with responsibility for the coordination of rural fire management. It also provides guidance and standards for other fire service providers, for example, defence and industrial brigades. One of our roles is to monitor the performance of the Commission
- » the Forest and Rural Fires Act 1977, under which each of the 86 rural fire authorities, operating alongside the New Zealand Fire Service, is responsible for fire control measures in its area and responding to fires.

Through the Ministry of Civil Defence & Emergency Management (MCDEM), the Department has a key operational role in managing any national emergencies that occur. This includes developing and maintaining national-level readiness capability including the National Crisis Management Centre (NCMC), and the coordination and management of central government activities at local, regional and national levels of civil defence emergencies. MCDEM provides national hazard warnings to

the Civil Defence and Emergency Management (CDEM) sector via the National Warning System.

Over the year, we improved our processes and procedures for responding to emergency events. The effectiveness of the National Warning System has been enhanced through 24/7 duty team arrangements and embedding of the relationship with the New Zealand Fire Service. Standard operating procedures for the NCMC were updated and enhanced. A new training programme for NCMC staff is under development.

New qualitative measures underline the enhanced capability of the National Warning System and response capability. Our expectation is that at least 95 per cent of addressees will successfully receive national warning messages for all tests undertaken.

The following sections highlight our key activities during the year.

Strengthening the CDEM framework

We support the continued strengthening of the CDEM framework through oversight of the CDEM Act 2002, the National CDEM Strategy, the National CDEM Plan, and the *Guide to the National CDEM Plan* (the Guide).

The Guide provides additional information to assist and support agencies to achieve the purpose of the National CDEM Plan. In consultation with the sector, MCDEM reviewed the Guide and released a revised version to stakeholders in June 2009. The review involved consultation with over 100 stakeholders and represented the most comprehensive review since the release of the Guide in 2006.

During the year, we began an initial assessment of how well the CDEM policy and legislative framework has been implemented around New Zealand since 2002. In the second half of the year the primary focus of policy work shifted to consideration of central government financial support of the CDEM sector and how best to ensure stability in CDEM arrangements in Auckland during the transition to the new Auckland Council in 2010.

Strengthening our fire services

New Zealand's fire services face a number of fundamental problems. These include issues relating to fire service governance, fragmentation of rural fire services, levy inequities, and variations in regard to legal accountabilities such as the responsibilities for handling of building fires in rural areas.

The Government has announced that it will not be pursuing previous proposals to merge urban and rural fire services. It has also signalled that it would prefer a period of consolidation before any legislative reform is considered. In the meantime, it has endorsed work to improve the delivery of rural fire services.

The recent bushfire events in Australia underline how important it is to ensure our rural fire services are properly supported. In New Zealand, there are over 80 rural fire authorities and this fragmentation has led to duplication of resources in some areas and stretched resources in others. Significant gains can be made by actively encouraging voluntary amalgamation of rural fire authorities into regional groups, allowing for improvements in resource allocation and capability.

The Department has been supporting the National Rural Fire Authority's strategy to encourage the voluntary amalgamation of smaller fire authorities into larger fire authorities through the creation of enlarged rural districts. In early 2009, this focus led to the Department working closely with the National Rural Fire Authority to draw together, for the first time, comprehensive guidance material on the roles, functions and legislative underpinnings of fire authorities.

Following the process of voluntary amalgamation, the Department will consider the need for legislative change to promote further amalgamations. It will also consider how to make progress on the other identified issues.

Developing the CDEM sector

We seek to enhance the capability of the CDEM sector in managing the risk posed by hazards, by assisting communities, local government, the private sector, and central agencies to develop disaster resilience. A key influence on our approach is the level of capability in the CDEM sector. As the changes in the structure of the sector initiated by the CDEM Act 2002 have become increasingly embedded, the focus has shifted from confirming the structures to the ongoing improvement of capability.

As an example of this, in consultation with representatives from CDEM Groups, we produced a guideline to establish a nationally consistent approach to the development of the next iteration of CDEM Group plans.

A CDEM Competency Framework was published as a technical standard on 30 June 2009 after extensive engagement with the CDEM sector. This framework will support a key strategy of developing people, and sets out a list of evidence-based national competencies to guide the sector on the type and level of training and education across roles. We are now working with the

sector to detail the skills and knowledge that underpin the competencies for particular roles, and work with education and training providers to develop new professional development opportunities that are aligned with the framework.

MCDEM is further supporting the long-term development of capability across the CDEM sector through the development of a monitoring and evaluation tool. This will assess the level of capability achieved by agencies with responsibilities under the CDEM Act 2002 and identify capability areas for improvement. The Capability Assessment Tool has been developed in consultation with stakeholders with completion in June of a version ready for formal consultation. Once finalised, the tool will initially be applied to CDEM groups and will then be rolled out to other agencies in the sector.

Output measures indicate an improved level of communication with the sector. For example, during the year we published a total of 18 sector updates and newsletters, and increased the number of guidelines published from three in 2007/08 to five in 2008/09. The quality of our engagement with stakeholders is measured primarily through the annual MCDEM stakeholder survey. Recent results indicate that the majority of our stakeholders (73 per cent) were either satisfied or very satisfied with MCDEM's performance. Furthermore, more than half the respondents (55 per cent) thought MCDEM's performance had improved compared with the previous year.

The Capability Assessment Tool will provide a measure of capability across the sector, which is an indirect measure of the performance of the Department in supporting the development of CDEM capability.

Developing CDEM initiatives for hazard risk reduction

Risk reduction provides an important component of the management of hazards by mitigating the potential effects on communities, thereby reducing the resources required for response and recovery. We actively engage with the CDEM sector and government agencies to provide technical advice, support or information to assist coordinated disaster risk reduction.

Addressing New Zealand's vulnerability to tsunami has included the development of information on public alerting options, scenarios to inform national and regional planning, and a guideline for tsunami evacuation zones. The findings have been communicated to the sector through 13 regional seminars as well as the publication of three guidelines. Our work on public alerting and scenario development is continuing. We also contributed

directly to the development of the Natural Hazards Research Platform sponsored by the Foundation for Research, Science and Technology.

Raising public awareness

MCDEM continued to run two programmes aimed at enhancing public awareness of hazards and their risks – the schools' programme 'What's the Plan Stan?' and the public awareness programme 'Get Ready, Get Thru'.

The 'What's the Plan Stan?' resource has been revised to ensure alignment with the new school curriculum. Promotion of the new version at the national level and through CDEM Groups preceded the distribution to schools in August 2009. All 2,349 primary and secondary schools in New Zealand will receive this resource.



'Get Ready, Get Thru' is a high-profile publicity campaign in print, television and radio. The mass media campaign has been supported by information on the www.getthru.govt.nz website.

The effectiveness of the public education mass media campaign is assessed through an annual survey. The results show that the advertisements are effective: four out of five (80 per cent) New Zealanders who have seen the advertisements have been prompted to think or take action to prepare for a disaster. Public preparedness has continued to show an increase from the start of the campaign in 2006 but levels have not altered over the last year. This may be related to the reduced level of advertising compared with the previous year. Key survey findings are that:

- » one in every 10 New Zealanders (10 per cent) is fully prepared for an emergency
- » nearly one in every four New Zealanders (23 per cent) is prepared for an emergency when at home
- » four out of five New Zealanders (79 per cent) have emergency survival items
- » nearly half of New Zealanders (49 per cent) have a survival plan.

Gambling is safe, fair, legal and honest

Gambling is a significant economic activity in New Zealand. Total expenditure on all forms of gambling has remained steady since 2004, at around \$2 billion per annum.

There are positive aspects of gambling activity. For example many people enjoy some form of gambling as a social or leisure activity and gambling-related industries provide employment. If well channelled, funds from gambling (in particular non-casino gaming machines and New Zealand Lotteries) support a range of community activity.

However, some in our society are vulnerable to harm associated with gambling. Those least able to withstand economic set-back are often most at risk from the harm that can be caused. Some forms of gambling are more associated with problem gambling than others, notably gaming machines and casino table games. The effects of problem gambling reach beyond the individuals concerned to their family, friends and workmates, and can ripple throughout a community.

Gambling and gambling venues can be targets for criminals. A wide range of criminal activity can exploit the sector. Examples of criminal activity directly related to gambling operations are theft of gambling profits, cheating and grant fraud. Criminals can use venues to carry out various forms of crime, including drug dealing and money laundering. Problem gambling may also be associated with a variety of offences including

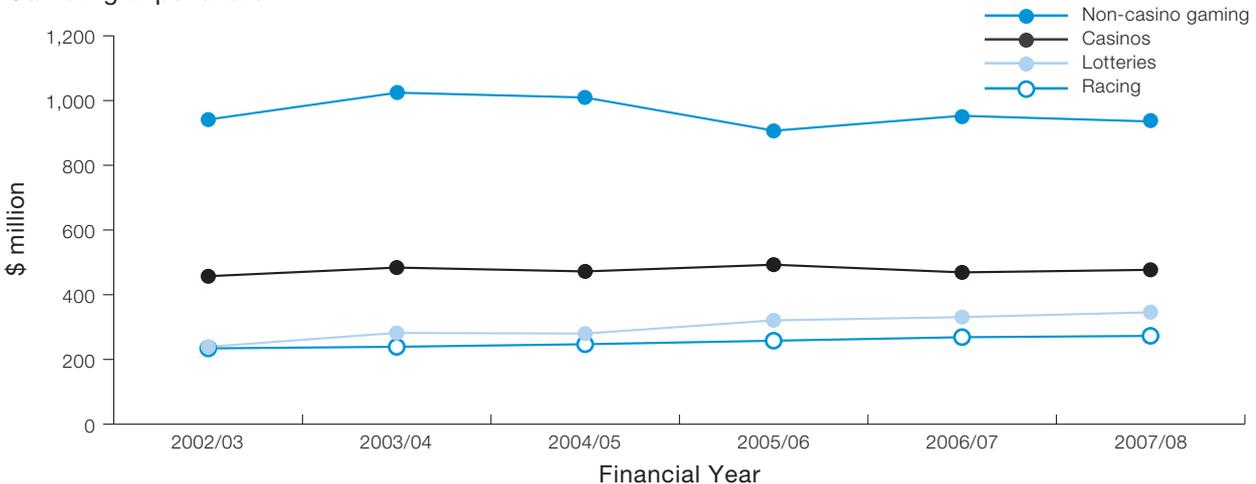
theft from family or employers. The costs of gambling-related crime include trauma and stress to the victims, loss to the community of funds that would otherwise be distributed as grants, financial loss to businesses, and the cost to the justice sector of investigation, court action and imposing penalties.

The Gambling Act 2003 and the Racing Act 2003 regulate gambling. The Department advises the Government on gambling policy and administers the Acts. It provides information on how to comply with the legislation, licenses some forms of gambling, audits and monitors gambling operations, investigates alleged breaches of the Gambling Act 2003 and related offences, and takes appropriate enforcement action. The Department maintains a strong strategic overview of the operating environment and is well positioned to continue its lead role in shaping the future of gambling in New Zealand.

We contribute to creating safer communities through the effective regulatory management of gambling. We aim to create an environment where gambling is safe, fair, legal and honest, harm is minimised and benefits are maximised.

The following graph shows gambling expenditure over the past six years for the four major forms of gambling. What the graph does not clearly show is that recently, coinciding with the economic downturn, there has been a clear downward trend in spending on non-casino gaming machines, while spending on other forms of gambling has remained relatively steady or increased. We will continue to closely monitor this trend to gauge its impact on the gambling sector, our operations and the public.

Gambling Expenditure



Our key activities during the year are highlighted in the following sections.

Integrity of gambling/preventing and minimising gambling-related crime

We want to ensure we deliver cost-effective compliance with the Gambling Act 2003 (the Act), so our approach to regulatory management uses a range of tools to deliver this objective. We use regulatory interventions to focus on the prevention or reduction of offending associated with gambling. This includes a range of interventions, from encouraging voluntary compliance to taking a stronger enforcement role. Our aim is to promote responsible and compliant behaviour by gambling operators and to take action that is proportionate and appropriate in any given situation.

Consequently, in relation to non-casino gaming machines the Department has sharpened its focus on licensing and compliance at the gaming machine operator level. We initially concentrated on venue compliance and encouraging venues to understand the new harm prevention and minimisation requirements in the Act, including regulations relating to signage, identifying problem gamblers and appropriate supervision of and access to gambling areas. Our initial expectation that gaming machine operators, with community trustees on their Boards, would voluntarily comply with the purposes of the Act has in many cases not been realised. In focusing on operator compliance, the Department has taken action to suspend, cancel or refuse to renew licences where breaches of the Act's requirements are found. This approach is already encouraging changes in operator behaviour, and we expect to see further improvement in the integrity of the sector.

In addition, the Department has taken a risk-based approach to allocating resources for enforcement action. For example, drawing on the results of a major intelligence project, we reviewed our casino work programme to focus less on routine audits and more on the high-risk areas of criminality and harm prevention and minimisation.

Examples of our enforcement action resulting from casino and non-casino activity in 2008/09 include:

- » 390 warnings given
- » 71 infringement notices issued
- » 17 venue licence suspensions
- » five venue licence cancellations.

Our intelligence-based approach to crime prevention and detection ranges from community-based initiatives to working with international agencies.

The Community Engagement Model is a programme designed to ensure that the Department connects with communities to target its regulatory approach, shares information with other regulatory agencies and gains a clear understanding of a community's perspective of its gambling issues. The programme has been carried out in Christchurch East and has commenced in the Far North, Porirua and Dunedin, on a trial basis. In the coming year, we will evaluate the benefits of this activity and refine the model to enable more effective community engagement.

Our Intelligence Unit produced a report for the Asia-Pacific Group on Money Laundering showing money laundering and counter-terrorism financing vulnerabilities for casinos internationally. The report has been ratified by the Financial Action Task Force (the international anti-money-laundering body) and will gain further importance as anti-money-laundering legislation becomes operational, informing the Department's analysis of money-laundering risks in New Zealand casinos.

Understanding gambling in New Zealand and monitoring its development

Better data collection and analysis mean compliance and investigations are increasingly able to strengthen the intelligence-led, risk-based approach. During 2008/09, we reviewed the data we gather so we are able to better measure our progress towards our outcomes. Our redesigned stakeholder survey, which now samples a wider range of stakeholders, has provided valuable qualitative data. This year's survey provided a benchmark for measuring our future performance against desired outcomes.

Electronic monitoring of Class 4 (non-casino) gambling has helped inform and improve the design and implementation of focused and effective regulatory activities. For example, information obtained from our Electronic Monitoring System (EMS) is used in building profiles for the Community Engagement Model. We have also used EMS information in designing audits around our outcomes. The audit process has been reviewed to better align resources towards high-priority compliance issues such as excessive costs in gambling operations and the manipulation of grants.

Working with others

We work with gambling operators, community groups, problem gambling service providers, local government and other government agencies to achieve our outcomes. Throughout the year, we continued to build networks within local communities, taking a collaborative approach to addressing gambling-related issues, such as problem gambling and community funding, at a local level.

One of our aims is that communities will be engaged, empowered and informed in relation to gambling. This year's stakeholder survey, which included stakeholders from the gambling sector, the community and local government, tells us that, while 42 per cent of respondents agree that 'local communities are engaged in local gambling issues', 40 per cent are neutral or don't know. In addition, only 30 per cent of respondents to the survey believe communities are able to effectively influence where gambling profits go. These figures show that there are opportunities to improve the level of community engagement in gambling issues.

The effectiveness of gaming machine funding is an issue that continues to concern the public. The Department's focus is on ensuring that community benefits from non-casino gaming are maximised, and establishing systems and processes that will better measure the impact of grants on the community.

Our Strategic Funding Engagement initiative aims to ensure that community benefits from non-casino gambling are maximised by encouraging gaming machine operators to improve the quality of their funding – that is, its contribution to community capability and genuine community needs.

We commenced discussions with gambling operators and other funding organisations, with the aim of improving community engagement and establishing cooperative relationships between funders over time.

Education and information are valuable and cost-effective regulatory tools to increase voluntary compliance, integrity and good practice in gambling operations. We gave 20 formal presentations throughout the year to Police and gambling operators. In addition, regular meetings between Departmental liaison officers and the gambling sector maintained relationships and opened another channel for communication. We also ran regular meetings and forums with non-casino gaming machine operators, casino operators and sector groups.

We work in partnership with the Ministry of Health to monitor and address public health and other policy issues related to gambling. During the year both agencies worked together to develop standard information packs to assist territorial authorities with their gambling policy reviews, and to host six Stakeholder Reference Group meetings. This Group includes representatives of treatment providers, local government, Asian, Pacific and Māori communities, consumers, academic institutions, gambling operators and the Hospitality Association of New Zealand. The Group's core focus is harm prevention and minimisation.

We further developed our relationships with international law enforcement agencies to detect and investigate crime associated with gambling.

Supporting legislative change

As is common with new legislation, a number of issues have emerged since the Gambling Act was passed. The Gambling Amendment Bill (No 2) – currently before the House – makes a number of small policy amendments and many technical amendments to the Act. These aim to allow the Act to operate as originally intended. The Department will implement changes to policies and processes arising from the passage of the Bill.

Harm from restricted and objectionable material has been minimised

Censorship issues reflect the values of our communities. As a regulator of these issues, the Department's role is to protect people from objectionable and restricted publications.

Children are particularly at risk from the threat posed by objectionable material – firstly, because the production of such images often involves actual physical and sexual abuse of children and secondly, because viewing the material may be traumatic.

Effective regulation and enforcement prevent and minimise the harm caused by restricted and objectionable material, and directly contribute to creating safer communities. Our approach to regulation is underpinned by information and education and is strengthened by a commitment to intelligence-led and risk-based deployment of resources. In 2008/09, we continued to carry out a range of activities to encourage voluntary compliance and to tackle offenders. In this way, we maximised our impact in a cost-effective way.

The Department uses a range of regulatory tools to achieve compliance with the Films, Videos, and Publications Classification Act 1993. Our Censorship Unit informs, educates, investigates and takes enforcement action to ensure compliance with the Act. The Unit also ensures the publication industry complies with the Office of Film and Literature Classification's (OFLC) decisions on classifications.

Additionally, the Department provides administrative support to the Film and Literature Board of Review and monitors the performance of OFLC.

Increasing public awareness

Compliance can be increased, and risk to vulnerable people decreased, when we use our capabilities and networks to get our message across.

Children are better equipped to protect themselves online with the information we have developed with the Ministry of Education and Netsafe, an organisation which works with stakeholders in the public and private sector to promote cybersafety. In 2008/09, we raised awareness of Internet safety, and supplied schools with Internet safety resources. For example, we helped produce an Internet safety DVD for pre-primary school children with the Ministry of Education, and provided presentations for Netsafe and a number of schools. We

also provide information to the public via leaflets and through our website.

Informing and educating the sector

Information and education to the publication industry are cost-effective tools to encourage voluntary compliance. The Department's website is a primary source of information about censorship issues. We use the inspection programme as an opportunity to provide the business community with information that helps them remain compliant. Our inspection programme of publication outlets showed that out of 946 inspections, 854 outlets were complying.

Enforcement

A vital tool in our regulatory management 'toolbox' is enforcement. We pursue those who commit offences and work extensively with other government agencies, both in New Zealand and overseas, to detect and prosecute those involved in the trade and possession of objectionable material.

The Department's work attracts significant media attention. We publicise our successes and inform the public about Internet and censorship offending through proactive media releases relating to court cases and national and international investigations. We believe that this publicity also serves as a deterrent to some potential offenders.

In this reporting year:

- » no cases we brought before the courts were dismissed
- » 43 cases were resolved in court
- » 42 cases resulted in convictions
- » 16 cases resulted in a term of imprisonment
- » in 11 further cases a term of home detention was imposed.

Since penalties for censorship offences were increased in 2005, we have seen a rise in the number of defended hearings. We have incurred significant costs in these cases and the average cost of each prosecution has continued to grow, placing pressure on existing resources. However, in 2008/09 we secured future funding to relieve this pressure. The costs of prosecutions have also been mitigated by cost-effectiveness measures such as speeding up computer forensic examinations, proactively seeking earlier guilty pleas, and our strategy of targeting our investigations and offence action on New Zealand-based offenders and according to risk.

In 2007, we took on the regulatory management of 'spam' (unsolicited electronic messages). An Anti-Spam Compliance Unit was established under the Unsolicited Electronic Messages Act 2007 to monitor the sending of 'spam'. In 2008/09, the Department undertook Operation Herbal King, an investigation into one of the world's largest spamming operations. This resulted in a New Zealand citizen, resident in Australia, admitting his part in the sending of more than two million emails, marketing pharmaceutical products, to New Zealand computers. He paid a financial penalty of \$100,000 plus almost \$8,000 in costs.

Research and profiling

We continue to develop an expert understanding of the producers, traders and users of objectionable material. For example, our profiling research provides information on demographic and other characteristics of offenders, and the collation of search terms used in P2P (peer-to-peer) networks is assisting in the detection of offenders.

Working with others

Our work relies on forming collaborative partnerships with other enforcement agencies in New Zealand and internationally. We use these networks to target potential offenders and develop new forensic and computer technologies. The Department has gained considerable prestige internationally due to its law enforcement successes and its innovative approach to investigative techniques.

We have taken a leadership role in training and developing partnerships with agencies in relation to forensic computer analysis. In addition to our membership and training status with the International Association of Computer Investigative Specialists (IACIS), we are also trainers for the International Training Initiative of the International Centre for Missing & Exploited Children and Interpol. This year we provided training to the Prosecutors' Office of South Korea and IACIS students and presented to the World Congress III Against Sexual Exploitation of Children and Adolescents, held in Rio de Janeiro, November 2008.

The Department recognises the value of continued learning from like-minded organisations to improve our performance. Both US Immigration and Customs Enforcement and the FBI have provided training to staff in New Zealand.

We continued to establish joint operations with the New Zealand Customs Service and the New Zealand Police, and to take an active part in the international collection and dissemination of intelligence.

Harnessing technology

In order to meet the emerging risks that this operating environment presents, it is essential that we develop capability to remain at the forefront of technical innovation. The Department will continue to invest in resources to ensure inspectors receive up-to-date training and have access to the latest software.

Our own technical innovations have found international success. We have made further refinements to Super Squirrel Hunter (the detection software the Department developed for peer-to-peer networks). Both Super Squirrel Hunter and Websniper (software that captures the targeted area of a website for use as evidence) are available to enforcement agencies overseas, via the secure Censorship Internet portal.

In conjunction with several Internet Service Providers (ISPs), we have piloted the use of website filtering software to block user access to specific websites known to provide child sexual abuse images. In 2008/09, the Department secured future funding to implement and roll out website filtering, which will be available to ISPs on a voluntary basis.

New Zealand's approach to identity is trusted and well led

As kaitiaki of New Zealanders' core identity information (life events such as births, deaths, marriages or the record of their citizenship), the Department plays a crucial role in ensuring this information remains safe and secure. The information we maintain:

- » enables the New Zealand public to apply for individual entitlements
- » facilitates economic activity
- » provides important input to official statistics, social services planning and research that will underpin national economic goals for the future
- » eases international travel
- » helps individuals to trace their lineage and establish their identity.

We support the outcome *New Zealand's approach to identity is trusted and well led* through the quality of the services we provide from day to day: registering births, deaths, marriages and civil unions and providing access to life event information, issuing passports and other travel documents and managing applications for New Zealand citizenship. Achieving this outcome is wholly reliant on the accuracy and reliability of the identity information we hold for New Zealanders and this, in turn, depends on our professionalism and the integrity of our staff, data and systems.

In its role of administering the Citizenship Act 1977, which sets out entitlements to and requirements for New Zealand citizenship, the Department assists in the settlement of migrants and contributes to the development of social cohesion through its citizenship activities, which promote a sense of belonging to New Zealand. Our citizenship activities contribute to the outcome of *Strong, sustainable communities/hapū/iwi* by raising awareness of what citizenship means amongst the vast majority of New Zealanders, who have acquired their citizenship by birth, so that they value it as much as those who have acquired it by choice.

This work also contributes to the Department's *Safer communities* outcomes. The integrity of our people, data, systems and services, together with our work on identity information management across government, helps to protect New Zealanders against identity crime and threats to their privacy.

Our work also has economic benefits. For example, New Zealand continues to meet the passport security requirements needed to maintain membership in the United States of America Visa Waiver Programme. We conservatively estimate that continued access to the Programme saves NZ\$87 million per annum, benefiting New Zealand's economy by allowing a large number of New Zealanders unfettered business travel to the United States.

Good governance of identity information for all New Zealanders

Sector leadership in identity information management

Secure and protected records of identity, and the fast and accurate provision of identity documents, provide the confidence for New Zealanders and the commercial sector to conduct business openly and freely. However, our work extends well beyond the maintenance of life event registers, issuance of passports and management of citizenship applications. For example, we support the development, promotion and delivery of good practice in the management of identity information across the New Zealand State sector.

A strategic approach to managing identity information needs to be well led. The Department has continued to ensure, through initiatives undertaken in the past 12 months, that there is widespread understanding of the security and integrity needs, and good practices, in relation to designing, implementing and monitoring systems and processes for identity information management. Our skills, expertise and knowledge in this area helps other agencies understand the associated risks and demonstrate best practice.

The Identity Assurance Framework (IAF) provides a structured approach to identity assurance across government. After extensive consultation with government agencies, the IAF document was published in December 2008. It underpins many of the initiatives that the Department has developed, and is the basis of our contribution in reducing vulnerabilities and building a seamless approach to identity information management across government.

Better coordination in identity information management will improve the level of service the New Zealand public receives when interacting with government agencies and will also lead to better investment by government in identity-related systems and processes.

Over the last year the Department's role as chair of the Cross-Government Biometrics Group (CGBG) supported the development of *Guiding Principles for the Use of Biometric Technologies for Government Agencies*, researching biometric standards and developing good-practice-guidance material. This work recognises that the fast-evolving technological environment and the technical nature of biometrics present an opportunity for government agencies to enhance customer facilitation and minimise identity-related risk.

We facilitated the appropriate and safe use of identity information through the Evidence of Identity (EOI) Standard. The EOI Standard is a good-practice guide to the establishment of the identity of people accessing government services. As custodian of the standard we assist agencies that issue documents or maintain records that may be used to establish or verify identity. We do this by identifying any weak links in their business process that may cause identity assurance issues in respect of their own agency or for other government agencies.

During 2007/08, we successfully piloted the EOI Standard with three government agencies: Inland Revenue (the IRD number issuance process), the Citizenship Office within the Department of Internal Affairs (the citizenship by descent process) and New Zealand Transport Agency (the driver licence issuance process). This subsequently led to the implementation of a new EOI process at Inland Revenue and Citizenship in 2008⁴. The Department is seeking the acceptance of the EOI Standard as a 'Recommended' e-GIF (E-government Interoperability Framework) standard. Over time, implementation of the EOI Standard will lead to an increase in the quality of agencies' identity establishment and verification processes. Application of the standard will also help to provide consistency of customer experience when seeking services of a similar nature from different government agencies.

The Department chairs the Identity at the Border (I@B) work programme, which aims to provide consistent and fit-for-purpose identity-related standards and processes for all border activity. During the year Identity Information Management Principles were developed to facilitate a common understanding and approach to identity activities in the border sector. A particular focus of the I@B work programme has been to inform the design and development of new business processes and systems in the border agencies, including the trans-Tasman travel initiative. This will lead to a fast and seamless border

crossing experience for the traveller, while maintaining the security of the New Zealand border.

The Department manages identity records that can be shared with other government agencies to help carry out core functions. Over the past year we have developed the igovt Identity Verification Service (IVS), as part of the All-of-government Authentication Programme. The IVS will enable people to use the Internet as a more convenient way to verify their identity to government agencies online, and in real time, to a high level of confidence. This will enable New Zealanders to conduct business with government agencies more easily and in a more cost-effective and timely fashion, avoiding the costs and inconvenience of repeatedly verifying a person's identity face to face with multiple agencies, and hence will provide value for money for individuals, agencies and government.

Benefiting from international linkages

Over 2008/09, the Department continued to strengthen New Zealand's international relationships in relation to identity information management to support our ongoing work. Engagement at this level is important as it enables the Department to:

- » keep up to date and learn from others – for example, the Passports Manager is chair of the Implementation and Capacity Building Working Group (ICBWG) of the International Civil Aviation Organisation (ICAO). This enables the Department to learn from, and inform, other ICAO projects. This engagement is particularly critical in the issuance of emergency travel documents. In 2008, we completed a project enabling Ministry of Foreign Affairs staff to access up-to-date data, including images, for emergency travel document applications. We support and learn from the experiences of others with the expectation that, should the need arise, we will also receive support.
- » have an influencing role in other jurisdictions – the Department's expertise in identity information management is recognised internationally. For example, the General Manager of the Department's Identity Services Group is currently the chair of the ICAO Technical Advisory Group on Machine Readable Travel Documents.

⁴ New Zealand Transport Agency has assessed how current business processes can align with the EOI Standard but is unable to implement the standard without legislative change.

- » share knowledge in areas of joint interest – for example, we provide resource to assist the Vanuatu Government’s review of passport legislation and implementation of a new passport system that will allow Vanuatu to have machine readable passports compliant with international standards. This work is funded mainly through NZAID.
- » monitor international trends – we work collaboratively with the Five Nations Passports Group, Five Nations Citizenship Group, the Australasian Biometrics Institute, ICAO and the Council of Australasian Registrars for Births, Deaths and Marriages.
- » keep pace with standards and best practice in identity information management – continued recognition of the accuracy, security and reliability of New Zealand travel documents ensure that New Zealand maintains its international reputation as having one of the most highly regarded travel documents in the world.

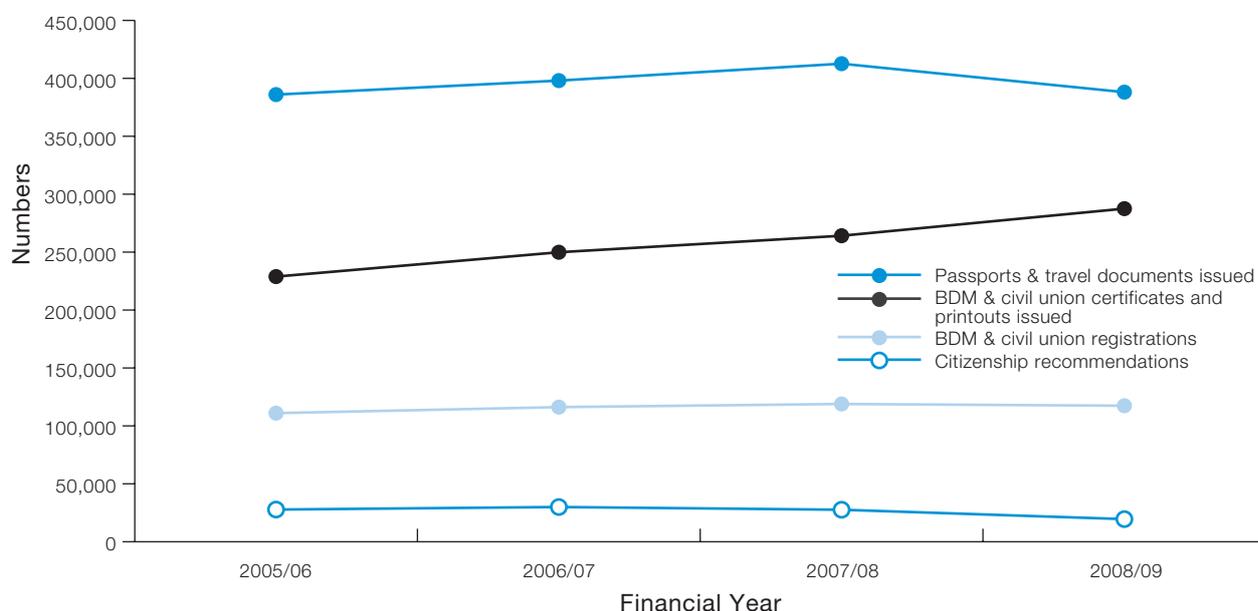
Reliable and accessible identity services

Although the Department’s name, ‘Internal Affairs’, implies a focus within New Zealand’s borders, in fact many aspects of the Department’s work are affected by the global environment, such as the current global economic downturn, and we must be able to respond to these events and overseas trends. We do this by keeping our products relevant and in line with international standards and providing services that are reliable, accessible and are of a consistently high quality.

Reliable and accessible services are achieved in a number of different ways including: timeliness of processing and product delivery, quality of products, and the ease with which the public can access their information and services. The efficiencies of our systems and processes in turn provide cost effectiveness that directly benefits the public.

In 2008/09, the Department issued a total of approximately 824,000 identity-related products.

Identity Services Delivery



Fluctuating demand has a significant impact on our activity levels and it is important for the Department to respond to the changing environment. While the economic situation may reduce demand in some areas, there is also the potential for increased activity due to legislative or other changes.

For example, while the current economic downturn has had a negative effect on the number of passports issued, over time we expect a progressive increase in demand for passport services, in particular when the first renewals of five-year passports occur from April 2010 (resulting from the April 2005 move to a five-year passport). We are currently implementing a Passport Redevelopment Programme to help us handle this increase in application volumes with improved efficiency.

Similarly, changes to citizenship legislation in 2005, increasing the residency requirements for a Grant of New Zealand Citizenship from three years to five years, resulted in a sudden increase in applications for Citizenship by Grant before the new legislation came into effect. Due to this increased demand, application processing times were pushed out. Our focus during 2008/09 was to return the processing times to normal standards, and we achieved this by the end of the financial year.

We experienced unprecedented demand for Births, Deaths and Marriages (BDM) documents during the year. This was primarily due to the launch of the BDM Historical Records Online website in February 2009. Public demand for printouts of historical records has soared, from around 2,000 a month to over 4,500. In addition, certificate production was more than 10 per cent above what we expected, reflecting high levels of birth and death registrations and the impact of newly available products, primarily the new decorative birth certificates.

The Department met all of its performance targets with respect to the timeliness and quality of citizenship, passport, birth, death, marriage and civil union services. In order to fully assess our service performance, we combine these operational measurements with customer perceptions obtained via surveys to monitor our overall success and identify areas for improvement.

The Department conducts its own Customer Satisfaction Survey every six months. The most recent (November 2008) customer satisfaction survey showed:

- » 93 per cent of customers felt that finding information about our services is easy

- » 85 per cent of customers felt that they could trust us to keep their personal details secure and confidential
- » 87 per cent of customers are pleased with the overall service they received
- » 88 per cent of customers felt that forms are easy to understand and complete.

Though virtually all (99.9 per cent) passports were delivered to customers on time in 2008/09, the latest survey indicated a drop from 87 per cent to 75 per cent in overall customer satisfaction with the time taken to receive a passport. This response may correlate with the significantly higher than usual number of respondents who needed to get an urgent passport (31 per cent, compared with 12 per cent for the previous survey), where delivery timeframes are tighter.

The Department also takes part in independent, external assessments to provide additional information about the performance of its customer service counters in four centres in New Zealand, two overseas regional offices (Sydney and London), and a national contact centre in Wellington. We have a 'mystery shopper' programme and have entered the annual CRM Contact Centre Awards since 1997⁵ to better understand how well we are performing. The results have consistently shown a high level of performance. Our average score from mystery shoppers over the past two years is 87 per cent, which indicates a 'very good' level of service (90 per cent is needed for an 'excellent' rating).

The Identity Services Contact Centre participates in the CRM Contact Centre Awards to provide an annual snapshot of how New Zealand contact centres are responding to customer enquiries over the telephone and Internet and also provide a measure of the quality of our services. Our Contact Centre won the overall award for the best Public Sector/State-Owned Enterprise Contact Centre in both 2007 and 2008. In March 2009, a pre-audit was completed for the 2009 CRM Awards, resulting in the Contact Centre winning the 2009 Diamond Award in the CRM Supreme Award for the first time (only contact centres with 50 seats or more are eligible for this award). These outstanding achievements show our commitment to quality service and our integrity as a whole strengthens the Department's reputation as an authoritative, trusted source of identity information for New Zealanders.

Another means of assessing public satisfaction with service quality is the Kiwis Count survey, run

5 CRM Consulting Ltd has run the CRM Contact Centre Awards in New Zealand since 1997. See: www.crmconsulting.co.nz

by the State Services Commission⁶. This allows us to benchmark our customer services against other State sector agencies. This survey differs from the Department's Customer Satisfaction Survey in that it is drawn from a random sample of the public, not identified 'customers'. In the 2007 Kiwis Count Survey respondents rated their satisfaction with Passport and Citizenship services at 72 per cent⁷. This compared with an average rating of 68 per cent for State sector services as a whole.

As with our own survey, issues were raised about the cost of both citizenship and passport applications, particularly for families applying, when applications are made for all of the family members at once. In the case of the New Zealand passport, the cost includes security features necessary to meet international standards, and to the passport's shortened 'life' from 10 years to five years. With the redevelopment of the New Zealand passport and its new security features, passport holders continue to enjoy visa waiver access to over 50 countries worldwide.

Developing new services and improving efficiency

The majority of our services are funded from fees charged to members of the public. It is therefore especially important that the services we provide reflect our commitment to quality, consistency and cost efficiency.

We have improved online accessibility to Births, Deaths and Marriages (BDM) records. In addition to the launch of the very popular BDM Historical Records Online website, the Department has also developed the capability to receive online notification of births by hospitals. The online birth notification service is designed to increase efficiency, improve data quality and enable speedier lodgement of birth notification information by District Health Boards (DHBs). In February 2008, this service was officially implemented and since then work has been underway with DHBs to assist them in taking up the service. Uptake with DHBs and midwives is gradual as they upgrade their IT systems to allow for the electronic submission of birth information.

6 State Services Commissioner, 2007. 'Public Satisfaction with Service Quality 2007: The Kiwis Count Survey', www.ssc.govt.nz/kiwis-count-research-survey. The inaugural survey was run in 2007.

7 Note that the service category, simply labelled 'Passports & Citizenship' in the Kiwis Count Survey 2007, also encompassed other government services including 'Registering a birth, death or marriage' and 'A visa or permit to work in New Zealand'.

Another innovation to improve access to our services is the Citizenship Online Calculation Tool. This helps prospective applicants decide whether they satisfy the eligibility requirements for New Zealand Citizenship by Grant. It provides them with a better understanding of the eligibility requirements and helps them to make a more informed decision about their application. The tool produces a report telling prospective applicants whether the various requirements for citizenship have been clearly met.

Initiatives such as EOI and IVS increase the cost effectiveness of our activities, by providing greater consistency across government services and reducing the duplication of identity information management services. We are also increasingly moving to shared services as a way of ensuring interoperability and efficiency. However, one of the greatest, and often underrated, cost efficiencies in our business delivery is the benefits derived from housing three identity-related services within the one organisation. Recognising the commonalities among many of the Citizenship, Passports and BDM business processes allows the Department to better leverage resources and skills across our different business groups.

Identity information management is secure and protects New Zealanders from fraud

Ensuring that identity information management is secure and protects New Zealanders from fraud is wholly reliant on the New Zealand public's willingness to provide their identity information. This willingness depends, in turn, on the integrity of our staff, data and systems.

Our ongoing activities to uphold the integrity of the New Zealand passport are intended to reduce passport fraud and ensure high levels of confidence in the passport are maintained, allowing New Zealanders to trade and travel overseas with maximum ease.

Several of the Department's initiatives will deliver 'back-room' benefits to customers, such as secure identity validation online, and improving system integrity to provide high levels of assurance around the use and reuse of their identity information. These initiatives include:

- » the computerised moderation of historic death data against birth records, which flags a relevant birth record in a way that makes it clear whether the individual named in the record is deceased or not. This will reduce the opportunity for identity fraud through the use of birth certificates relating to deceased persons
- » a Data Validation Service (DVS), which is a simple and secure web-based service for agencies to validate data on a named individual's identity documents (i.e. a birth certificate or passport). Used in conjunction with other good practices, the DVS will reduce the opportunities for identity fraud
- » the development and implementation of standards for the establishment and verification of identity through the IAF and the EOI. By strengthening agency processes around the use of identity records, both of these initiatives are expected to have an impact on the incidence of identity-related crime
- » the Passport Redevelopment Programme, which will deliver issuance systems and processes with greatly enhanced efficiency and integrity and a new passport book with new artwork and improved security features. These will help to reduce the risk of identity fraud.

Executive Government is well supported

‘Good government’ depends on the effective functioning of Executive Government processes. To support this, the Department provides the Executive with the environment and support to carry out its duties by providing Executive Support Services, arranging official visits to New Zealand by representatives of foreign governments, and managing ceremonial and commemorative events for government.

We also contribute to shared outcomes with the Department of the Prime Minister and Cabinet, Ministry of Foreign Affairs and Trade, Ministry of Culture and Heritage, and the Parliamentary Service.

The key influence on our work this year was the change of Executive that followed the November 2008 General Election. Although the Department has well-established processes and protocols to manage such events, this year was significant in the extent of change resulting from the first change in Government for nine years.

Our ability to continue to deliver high-quality services to what was largely a new client base is evidenced by the high ratings incoming Ministers gave us through our annual satisfaction surveys.

Services to the Executive

Our services to the Executive include staffing, transportation, media, information and communications technology, housing and logistical support. They also include supporting the Executive with commissions of inquiry and other ad hoc bodies.

Our work in this area also links to:

- » the Department of the Prime Minister and Cabinet outcome: *Executive Government is well conducted and continues in accordance with accepted conventions and practices*
- » the Parliamentary Service outcome: *Members have confidence that they will be provided with the advice and support required to achieve their roles as legislators and representatives.*

As mentioned above, the 2008 General Election resulted in a change of Government, the first for nine years. The

formation of the Executive 11 days after the election was the fastest formation since 1996, when MMP was introduced. The Executive formation has previously taken up to nine weeks.

The Department successfully achieved the transition process, which involved the departure and arrival of over 300 staff and Ministers, by working collaboratively with the Parliamentary Service and other agencies. New Ministers also received assistance to guide them through unfamiliar systems and protocols associated with the parliamentary and Cabinet environment, equipped them with competent staff and information and communications technologies (ICT) services and provided residential accommodation where required.

At the same time as the Change of Executive was being managed, an ICT system upgrade was implemented based on Microsoft products. These systems will significantly reduce the effort required to support future Change of Executives as well as offering staff improved capability. A large amount of preparatory work was also undertaken with the Parliamentary Service to prepare for the joint delivery of ICT services to clients on the parliamentary campus.

VIP transport

In 2008/09, we completed the upgrade of the VIP transport fleet with low emission BMW cars. We chose the BMW model because it is fuel efficient, provides value for money and meets the needs of our passengers. To date, we are gaining 20 per cent in efficiency with the BMWs compared with the previous vehicles they replaced. We have received positive feedback from Ministers and drivers about the new vehicles.

Guest-of-Government visits and ceremonial events

Another key aspect of our work is arranging official visits to New Zealand by representatives of foreign governments, and managing ceremonial and commemorative events for government. Our work in these areas also links to:

- » the Ministry of Foreign Affairs and Trade outcome: *New Zealand's international connections support the transformation of the New Zealand economy and sustainable economic growth through increased trade and through improved flows of investment, skills and technology*

- » the Ministry for Culture and Heritage outcome: *The diversity, visibility and accessibility of our culture and participation in cultural experiences are enhanced.*

In 2008/09, the Department worked closely with other agencies in the organisation of visits and ceremonial programmes to ensure they met Government objectives. During 2008/09, a total of 56 guest-of-Government visits and 17 commemorative events were arranged and supported. The following example illustrates the significance of these types of events.

The Spanish visit

King Carlos of Spain and Queen Sofia visited New Zealand from 24 to 28 June 2009. The visit strengthened and expanded New Zealand and Spain's education, science and technology, and cultural links. The five-day visit was declared a success on a number of fronts. A Joint Declaration for closer cooperation was signed by both countries which will result in increased ministerial visits between New Zealand and Spain. Two bilateral agreements were signed: Spain became the 15th European Union Member State to have a working holiday scheme with New Zealand, and Spaniards and New Zealanders gained reciprocal rights to vote in each other's municipal elections.

Commissions of inquiry

During 2008/09, we continued to provide support to commissions of inquiry and other bodies for which we have responsibility. For example, we supported the Royal Commission on Auckland Governance to undertake extensive public consultation as part of its inquiry process, resulting in:

- » 3,500 public submissions being received
- » 24 public meetings held throughout the Auckland region
- » the hearing of over 550 submitters.

In March 2009, the Royal Commission on Auckland Governance delivered its four-volume report to Ministers and key stakeholders and more than 4,000 copies of the report were distributed to the public within the week of its release. The substantive work relating to the Auckland Governance reforms is described under the *Strong, sustainable communities/hapū/iwi* outcome.

Authentications Unit, New Zealand Gazette Office, Translation Service

The functions carried out by the New Zealand Gazette Office, Translation Service and Authentications Unit all interface with other government agencies and/or external clients in one way or another. In 2008/09, these groups achieved:

- » 9,603 authentications including 64 e-Apostilles (a new service from 13 May 2009)
- » 1,140 congratulatory messages
- » 10,620 *New Zealand Gazette* notices
- » 7,066 translations from 83 languages.

The following example shows how we are using technology to provide more efficient and effective services to our customers.

e-Apostilles

Before certain New Zealand documents can be used overseas, document authentication may be necessary. Authentication requests are growing by over a thousand each year. Passports, citizenship documents, and birth, death and marriage certificates make up 40-50 per cent of requests received. The rest are trade and export documents, legal documents such as powers of attorney and declarations, wills, fingerprints taken by the Police, and other documents needed by people so that they can work, marry, travel, study, buy or sell property overseas or add New Zealand-born children to their foreign passports.

Apostille Certificates are available for use in countries that have signed the Hague Convention abolishing the requirement of legislation for foreign public documents. We have been working closely with the Hague Conference on Private International Law and the National Notary Association of the United States over the last two years to create a unique e-Apostille for New Zealand. On 13 May 2009, New Zealand became one of the first countries in the world to implement the e-Apostille system. The electronic authentication system can cross borders securely and seamlessly by email and reduce the length of time for official papers to be processed.

part three »

managing the department

Organisational Health and Capability

36

Our Organisation

38

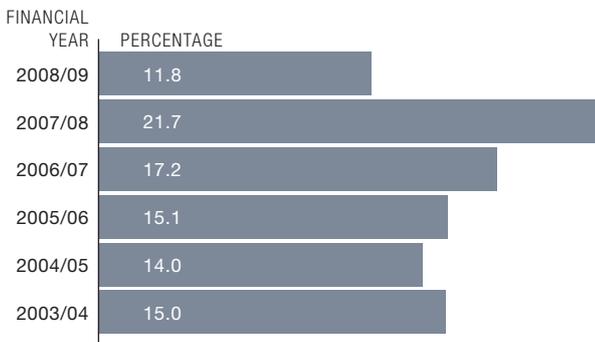
Organisational Health and Capability

A number of factors influenced the Department's organisational health and capability during 2008/09.

Labour market conditions

The effects of the negative economic and fiscal environment on the labour market had a significant impact on the Department's workforce. The staff turnover rate in 2008/09 was at its lowest level for six years, and was almost half that of the previous year.

Staff Turnover



In line with the turnover trend, the number of vacancies 'open' at any given time decreased by around 45 per cent in the year from June 2008 to June 2009. This reflects both the reduced number of vacancies and the reduced time taken to fill those positions that became vacant during the year. Similarly, the number of internal appointments increased over the year, and at June 2009 almost half of all appointments came from internal applicants.

At the same time, the Department has reduced its previous reliance on contractors. In 2007/08, we spent \$16.7 million on contractors, whereas in 2008/09 this had reduced to \$9.7 million.

Despite the softening labour market, we continued to focus on raising staff engagement levels. This is important not only in retaining staff, but to ensure that staff who stay are engaged with the organisation. An Engagement Survey was run in March 2009 with the results showing a significant lift in engagement across the Department. The proportion of engaged staff increased from 15 per cent to 20.5 per cent and the proportion of disengaged staff decreased from 29.5 per cent to 21.7 per cent. In addition, the Department scored 67.2 per cent for the question "I would recommend this organisation as a great place to work" in

2009, an increase from 61.3 per cent for the same question in 2007.

The Department continues to work closely with its Equal Employment Opportunities (EEO) network groups. All groups were consulted as part of the development of the Department's new People Strategy as were groups of mature and Y-Generation workers.

This led to the inclusion of a diversity management stream as one of the six streams of the People Strategy. Under this stream a number of initiatives have been put in place to better support our diverse workforce, including running retirement planning workshops for mature staff and convening a greater number of career development activities for the various EEO staff network groupings.

Pandemic

In response to the 'swine flu' pandemic, the Department implemented planned arrangements consistent with the State Services Commission guidelines. These preparations helped to minimise the potential impacts on staff. The average amount of sick leave taken during the height of the pandemic (three months from 1 May 2009 to 31 July 2009) was 12 per cent more than for the same period a year previously.

New functions

In March 2008, Cabinet approved recommendations to move the Government Technology Services (GTS) function from the State Services Commission (SSC) to the Department of Internal Affairs. The Department was selected as the preferred location for the service delivery because it was seen as having the required capacity and capability to pick up the GTS functions.

A number of staff from both SSC and the Department worked extremely hard over a 12-month period to ensure the GTS function was operating in the Department from 1 July 2009. All legal, physical and financial aspects were transferred by the deadline. This included connectivity of all business systems and products, and the transfer of GTS information (including 330,000 electronic files).

By careful resource management, we did not need to lease additional space to accommodate the extra staff, but used existing space capacity through the re-shuffling of work teams.

Better, smarter services for less

During 2008/09, we reviewed our activities as part of the Budget 2009 process to identify savings. One-off savings of \$6.6 million in 2008/09 and ongoing annual savings of \$1.6 million were identified.

Reviews will continue each year to achieve the optimal mix of price, quantity and standard for the provision of services. By way of illustration, we appointed a new recruitment agency supplier panel, with standard recruitment fees agreed across all suppliers. The Department had been dealing with as many as 65 recruitment agencies, which was time consuming for managers. The new recruitment panel consists of just 10 agencies that have strict performance indicators to adhere to around service delivery and costs. We have continued to lower recruitment advertising costs, with expenditure halving from an average of nearly \$1,500/hire for the 2007/08 year to just over \$700/hire for the 2008/09 year.

Information and communications technologies (ICT) are fundamental to providing efficient and effective services that enable the Department to contribute to its outcomes. The focus for 2008/09 was to rationalise and consolidate data centres, reduce costs and improve reliability, as well as planning for a progressive move to a consistent architecture.

The Department will continue to improve and review its ICT systems with a view to reducing fragmentation, making better use of resources, improving skill levels and critical mass, and creating a stronger and more resilient Department.

For example, extending the use of the Identity Services Contact Centre telephone technology (called eSolidus) to other areas of the Department will lead to improved service and efficiency gains. From 1 October 2009, the Office of Ethnic Affairs Language Line will use the eSolidus technology to bring the service 'in house' which will result in a cost savings of nearly \$115,000 per annum (these savings will reduce the call costs for DIA and other agencies using the service).

Wherever possible, we combine cost-efficiency initiatives with sustainable operating practices. For example, spending on air travel reduced by 18 per cent, with resulting environmental as well as financial benefits.

The Department is focusing on the key priorities as set by the New Zealand Energy Efficiency and Conservation Strategy – October 2007. In line with this, over the past 12 months we have:

- » purchased emission friendly vehicles which are returning 20 per cent operational and fuel cost savings
- » consolidated energy suppliers, which is returning 12 per cent savings
- » reduced air travel spend by 18 per cent
- » adopted the New Zealand Ecolabelling Trust Environmental Product standards for goods purchased
- » partnered with Meridian Energy and entered a print supply contract with Blue Star Print Group, which incorporates strong sustainability practices and measures.

We also continue to strengthen our financial management capability, for example by offering financial management training to new budget holders. One measure of good financial management is forecasting accuracy. In 2008/09, the Department's capital expenditure was within 0.01 per cent of forecast (Statement of Intent for 2008-11), a significant improvement on the previous year.

Our Organisation

The Department of Internal Affairs – Te Tari Taiwhenua – is the oldest government department and traces its history back to the structures put in place immediately after the signing of the Treaty of Waitangi.

The Department is a diverse organisation, with more than 1,400 staff providing a range of services supporting citizens, communities and government. We deliver services from 21 cities and towns throughout New Zealand, plus small offices in Sydney and London.

We provide policy advice to our Ministers in the areas of local government, community and voluntary sector issues, ethnic affairs, civil defence and emergency management, gambling, racing, fire, identity, public inquiries, daylight saving and censorship. We also advise a number of other Ministers as the need arises. The Department administers around 90 Acts and Regulations.

The Department delivers its services through eight¹ business groups. The general managers of these report directly to Brendan Boyle as Chief Executive, and are responsible for managing their respective areas and delivering agreed outputs with Ministers. In addition, they form part of the Executive Leadership Team, whose role is to provide direction and leadership to the Department. A brief description of the operations, roles and responsibilities of each business group follows.

Total Number of Staff as at 30 June 2009

Business Group	Total
Identity Services	444
Executive Government Support	283
Business Services	270
Local Government & Community	219
Regulation and Compliance	147
Office of the Chief Executive	37
Ministry of Civil Defence & Emergency Management	34
Office of Ethnic Affairs	31
Department of Internal Affairs	1,465

¹ As of 1 July 2009, the Department has a ninth business group – Information and Communications Technologies branch.

Identity Services

General Manager: Annette Offenberger

Identity Services is the trusted 'kaitiaki' of New Zealanders' identity information. It is responsible for the creation, stewardship and integrity of records of, or relating to, New Zealanders' identity. In addition, Identity Services provides leadership in identity information management across government to ensure New Zealand's approach to identity is trusted and well led. It registers birth, death, civil union and marriage details, issues passports and manages citizenship applications. Identity Services is the custodian of the Evidence of Identity Standard for the State sector, is the lead agency in the development of the Identity Assurance Framework, and is leading the 'Identity at the Border' workstream, which is part of the Border Sector Initiative, and the Cross Government Biometrics Group. As the authoritative source of identity information for New Zealanders, Identity Services is also working on the All-of-government Authentication Programme, to develop the igovt Identity Verification Service.

Executive Government Support

General Manager: Janice Calvert

Executive Government Support (EGS) supports the efficient operation and continuity of Executive Government by providing Ministers with a range of services including residential accommodation, transport services, advice and administrative support for their ministerial offices. Through the facilitation of guest-of-Government visits and ceremonial events, EGS contributes to the development of New Zealand's international connections and a public understanding of our culture and heritage. It provides a translation service that is available to government and the general public, publishes the *New Zealand Gazette*, provides authentication of official documents, and administers the Congratulatory Message Service and the Gambling Commission. It also sets up and administers commissions of inquiry and other ad hoc bodies, ensuring these are established quickly and efficiently when required.

Local Government and Community

Deputy Secretary: Anne Carter

The Local Government and Community Branch works towards the goal of building strong communities, hapū and iwi. This goal involves the Branch assisting communities to develop strategies that result in local solutions to local issues.

It supports the local government system by providing community advisory and local government interface services and information to the public, including administering CommunityNet Aotearoa. It administers lottery grants, Crown-funded schemes such as the Community Organisation Grants Scheme, and a range of other grants and trusts that develop community capacity to address local issues. The Branch provides policy advice on local government and community and voluntary sector issues, and administers an array of local government legislation.

Regulation and Compliance

Deputy Secretary: Keith Manch

The Regulation and Compliance Branch integrates regulatory policy and operational activities that help to ensure safer communities, contributes to building strong, sustainable communities/hapū/iwi, and promotes trust in the integrity of New Zealand's records of identity. Key areas of focus include providing policy advice on gambling, racing, censorship, civil defence and emergency management, fire services, identity, citizenship, public inquiries and daylight saving. The Branch has operational responsibilities for regulating gambling, censorship and the sending of unsolicited electronic messages (spam). This involves licensing gambling activities, inspecting and monitoring gambling activities and venues, monitoring spam, investigating the possession and supply of objectionable material and inspecting the public display of publications. The Branch assists Ministers with making appointments to the boards of three Crown entities, 12 community trusts and other statutory bodies and monitors the performance of these Crown entities on behalf of Ministers.

Ministry of Civil Defence & Emergency Management

Director: John Hamilton

The Ministry of Civil Defence & Emergency Management (MCDEM) provides operational advice to the Government on civil defence and emergency management (CDEM). It provides leadership on the strategic direction for CDEM in New Zealand through the development of an integrated, risk-based approach. This includes working with stakeholders, including territorial authorities and CDEM Groups, government agencies and lifeline utility providers to address the '4Rs' of reduction, readiness, response and recovery. MCDEM supports disaster management at the local level and also coordinates the operational response of government and national resources during states of national emergency.

Office of Ethnic Affairs

Director: Mervin Singham

The Office of Ethnic Affairs (OEA) promotes the vision for ethnic communities to be confident, equal and proud as New Zealanders, by providing advice to government on contemporary diversity issues, leading best practice in ethnic sector development and acting as a catalyst for ethnic responsiveness across central and local government. OEA also manages Language Line, a professional telephone interpreting service, to enable people with limited or no English to access government services.

Business Services

Director: Norah Familton

The Business Services Branch provides a range of corporate services and support to the operational business groups, enabling them to excel in their areas of expertise. The range of services provided includes finance, procurement, strategic human resources, strategic communications, information and communications technology, programme office, research and evaluation, and property.

From 1 July 2009 information and communications technology transferred to a new Information and Communications Technologies branch, which also incorporates the Government Technology Services function transferred from the States Services Commission.

Office of the Chief Executive

Acting Director: Morag Woodley

The Office of the Chief Executive provides advice and support to the Chief Executive, the Executive Leadership Team and operational business groups. The range of services includes strategy and planning, ministerial advice and support, project and risk services, audit and assurance, legal services, and effectiveness for Māori.

part four »

statement of service performance

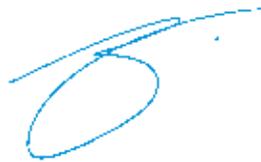
Statement of Responsibility	42
Audit Report	43
Quick Guide to Outputs	45
Vote Community and Voluntary Sector	46
Vote Emergency Management	53
Vote Internal Affairs	59
Vote Local Government	73
Vote Ministerial Services	77
Vote Racing	80
Policy Advice Quality Criteria	82

Statement of Responsibility

As Secretary for Internal Affairs I am responsible, under the Public Finance Act 1989, for the preparation of the financial statements and the judgements made in the process of producing those statements.

The Department has a system of internal control and this has provided reasonable assurance as to the integrity and reliability of financial reporting.

In my opinion the financial information presented in the Statements and Notes to the Financial Statements fairly reflects the financial position and operations of the Department of Internal Affairs for the year ended 30 June 2009.



BRENDAN BOYLE
Chief Executive

Date: 23 September 2009



SHIRLEY SMITH
Chief Financial Officer

Date: 23 September 2009

Audit Report

AUDIT NEW ZEALAND
 Mana Arotake Aotearoa

To the readers of the Department of Internal Affairs's financial statements and statement of service performance for the year ended 30 June 2009

The Auditor-General is the auditor of the Department of Internal Affairs (the Department). The Auditor-General has appointed me, Leon Pieterse, using the staff and resources of Audit New Zealand, to carry out the audit. The audit covers the financial statements and statement of service performance included in the annual report of the Department for the year ended 30 June 2009.

Unqualified Opinion

In our opinion:

- » The financial statements of the Department on pages 84 to 116:
 - » comply with generally accepted accounting practice in New Zealand; and
 - » fairly reflect:
 - the Department's financial position as at 30 June 2009;
 - the results of its operations and cash flows for the year ended on that date;
 - its expenses and capital expenditure incurred against each appropriation administered by the Department and each class of outputs included in each output expense appropriation for the year ended 30 June 2009; and
 - its unappropriated expenses and capital expenditure for the year ended 30 June 2009.
- » The schedules of non-departmental activities on pages 118 to 132 fairly reflect the assets, liabilities, revenues, expenses, contingencies, commitments and trust monies managed by the Department on behalf of the Crown for the year ended 30 June 2009.
- » The statement of service performance of the Department on pages 45 to 82:
 - » complies with generally accepted accounting practice in New Zealand; and
 - » fairly reflects for each class of outputs:
 - its standards of delivery performance achieved, as compared with the forecast standards included in the statement of forecast service performance adopted at the start of the financial year; and

- its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses included in the statement of forecast service performance adopted at the start of the financial year.

The audit was completed on 23 September 2009, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Chief Executive and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and statement of service performance did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and statement of service performance. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- » determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- » verifying samples of transactions and account balances;
- » performing analyses to identify anomalies in the reported data;
- » reviewing significant estimates and judgements made by the Chief Executive;
- » confirming year-end balances;
- » determining whether accounting policies are appropriate and consistently applied; and
- » determining whether all financial statement and statement of service performance disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance.

We evaluated the overall adequacy of the presentation of information in the financial statements and statement of service performance. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Chief Executive and the Auditor

The Chief Executive is responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Department as at 30 June 2009 and the results of its operations and cash flows for the year ended on that date.

The financial statements must also fairly reflect the expenses and capital expenditure incurred against each appropriation administered by the Department and each class of outputs included in each output expense appropriation for the year ended 30 June 2009. The financial statements must also fairly reflect the Department's unappropriated expenses and capital expenditure for the year ended on that date.

In addition, the Chief Executive is responsible for preparing schedules of non-departmental activities, in accordance with the Treasury Instructions 2008 that must fairly reflect the assets, liabilities, revenues, expenses, contingencies, commitments and trust monies managed by the Department on behalf of the Crown for the year ended 30 June 2009.

The statement of service performance must fairly reflect, for each class of outputs, the Department's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year.

The Chief Executive's responsibilities arise from sections 45A and 45B of the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 45D(2) of the Public Finance Act 1989.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

In addition to the audit we have carried out an assignment by acting as a witness in respect of Passport Encryption process. This assignment is compatible with those independence requirements. Other than the audit and this assignment, we have no relationship with or interests in the Department.

LEON PIETERSE

Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand

Matters Relating to the Electronic Presentation of the Audited Financial Statements, Statement of Service Performance and Schedules of Non-departmental Activities

This audit report relates to the financial statements, statement of service performance and schedules of non-departmental activities of the Department of Internal Affairs for the year ended 30 June 2009 included on the Department of Internal Affairs website. The Department of Internal Affairs Chief Executive is responsible for the maintenance and integrity of the Department of Internal Affairs website. We have not been engaged to report on the integrity of the Department of Internal Affairs website. We accept no responsibility for any changes that may have occurred to the financial statements, statement of service performance and schedules of non-departmental activities since they were initially presented on the website.

The audit report refers only to the financial statements, statement of service performance and schedules of non-departmental activities named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, statement of service performance and schedules of non-departmental activities. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements, statement of service performance and schedules of non-departmental activities and related audit report dated 23 September 2009 to confirm the information included in the audited financial statements, statement of service performance and schedules of non-departmental activities presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Quick Guide to Outputs

Vote Community And Voluntary Sector

Community and Voluntary Sector Services*

- Administration of Grants
- Community Advisory Services
- Policy Advice – Community

Vote Emergency Management

Emergency Management Services*

- Management of National Emergency Readiness, Response and Recovery
- Policy Advice – Emergency Management
- Support Services, Information and Education

Vote Internal Affairs

Gambling and Censorship Regulatory Services

Identity Services

Policy and Advisory Services*

- Information and Advisory Services
- Policy Advice – Internal Affairs

Services for Ethnic Affairs

Contestable Services

Vote Local Government

Services for Local Government*

- Information Support and Regulatory Services – Local Government
- Policy Advice – Local Government

Vote Ministerial Services

Support Services to Ministers

VIP Transport

Visits and Official Events Coordination

Vote Racing

Policy Advice – Racing

* These are multi-class output applications

Administration of Grants

description

This output covers:

- » providing information and assistance to prospective grant applicants
- » processing, assessing and monitoring grant applications
- » providing recommendations to Ministers on appointments to boards, committees and trusts
- » providing administration, training and support services to boards and grant distribution committees.

Grant services cover the following schemes:

- » Lottery grants
- » Community Organisation Grants Scheme
- » Crown trusts and fellowships.

This work contributes to the development of *Strong, sustainable communities/hapū/iwi*.

performance information

Administration of Applications and Grants

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Lottery Grants				
Percentage of respondents to a survey of Lottery grant applicants who rate their satisfaction with the quality of services provided at 3 or above on a scale of 1 to 5 is no less than:	90%	96%	93%	Achieved
Percentage of respondents to a survey of Lottery committee members who rate their satisfaction with the quality of services provided to the committee at 3 or above on a scale of 1 to 5 is no less than:	90%	100%	98%	Achieved
Percentage of complete and eligible applications received before the advertised closing date that are presented to the next decision-making meeting is no less than:	95%	100%	100%	Achieved
Percentage of payments made to grant recipients within 20 working days of receipt of committee approval and completed client documentation is no less than:	95%	98.6%	98.9%	Achieved

Community Organisation Grants Scheme

Percentage of respondents to a survey of Community Organisation Grants Scheme applicants who rate their satisfaction with the quality of services provided at 3 or above on a scale of 1 to 5 is no less than:	90%	99%	98%	Achieved
Percentage of respondents to a survey of Community Organisation Grants Scheme committee members who rate their satisfaction with the quality of services provided to the committee at 3 or above on a scale of 1 to 5 is no less than:	90%	99%	99%	Achieved
Percentage of complete and eligible applications received before the advertised closing date that are presented to the next decision-making meeting is no less than:	95%	100%	100%	Achieved

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Community Organisation Grants Scheme <i>continued</i>				
Percentage of payments made to grant recipients within 20 working days of receipt of committee approval and correctly completed client documentation is no less than:	95%	100%	100%	Achieved

Crown Funding Schemes, Trusts and Fellowships

Percentage of respondents to a survey of Crown Funding Schemes, Trust and Fellowship grant applicants who rate their satisfaction with the quality of services provided at 3 or above on a scale of 1 to 5 is no less than:	90%	94%	90%	Achieved
Percentage of respondents to a survey of Crown Funding Schemes, Trust and Fellowship committee members who rate their satisfaction with the quality of services provided to the committee at 3 or above on a scale of 1 to 5 is no less than:	90%	100%	100%	Achieved
Percentage of complete and eligible applications received before the advertised closing date that are presented to the next decision-making meeting is no less than:	95%	100%	100%	Achieved
Percentage of payments made to grant recipients within 20 working days of receipt of committee approval and correctly completed client documentation is no less than:	95%	100%	100%	Achieved
The percentage of completed Crown funded projects that meet funding agreement objectives is no less than:	85%	90%	New measure	Achieved

ACTIVITY INFORMATION	ESTIMATED VOLUME	2008/09 ACTUAL	2007/08 ACTUAL
Lottery Grants			
Number of applications received.	3,800–4,700	5,382	5,073
Number of grants disbursed.	2,500–4,000	4,592	4,643

Administration of Grants CONTINUED

ACTIVITY INFORMATION	ESTIMATED VOLUME	2008/09 ACTUAL	2007/08 ACTUAL
Community Organisation Grants Scheme			
Number of applications received.	4,500–6,300	4,426	3,804
Number of grants disbursed.	4,200–5,400	3,604	3,575
Crown Funding Schemes, Trusts and Fellowships			
Number of applications received.	200–300	778 ¹	300
Number of grants disbursed.	50–70	277	127

Administration and Advisory Services to Committees

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Lottery Grants				
Percentage of respondents to a survey of Lottery committee members who rate their satisfaction with the quality of advisory services to the committee at 3 or above on a scale of 1 to 5 is no less than:	90%	100%	100%	Achieved
Percentage of respondents to a survey of Lottery committee members who rate their satisfaction with the quality of administration services provided to the committee at 3 or above on a scale of 1 to 5 is no less than:	90%	100%	98%	Achieved
Community Organisation Grants Scheme (COGS)				
Percentage of respondents to a survey of COGS committee members who rate their satisfaction with the quality of advisory services to the committee at 3 or above on a scale of 1 to 5 is no less than:	90%	98%	99%	Achieved
Percentage of respondents to a survey of COGS committee members who rate their satisfaction with the quality of administration services provided to the committee at 3 or above on a scale of 1 to 5 is no less than:	90%	99%	98%	Achieved

¹ There was an increase in applications across the crown schemes and trusts partly because of a focussed promotion of the crown schemes and partly due to the establishment of a new trust fund.

revenue and output expenses

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Revenue				
Crown	4,638	4,512	4,638	4,234
Third Parties	9,872	7,730	10,624	9,332
Total Revenue	14,510	12,242	15,262	13,566
Expenses	14,438	12,240	15,278	13,439
Net Surplus/(Deficit)	72	2	(16)	127

The change in budget between Main Estimates and Supp. Estimates was due to an increase in funding from the Lottery Grants Board (\$2.872 million) due to an increase in the provision of services, in particular, the continuance of projects commenced in 2008/09, expense transfers from 2007/08 for Sustainable Accommodation (\$108,000) and the Upgrade of the Information and Technology Infrastructure (\$36,000) and funding for Kiwisaver costs (\$22,000).

The variance between Supp. Estimates and Actual mainly relates to lower expenditure for the Outcomes Framework project and active management of travel expenditure.

Community Advisory Services

description

This output covers a community development service delivered from a national office and 16 regional offices around New Zealand. It includes providing advice, information, resources and facilitation services to empower communities/whānau/hapū/iwi, Māori organisations and community groups to develop innovative responses to meet their needs.

This work contributes to the development of *Strong, sustainable communities/hapū/iwi*.

performance information

Development Assistance to Community Groups

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Percentage of respondents to a customer survey who rate their satisfaction with the quality of advice at 3 or above on a scale of 1 to 5 is no less than:	90%	95%	97%	Achieved
Percentage of respondents to a customer survey who rate their satisfaction with the quality of information resources at 3 or above on a scale of 1 to 5 is no less than:	90%	97%	95%	Achieved
Percentage of respondents to a customer survey who rate their satisfaction with the timeliness of advice provided at 3 or above on a scale of 1 to 5 is no less than:	90%	97%	97%	Achieved
Percentage of community development projects that deliver on all services and/or advice, as agreed with managers in the project plan.	100%	100%	New measure	Achieved
Annual increase in the number of visits to the CommunityNet Aotearoa website.	10%	15%	New measure	Achieved

revenue and output expenses

The change in budget between Main Estimates and Supp. Estimates was due to an increase in funding for Kiwisaver costs (\$8,000).

The variance between Supp. Estimates and Actual mainly relates to lower expenditure for Digital Strategy and Community Net Aotearoa activities.

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Revenue				
Crown	5,363	5,363	5,363	5,252
Third Parties	57	126	134	62
Total Revenue	5,420	5,489	5,497	5,314
Expenses	5,123	5,490	5,498	5,374
Net Surplus/(Deficit)	297	(1)	(1)	(60)

Policy Advice – Community

performance information

Community policy advice

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Policy advice will be delivered according to the output plan (and any subsequent amendments) as negotiated between the Minister and the Chief Executive.	100%	100%	100%	Achieved
Policy advice is delivered in accordance with agreed policy quality criteria as listed on page 82.	100%	100%	100%	Achieved
The Minister is requested to indicate his/her level of satisfaction with the quality of policy advice.	Satisfied or better	Satisfied	Satisfied	Achieved
Policy advice is delivered according to the timeframes agreed.	100%	100%	100%	Achieved

Ministerial Correspondence and Questions

Percentage of first versions of replies to Ministerial correspondence, Official Information Act 1982 requests, Ombudsman's inquiries and parliamentary questions accepted by the Minister is no less than:	95%	96.2%	95.8%	Achieved
Percentage of draft responses to Ministerial correspondence returned to the Minister's office for signature within 15 working days of receipt from the Minister's office or such other deadlines as may be specifically agreed is no less than:	95%	100%	94.1%	Achieved
Percentage of draft responses to Official Information Act 1982 requests and Ombudsman's inquiries returned to the Minister's office for signature five days prior to the statutory deadline for reply is no less than:	100%	100%	100%	Achieved
Percentage of draft replies to parliamentary questions completed within the time frames specified by the Minister is no less than:	100%	100%	100%	Achieved

description

This output covers:

- » policy advice with a community/whānau/hapū/iwi development perspective. Policy advice also involves preparing ministerial briefings and speech notes, and providing support for the Minister for the Community and Voluntary Sector, as required, in Cabinet Committees, Select Committees and Parliament
- » policy advice and information on matters relating to the performance of and appointments to the Charities Commission
- » draft replies to ministerial correspondence, Official Information Act 1982 requests, Ombudsman's inquiries and parliamentary questions addressed to the Minister for the Community and Voluntary Sector or referred from other Ministers.

This work contributes to the development of *Strong, sustainable communities/hapū/iwi*.

Policy Advice – Community CONTINUED

ACTIVITY INFORMATION	ESTIMATED VOLUME	2008/09 ACTUAL	2007/08 ACTUAL
Number of replies to ministerial correspondence, Official Information Act 1982 requests and Ombudsman's inquiries, and answers to parliamentary questions.	50–120	26	48

revenue and output expenses

The change in budget between Main Estimates and Supp. Estimates was due to expense transfers from 2007/08 for the establishment of the Māori Identity and Heritage Trust (\$25,000), the Upgrade of the Information and Technology Infrastructure (\$20,000) and Sustainable Accommodation (\$16,000) and increase in funding for Kiwisaver costs (\$3,000).

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Revenue				
Crown	1,741	1,680	1,741	1,850
Third Parties	18	24	27	16
Total Revenue	1,759	1,704	1,768	1,866
Expenses	1,687	1,705	1,769	1,763
Net Surplus/(Deficit)	72	(1)	(1)	103

Management of National Emergency Readiness, Response and Recovery

performance information

Monitoring of Emergency Events

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Percentage of local authorities/ CDEM Groups, government agencies, Lifeline utilities that rate their satisfaction with the quality of information provided for monitoring events and incidents at 3 or above on a scale of 1 to 5, as measured by the annual stakeholder survey, is no less than:	80%	95%	91.9%	Achieved
Percentage of national warnings issued within 30 minutes after the identification of a pending event is:	100%	75%	100%	This measure was not achieved. In 2008/09, one of the four warnings sent out through the National Warning System did not occur within the expected timeframe.
Percentage of addressees that successfully receive national warning messages during tests is no less than:	95%	96%	New measure	Achieved
Number of National Warning System tests conducted is no fewer than:	4	7	New measure	Achieved
Provide advice to local authorities/ CDEM Groups, government agencies, Lifeline utilities of events and incidents that have potential to lead to civil defence emergency declarations.	As required	115	128	Achieved

description

This output covers:

- » monitoring, responding to, and managing the recovery from events outside the capability of local civil defence emergency management (CDEM) organisations;
- » maintaining the National Crisis Management Centre (NCMC) in a state of readiness; and
- » ensuring a dedicated level of training and education for national event management
- » coordinating and managing central government response and recovery activities to local, regional and national civil defence emergencies
- » administering central government emergency response and recovery expenditure.

This work contributes to the development of *Safer communities*.

Management of Emergencies

Personnel meet the training standards, experience levels and competency requirements for management of a national emergency.	Achieved	Achieved	Achieved	Achieved
Percentage of NCMC activations of mode 2 or higher during an emergency event that are reviewed to determine any lessons identified is no less than:	100%	100%	Revised measure	Achieved

Management of National Emergency Readiness, Response and Recovery CONTINUED

Management of Emergencies *continued*

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Percentage of lessons identified from reviews of NCMC activations where the necessary action is undertaken within the timetables set out in the relevant follow up process is no less than:	100%	100%	New measure	Achieved
Percentage of activations where the NCMC is staffed within 2 hours is:	100%	100%	100%	Achieved
Coordinate and manage the staffing of the NCMC during extended activations	Achieved	Not Applicable	Achieved	Not Applicable
Number of NCMC development programme education or training sessions held is no fewer than:	10	12	27	Achieved
Number of equipment checks confirming functionality of all NCMC systems	12	22	14	Achieved

revenue and output expenses

The variance between Supp. Estimates and Actual mainly relates to delays in the implementation of the Information Management Development Programme, for which an in principle expense transfer of up to \$1.000 million was approved as part of the March Baseline Update.

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Revenue				
Crown	4,304	4,299	4,304	3,990
Third Parties	41	32	47	39
Total Revenue	4,345	4,331	4,351	4,029
Expenses	3,985	4,321	4,341	3,916
Net Surplus/(Deficit)	360	10	10	113

Policy Advice – Emergency Management

performance information

Emergency Management Policy Advice

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Policy advice will be delivered according to the Output Plan (and any subsequent amendments) as negotiated between the Minister and the Chief Executive.	100%	100%	100%	Achieved
Policy advice is delivered in accordance with agreed policy quality criteria as listed on page 82	100%	100%	100%	Achieved
The Minister is requested to indicate his/her level of satisfaction with the quality of policy advice.	Satisfied or better	Very Good	Good	Achieved
Policy advice is delivered according to the timeframes agreed.	100%	100%	100%	Achieved

Ministerial Correspondence and Questions

Percentage of first versions of replies to Ministerial correspondence, Official Information Act 1982 requests, Ombudsman's inquiries and parliamentary questions accepted by the Minister is no less than:	95%	100%	98.5%	Achieved
Percentage of draft responses to Ministerial correspondence returned to the Minister's office for signature within 15 working days of receipt from the Minister's office or such other deadlines as may be specifically agreed is no less than:	95%	100%	100%	Achieved
Percentage of draft responses to Official Information Act 1982 requests and Ombudsman's inquiries returned to the Minister's office for signature five days prior to the statutory deadline for reply is no less than:	100%	100%	100%	Achieved
Percentage of draft replies to parliamentary questions completed within the time frames specified by the Minister is no less than:	100%	100%	96.2%	Achieved

description

This output covers:

- » policy advice and information on matters relating to civil defence and emergency management. Policy advice also involves preparing ministerial briefings and speech notes, and providing support for the Minister of Civil Defence, as required, in Cabinet committees, select committees and Parliament.
- » draft replies to ministerial correspondence, Official Information Act 1982 requests, Ombudsman's inquiries and parliamentary questions addressed to the Minister of Civil Defence or referred from other Ministers.

This work contributes to the development of *Safer communities*.

Policy Advice – Emergency Management CONTINUED

ACTIVITY INFORMATION	ESTIMATED VOLUME	2008/09 ACTUAL	2007/08 ACTUAL
Number of replies to ministerial correspondence, Official Information Act 1982 requests and Ombudsman's inquiries, and answers to parliamentary questions.	30–50	164 ²	66

revenue and output expenses

The change in budget between Main Estimates and Supp. Estimates was due to a reallocation of capability funding (\$95,000), an increase in State Sector Retirement Savings Scheme costs (\$18,000), an expense transfer from 2007/08 for the Upgrade of Information and Technology Infrastructure (\$6,000) and an increase in funding for Kiwisaver costs (\$1,000).

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Revenue				
Crown	961	860	961	874
Third Parties	20	0	19	18
Total Revenue	981	860	980	892
Expenses	927	860	980	868
Net Surplus/(Deficit)	54	0	0	24

² Early in the new parliamentary term, an increased number of parliamentary questions to the Minister relating to local authority civil defence plans.

Support Services, Information and Education

performance information

Emergency Sector Support and Development

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Percentage of CDEM Groups that rank their satisfaction with the level of service provided by regional emergency management advisors at 3 or above on a scale of 1 to 5, as measured by stakeholder surveys is no less than:	80%	95%	Revised measure	Achieved
Percentage of attendees who are satisfied with the education or training interventions attended, as measured by stakeholder surveys is no less than:	95%	98%	90%	Achieved
Percentage of stakeholders who receive MCDEM's newsletters/updates that rate their satisfaction with the quality of the publications at 3 or above on a scale of 1 to 5, as measured by the stakeholder survey, is no less than:	90%	98.8%	New measure	Achieved
Number of CDEM readiness and response exercises participated in and/or evaluated.	8	7	2	This measure was not achieved. One exercise planned for 2008/09 was cancelled due to the demands of the response to the H1N1 Influenza pandemic
Number of newsletters/updates provided to the CDEM sector:	16	18	20	Achieved
Develop guidelines, codes, technical standards or other CDEM sector information publications.	3–10	5	4	Achieved
Deliver or sponsor education or training interventions in consultation with the emergency management sector and other relevant organisations	6	9	14	Achieved

description

This output covers:

- » developing and implementing policies and projects that will assist with information services, readiness, and education within the civil defence emergency management (CDEM) sector; and
- » providing support, monitoring, information, frameworks, guidelines and professional development for the CDEM sector.
- » developing and delivering long-term national programmes to raise individual and community awareness and preparedness.

This work contributes to the development of *Safer communities*.

Support Services, Information and Education CONTINUED

Community Information

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Mass-media promotional activity is delivered through television, radio, print and the web in accordance with the 'Public Education Programme'.	Achieved	Achieved	Achieved	Achieved
The level of public awareness of the television campaign, as measured by the annual survey which forms part of the 'Public Education Programme', is greater than:	80%	62%	75%	This measure was not achieved. 2008/09 – A decline in advertising expenditure from the peak period of the campaign has led to decreased awareness.
The 'What's the Plan, Stan' schools programme is delivered through the ongoing development and promotion of the resource in accordance with the national Public Education Programme.	Achieved	Achieved	New measure	Achieved
Number of public education tools and resources for public education programmes developed for use by CDEM Groups to support Disaster Awareness Week are made available on the www.civildefence.govt.nz website.	6	8	New measure	Achieved

revenue and output expenses

The variance between Supp. Estimates and Actual mainly relates to delays in the implementation of the Information Management Development Programme, for which an in principle expense transfer of up to \$1.000 million was approved as part of the March Baseline Update.

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Revenue				
Crown	6,218	6,107	6,218	6,806
Third Parties	66	36	55	56
Total Revenue	6,284	6,143	6,273	6,862
Expenses	5,621	6,156	6,286	6,192
Net Surplus/(Deficit)	663	(13)	(13)	670

Gambling and Censorship Regulatory Services

performance information

Regulatory Services – Gambling

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Percentage of licence renewal applications processed within two months of receipt is no less than:	80%	45%	59.5%	This measure was not achieved. This includes periods outside the Department's control i.e. when applications were returned as they have incomplete information; A backlog of applications from 2007/08; and Club applications were treated differently as the Department attempted to work with the Club to resolve issues instead of revoking licences in the first instance.
Percentage of all other licence applications processed within one month of receipt is no less than:	90%	90%	94.7%	Achieved
Percentage of audits of gaming machine societies completed within three months and the balance within six months.	80% within 3 months 20% within 6 months	92% 8%	97% 3%	Achieved
Percentage of breaches found in audits and investigations that are followed up and result in rectification or further compliance action, in accordance with the timeframes set out in the relevant follow-up process, is no less than:	100%	100%	100%	Achieved
Percentage of gambling prosecution cases dismissed where prima facie case is not established is no more than:	5%	0%	0%	Achieved 2007/08 – number of prosecution dismissed was 0

description

This output covers:

- » providing operational policy advice on the gambling regulatory regime
- » developing game rules, standards, and licence conditions pursuant to the Gambling Act 2003
- » issuing licences to operators involved in the higher risk forms of gambling; auditing licensed casinos and other gambling operators to assess compliance with gambling legislation; taking enforcement action against those who breach this legislation; and providing advice and information to stakeholders and the public regarding gambling legislation
- » providing enforcement of censorship legislation, and advice and information to stakeholders and the public regarding censorship legislation
- » providing enforcement services, advice and information to stakeholders and the public; and participating in international regulatory arrangements to address the problem of unsolicited electronic messages
- » providing services to the Gambling Commission (these functions are carried out entirely separately to the Department's gambling-related policy and operational functions, to underpin the independence of the Gambling Commission).

This work contributes to the development of *Safer Communities*.

Gambling and Censorship Regulatory Services

CONTINUED

Regulatory Services – Gambling *continued*

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Percentage of respondents to a survey of gambling sector organisations and operators who rate their satisfaction with how information services provided by the Department support their ability to comply with relevant laws conditions and rules at 3 or above on a scale of 1 to 5 is no less than:	85%	96%	95%	Achieved
Number of formal presentations and compliance educational inspections to the gambling sector.	10 formal presentations	20	32	Achieved
	As required for compliance educational inspections	537	308	Achieved

ACTIVITY INFORMATION	ESTIMATED VOLUME	2008/09 ACTUAL	2007/08 ACTUAL
Number of licence renewal applications processed.	350–400	362	New measure
Number of other licence applications processed.	5,500–6,000	6,622	New measure
Number of audits of casino operators and gambling sector organisations identified as high risk, in accordance with their risk profile.	As required	75	72
Number of investigations of casino operators and gambling sector organisations where serious non-compliance is identified through audit, intelligence or complaints	As required	808 ³	72
Number of instances of non-compliance with gambling laws that are detected during audits and investigations that result in a warning or sanction.	As required	390	404
Number of non-compliant activities that have resulted in a prosecution, an infringement notice, or application to the Gambling Commission.	As required	92	123

³ In 2007/08 measure excluded non-casino investigations.

Gambling Commission

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
The Gambling Commission's satisfaction with the services provided by the secretariat is 3 or above on a scale of 1 to 5.	3 or above	5	5	Achieved

Regulatory Services – Censorship

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Percentage of non-compliant practices identified during inspection processes or as a result of complaints are dealt with during the inspection or within 3 months, and the balance dealt with within 12 months.	75% within 3 months	87%	88%	Achieved
	25% within 12 months	13%	12%	
Percentage of censorship prosecution cases dismissed where prima facie case is not established is no more than:	5%	0%	0%	Achieved 2007/08 – number of prosecution dismissed was 0

ACTIVITY INFORMATION	ESTIMATED VOLUME	2008/09 ACTUAL	2007/08 ACTUAL
Number of inspections at outlets for publications/videos/films undertaken.	1,500	1,577	1,627
Number of censorship complaints and proactive investigations for publications/videos/films and on the Internet responded to.	700	854	731
Number of censorship prosecutions undertaken.	20–40	49	46

Gambling and Censorship Regulatory Services

CONTINUED

Regulatory Services – Unsolicited Electronic Messages

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Percentage of non-compliant practices identified as a result of complaints which are dealt with within 3 months of receipt and the balance dealt with within 12 months of receipt of the complaint is:	75% within 3 months	34.2%	New measure	This measure was not achieved. In the initial stages, there were limited resources to cope with very high volume of complaints. Also, a resource intensive international operation was undertaken resulting in a major successful prosecution for the Department.
	25% within 12 months	65.8%		
Number of formal presentations to industry and the community.	4	9	New measure	Achieved

ACTIVITY INFORMATION	ESTIMATED VOLUME	2008/09 ACTUAL	2007/08 ACTUAL
Number of New Zealand-linked complaints and proactive investigations responded to including email queries:	700	637	New measure

revenue and output expenses

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Revenue				
Crown	3,198	2,883	3,198	3,232
Third Parties	23,210	23,851	23,933	21,694
Total Revenue	26,408	26,734	27,131	24,926
Expenses				
Net Surplus/(Deficit)	1,242	1,428	1,286	(568)

The change in budget between Main Estimates and Supp. Estimates was due to expense transfers from 2007/08 for the Upgrade of Information and Technology Infrastructure (\$162,000) and Sustainable Accommodation (\$145,000), a reallocation of shared services costs (\$150,000), a contribution towards the web filtering system (\$70,000) and an increase in funding for Kiwsaver costs (\$12,000).

Identity Services

performance information

Citizenship

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Percentage of citizenship documents issued without error is no less than:	99%	99.7%	99.8%	Achieved
Percentage of applications for grant of citizenship recommended to the Minister within 4 months of receipt of a completed application is no less than: ⁴	80%	92.5%	Revised measure	Achieved 2007/08 – 87.2% of applications recommended within 6 months
Percentage of applications for registration of citizenship, not involving adoption, processed within 20 working days of receiving a completed application is no less than:	95%	99%	99%	Achieved
Percentage of certificates of citizenship status issued within 20 working days of receipt of a completed application is no less than:	95%	99.6%	99.4%	Achieved

ACTIVITY INFORMATION	ESTIMATED VOLUME	2008/09 ACTUAL	2007/08 ACTUAL
Number of applications for grant of citizenship to foreign nationals recommended to the Minister.	11,000–15,000	19,542	27,624
Number of registrations of citizenship by descent for New Zealanders born abroad.	6,500–8,500	7,936	8,040
Number of certificates of citizenship status issued.	3,500–4,000	3,545	3,737

Passports

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Percentage of passports, certificates and other identity documents issued without error is no less than:	99%	99.9%	99.9%	Achieved
Percentage of passports issued within 10 working days for standard passports, and three working days for urgent passports, of receipt of a completed application is no less than:	99%	99.9%	99.9%	Achieved

description

This output covers:

- » assessing applications for and issuing New Zealand passports and other travel documents
- » assessing applications for grant of citizenship
- » registering and confirming citizenship
- » registering births, deaths, marriages and civil unions
- » issuing certificates and providing information and services relating to births, deaths, marriages and civil unions
- » maintaining national records relating to passports, citizenship, births, deaths, marriages and civil unions
- » working across government to develop authentication of identity and to facilitate good practice based on the Evidence of Identity Standard

This work contributes to the development of the following outcomes:

- » *New Zealand's approach to identity is trusted and well led.*
- » *Strong, sustainable communities/hapū/iwi.*

⁴ Output measure revised in February 2009 as agreed with the Minister of Internal Affairs to split performance standards assessing applications received prior to 1st July 2008 against the 2007/08 "6-month" measure and assessing applications received since 1st July 2008 against the new "4-month" standard.

Identity Services CONTINUED

ACTIVITY INFORMATION	ESTIMATED VOLUME	2008/09 ACTUAL	2007/08 ACTUAL
Number of passports issued in standard service.	378,000–434,000	352,246	375,585
Number of passports issued in urgent service.	32,000–40,000	34,659	35,812
Number of travel documents issued.	1,000–1,400	1,173	1,239

Births, Deaths, Marriages and Civil Unions

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Percentage of birth, death, marriage and civil union information registered without error is no less than:	99%	99.8%	99.5%	Achieved
Percentage of birth, death, marriage and civil certificates issued without error is no less than:	99%	99.8%	99.5%	Achieved
Percentage of deaths registered within 3 working days of receipt of a completed notification is no less than:	98%	99.9%	99.9%	Achieved
Percentage of births, marriages and civil unions registered within four working days of receipt of a completed notification or application is no less than:	98%	99.9%	99.8%	Achieved
Percentage of certificates from fully computerised registrations issued within one working day of receipt of a completed application is no less than:	99%	99.6%	99.7%	Achieved
Percentage of certificates from partially computerised registrations issued within 8 working days of receipt of a completed application is no less than:	98%	99.8%	97.6%	Achieved
Percentage of birth, death, marriage and civil union printouts issued within eight working days of request is no less than:	97%	99.5%	99.6%	Achieved

ACTIVITY INFORMATION	ESTIMATED VOLUME	2008/09 ACTUAL	2007/08 ACTUAL
Number of birth registrations.	58,000–64,000	64,366	65,883
Number of death registrations.	27,000–31,000	29,152	28,839
Number of marriage and civil union registrations.	22,000–26,000	23,883	24,201
Number of birth, death, marriage and civil union certificates issued.	180,000–220,000	253,182 ⁵	238,161
Number of printouts issued.	18,000–25,000	34,323 ⁶	25,961

revenue and output expenses

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Revenue				
Crown	10,012	9,972	10,012	10,176
Third Parties	74,572	73,607	74,233	78,387
Total Revenue	84,584	83,579	84,245	88,563
Expenses	84,704	89,531	88,977	86,226
Net Surplus/(Deficit)	(120)	(5,952)	(4,732)	2,337

The change in budget between Main Estimates and Supp. Estimates was due to an expense transfer from 2007/08 for the Upgrade of Information and Technology Infrastructure (\$352,000), an increase in State Sector Retirement Savings Scheme costs (\$41,000), funding for Kiwisaver costs (\$32,000), a reallocation of shared services (\$17,000), a rescoping of the Identity Verification Service work programme (-\$418,000), a reduction in the recovery of rental (-\$320,000) and a transfer to Vote State Services for a contribution towards the Identity Verification Service (-\$258,000).

5 The year end volume reflects a combination of high birth and death registrations and the impact of the Births, Deaths, Marriages (BDM) product demand since the launch of the BDM historic records online in mid February 2009.

6 The year end volume reflects the higher demand for BDM products as a result of the launch of BDM online historic records website in mid February 2009.

Information and Advisory Services

description

This output covers:

- » publishing the *New Zealand Gazette*
- » authenticating official documents
- » coordinating the congratulatory message service
- » providing information, advisory and support services to commissions of inquiry and similar bodies, as required.

This work is an administrative service for Government and contributes to the key objective of ensuring *Executive Government is well supported*.

performance information

New Zealand Gazette

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Number of complaints concerning typesetting errors where published text is inconsistent with text supplied by client is, on average, no more than:	1 per month	0.3 per month	0.2 per month	Achieved
Percentage of Principal and Customs editions of <i>The New Zealand Gazette</i> available at retail outlets by the applicable deadline is no less than:	100%	100%	100%	Achieved
Number of editions of <i>The New Zealand Gazette</i> published.	100	128	126	Achieved

Authentications Unit and Congratulatory Message Service

Percentage of Authentications delivered to customers within agreed timeframes is no less than:	98%	100%	99.9%	Achieved
Percentage of congratulatory message requests processed within 24 hours of receipt, with confirmation provided to the customer is no less than:	98%	99%	97.2%	Achieved
Number of Authentication confirmations returned by the customer as inaccurate is, on average, no more than:	1 per month	0.75 per month	0.2 per month	Achieved

Commissions of Inquiry and Similar Bodies

Commissioners' rating of the timeliness of services provided is 3 or above on a scale of 1 to 5.	3 or above	5	5	Achieved
Commissioners' rating of the quality of services provided is 3 or above on a scale of 1 to 5.	3 or above	5	5	Achieved

revenue and output expenses

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Revenue				
Crown	4,137	6,854	4,137	5,509
Third Parties	1,628	1,241	1,365	1,453
Total Revenue	5,765	8,095	5,502	6,962
Expenses	4,444	8,093	5,508	3,003
Net Surplus/(Deficit)	1,321	2	(6)	3,959

The change in budget between Main Estimates and Supp. Estimates was due to savings for the Listening and Assistance Service (-\$730,000), the Expert Panel on War Disablement Pensions (-\$500,000), the Royal Commission on Auckland Governance (-\$600,000) and the Expert Panel and Citizens Forum on the Electoral System and State Funding (-\$4.400 million), a transfer to Public Inquiries for commissioners' fees (-\$235,000), an increase in funding for Kiwisaver costs (\$2,000), funding for the Ministerial Inquiry into the ACC non-earners account funding shortfall (\$30,000), an increase in demand for authentications (\$92,000) and expense transfers from 2007/08 for the Royal Commission on Auckland Governance (\$1.600 million), the Expert Panel and Citizens' Forum on the Electoral Finance Act (\$1.211 million), the Expert Panel on War Disablement Pensions (\$500,000), Listening and Assistance Service (\$270,000), Sustainable Accommodation (\$167,000) and the Upgrade of Information and Technology Infrastructure (\$8,000).

The variance between Supp. Estimates and Actual mainly relates to timing differences associated with the Royal Commission on Auckland Governance and the Listening and Assistance Service.

Policy Advice – Internal Affairs

description

This output covers:

- » policy advice and information on matters relating to:
 - » gaming, censorship, fire, identity, public inquiries and daylight saving
 - » the performance of and appointments to Crown entities
 - » appointments to statutory bodies
 - » the Significant Community-Based Project Fund.

Policy advice also involves preparing ministerial briefings and speech notes, and providing support for the Minister of Internal Affairs, as required, in Cabinet committees, select committees and Parliament.

- » draft replies to ministerial correspondence, Official Information Act 1982 requests, Ombudsman's inquiries and parliamentary questions addressed to the Minister of Internal Affairs or referred from other Ministers.

This work contributes to the development of the following outcomes:

- » *Strong, sustainable communities/hapū/iwi*
- » *Safer Communities*
- » *New Zealand's approach to identity is trusted and well led* and the key objective of
- » *Ensuring Executive Government is well supported.*

performance information

Internal Affairs Policy Advice

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Policy advice will be delivered according to the output plan and the policy work programme (and any subsequent amendments) as negotiated between the Minister and the Chief Executive.	100%	100%	100%	Achieved
Policy advice is delivered in accordance with agreed policy quality criteria as listed on page 82.	100%	100%	100%	Achieved
The Minister is requested to indicate his/her level of satisfaction with the quality of policy advice.	Satisfied or better	Very Good	No formal rating given	Achieved
Policy advice is delivered according to the timeframes agreed.	100%	100%	100%	Achieved

Ministerial Correspondence and Questions

Percentage of first versions of replies to Ministerial correspondence, Official Information Act 1982 requests, Ombudsman's inquiries and parliamentary questions accepted by the Minister is no less than:	95%	99.9%	100%	Achieved
Percentage of draft responses to Ministerial correspondence returned to the Minister's office for signature within 15 working days of receipt from the Minister's office or such other deadlines as may be specifically agreed is no less than:	95%	100%	99.8%	Achieved
Percentage of draft responses to Official Information Act 1982 requests and Ombudsman's inquiries returned to the Minister's office for signature five days prior to the statutory deadline for reply is no less than:	100%	94.1%	100%	This measure was not achieved. 1 late out of 17
Percentage of draft replies to parliamentary questions completed within the time frames specified by the Minister is no less than:	100%	99.6%	98.8%	This measure was not achieved. 1 late out of 273

ACTIVITY INFORMATION	ESTIMATED VOLUME	2008/09 ACTUAL	2007/08 ACTUAL
Number of replies to ministerial correspondence, Official Information Act 1982 requests and Ombudsman's inquiries, and answers to parliamentary questions.	550–650	864 ⁷	653

revenue and output expenses

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Revenue				
Crown	5,146	4,404	5,146	4,561
Third Parties	53	90	104	59
Total Revenue	5,199	4,494	5,250	4,620
Expenses	4,760	4,493	5,249	4,107
Net Surplus/(Deficit)	439	1	1	513

The change in budget between Main Estimates and Supp. Estimates was due to expense transfers from 2007/08 for Sustainable Accommodation (\$501,000) and the Upgrade of Information and Technology Infrastructure (\$50,000), an increase in funding for the transfer of the Government Technology Service (\$490,000), an increase in funding for Kiwisaver costs (\$14,000), an expense transfer from 2008/09 to 2009/10 for administration of the Significant Community Based Projects Fund (-\$199,000) and offset by savings for the administration of the Significant Community Based Projects Fund (-\$100,000).

The variance between Supp. Estimates and Actual mainly relates to lower than forecast expenditure for accommodation costs associated with the transfer of Government Technology Services from the State Services Commission to the Department of Internal Affairs.

7 The ministerial correspondence level is demand driven and was higher than anticipated.

Services for Ethnic Affairs

description

This output covers policy advice and information on matters relating to ethnic affairs, including:

- » preparing ministerial briefings and speech notes, and providing support for the Minister for Ethnic Affairs, as required, in Cabinet committees, select committees and Parliament
- » providing draft replies to ministerial correspondence, Official Information Act 1982 requests, Ombudsman's inquiries and parliamentary questions addressed to the Minister for Ethnic Affairs or referred from other Ministers
- » providing advisory and information services to ethnic communities, and information to the public to raise the level of knowledge about ethnic communities and their contribution to New Zealand
- » providing advice on ethnic perspectives to other agencies through participating in cross government initiatives and providing secondary policy advice
- » managing the contract for the telephone interpreting service (Language Line)
- » providing information and training to ethnic communities and government agencies using Language Line.

This work contributes to the development of *Strong, sustainable communities/hapū/iwi*.

performance information

Ethnic Affairs Policy Advice

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Policy advice is delivered according to the output plan and the policy work programme (and any subsequent amendments) as negotiated between the Minister and the Chief Executive.	100%	100%	100%	Achieved
Policy advice is delivered in accordance with agreed policy quality criteria as listed on page 82.	100%	100%	100%	Achieved
The Minister is requested to indicate his/her level of satisfaction with the quality of policy advice.	Satisfied or better	Good	Good to very good	Achieved
Policy advice is delivered according to the timeframes agreed.	100%	100%	100%	Achieved

Ministerial Correspondence and Questions

Percentage of first versions of replies to Ministerial correspondence, Official Information Act 1982 requests, Ombudsman's inquiries and parliamentary questions accepted by the Minister is no less than:	95%	100%	100%	Achieved
Percentage of draft responses to Ministerial correspondence returned to the Minister's office for signature within 15 working days of receipt from the Minister's office or such other deadlines as may be specifically agreed is no less than:	95%	100%	100%	Achieved
Percentage of draft responses to Official Information Act 1982 requests and Ombudsman's inquiries returned to the Minister's office for signature five days prior to the statutory deadline for reply is no less than:	100%	Not Applicable	100%	No draft responses required in 2008/09
Percentage of draft replies to parliamentary questions completed within the time frames specified by the Minister is no less than:	100%	100%	100%	Achieved

ACTIVITY INFORMATION	ESTIMATED VOLUME	2008/09 ACTUAL	2007/08 ACTUAL
Number of replies to ministerial correspondence, Official Information Act 1982 requests and Ombudsman's inquiries, and answers to parliamentary questions.	40	32	30

Advisory and Information Services to Ethnic Communities

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Percentage of key stakeholders who rate the quality and effectiveness of the advisory services provided to ethnic communities at 3 or above on a scale of 1 to 5, as measured by stakeholder surveys is no less than:	85%	92%	89%	Achieved
Percentage of Language Line Services (calls) that are a subject of a complaint is no more than:	0.5%	0	0	Achieved
Percentage of requests for written advice answered within 10 working days or according to the timeframes agreed with the correspondent is no less than:	95%	99%	98%	Achieved

ACTIVITY INFORMATION	ESTIMATED VOLUME	2008/09 ACTUAL	2007/08 ACTUAL
Number of requests from ethnic communities for information or advice responded to.	3,500–4,000	8,801 ⁸	4,714
Number of ethnic communities and government agencies provided with information and training on the use of Language Line.	50	148	90

revenue and output expenses

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Revenue				
Crown	4,742	4,302	4,742	3,613
Third Parties	1,021	704	937	709
Total Revenue	5,763	5,006	5,679	4,322
Expenses	5,670	5,007	5,680	4,228
Net Surplus/(Deficit)	93	(1)	(1)	94

The change in budget between Main Estimates and Supp. Estimates was mainly due to expense transfers from 2007/08 for Sustainable Accommodation (\$30,000) and the Upgrade of Information and Technology Infrastructure (\$20,000), a reallocation of shared services costs (\$324,000), an increase in demand for language line (\$211,000), an increase in migrant levy funding (\$66,000) and an increase in funding for Kiwisaver costs (\$22,000).

⁸ Increased numbers of Advisors and community presence, and outreach activities into the regions have generated increased enquiries from communities.

Contestable Services

description

This output covers services to both government agencies and non-government organisations and individuals, which could be provided by other organisations and are therefore contestable services.

Services include translation and other foreign language services to government and the public.

performance information

Translation Services

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Percentage of respondents to a customer survey who rate their satisfaction with the quality of translation services at 3 or above on a scale of 1 to 5 is no less than:	99%	100%	100%	Achieved
Percentage of translations meeting timeframes agreed with customers is no less than:	99%	99.5%	99%	Achieved

revenue and output expenses

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Revenue				
Crown	0	0	0	0
Third Parties	870	899	899	1,146
Total Revenue	870	899	899	1,146
Expenses	834	899	899	1,139
Net Surplus/(Deficit)	36	0	0	7

The variance between Supp. Estimates and Actual mainly relates to lower demand for Translation Services.

Information, Support and Regulatory Services – Local Government

performance information

Local Government Commission Advice and Support

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Local Government Commission's satisfaction with the quality of advice and support services provided rated at 3 or above on a scale of 1 to 5 is no less than:	3 or above	4	5	Achieved
Percentage of Local Government Commission decisions dispatched to parties within 10 working days of decision, or to such other timetable as instructed by the Commission is:	100%	100%	100%	Achieved

Local Government Services

Percentage of rates rebate claims processed accurately is no less than:	99%	100%	100%	Achieved
Percentage of requests for information from the public about the rates rebate scheme responded to within 15 working days is no less than:	99%	100%	100%	Achieved
Percentage of claims for rates rebate processed within 20 working days is no less than:	98%	99.99%	99%	Achieved
Percentage of system availability for the National Dog Database is no less than:	99%	99.99%	New measure	Achieved

ACTIVITY INFORMATION	ESTIMATED VOLUME	2008/09 ACTUAL	2007/08 ACTUAL
Number of responses to requests for information from the public about the rates rebate scheme	300–600	444	399
Number of rates rebate claims received for processing.	100,000–140,000	109,905	108,452

description

This output covers:

- » providing advisory and support services to the Local Government Commission in respect of its statutory functions
- » providing information to and about local government
- » administering the Local Government Act 2002, Local Electoral Act 2001 and other statutes
- » administering the Rates Rebate Scheme
- » providing regulatory and boating services for Lake Taupo
- » governance and management of the National Dog Database.
- » providing operational advice to the Minister of Local Government on:
 - » local government boundaries and reorganisation schemes
 - » approval of sales of endowment land and other statutory approvals
 - » offshore islands not in a territorial authority district
 - » servicing of ministerial review authorities when required

This work contributes to the development of *Strong, sustainable communities/hapū/iwi*.

Information, Support and Regulatory Services – Local Government CONTINUED

Regulatory and Boating Services for Lake Taupo

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
The Taupo Harbourmaster will implement a programme of facilities inspection and maintenance.	Facilities managed in accordance with programme and standards	Achieved	Achieved	Achieved
All boating facilities on Lake Taupo are maintained to an appropriate level of safety and usability.	Facilities maintained to specified standards	Achieved	Achieved	Achieved
Percentage of respondents to a survey of key stakeholders who rate their satisfaction with the quality of Lake Taupo regulatory services at 3 or above on a scale of 1-5 is no less than:	85%	100%	100%	Achieved
Percentage of prosecutions taken under navigation safety legislation and regulations dismissed because a prima facie case has not been established is no more than:	10%	0%	0%	Achieved 2007/08 – 0 number of prosecution cases dismissed

revenue and output expenses

The change in budget between Main Estimates and Supp. Estimates was mainly due to expense transfers from 2007/08 for Sustainable Accommodation (\$645,000) and the Upgrade of Information and Technology Infrastructure (\$22,000), funding for Kiwisaver costs (\$7,000) and a reallocation of shared services costs (-\$123,000).

The variance between Supp. Estimates and Actual mainly relates to reduced expenditure on Dogs database development, Dog safety education campaign and the Rates Rebate Scheme publicity campaign relating to rebate entitlements.

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Revenue				
Crown	4,852	4,327	4,852	5,325
Third Parties	663	886	893	675
Total Revenue	5,515	5,213	5,745	6,000
Expenses	5,080	5,233	5,784	5,466
Net Surplus/(Deficit)	435	(20)	(39)	534

Policy Advice – Local Government

performance information

Local Government Policy Advice

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Policy advice will be delivered according to the output plan (and any subsequent amendments) as negotiated between the Minister and the Chief Executive.	100%	100%	100%	Achieved
Policy advice is delivered in accordance with agreed policy quality criteria as listed on page 82.	100%	100%	100%	Achieved
The Minister is requested to indicate his/her level of satisfaction with the quality of policy advice.	Satisfied or better	Very Good	Very Good	Achieved
Policy advice is delivered according to the timeframes agreed.	100%	100%	100%	Achieved

description

This output covers:

- » policy advice and information on local government issues. It also involves monitoring the local government system, preparing ministerial briefings and speech notes, and providing support for the Minister of Local Government, as required, in Cabinet committees, select committees, and Parliament
- » draft replies to ministerial correspondence, Official Information Act 1982 requests, Ombudsman's inquiries and parliamentary questions addressed to the Minister of Local Government or referred from other Ministers.

This work contributes to the development of *Strong, sustainable communities/hapū/iwi*.

Ministerial Correspondence and Questions

Percentage of first versions of replies to Ministerial correspondence, Official Information Act 1982 requests, Ombudsman's inquiries and parliamentary questions accepted by the Minister is no less than:	95%	99.9%	100%	Achieved
Percentage of draft responses to Ministerial correspondence returned to the Minister's office for signature within 15 working days of receipt from the Minister's office or such other deadlines as may be specifically agreed is no less than:	95%	99.9%	99.8%	Achieved
Percentage of draft responses to Official Information Act 1982 requests and Ombudsman's inquiries returned to the Minister's office for signature five days prior to the statutory deadline for reply is no less than:	100%	Not Applicable	100%	No draft responses required in 2008/09
Percentage of draft replies to parliamentary questions completed within the time frames specified by the Minister is no less than:	100%	100%	100%	Achieved

Policy Advice – Local Government CONTINUED

ACTIVITY INFORMATION	ESTIMATED VOLUME	2008/09 ACTUAL	2007/08 ACTUAL
Number of replies to ministerial correspondence, Official Information Act 1982 requests and Ombudsman's inquiries, and answers to parliamentary questions.	600–700	1,807 ⁹	581

revenue and output expenses

The change in budget between Main Estimates and Supp. Estimates was due to expense transfers from 2007/08 for the Upgrade of Information and Technology Infrastructure (\$223,000) and Sustainable Accommodation (\$116,000), funding for the co-management of the Upper Waikato River (\$301,000), an increase in funding for the Sustainable Urban Development Authorities project (\$163,000), funding for Kiwisaver costs (\$13,000), and actual expense transfer from 2008/09 to 2009/10 for the Royal Commission on Auckland Governance (-\$521,000).

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Revenue				
Crown	7,109	6,990	7,109	6,458
Third Parties	219	69	245	50
Total Revenue	7,328	7,059	7,354	6,508
Expenses	7,741	7,060	7,355	6,062
Net Surplus/(Deficit)	(413)	(1)	(1)	446

revenue and output expenses for Implementation Reform of Auckland

The change in budget between Main Estimates and Supp. Estimates was a new appropriation to fund the costs associated with the implementation of the government's decisions on the recommendations of the Royal Commission on Auckland Governance.

The variance between Supp. Estimates and Actual mainly relates to delays in the establishment of the Auckland Governance Transition Authority for which an in-principle expense transfer from 2008/09 to 2009/10 of up to \$1.275 million was approved.

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Revenue				
Crown	1,275	0	1,275	0
Third Parties	1	0	0	0
Total Revenue	1,276	0	1,275	0
Expenses	232	0	1,275	0
Net Surplus/(Deficit)	1,044	0	0	0

⁹ The actual number of ministerials was significantly higher than estimated due to an increased public interest in local government matters.

Support Services to Ministers

performance information

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Percentage of Members of the Executive responding to the annual satisfaction survey who assess the quality of support services provided at 3 or above on a scale of 1 to 5 is no less than:	90%	95.5%	100%	Achieved
Percentage of Members of the Executive responding to the annual satisfaction survey who assess their satisfaction with the timeliness of services provided to them at 3 or above on a scale of 1 to 5 is no less than:	90%	95.5%	100%	Achieved
The Minister Responsible for Ministerial Services is requested to indicate his/her satisfaction with the level of administration of support services provided to the Executive.	Satisfied or better	Very Good	Good	Achieved
The Minister Responsible for Ministerial Services is requested to indicate his/her satisfaction with the quality of operational advice.	Satisfied or better	Very Good	Good	Achieved

description

This output covers:

- » providing a range of support services for Members of the Executive, including office administration, accounting, personnel, information and communications technology, facilities management, media and other advisory services
- » managing residential accommodation provided for Members of the Executive, both owned and leased property.

This work contributes to *ensuring Executive Government is well supported*.

revenue and output expenses

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Revenue				
Crown	29,943	26,930	29,943	26,541
Third Parties	1,241	353	433	338
Total Revenue	31,184	27,283	30,376	26,879
Expenses	30,154	27,282	30,375	26,663
Net Surplus/(Deficit)	1,030	1	1	216

The change in budget between Main Estimates and Supp. Estimates was due to an increase in funding for ministerial servicing (\$3.100 million), expense transfers from 2007/08 for Sustainable Accommodation (\$60,000) and the Upgrade of Information and Technology Infrastructure (\$50,000), funding for Kiwisaver costs (\$50,000), an increase in funding for the State Sector Retirement Savings Scheme costs (\$30,000) and reallocation of shared services costs (-\$197,000).

VIP Transport

description

The provision of chauffeur-driven vehicle services for Ministers, the Leader of the Opposition, the Speaker, former Prime Ministers and their spouses, former Governors-General and their spouses, the judiciary and distinguished visitors; and self-drive vehicles for Ministers.

This work contributes to ensuring *Executive Government is well supported*.

performance information

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Percentage of Members of the Executive who rate their satisfaction with the transport services provided at 3 or above on a scale of 1 to 5 is no less than:	90%	100%	100%	Achieved
Percentage of replacement vehicles complying with European Fuel Emission Standard IV is no less than:	90%	100%	100%	Achieved

revenue and output expenses

The change in budget between Main Estimates and Supp. Estimates was due to an increase in demand (\$700,000), an increase in State Sector Retirement Savings Scheme costs (\$15,000), funding for Kiwisaver costs (\$5,000) and an expense transfer from 2007/08 for the Upgrade of Information and Technology Infrastructure (\$4,000).

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Revenue				
Revenue Crown	0	0	0	0
Revenue Third Parties	7,661	7,195	7,915	7,301
Total Revenue	7,661	7,195	7,915	7,301
Expenses	7,653	7,195	7,919	7,303
Net Surplus/(Deficit)	8	0	(4)	(2)

Visits and Official Events Coordination

performance information

Coordination of Visits

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Percentage of visit programme content and logistics arranged to reflect visit objectives is:	100%	100%	100%	Achieved
Percentage of Ministers who rate their satisfaction with the quality of arrangements for Ministerial and State functions at 3 or above on a scale of 1 to 5 is no less than: (Only Ministers sponsoring Ministerial and State Functions are surveyed.)	90%	100%	100%	Achieved

description

This output covers services supporting:

- » visits by guests of government
- » receptions at international airports for the Governor-General, Ministers and guests of government
- » state and ministerial functions
- » commemorative events
- » national anniversaries.

This work contributes to ensuring *Executive Government is well supported*.

Coordination of Official Events

Percentage of Members of the Executive who rate their satisfaction with the coordination and management of official events at 3 or above on a scale of 1 to 5 is no less than: (Only Ministers with responsibility for hosting events are surveyed.)	90%	100%	100%	Achieved
---	-----	------	------	----------

revenue and output expenses

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Revenue				
Crown	4,444	3,462	4,444	5,744
Third Parties	30	17	21	30
Total Revenue	4,474	3,479	4,465	5,774
Expenses	3,912	3,479	4,465	5,728
Net Surplus/(Deficit)	562	0	0	46

The change in budget between Main Estimates and Supp. Estimates was due to an increase in funding for the visit programme (\$1.000 million), expense transfers from 2007/08 for Sustainable Accommodation (\$24,000) and the Upgrade of Information and Technology Infrastructure (\$6,000), funding for Kiwisaver costs (\$4,000) and reallocation of shared services costs (-\$48,000).

The variance between Supp. Estimates and Actual mainly relates to the cancellation or postponement of some guests of government visits.

Policy Advice – Racing

description

This output covers:

- » policy advice and information on matters relating to racing and sports betting and on the racing industry generally. Policy advice also involves preparing ministerial briefings and speech notes, and providing support for the Minister for Racing, as required, in Cabinet committees, select committees and Parliament
- » draft replies to ministerial correspondence, Official Information Act 1982 requests, Ombudsman's inquiries and parliamentary questions addressed to the Minister for Racing or referred from other Ministers.

This work contributes to the development of *Safer communities*.

performance information

Racing Policy Advice

RESULTS INFORMATION	PERFORMANCE STANDARD	2008/09 ACTUAL	2007/08 ACTUAL	COMMENTS
Policy advice will be delivered according to the policy work programme (and any subsequent amendments) as negotiated between the Minister for Racing and the Chief Executive.	100%	100%	100%	Achieved
Policy advice is delivered in accordance with agreed policy quality criteria as listed on page 82.	100%	100%	100%	Achieved
The Minister is requested to indicate his/her level of satisfaction with the quality of policy advice.	Satisfied or better	Very Good	Satisfied	Achieved
Policy advice is delivered according to the timeframes agreed.	100%	100%	100%	Achieved

Ministerial Correspondence and Questions

Percentage of first versions of replies to Ministerial correspondence, Official Information Act 1982 requests, Ombudsman's inquiries and parliamentary questions accepted by the Minister is no less than:	95%	100%	100%	Achieved
Percentage of draft responses to Ministerial correspondence returned to the Minister's office for signature within 15 working days of receipt from the Minister's office or such other deadlines as may be specifically agreed is no less than:	95%	100%	100%	Achieved
Percentage of draft responses to Official Information Act 1982 requests and Ombudsman's inquiries returned to the Minister's office for signature five days prior to the statutory deadline for reply is no less than:	100%	100%	100%	Achieved
Percentage of draft replies to parliamentary questions completed within the time frames specified by the Minister is no less than:	100%	100%	100%	Achieved

ACTIVITY INFORMATION	ESTIMATED VOLUME	2008/09 ACTUAL	2007/08 ACTUAL
Number of replies to ministerial correspondence, Official Information Act 1982 requests and Ombudsman's inquiries, and answers to parliamentary questions.	50–100	59	31

revenue and output expenses

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Revenue				
Crown	265	356	264	217
Third Parties	3	4	5	2
Total Revenue	268	360	269	219
Expenses	195	361	270	214
Net Surplus/(Deficit)	73	(1)	(1)	5

The change in budget between Main Estimates and Supp. Estimates was due to a one-off savings due to the delay in the appointment of a full time equivalent for administration of the two non-departmental funding schemes (-\$100,000), an expense transfer from 2007/08 for Sustainable Accommodation (\$8,000) and an increase in Kiwisaver costs (\$1,000).

The variance between Supp. Estimates and Actual mainly relates to efficiency gains during the year.

Policy Advice Quality Criteria

In fulfilling the aim to produce policy advice that meets the needs of Ministers, the Department requires that, to the extent to which time and cost-effectiveness considerations permit, policy advice produced within Vote Community and Voluntary Sector, Vote Emergency Management, Vote Internal Affairs, Vote Local Government, Vote Ministerial Services, and Vote Racing meets the following quality criteria:

Purpose	Policy papers should be short (where practicable), succinct and clearly focused on decisions required from Ministers.
Consistency	The advice takes account of other Government policies and decisions, and is consistent with the principles of the Treaty of Waitangi.
Logic	The assumptions behind the advice are explicit and argument is logical and supported by the facts.
Accuracy	The facts in the papers are legally and statistically accurate and all material facts and sources are included. Where appropriate, the advice includes sound legal opinion.
Options	An appropriate range of options is presented; each option is assessed in terms of the benefits and costs for the Government, the economy, the community sector and all other relevant parties. The information provided has sufficient range and depth.
Consultation	There is evidence of adequate consultation with other government agencies and other affected parties and possible objections to proposals are identified.
Practicality	The problems of implementation, technical feasibility, timing and consistency with other policies have been considered. Where appropriate, the advice considers the impact on the lives of New Zealanders.
Presentation	The length and format of Cabinet papers meet Ministerial and Cabinet Office requirements. All papers and briefings are in accordance with the Department's Policy Quality Assurance guidelines. All presentations to Ministers are in accordance with Ministerial preference for style and format. All key facts and recommendations are on the first page. All material is effectively, concisely and clearly presented, has short sentences in plain English, and is free of grammatical or numerical errors.
Impartiality	The Department of Internal Affairs strives to provide professional, impartial and comprehensive advice to Ministers and to alert Ministers to the possible consequences of following particular policies, whether or not such advice accords with the Ministers' views.

part five »

financial statements – departmental

Accounting Policies	84
Financial Performance	89
Financial Position	90
Cash Flows	91
Net Surplus to Net Cash Flow from Operating Activities	92
Movement in Taxpayers' Funds	93
Commitments	94
Contingent Assets and Liabilities	95
Unappropriated Expenditure	95
Memorandum Accounts	96
Departmental Appropriations and Expenditure	98
Notes to the Financial Statements	100
Departmental Financial Results	116

Accounting Policies

Statement of Accounting Policies

for the year ended 30 June 2009

Reporting Entity

The Department of Internal Affairs financial statements have been prepared in accordance with the requirements of the Public Finance Act 1989. Section 2 of this Act defines the Department of Internal Affairs as a Government Department. For the purposes of financial reporting the Department of Internal Affairs is a public benefit entity.

In addition, the Department has reported the Crown activities and trust money, which it administers.

The Department of Internal Affairs is domiciled in New Zealand.

Reporting Period

The reporting period for these financial statements is the year ended 30 June 2009. The financial statements were authorised for issue by the Chief Executive of the Department on 23 September 2009.

Budget Figures

The budget figures are those presented in the Budget 2008 Estimates of Appropriation (Main Estimates) and those amended by the Supplementary Estimates (Supp. Estimates).

Statement of Compliance

These financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Standards, amendments and interpretations issued that are not effective and have not been early adopted and which are relevant to the Department include:

NZ IAS 1 Presentation of Financial Statements (revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (issued 2004) and is effective for reporting periods beginning or after 1 January 2009. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and to introduce a statement of comprehensive income. This will enable readers to analyse changes in equity resulting from transactions with the Crown in its capacity as "owner" separately from "non-owner" changes. The revised standard gives the Department the option of presenting items in income and expense and components

of other comprehensive income either in a single or two separate statements (a separate income statement followed by a statement of comprehensive income). The Department expects it will apply the revised standard for the first time for the year ended 30 June 2010, and is yet to decide whether it will prepare a single statement of comprehensive income or a separate income statement followed by a statement of comprehensive income.

NZ IAS 39 Financial Instruments: Recognition and Measurement (revised 2008) replaces NZ IAS 39 Financial Instruments: Recognition and Measurement (issued 2004) and is effective on or after January 2010. The revised standard requires an amendment to clarify when to recognise gains or losses on hedging instruments as a reclassification adjustment in a cash flow hedge of a forecast transaction that results subsequently in the recognition of a financial instrument. The amendment clarifies that gains or losses should be reclassified from equity to profit or loss in the period in which the hedged forecast cash flow affects profit or loss. The Department intends to adopt this standard for the year ending 30 June 2011 and has not determined the potential impact of the new standard.

Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening NZ IFRS Statement of Financial Position as at 1 July 2006 for the purposes of the transition to NZ IFRS.

The measurement base applied is that of historical cost, modified by the revaluation of land, buildings, antiques and works of art.

The accrual basis of accounting has been used unless otherwise stated. These financial statements are presented in New Zealand dollars rounded to the thousand. The functional currency of the Department is New Zealand dollars.

Critical Accounting Judgements and Estimates

The preparation of financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Provision for Doubtful Debts

Note 6, includes a provision for doubtful debts on accounts receivable as at 30 June 2009. The provision is determined by using percentage of potential doubtful debts over reported period ranges based on past history for the Department and review of the accounts receivable balances held.

Long Service, Sick and Retirement Leave

Note 14, provides details of valuation of long service, sick and retirement leave. The long service and retirement valuation have been calculated by an independent valuer and includes the use of discount rates and inflationary estimates to determine the final valuations.

Finance Leases

The Department has exercised its judgement on the appropriate classification of equipment leases and has determined one lease arrangement to be a finance lease as identified in Note 15. To determine if a lease arrangement is a finance lease or an operating lease requires judgement as to whether the arrangement transfers substantially all the risks and rewards of ownership to the Department. Judgement is involved in determining the fair value of the leased asset, useful life and discount rate to calculate the present value of the minimum lease payments.

Cost Allocation

The methods used in the allocation of costs are consistent between projected (budgeted) and actual figures. Costs of outputs are derived using the following cost allocation system:

“Direct Costs” are those costs directly attributed to an output and are treated as follows:

- » personnel costs are allocated on the basis of estimated time engaged in the delivery of a particular output
- » operating costs are allocated on the basis of usage
- » depreciation and capital charge are allocated on the basis of estimated asset utilisation
- » accommodation costs are allocated on the basis of floor space occupied.

“Indirect Costs” are those costs incurred by support units that are not directly attributable to an output. Indirect costs are allocated to outputs on an activity-costing basis reflecting a mix of perceived benefit, personnel numbers, floor space, network connections and estimated allocation of time.

For the year ended 30 June 2009, direct costs accounted for 83% of the Department’s costs (2007/08: 84%). Direct costs include personnel, operating, capital charge, accommodation and depreciation.

Taxation

The Department is exempt from the payment of income tax in terms of the Income Tax Act 2004. Accordingly, no charge for income tax has been provided. The Department is subject to fringe benefit tax (FBT), and goods and services tax (GST). It administers pay as you earn tax (PAYE), employer superannuation contribution tax (ESCT) and withholding tax (WHT).

Goods and Services Tax (GST)

Amounts in the financial statements are reported exclusive of GST except for accounts receivable, prepayments and accounts payable.

The amount of GST owing to or from Inland Revenue at balance date is included in the Statement of Financial Position as a receivable or payable (as appropriate).

Commitments and contingencies are disclosed exclusive of GST.

Revenue

Revenue Crown

The Department derives revenue for the provision of outputs (services) to the Crown. Revenue Crown is recognised when earned and reported in the financial period to which it relates.

Third Party Revenue

The Department derives revenue from third parties for the provision of outputs (products or services) to third parties. Revenue from the supply of goods and services is measured at the fair value of consideration received. Revenue from the supply of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer unless an alternative method better represents the stage of completion of the transaction. Such revenue is recognised when earned and is reported in the financial period to which it relates.

Expenses

Expenses are recognised and reported in the Statement of Financial Performance in the period in which the service is provided or the goods are received.

Foreign Currency

Transactions in foreign currencies are initially translated at the foreign exchange rate at the date of the transaction.

Monetary assets denominated in foreign currencies at balance date are translated to New Zealand dollars at the foreign exchange rate at balance date. Foreign exchange gains or losses arising from translation of monetary assets are recognised in the Statement of Financial Performance.

Financial Instruments

Designation of financial assets and financial liabilities is determined by the business purpose of the financial instruments, policies and practices for their management, their relationship with other instruments and the reporting costs and benefits associated with each designation.

Financial Assets

Cash and cash equivalents include cash on hand, cash in transit, and funds on deposit with banks.

Accounts receivable have been designated as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables entered into with a duration of less than 12 months are recognised at their nominal value. At each balance date, the Department assesses whether there is any objective evidence that loans and receivables are impaired. Any impairment losses are recognised in the Statement of Financial Performance as bad debts.

Financial Liabilities

Financial liabilities are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities entered into with duration less than 12 months are recognised at their nominal value.

Inventories

Inventories held for sale are recorded at the lower of cost (calculated using First In First Out method) and net realisable value.

Property, Plant and Equipment

Items of property, plant and equipment costing more than \$3,000 are initially capitalised and recorded at cost.

Revaluations are carried out for a number of classes of property, plant and equipment to reflect the service potential or economic benefit obtained through control of the asset. Revaluation is based on the fair value of the asset with changes reported by class of asset.

Land and buildings are recorded at fair value less impairment losses and, for buildings, less depreciation accumulated since the assets were last revalued. Valuations undertaken in accordance with the standards issued by the New Zealand Property Institute are used.

Antiques and works of art are recorded at fair value and are not depreciated.

Other property, plant and equipment, which include motor vehicles and office equipment, are recorded at cost less accumulated depreciation and accumulated impairment losses.

Classes of property, plant and equipment that are revalued, are revalued at least every five years or whenever the carrying amount differs materially to fair value. Unrealised gains and losses arising from changes in the value of property, plant and equipment are recognised as at balance date. To the extent that a gain reverses a loss previously charged to the Statement of Financial Performance for the asset class, the gain is credited to the Statement of Financial Performance. Otherwise, gains are credited to an asset revaluation reserve for that class of asset. To the extent that there is a balance in the asset revaluation reserve for the asset class any loss is debited to the reserve. Otherwise, losses are reported in the Statement of Financial Performance.

Accumulated depreciation at revaluation date is eliminated against the gross carrying amount so that the carrying amount after revaluation equals the revalued amount.

Realised gains and losses arising from disposal of property, plant and equipment are recognised in the Statement of Financial Performance in the period in which the transaction occurs. Any balance attributable to the disposed asset in the asset revaluation reserve is transferred to retained earnings.

For each property, plant and equipment asset project, borrowing costs incurred during the period required to complete and prepare the asset for its intended use are expensed.

Depreciation

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its estimated useful life. The estimated useful lives are as follows:

Buildings	10–66 Years
Plant and Equipment	5–20 Years
Furniture and Fittings	5–10 Years
Office Equipment	5–10 Years
Motor Vehicles	3–6 Years
IT Equipment	3–5 Years
Births, Deaths and Marriages Historical Records Database	10 Years

The cost of leasehold improvements is capitalised and depreciated over the unexpired period of the lease, or the estimated remaining useful life of the improvements, whichever is the shorter.

Land and antiques and works of art are not depreciated.

Capital work in progress is not depreciated. The total cost of the capital project is transferred to the appropriate asset on its completion and then depreciated.

Intangible Assets

Intangible assets are initially recorded at cost. The cost of an internally generated intangible asset represents expenditure incurred in the development phase of the asset only. The development phase occurs after the following can be demonstrated: technical feasibility; ability to complete the asset; intention and ability to sell or use; and development expenditure can be reliably measured. Expenditure incurred on research of an internally generated intangible asset is expensed when it is incurred. Where the research phase cannot be distinguished from the development phase, the expenditure is expensed when it is incurred.

Intangible assets with finite lives are subsequently recorded at cost less any amortisation and impairment losses. Amortisation is charged to the Statement of Financial Performance on a straight-line basis over the useful life of the asset. Typically, the estimated useful lives of these intangible assets (Software) is 3–5 years. One exception is Births, Deaths and Marriages Historical Records Databases which are depreciated over 10 years.

Realised gains and losses arising from disposal of intangible assets are recognised in the Statement of Financial Performance in the period in which the transaction occurs. Unrealised gains and losses arising from changes in the value of intangible assets are recognised as at balance date. To the extent that a gain reverses a loss previously charged to the Statement of Financial Performance, the gain is credited to the Statement of Financial Performance. Otherwise, gains are credited to an asset revaluation reserve for that asset. To the extent that there is a balance in the asset revaluation reserve for the intangible asset a revaluation loss is debited to the reserve. Otherwise, losses are reported in the Statement of Financial Performance.

Impairment of non-current assets

The carrying amounts of plant, property and equipment and intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the Statement of Financial Performance, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease.

Finance Leases

Finance leases transfer to the Department, as lessee, substantially all the risks and rewards incident on the ownership of a leased asset. Initial recognition of a finance lease results in an asset and liability being recognised at amounts equal to the lower of the fair value of the leased property or the present value of the minimum lease payments. The capitalised values are amortised over the period in which the Department expects to receive benefits from their use.

The Department currently holds one finance lease. Approval is held under section 50 of the Public Finance Act 1989 for the Department to be able to enter into a finance lease for supply of specialist printing equipment for production of passport books.

Operating Leases

Operating leases, where the lessor substantially retains the risks and rewards of ownership, are recognised in a systematic manner over the term of the lease. Accommodation and motor vehicle leases are recognized as operating leases.

Lease incentives received are recognised evenly over the term of the lease as a reduction in rental expense.

Revenue Received in Advance

The Department derives revenue from third parties for the supply of products and services to third parties. The revenue is recognised in Statement of Financial Position as a liability when the revenue has been received but does not meet the criteria for recognition as revenue in the Statement of Financial Performance.

Employee Entitlements

Employee entitlements to salaries and wages, annual leave, long service leave, retiring leave, sick leave and other similar benefits are recognised in the Statement of Financial Performance when they accrue to employees. Employee entitlements to be settled within 12 months are reported at the amount expected to be paid. The liability for long-term employee entitlements is reported as the present value of the estimated future cash outflows.

Termination benefits are recognised in the Statement of Financial Performance only when there is a demonstrable commitment to either terminate employment prior to normal retirement date or to provide such benefits as a result of an offer to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid, otherwise they are reported as the present value of the estimated future cash outflows.

Other Liabilities and Provisions

Other liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

Commitments

Operating and capital commitments arising from non-cancellable contractual or statutory obligations are disclosed within the Statement of Commitments to the extent that both parties have not performed their obligations.

Contingent Assets and Liabilities

Contingent assets and contingent liabilities are recorded in the Statement of Contingent Assets and Contingent Liabilities at the point at which the contingency is evident. Contingent assets are disclosed if it is probable that the benefits will be realised. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote.

Taxpayers' Funds

This is the Crown's net investment in the Department. Taxpayers' funds are aggregated and classified as General funds and Revaluation Reserve.

Changes in Accounting Policies

Accounting policies are changed only if the change is required by a standard or interpretation or otherwise provides more reliable and more relevant information.

There have been no changes in accounting policies. All policies have been applied on a basis consistent with the previous year.

Comparatives

When presentation or classification of items in the financial statements are amended or accounting policies are changed voluntarily, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

Financial Performance

Statement of Financial Performance

for the year ended 30 June 2009

	NOTE	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP. ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Revenue					
Crown		98,348	93,236	98,347	94,382
Third Parties	1	119,669	116,864	121,889	120,589
Gain on Sale of Property, Plant and Equipment		865	0	0	0
Revaluation Gain	9	0	0	0	234
Total Revenue		218,882	210,100	220,236	215,205
Expenses					
Personnel	2	112,530	112,850	120,190	110,649
Operating	3	86,067	87,122	90,161	84,025
Depreciation and Amortisation	9,10	9,526	11,209	9,911	8,630
Capital Charge	4	3,490	3,465	3,491	3,337
Total Expenses		211,613	214,646	223,753	206,641
Net Surplus/(Deficit)		7,269	(4,546)	(3,517)	8,564

Explanation of significant variances against main estimates are detailed in note 20.

The statement of accounting policies and notes form an integral part of, and should be read in conjunction with, these financial statements.

Financial Position

Statement of Financial Position

as at 30 June 2009

	NOTE	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP. ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Assets					
<i>Current Assets</i>					
Cash and Cash Equivalents	5	37,410	20,094	34,702	42,504
Accounts Receivable	6	4,467	3,228	4,380	3,975
Inventories	7	1,604	2,767	1,504	2,295
Prepayments		131	571	214	269
Derivative Financial Instruments	8	2	0	0	0
Total Current Assets		43,614	26,660	40,800	49,043
<i>Non Current Assets</i>					
Property, Plant and Equipment	9	30,571	35,704	25,077	21,971
Intangible Assets	10	31,354	29,012	29,090	16,719
Total Non Current Assets		61,925	64,716	54,167	38,690
Total Assets		105,539	91,376	94,967	87,733
Liabilities and Taxpayers' Funds					
<i>Current Liabilities</i>					
Accounts Payable	11	21,059	18,102	17,067	16,765
Provisions	12	1,166	1,169	1,049	1,049
Revenue Received in Advance	13	7,034	9,869	8,179	8,235
Employee Entitlements	14	6,368	4,836	6,021	5,901
Finance Leases	15	1,059	0	0	0
Provision for Payment of Surplus	16	7,267	0	0	8,564
Derivative Financial Instruments	8	0	0	0	17
Total Current Liabilities		43,953	33,976	32,316	40,531
<i>Non Current Liabilities</i>					
Employee Entitlement	14	1,157	695	697	792
Finance Leases	15	5,549	0	0	0
Total Non Current Liabilities		6,706	695	697	792
Total Liabilities		50,659	34,671	33,013	41,323
<i>Taxpayers' Funds</i>					
General Funds	16	52,431	55,049	58,580	43,036
Revaluation Reserve	16	2,449	1,656	3,374	3,374
Total Taxpayers' Funds		54,880	56,705	61,954	46,410
Total Liabilities and Taxpayers' Funds		105,539	91,376	94,967	87,733

Explanation of significant variances against Main Estimates are detailed in note 20.

The statement of accounting policies and notes form an integral part of, and should be read in conjunction with, these financial statements.

Cash Flows

Statement of Cash Flows

for the year ended 30 June 2009

	NOTE	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP. ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Cash Flows from Operating Activities					
<i>Cash was Provided from:</i>					
Supply of Outputs to the Crown		98,348	93,236	98,347	94,382
Supply of Outputs to Third Parties		117,976	116,865	121,484	116,990
		216,324	210,101	219,831	211,372
<i>Cash was Disbursed to:</i>					
Costs of Producing Outputs		(192,393)	(217,372)	(209,250)	(197,286)
Capital Charge		(3,490)	(3,465)	(3,491)	(3,337)
		(195,883)	(220,837)	(212,741)	(200,623)
Net Cash Flows from Operating Activities		20,441	(10,736)	7,090	10,749
Cash Flows from Investing Activities					
<i>Cash was Provided from:</i>					
Sale of Property, Plant and Equipment		2,111	1,836	1,836	316
<i>Cash was Disbursed to:</i>					
Purchase of Intangibles		(19,864)	(17,402)	(17,402)	(5,084)
Purchase of Property, Plant and Equipment		(8,611)	(9,823)	(9,823)	(4,943)
Net Cash Flows from Investing Activities		(26,364)	(25,389)	(25,389)	(9,711)
Cash Flows from Financing Activities					
<i>Cash was Provided from:</i>					
Capital Contribution	16	9,159	16,559	19,061	520
<i>Cash was Disbursed to:</i>					
Payment of Net Surplus		(8,330)	0	(8,564)	(8,611)
Net Cash Flows from Financing Activities		829	16,559	10,497	(8,091)
Net Increase/(Decrease) in Cash Held		(5,094)	(19,566)	(7,802)	(7,053)
Add Opening Cash		42,504	39,660	42,504	49,557
Closing Cash and Cash Equivalents		37,410	20,094	34,702	42,504

The statement of accounting policies and notes form an integral part of, and should be read in conjunction with, these financial statements.

Net Surplus to Net Cash Flow from Operating Activities

Reconciliation of Net Surplus to Net Cash Flow

from Operating Activities for the year ended 30 June 2009

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP. ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Surplus From Statement of Financial Performance	7,269	(4,546)	(3,517)	8,564
Add/(Deduct) Non Cash Items				
Depreciation and Amortisation	9,526	11,209	9,911	8,630
Revaluation Gain on Properties	0	0	0	(234)
Net Losses on Derivative Financial Instruments	(19)	0	0	9
	9,507	11,209	9,911	8,405
Add/(Deduct) Movements in Working Capital Items				
(Increase)/Decrease in Accounts Receivable	(492)	1	(405)	(747)
(Increase)/Decrease in Inventories	691	(59)	791	418
(Increase)/Decrease in Prepayments	138	(8)	55	68
Increase/(Decrease) in Accounts Payable	4,294	(16,991)	285	(3,306)
Increase/(Decrease) in Provisions	117	0	0	(220)
Increase/(Decrease) in Revenue Received in Advance	(1,201)	(424)	(56)	(2,852)
Increase/(Decrease) in Employee Entitlements	832	82	25	479
	4,379	(17,399)	695	(6,160)
Add/(Deduct) Items Classified as Investing Activities				
Loss/(Gain) on Sale of Property, Plant and Equipment	(714)	0	1	(60)
	(714)	0	1	(60)
Net Cash Flows From Operating Activities	20,441	(10,736)	7,090	10,749

The statement of accounting policies and notes form an integral part of, and should be read in conjunction with, these financial statements.

Movements in Taxpayers' Funds

Statement of Movements in Taxpayers' Funds

for the year ended 30 June 2009

	NOTE	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP. ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Net Surplus/(Deficit) for the year		7,269	(4,546)	(3,517)	8,564
Increase/(decrease) in Revaluation Reserve	16	(925)	0	0	1,718
Total Recognised Revenue and Expenses		6,344	(4,546)	(3,517)	10,282
Provision for Payment of Surplus	16	(7,267)	0	0	(8,564)
Other Movements in Taxpayers Funds	16	234	0	0	0
Capital Contribution	16	9,159	16,559	19,061	520
Movement in Taxpayers' Funds for the year		8,470	12,013	15,544	2,238
Taxpayers' Funds as at 1 July		46,410	44,692	46,410	44,172
Taxpayers' Funds as at 30 June		54,880	56,705	61,954	46,410

The statement of accounting policies and notes form an integral part of, and should be read in conjunction with, these financial statements.

Commitments

Statement of Commitments

as at 30 June 2009

	ACTUAL 2008/09 \$000	ACTUAL 2007/08 \$000
Capital Commitments		
Capital Contracts for Goods and Services		
Less than one year	9,287	0
Total Capital Goods and Services Commitments	9,287	0
Operating Commitments		
Non-Cancellable Accommodation Leases		
Less than one year	9,779	8,836
One to two years	8,036	7,912
Two to five years	7,701	10,995
Over five years	989	663
Total Accommodation Commitments	26,505	28,406
Other Non-Cancellable Leases		
Less than one year	8,592	6,691
One to two years	6,524	6,543
Two to five years	4,893	11,417
Total Other Lease Commitments	20,009	24,651
Non-Cancellable Contracts for Goods and Services		
Less than one year	5,729	1,048
One to two years	1	2
Total Goods and Services Commitments	5,730	1,050
Total Commitments	61,531	54,107

Capital Commitments

Capital commitments are the aggregate amount of capital expenditure contracted for the acquisition of property, plant and equipment and intangible assets that have not been paid for, or not recognised as a liability, at the balance sheet date. The Capital commitments for 2008/09 relate to the Passport Personalisation project.

Non-Cancellable Lease Commitments

The Department leases property, plant and equipment in the normal course of its business. The majority of the leases are for premises, vehicles, office equipment and electronic monitoring of non-casino gaming machines. The non-cancellable leasing period for these leases varies. The 2007/08 other non-cancellable leases actual amounts have been restated to \$24.651 million from \$0.307 million to reflect the correct commitments as at 30th June 2008.

Non-Cancellable Contracts for Goods and Services

The Department has entered into non-cancellable contracts for IT maintenance, property maintenance and other contracts for service.

The statement of accounting policies and notes form an integral part of, and should be read in conjunction with, these financial statements.

Contingent Assets and Liabilities

Statement of Contingent Assets and Liabilities

as at 30 June 2009

Quantified Contingent Liabilities

	ACTUAL 2008/09 \$000	ACTUAL 2007/08 \$000
Legal Proceedings and Disputes		
Legal costs	215	0
Total Contingent Liabilities	215	0

Unquantified Contingent Liabilities

Year Ended 30 June 2009

The Department has no unquantified contingent liabilities.

Year Ended 30 June 2008

There was a personal grievance case pending against the Department that has not been quantified due to nature of the issue and uncertainty of the outcome. While an estimate of the financial effect cannot be made, management believes the resolution of this case would not have a materially adverse effect on the financial statements of the Department.

Contingent Assets

The Department has no contingent assets. (2008 – nil)

Unappropriated Expenditure

Statement of Unappropriated Expenditure

for the year ended 30 June 2009

Year Ended 30 June 2009

There was no Unappropriated Expenditure for the year ended 30 June 2009.

Year Ended 30 June 2008

Breaches of projected departmental net asset schedules

The 2007/08 Supplementary Estimates shows an operating deficit for 2007/08 financial year. The actuals have resulted in the Department having an operating surplus for 2007/08 financial year. The actual surplus has resulted in a technical breach of the net asset limits of the Public Finance Act 1989. Approval has been obtained from the Minister of Finance for this breach.

The statement of accounting policies and notes form an integral part of, and should be read in conjunction with, these financial statements.

Memorandum Accounts

Memorandum Accounts

for the year ended 30 June 2009

Memorandum accounts are notional accounts to record the accumulated balance of surpluses and deficits for outputs funded by fees charged to third parties. They are intended to provide a long-run perspective to the pricing of outputs.

	OPENING BALANCE 2008/09 \$000	MOVEMENT DURING 2008/09 \$000	CLOSING BALANCE 2008/09 \$000
<i>New Zealand Gazette</i>	141	220	361
Use of facilities and access to Lake Taupo by boat users	52	(50)	2
Passport products	3,481	2,091	5,572
Citizenship products	1,683	(1,239)	444
Marriage products	284	(223)	61
Issue of Birth, Death and Marriage certifications and other products	3,971	(712)	3,259
Administration of non-casino gaming	(8,500)	1,539	(6,961)

The memorandum accounts were established on 30 June 2002.

Action Taken to Address Surpluses and Deficits

New Zealand Gazette

The cost of publishing and distributing the *New Zealand Gazette* is recovered through third party fees. Fees are to be reviewed in the next six months to a level that will reduce the surplus over the next three financial years.

Use of Facilities and Access to Lake Taupo by Boat Users

The Department of Internal Affairs manages marina berths, jetties and boat ramps located about Lake Taupo. Fees are charged to third parties who use marina berths and boat ramps. Fee income is applied to recover the maintenance and administration cost of these facilities. Operating surpluses in any year will be applied in subsequent financial years. The operating surplus brought forward as at 1 July 2008 was used in 2008/09 to fund a higher level of maintenance required for boat ramps due to adverse weather and water conditions.

Passport Products

The purpose of this account is to support a strategy to stabilise fees based on full cost recovery over a four to five year planning horizon. This strategy supports the introduction of new technologies including the replacement of the ageing passport system within that timeframe. The current fees schedule was approved with effect from 4 November 2005. The balance in this account is affected by fluctuating volumes and the timing of system changes. The surplus is expected to reduce over the short to medium term as the passports developments are implemented.

Citizenship Products

The purpose of this account is to support a strategy to stabilise fees based on full cost recovery over a four to five year planning horizon. The negative movement in 2008/09, which will continue in 2009/10 reflects legislative changes which increased the citizenship eligibility qualifying period from 3 to 5 years of permanent residence. The current fees schedule was approved with effect from 1 September 2003 to recover full costs. Citizenship fees were last reviewed in 2005 and a review of fees is planned in 2009/10.

The statement of accounting policies and notes form an integral part of, and should be read in conjunction with, these financial statements.

Marriage Products

The purpose of this account is to support a strategy to stabilise fees based on full cost recovery over a four to five year planning horizon. The current fees schedule was approved with effect from 1 September 2003 to recover full costs. The negative movement in 2008/09 that is expected to continue in 2009/10 reflects higher costs since fees were last reviewed. A review of fees is planned in 2009/10.

Births, Deaths and Marriages Certificates, and Other Products

The purpose of this account is to support a strategy to stabilise fees based on full cost recovery over a four to five year planning horizon. This strategy includes the introduction of new technologies that allow greater access by applicants through the Internet. The current fees schedule was approved with effect from 1 September 2003 to recover full costs. The negative movement in 2008/09, which will continue in 2009/10 reflects higher costs and additional expenditure associated with the implementation of the Births, Deaths, Marriages and Relationships Registration legislation. As a result the accumulated surplus is expected to further decline.

Administration of Non-casino Gaming

Fees established to recover the cost of administration and regulation of non-casino gaming are reflected in gaming machine fees, licence fees and similar charges for differing types of gaming activity in addition to charges relating to the electronic monitoring of non-casino gaming machines. The accumulated deficit, recoverable over five years resulted from uncertainties surrounding the introduction of the Gambling Act 2003 and the electronic monitoring system in 2006, in particular around volumes and activity. The current fees schedule was approved with effect from 1 February 2008. The opening balance for 2008/09 has been restated to (\$8.500) million from (\$6.336) million to reflect the correct balance as at 1st July 2008.

The statement of accounting policies and notes form an integral part of, and should be read in conjunction with, these financial statements.

Departmental Appropriations and Expenditure

Statement of Departmental Expenditure Appropriations

for the year ended 30 June 2009

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP. ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Appropriations for Output Expenses				
Vote Community and Voluntary Sector				
Multi-Class Output Appropriation				
<i>Community and Voluntary Sector Services</i>				
Policy Advice – Community	1,687	1,705	1,769	1,763
Administration of Grants	14,438	12,240	15,278	13,439
Community Advisory Services	5,123	5,490	5,498	5,374
Total Community and Voluntary Sector Services	21,248	19,435	22,545	20,576
Total Vote Community and Voluntary Sector	21,248	19,435	22,545	20,576
Vote Emergency Management				
Multi-Class Output Appropriation				
<i>Emergency Management Services</i>				
Policy Advice – Emergency Management	927	860	980	868
Support Services, Information and Education	5,621	6,156	6,286	6,192
Management of National Emergency Readiness, Response and Recovery	3,985	4,321	4,341	3,916
Total Emergency Management Services	10,533	11,337	11,607	10,976
Total Vote Emergency Management	10,533	11,337	11,607	10,976
Vote Internal Affairs				
Multi-Class Output Appropriation				
<i>Policy and Advisory Services</i>				
Policy Advice – Internal Affairs	4,760	4,493	5,249	4,107
Information and Advisory Services	4,444	8,093	5,508	3,003
Total Policy and Advisory Services	9,204	12,586	10,757	7,110
Departmental Output Expenses				
Regulatory Services	25,166	25,306	25,845	25,494
Identity Services	84,704	89,531	88,977	86,226
Services for Ethnic Affairs	5,670	5,007	5,680	4,228
Contestable Services *	834	899	899	1,139
Total Vote Internal Affairs	125,578	133,329	132,158	124,197

The statement of accounting policies and notes form an integral part of, and should be read in conjunction with, these financial statements.

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP. ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Vote Local Government				
Multi-Class Output Appropriation				
<i>Services for Local Government</i>				
Policy Advice – Local Government	7,741	7,060	7,355	6,062
Information, Support and Regulatory Services – Local Government	5,080	5,233	5,784	5,466
Total Services for Local Government	12,821	12,293	13,139	11,528
Departmental Output Expenses				
Implementation of Auckland Governance Reforms	232	0	1,275	0
Total Vote Local Government	13,053	12,293	14,414	11,528
Vote Ministerial Services				
Departmental Output Expenses				
Support Services to Members of the Executive	30,154	27,282	30,375	26,663
Visits and Official Events Co-ordination	3,912	3,479	4,465	5,728
VIP Transport	7,653	7,195	7,919	7,303
Total Vote Ministerial Services	41,719	37,956	42,759	39,694
Vote Racing				
Departmental Output Expenses				
Policy Advice – Racing	195	361	270	214
Total Vote Racing	195	361	270	214
Total Department Appropriations	212,326	214,711	223,753	207,185

* The appropriation for Contestable Services is restricted by revenue earned. Revenue for the year ending 30 June 2009 was \$0.870 million (2007/08 \$1.146 million).

The statement of accounting policies and notes form an integral part of, and should be read in conjunction with, these financial statements.

Notes to the Financial Statements

Notes to the Financial Statements

for the year ended 30 June 2009

NOTE 1

Revenue Third Parties

	ACTUAL 2008/09 \$000	ACTUAL 2007/08 \$000
Passport Fees	53,391	55,321
Citizenship Fees	9,922	12,451
Birth, Death, Marriage and Civil Union Fees	10,620	10,151
Gaming Licences	17,501	17,036
Casino Operators' Levies	5,384	4,440
VIP Transport	7,004	6,577
Recovery from New Zealand Lottery Grants Board	9,711	9,214
<i>New Zealand Gazette</i>	1,096	978
Other	5,040	4,421
Total Revenue Third Parties	119,669	120,589

NOTE 2

Personnel Costs

	ACTUAL 2008/09 \$000	ACTUAL 2007/08 \$000
Salaries, Wages and Contractors	106,967	104,926
Employer Contribution to defined contribution plans	2,310	1,966
Increase/(decrease) in employee entitlements	835	775
Other Personnel Costs	2,418	2,982
Total Personnel	112,530	110,649

NOTE 3**Operating Expenses**

	ACTUAL 2008/09 \$000	ACTUAL 2007/08 \$000
Agency Fees	9,626	9,539
Computer Costs	11,530	9,912
Consultants	3,308	3,063
Inventory Costs	15,120	15,652
Office Expenses	12,938	12,512
Professional Fees	3,200	3,472
Publicity and Promotion	2,411	2,031
Rental and Leasing Costs	11,468	9,907
Staff Development	2,523	2,180
Travel Expenses	4,591	5,306
Fee for Audit of Financial Statements	185	189
Fee for Audit of NZ IFRS Transition	0	10
Fees to Auditors for Other Services Provided	45	10
Increase/(Decrease) in Provision for Doubtful Debts	17	2
Loss on Sale of Property, Plant and Equipment	151	(60)
Realised Foreign Exchange Losses/(Gains)	(17)	(8)
Unrealised Foreign Exchange Losses/(Gains)	(2)	17
Other Departmental Operating Costs	8,973	10,291
Total Operating Expenses	86,067	84,025

NOTE 4**Capital Charge**

The Crown imposes a capital charge on the Department's taxpayers' funds as at 30 June and 31 December each year. The capital charge rate in 2008/09 was 7.5% (2007/08: 7.5%).

NOTE 5**Cash and Cash Equivalents**

	ACTUAL 2008/09 \$000	ACTUAL 2007/08 \$000
New Zealand Bank Accounts	37,019	41,864
Overseas Bank Accounts		
Sydney	372	338
London	19	302
Total Cash and Cash Equivalents	37,410	42,504

Overseas bank accounts are shown in New Zealand dollars converted at the closing mid-point exchange rate.

NOTE 6**Accounts Receivable**

	ACTUAL 2008/09 \$000	ACTUAL 2007/08 \$000
Trade Receivables	4,504	4,002
Less Provision for Doubtful Debts	(37)	(27)
Total Accounts Receivable	4,467	3,975

The carrying value of trade receivables approximates their fair value.

As at 30 June 2009 and 2008, all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below.

	ACTUAL 2008/09			ACTUAL 2007/08		
	GROSS \$000	IMPAIRMENT \$000	NET \$000	GROSS \$000	IMPAIRMENT \$000	NET \$000
Not past due	4,122	(25)	4,097	3,765	(11)	3,754
Past due 1–30 days	310	(3)	307	191	(2)	189
Past due 31–60 days	43	(2)	41	19	(1)	18
Past due 61–90 days	15	(5)	10	5	(1)	4
Past due > 91 days	14	(2)	12	22	(12)	10
Total	4,504	(37)	4,467	4,002	(27)	3,975

The provision for doubtful debts has been calculated based on expected losses for the Department's pool of receivables. The expected losses have been determined based on analysis of the Department's losses in prior periods, and review of individual receivables.

Movements in the provision for doubtful debts are as follows:

	ACTUAL 2008/09 \$00	ACTUAL 2007/08 \$000
Balance at 1 July	27	62
Additional Provisions made during the year	17	2
Trade Receivables written off	(7)	(37)
	37	27

NOTE 7**Inventories**

	ACTUAL 2008/09 \$000	ACTUAL 2007/08 \$000
Passports		
Stock on hand	18	34
Work in Progress	691	736
Visits and Ceremonials		
Liquor	21	35
Civil Defence and Emergency Management		
Guides to National CDEM Plan	20	20
Birth, Death and Marriage Certificates		
Stock on hand	22	24
Citizenship		
Stock on hand	79	113
Work in Progress	753	1,333
Total Inventories	1,604	2,295

The carrying amount of inventories held for distribution that are measured at current replacement cost as at 30 June 2009 amounted to \$0. (2008 \$0)

No inventories are pledged as security for liabilities, however some inventories are subject to retention of title clauses.

NOTE 8**Derivative Financial Instruments**

The notional principal amounts of the outstanding forward exchange contracts at 30 June 2009 were Australian dollars \$1,350,000 (2008 \$1,050,000) and UK Sterling 120,000 (2008 140,000).

The fair value of forward exchange contracts has been determined using a discounted cash flows valuation technique based on stated market rates.

NOTE 9**Property, Plant and Equipment****2008/09**

COST OR VALUATION	BALANCE 1 JULY \$000	ADDITIONS \$000	REVALUATIONS \$000	DISPOSALS \$000	RECLASSED \$000	BALANCE 30 JUNE \$000
Land	6,175	0	(705)	(120)	0	5,350
Buildings	3,707	0	(230)	(80)	0	3,397
Lease Improvements	7,765	2,481	0	(186)	0	10,060
Antiques and Works of Art	456	0	0	0	0	456
Furniture and Fittings	627	56	0	(44)	0	639
Office Equipment	1,128	111	0	(41)	0	1,198
Motor Vehicles	5,048	4,141	0	(2,561)	0	6,628
Plant and Equipment	1,020	8	0	0	0	1,028
IT Equipment	10,211	1,814	0	(1,005)	74	11,094
Leased Assets	0	6,608	0	0	0	6,608
Total Cost	36,137	15,219	(935)	(4,037)	74	46,458

ACCUMULATED DEPRECIATION	BALANCE 1 JULY \$000	DEPRECIATION \$000	REVALUATIONS \$000	DISPOSALS \$000	RECLASSED \$000	BALANCE 30 JUNE \$000
Buildings	3	105	(10)	0	0	98
Lease Improvements	4,263	1,232	0	(167)	0	5,328
Furniture and Fittings	404	42	0	(26)	0	420
Office Equipment	690	191	0	(41)	0	840
Motor Vehicles	1,865	1,010	0	(1,456)	0	1,419
Plant and Equipment	686	59	0	0	0	745
IT Equipment	6,255	1,766	0	(984)	0	7,037
Leased Assets	0	0	0	0	0	0
Total Accumulated Depreciation	14,166	4,405	(10)	(2,674)	0	15,887

2007/08

COST	BALANCE 1 JULY \$000	ADDITIONS \$000	REVALUATIONS \$000	DISPOSALS \$000	RECLASSED \$000	BALANCE 30 JUNE \$000
Land	4,765	0	1,410	0	0	6,175
Buildings	3,362	0	311	0	34	3,707
Lease Improvements	6,873	926	0	0	(34)	7,765
Antiques and Works of Art	416	0	40	0	0	456
Furniture and Fittings	609	31	0	(13)	0	627
Office Equipment	998	123	0	(17)	24	1,128
Motor Vehicles	4,229	1,479	0	(660)	0	5,048
Plant and Equipment	905	128	0	(13)	0	1,020
IT Equipment	8,447	2,256	0	(468)	(24)	10,211
Leased Assets	0	0	0	0	0	0

Total Cost	30,604	4,943	1,761	(1,171)	0	36,137
-------------------	---------------	--------------	--------------	----------------	----------	---------------

ACCUMULATED DEPRECIATION	BALANCE 1 JULY \$000	DEPRECIATION \$000	REVALUATIONS \$000	DISPOSALS \$000	RECLASSED \$000	BALANCE 30 JUNE \$000
Buildings	97	96	(191)	0	1	3
Lease Improvements	2,984	1,280	0	0	(1)	4,263
Furniture and Fittings	376	41	0	(13)	0	404
Office Equipment	532	171	0	(13)	0	690
Motor Vehicles	1,504	775	0	(414)	0	1,865
Plant and Equipment	623	70	0	(7)	0	686
IT Equipment	5,266	1,457	0	(468)	0	6,255
Leased Assets	0	0	0	0	0	0

Total Accumulated Depreciation	11,382	3,890	(191)	(915)	0	14,166
---------------------------------------	---------------	--------------	--------------	--------------	----------	---------------

CARRYING VALUES	ACTUAL 2008/09			ACTUAL 2007/08		
	COST OR VALUATION \$000	ACCUMULATED DEPRECIATION \$000	CARRYING VALUE \$000	COST OR VALUATION \$000	ACCUMULATED DEPRECIATION \$000	CARRYING VALUE \$000
Land at valuation	5,350	0	5,350	6,175	0	6,175
Buildings	3,397	(98)	3,299	3,707	(3)	3,704
Lease Improvements	10,060	(5,328)	4,732	7,765	(4,263)	3,502
Antiques and Works of Art	456	0	456	456	0	456
Furniture and Fittings	639	(420)	219	627	(404)	223
Office Equipment	1,198	(840)	358	1,128	(690)	438
Motor Vehicles	6,628	(1,419)	5,209	5,048	(1,865)	3,183
Plant and Equipment	1,028	(745)	283	1,020	(686)	334
IT Equipment	11,094	(7,037)	4,057	10,211	(6,255)	3,956
Leased Assets	6,608	0	6,608	0	0	0
Total Property, Plant and Equipment	46,458	(15,887)	30,571	36,137	(14,166)	21,971

Leased Assets

The net carrying amount of the leased assets (Passport Printers) held under finance lease is \$6,608,000 (2008 nil).

Revaluation Basis

Valuations for land, buildings and antiques and works of art were made on the basis of fair value determined by the highest and best use for these assets.

Land and Buildings

Ministerial Properties

DTZ New Zealand Ltd (MREINZ), registered independent valuer, conducted a valuation of Ministerial Properties land and buildings for the Department in April 2008 with valuations effective 30 June 2008.

Lake Taupo

DTZ New Zealand Ltd (MREINZ), registered independent valuer, conducted a valuation of the structures controlled by Lake Taupo Harbourmaster for the Department in May 2009 with valuations effective 30 June 2009.

Antiques and Works of Art

A valuation of antiques and works of art was undertaken by Dunbar Sloane Ltd, an independent expert, in May 2008.

Revaluation Movement

	LAND	BUILDINGS	ANTIQUES & WORKS OF ART	TOTAL
Revaluation Movement	(705)	(220)	0	(925)
allocated to:				
Revaluation Reserve	0	13	0	13
Reversal of Reserve associated with disposed assets	(705)	(233)	0	(938)

Revaluation gain coded to Statement of Financial Performance reverses previous revaluation losses recognised.

Capital Work in Progress

The total amount of property, plant and equipment in the course of construction is \$7,767,000 (2008 \$1,239,000). The property, plant and equipment in the course of construction includes the total assets held under the finance lease.

Impairments Losses

Impairment losses of \$0 (2008 \$0) have been recognised.

NOTE 10

Intangible Assets

2008/09

	BALANCE 1 JULY \$000	ADDITIONS \$000	DISPOSALS \$000	RECLASSED \$000	BALANCE 30 JUNE \$000
COST					
Total Intangibles Assets	35,767	19,864	(1,760)	(74)	53,797

	BALANCE 1 JULY \$000	AMORTISATION \$000	DISPOSALS \$000	RECLASSED \$000	BALANCE 30 JUNE \$000
ACCUMULATED AMORTISATION					
Total Intangibles Assets	19,048	5,121	(1,726)	0	22,443

2007/08

	BALANCE 1 JULY \$000	ADDITIONS \$000	DISPOSALS \$000	RECLASSED \$000	BALANCE 30 JUNE \$000
COST					
Total Intangibles Assets	30,733	5,084	(50)	0	35,767

	BALANCE 1 JULY \$000	AMORTISATION \$000	DISPOSALS \$000	RECLASSED \$000	BALANCE 30 JUNE \$000
ACCUMULATED AMORTISATION					
Total Intangibles Assets	14,358	4,740	(50)	0	19,048

	ACTUAL 2008/09			ACTUAL 2007/08		
CARRYING VALUES	COST OR VALUATION \$000	ACCUMULATED AMORTISATION \$000	CARRYING VALUE \$000	COST OR VALUATION \$000	ACCUMULATED AMORTISATION \$000	CARRYING VALUE \$000
Total Intangibles Assets	53,797	(22,443)	31,354	35,767	(19,048)	16,719

Capital Work in Progress

The total amount of intangibles in the course of construction is \$15,451,000 (2008 \$2,828,000).

There are no restrictions over the title of the Department's intangible assets and no intangible assets are pledged as security for liabilities.

NOTE 11**Accounts Payable**

	ACTUAL 2008/09 \$000	ACTUAL 2007/08 \$000
Accounts Payable	8,012	6,463
Accrued Expenses	10,527	8,937
Accrued Salaries	1,575	1,041
GST Payable	945	324
Total Accounts Payable	21,059	16,765

Accounts Payable are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of account payables approximates their fair value.

NOTE 12**Provisions**

	ACTUAL 2008/09			ACTUAL 2007/08		
	REORGANISATION \$000	OTHER \$000	TOTAL \$000	REORGANISATION \$000	OTHER \$000	TOTAL \$000
Opening Balance	0	1,049	1,049	223	1,046	1,269
Additional provisions made during the year	0	302	302	0	340	340
Charge against provision for the year	0	(185)	(185)	(204)	(337)	(541)
Unused provisions reversed	0	0	0	(19)	0	(19)
Closing Balance	0	1,166	1,166	0	1,049	1,049

The 'Reorganisation' provision (\$0.223m) was established in 2006/07 to centralise functions within the Department. This centralisation was fully completed by the end of 2007/08.

A staff development programme is the major component of the 'other' provision.

NOTE 13**Revenue Received in Advance**

	ACTUAL 2008/09 \$000	ACTUAL 2007/08 \$000
Identity Products	4,065	6,462
<i>New Zealand Gazette</i>	53	58
Licensing Fees	2,848	1,600
National Dogs Database	68	115
Total Revenue Received in Advance	7,034	8,235

NOTE 14**Employee Entitlements**

	ACTUAL 2008/09 \$000	ACTUAL 2007/08 \$000
Current		
Annual Leave	5,712	5,147
Sick Leave	189	178
Long Service and Retirement Leave	467	576
Total Current Entitlements	6,368	5,901
Long Term		
Long Service and Retirement Leave	1,157	792
Total Employee Entitlements	7,525	6,693

Long service, retirement leave and sick leave are calculated on an actuarial basis. The portion not considered payable in the next twelve months is recognised as a term liability. The current portion is recognised as a current liability. The assessment was undertaken for each employee as at 30 June 2009. Actuarial services were provided by Mercer Human Resource Consulting Ltd. The report was prepared by Paul Dalebroux, Fellow of the New Zealand Society of Actuaries.

NOTE 15**Finance Leases**

	ACTUAL 2008/09 \$000	ACTUAL 2007/08 \$000
Minimum Lease Payments Payable		
Not later than one year	1,589	0
Later than one year and not later than five years	6,356	0
Total Minimum Lease Payments	7,945	0
Future Finance Charges	(1,337)	0
Present Value of Minimum Lease Payments Payable	6,608	0
Not later than one year	1,059	0
Later than one year and not later than five years	5,549	0
Total Present Value of Minimum Lease Payments	6,608	0
Finance Leases		
Current	1,059	0
Non-current	5,549	0
	6,608	0

Description of leasing arrangements

The Department has entered into a finance lease for the supply of specialist printing equipment required for printing passport books. The net carrying amount of the leased assets is shown within Note 9 Property, Plant and Equipment.

There are no restrictions placed on the Department by the finance lease arrangement.

Finance lease liabilities are effectively secured as the rights to the leased assets reverted to the lessor in the event of default.

NOTE 16

Movements In Taxpayers' Funds

Taxpayers' funds represent the Crown's net investment in the Department.

a) Provision for Payment of Surplus

The Department is required to repay the surplus to the Crown by 31 October each year.

	ACTUAL 2008/09 \$000	ACTUAL 2007/08 \$000
Net Surplus as per Statement of Financial Performance	7,269	8,564
Unrealised Foreign Exchange Losses/(Gains)	(2)	0
Provision for Payment of Surplus	7,267	8,564

b) General Funds

	ACTUAL 2008/09 \$000	ACTUAL 2007/08 \$000
Opening Balance	43,036	42,516
Net Surplus/(deficit)	7,269	8,564
Capital Contribution	9,159	520
Other Movements	234	0
Provision for Repayment of Surplus	(7,267)	(8,564)
Closing Balance	52,431	43,036

c) Revaluation Reserve

	ACTUAL 2008/09			ACTUAL 2007/08		
	OPENING BALANCE \$000	REVALUATION MOVEMENT \$000	CLOSING BALANCE \$000	OPENING BALANCE \$000	REVALUATION MOVEMENT \$000	CLOSING BALANCE \$000
Land	2,872	(705)	2,167	1,462	1,410	2,872
Buildings	268	(220)	48	0	268	268
Antiques and Works of Art	234	0	234	194	40	234
Total Revaluation Reserve	3,374	(925)	2,449	1,656	1,718	3,374

d) Capital Contribution

	ACTUAL 2008/09 \$000	ACTUAL 2007/08 \$000
IT Infrastructure	3,019	0
Securing and Protecting New Zealander's Identity Information	2,010	0
Development of Evidence of Identity Technical Infrastructure	2,000	0
Passport Systems Redevelopment	1,700	0
Anti-Spam Regulation	250	0
BDM Registration Amendment Bill	180	0
National Warning System	0	120
Backup Emergency Operations Facilities	0	400
Total Capital Contribution	9,159	520

NOTE 17**Financial Instruments**

The Department is party to financial instrument arrangements as part of its daily operations. These include cash and cash equivalents, accounts receivable, accounts payable and provisions, accrued expenses, term accrued expenses and foreign currency forward contracts.

a) Currency Risk

Currency risk is the risk that accounts receivable and accounts payable due in foreign currency will fluctuate because of changes in foreign exchange rates. Foreign exchange forward contracts are used to manage foreign exchange exposures.

The Department maintains bank accounts denominated in foreign currencies. Balances are regularly cleared to minimise exposure risk.

Sensitivity Analysis

At 30 June 2009, if the New Zealand dollar had weakened or strengthened by 5% against the Australian dollar with all other variables held constant, the surplus for the year would have been \$79,000 higher or \$88,000 lower (2008 \$62,000 higher or \$69,000 lower). This movement is attributable to the foreign exchange gains/losses on translation of Australian dollar denominated derivative financial instruments.

At 30 June 2009, if the New Zealand dollar had weakened or strengthened by 5% against UK Sterling with all other variables held constant, the surplus for the year would have been \$15,000 higher or \$16,000 lower (2008 \$17,000 higher or \$19,000 lower). This movement is attributable to the foreign exchange gains/losses on translation of UK Sterling denominated derivative financial instruments.

b) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could impact on the return on investment or the cost of borrowing.

Under section 46 of the Public Finance Act 1989, the Department cannot raise a loan without approval of the Minister of Finance. Office equipment leases are identified as finance leases in accordance with SSAP-18 Accounting for Leases and Hire Purchase Contracts. The Department has received the Minister of Finance approval for these leases. The fixed interest rate on the term of these leases reduces the exposure on borrowed funds.

c) Credit Risk

Credit risk is the risk that a third party will default on its obligations to the Department, causing the Department to incur a loss.

Financial instruments, which potentially subject the Department to credit risk, consist of cash and bank balances and trade receivables.

The Department banks with Treasury approved financial institutions.

Credit evaluations are undertaken on customers requiring credit. Collateral or other security is not generally required to support financial instruments with credit risk. Other than cash and bank balances and trade receivables, the Department does not have any significant credit risk.

d) Maximum exposures to credit risk

	ACTUAL 2008/09 \$000	ACTUAL 2007/08 \$000
Cash and Cash Equivalents	37,388	42,482
Accounts Receivable	4,467	3,975
Total	41,855	46,457

Cash and Cash Equivalents exclude any cash physically held including Petty Cash as cash is not exposed to credit risk.

e) Liquidity risk

Liquidity risk is the risk that the Department will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, the Department closely monitors its forecast cash requirements with expected drawdowns from the New Zealand Debt Management Office. The Department maintains a target level of available cash to meet liquidity requirements.

The table below analyses the Department's financial liabilities that will be settled based on the remaining period at year-end to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	LESS THAN 6 MONTHS \$000	BETWEEN 6 MONTHS AND 1 YEAR \$000	BETWEEN 1 YEAR AND 5 YEARS \$000	OVER 5 YEARS \$000
2008/09				
Accounts Payable	21,059	0	0	0
Derivative Financial Instruments	0	0	0	0
2007/08				
Accounts Payable	16,765	0	0	0
Derivative Financial Instruments	17	0	0	0

f) Nominal Value

The Department has six foreign exchange forward contracts with a nominal value of \$1.983 million (2008: six contracts valued at \$1.679 million).

NOTE 18**Categories of Financial Instruments**

The carrying amounts of financial assets and financial liabilities in each of the NZ IAS 39 categories are as follows:

	NOTE	ACTUAL 2008/09 \$000	ACTUAL 2007/08 \$000
Loans and receivables			
Cash and Cash Equivalents	5	37,410	42,504
Accounts Receivable	6	4,467	3,975
Total loans and receivables		41,877	46,479
Fair value through profit and loss			
Derivative financial instrument assets/(liabilities)		2	(17)
Financial liabilities measured at amortised cost			
Accounts Payable	11	(21,059)	(16,765)

NOTE 19**Capital Management**

The Department's capital is its taxpayers' funds, which comprise general funds and revaluation reserves. Equity is represented by net assets.

The Department manages its revenues, expenses, assets, liabilities and general financial dealings prudently. The Department's taxpayers' funds are largely managed by a by-product of managing income, expenses, assets, liabilities and compliance with the Government Budget processes and with Treasury instructions.

The objective of managing the Department's taxpayers' funds is to ensure the Department effectively achieves its goals and objectives for which it has been established, while remaining a going concern.

NOTE 20**Explanation of Significant Variance between Actual and Main Estimates – Statement of Financial Performance**

Explanations for significant variances above 5% between Actual and Main Estimates for 2008/09 are as follows:

	NOTE	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	UNDERSPEND/ (OVERSPEND) 2008/09 \$000	UNDERSPEND/ (OVERSPEND) 2008/09 %
Crown Revenue	(a)	98,348	93,236	(5,112)	(5)

a) Crown revenue

The Department's baseline increased by \$5.047 million in the 2008/09 year mainly due to additional funding for:

- » implementation of the recommendation of the government's decisions on the recommendations of the Royal Commission on Auckland Governance;
- » servicing of ministerial offices; and
- » the guests of government visit programme.

Explanation of Significant Variance between Actual and Main Estimates – Statement of Financial Position

Explanations for significant variances above 5% between Actual and Main Estimates for 2008/09 are as follows:

	NOTE	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	UNDERSPEND/ (OVERSPEND) 2008/09 \$000	UNDERSPEND/ (OVERSPEND) 2008/09 %
Cash and Cash Equivalents	(a)	37,410	20,094	(17,316)	(86)
Accounts Receivable	(b)	4,467	3,228	(1,239)	(38)
Inventories	(c)	1,604	2,767	1,163	42
Prepayments	(d)	131	571	440	77
Intangible Assets	(e)	31,354	29,012	(2,342)	(8)
Accounts Payable	(f)	21,059	18,102	(2,957)	(16)
Revenue Received in Advance	(g)	7,034	9,869	2,835	29
Employee Entitlements – Current Liabilities	(h)	6,368	4,836	(1,532)	(32)
Employee Entitlements – Non Current Liabilities	(i)	1,157	695	(462)	(66)
Revaluation Reserve	(j)	2,449	1,656	(793)	(48)

Statement of Financial Position

a) Cash and Cash Equivalents

The cash and bank balances were higher than initially forecast in the Main Estimates due to the operating surplus against a budgeted deficit and higher than forecast accounts payable.

b) Accounts Receivable

Accounts receivable are higher than forecast at Main Estimates due to higher year end recoverables than anticipated for VIP Transport and the Lottery Grants Board.

c) Inventories

Inventories are lower than forecast at Main Estimates due to the lower than anticipated number of uncompleted Citizenship applications. This results in a lower level of work in progress at year end.

d) Prepayments

Prepayments are lower than Main Estimates due to lower than anticipated prepayments for software licence and support fees.

e) Intangible Assets

Intangible assets are higher than the Mains Estimates mainly due to the timing of expenditure on passport redevelopment.

f) Accounts Payable

Accounts Payable are higher than Main Estimates mainly due to the timing of year end payments.

g) Revenue Received in Advance

Revenue Received in Advance was lower than forecast due to a lower level of incomplete Citizenship applications at 30 June 2009 than anticipated.

h) Employee Entitlements – Current Liabilities

The increase in employee entitlements was due to a higher level of accrued leave for the Department in 2008/09 than anticipated.

i) Employee Entitlements – Non-Current Liabilities

The increase in employee entitlements variance was due to a higher level of long service and retirement leave for the Department in 2008/09 than anticipated.

j) Revaluation Reserve

The increase in revaluation reserves relates to the timing of the revaluation of ministerial properties in 2008/09.

NOTE 21

Reconciliation between Total Operating Expenses and Total Appropriations

The financial information shown for each Output expense on the Statement of Service Performance and in the Statement of Departmental Appropriations and Expenditure includes revenue earned from other business units within the Department. The intra-entity charging reported at output expense level has been eliminated from the other departmental financial statements.

	ACTUAL 2008/09 \$000	ACTUAL 2007/08 \$000
Total Operating Expenses in Statement of Financial Performance	211,613	206,641
Gain on Sale of Property, Plant and Equipment	(32)	0
Revaluation Gain	0	(234)
Intra-entity Expenditure	745	778
Total Appropriations in Statement of Departmental Appropriations and Expenditure	212,326	207,185

NOTE 22

Related Parties

The Department of Internal Affairs is a government department and wholly owned and controlled by the Crown. The Department undertakes a number of trading activities with the Crown, other government departments, Crown entities and state-owned enterprises who are related parties as they are similarly related to the Crown.

All material transactions are on an arms' length basis, with the interests of each party being completely independent.

Where there are close family members of key management personnel employed by the Department, the terms and conditions of the employment arrangements are no more favourable than the Department would have adopted if there were no relationship to key management personnel.

Key Management Personnel Compensation

	ACTUAL 2008/09 \$000	ACTUAL 2007/08 \$000
Salaries and other Short-Term Employee Benefits	2,274	2,104
Post-employment Benefits	94	73
Other Long-Term Benefits	12	25
Total Key Management Personnel Compensation	2,380	2,202

Key management personnel include the Chief Executive and the eight members of the Executive Leadership Team. The position of Chief Executive was held by two individuals during 2007/08.

Departmental Financial Results

Summary of Departmental Financial Results

	UNIT	ACTUAL 2008/09	ACTUAL 2007/08
Working Capital			
Liquid Ratio		0.85:1	1.05:1
Current Ratio		0.99:1	1.21:1
Average Debtors Outstanding	days	11	10
Average Creditors Outstanding	days	22	25
Resource Utilisation			
Physical Assets:			
Physical Assets as % of Total Assets	%	58.67	44.10
Additions as % of Physical Assets	%	45.98	25.92
Taxpayers' Funds:			
Level at year-end	\$000	54,880	46,410
Taxpayers' Funds as % of Total Assets	%	52.00	52.90

part five »
financial statements –
non-departmental

Accounting Policies	118
Revenue and Expenditure	120
Expenditure and Appropriations	121
Unappropriated Expenditure	124
Assets and Liabilities	125
Commitments	126
Contingent Assets and Liabilities	126
Notes to the Financial Schedules	127
Trust Money Administered on Behalf of the Crown	132

Accounting Policies

Non-Departmental Accounting Policies

for the year ended 30 June 2009

Reporting Entity

The financial schedules for Crown activities administered by the Department have been prepared in accordance with the Government's accounting policies as set out in the Financial Statements of the Government, and in accordance with relevant Treasury instructions and Treasury circulars.

These financial schedules are consolidated into the Financial Statements of the Government and therefore readers of these schedules should also refer to the Crown Financial statements for 2008/09.

Reporting Period

The reporting period for these financial schedules is the year ended 30 June 2009.

Budget Figures

The budget figures are those presented in the Budget 2008 Estimates of Appropriation (Main Estimates) and those amended by the Supplementary Estimates (Supp. Estimates).

Statement of Compliance

These financial schedules have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Accounting Policies

The measurement base applied is that of historical cost modified by revaluation of land and buildings.

The accrual basis of accounting has been used unless otherwise stated. These financial schedules are presented in New Zealand dollars rounded to the thousand.

Goods and Services Tax (GST)

Amounts in the financial schedules are reported exclusive of GST except for accounts receivable and accounts payable. GST input tax on non-departmental expenditure is expensed.

Revenue

Revenues from the supply of services are recognised when earned in the schedule of Revenue and Expenditure on a straight line basis over the specified period for the services.

Expenses

Where grants are discretionary the expense is recognised when the grant has been approved and approval has been communicated to the recipient, thereby creating a constructive obligation. Otherwise the expense is recognised when the specified criteria have been fulfilled and notice has been given to the Department.

Financial Instruments

Designation of financial assets and financial liabilities is determined by the business purpose of the financial instruments, policies and practices for their management, their relationship with other instruments and the reporting costs and benefits associated with each designation.

Financial Assets

Cash includes cash in transit and bank accounts.

Accounts receivable have been designated as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Loans and receivables entered into with a duration of less than 12 months are recognised at their nominal value. At each balance date, the Department assesses whether there is any objective evidence that loans and receivables are impaired. Any impairment losses are recognised in the Schedule of Revenue and Expenses as bad debts.

Financial Liabilities

Financial liabilities are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities entered into with duration less than 12 months are recognised at their nominal value.

Property, Plant and Equipment

Revaluations are carried out for land and buildings to reflect the service potential or economic benefit obtained through control of these assets. Land and buildings are recorded at fair value less impairment losses and, for buildings, less depreciation accumulated since the assets were last revalued. Valuations undertaken in accordance with the standards issued by the New Zealand Property Institute are used.

Land and Buildings are revalued at least every five years or whenever the carrying amount differs materially to fair value. Unrealised gains and losses arising from changes in the value of land and buildings are recognised as at balance date. To the extent that a gain reverses a loss previously charged to the Schedule of Revenue and Expenditure for the asset class, the gain is credited to the Schedule of Revenue and Expenditure. Otherwise, gains are credited to an asset revaluation reserve for that class of asset. To the extent that there is a balance in the asset revaluation reserve for the asset class any loss is debited to the reserve. Otherwise, losses are reported in the Schedule of Revenue and Expenditure.

Accumulated depreciation at revaluation date is eliminated against the gross carrying amount so that the carrying amount after revaluation equals the revalued amount.

Realised gains and losses arising from disposal of land and property are recognised in the Schedule of Revenue and Expenditure in the period in which the transaction occurs.

The carrying amounts of land and property are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the Schedule of Revenue and Expenditure, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease.

Depreciation

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, less any estimated residual value, over its estimated useful life. The estimated useful lives for buildings ranges from 10 to 66 years.

Other Liabilities and Provisions

Other liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

Commitments

Operating and capital commitments arising from non-cancellable contractual or statutory obligations are disclosed within the Schedule of Commitments to the extent that both parties have not performed their obligations.

Contingent Assets and Liabilities

Contingent assets and contingent liabilities are recorded in the Schedule of Contingent Assets and Contingent Liabilities at the point at which the contingency is evident. Contingent assets are disclosed if it is probable that the benefits will be realised. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote.

Changes in Accounting Policies

Accounting policies are changed only if the change is required by a standard or interpretation or otherwise provides more reliable and more relevant information.

There have been no changes in accounting policies. All policies have been applied on a basis consistent with the previous year.

Comparatives

When presentation or classification of items in the financial schedules are amended or accounting policies are changed voluntarily, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

Revenue and Expenditure

Non-Departmental Schedule of Revenue and Expenditure for the year ended 30 June 2009

	NOTE	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP. ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Revenue and Receipts	1				
Vote Community and Voluntary Sector		166	10	10	107
Vote Internal Affairs		174	0	0	85
Vote Local Government		1	0	0	0
Vote Ministerial Services		5	10	10	10
Total Revenue and Receipts		346	20	20	202
Appropriated Expenditure					
Vote Community and Voluntary Sector		35,394	33,552	35,815	27,897
Vote Emergency Management		2,252	989	3,679	2,738
Vote Internal Affairs		2,514	2,313	2,661	3,184
Vote Local Government		56,053	80,423	64,593	60,473
Vote Ministerial Services		20,492	18,711	20,287	19,039
Vote Racing		4,597	4,000	4,635	365
Total Appropriated Expenditure		121,302	139,988	131,670	113,696
Other Expenditure					
GST	2	11,846	15,432	14,598	12,163
Total Expenditure		133,148	155,420	146,268	125,859

Refer to the Schedule of Non-Departmental Expenditure and Appropriations for details of Appropriated Expenditure.

The Non-Departmental accounting policies and notes form an integral part of, and should be read in conjunction with, these financial schedules.

Non-Departmental Expenditure and Appropriations

Schedule of Non-Departmental Expenditure and Capital Expenditure Appropriations for the year ended 30 June 2009

Appropriations for Expense Items	NOTE	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP. ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Vote Community and Voluntary Sector					
Non-Departmental Output Expenses					
Charities-Administration	3,4	5,932	3,370	6,154	5,747
Community Based Youth Development Fund		0	0	0	420
Other Expenses to be Incurred by the Crown					
Community Development Scheme		2,560	2,560	2,560	2,273
Community Internship Programme	3	421	581	581	231
Community Organisation Grants Scheme		13,967	14,000	14,000	11,462
Community Partnership Fund		11,768	12,289	11,768	7,016
Disarmament Education Grants		150	150	150	150
Support for Volunteering		402	402	402	402
Youth Workers Training Scheme		194	200	200	196
Total Appropriations		35,394	33,552	35,815	27,897
Vote Emergency Management					
Other Expenses to be Incurred by the Crown					
Emergency Expenses	3,4	1,363	100	2,790	1,849
Subsidies to Local Government		889	889	889	889
Total Appropriations		2,252	989	3,679	2,738
Vote Internal Affairs					
Non-Departmental Output Expenses					
Classification of Films, Videos and Publications		1,960	1,960	1,960	1,960
Significant Community Based Project Fund		0	0	0	846
Other Expenses to be Incurred by the Crown					
Miscellaneous Grants (Internal Affairs)	3	31	49	49	26
Public Inquiries	3,4	523	304	652	352
Total Appropriations		2,514	2,313	2,661	3,184
Vote Local Government					
Benefits and Other Unrequited Expenses					
Rates Rebate Scheme	3,4	52,597	76,565	60,715	44,786
Other Expenses to be Incurred by the Crown					
Chatham Islands Council	3	1,828	2,231	2,231	1,721
Depreciation	4	128	127	147	128
Grants to Assist in Land Purchases		0	0	0	1,000
Tuwaharetoa Maori Trust Board		1,500	1,500	1,500	12,838
Total Appropriations		56,053	80,423	64,593	60,473

The Non-Departmental accounting policies and notes form an integral part of, and should be read in conjunction with, these financial schedules.

Non-Departmental Expenditure and Appropriations CONTINUED

	NOTE	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP. ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Vote Ministerial Services					
Benefits and Other Unrequited Expenses					
Annuities to Former Governors-General, Prime Ministers and Widows	3,4	657	400	450	407
Other Expenses to be Incurred by the Crown					
Depreciation	3,4	131	121	137	119
Executive Council and Ministers' Salaries and Allowances	3,4	7,921	7,210	7,720	7,194
Governors-General Pension Arrangements	3,4	19	20	20	218
Ministers' Internal and External Travel	3,4	11,278	10,440	11,440	10,596
Travel for Former Governors-General and Prime Ministers	3	486	520	520	505
Total Appropriations		20,492	18,711	20,287	19,039
Vote Racing					
Other Expenses to be Incurred by the Crown					
Racing Promotion and Sponsorship Scheme		2,976	3,000	3,000	0
Racing Safety Development Fund	3,4	1,621	1,000	1,635	365
Total Appropriations		4,597	4,000	4,635	365
Total Non-Departmental Expenses		121,302	139,988	131,670	113,696
Appropriations for Capital Items					
Vote Local Government					
Purchase or Development of Capital Assets by the Crown					
Capital Investments – Lake Taupo	3	169	34	196	17
Total Appropriations for Capital Items		169	34	196	17
Total Appropriations		121,471	140,022	131,866	113,713

Details of Multi-year Appropriations

The Department has multi-year appropriation for other expenses to be incurred by the Crown for Vote Community and Voluntary Sector and non-departmental output expenditure for Vote Internal Affairs.

The Community Partnership Fund under Vote Community and Voluntary Sector is a contestable fund for the development of initiatives by partnerships that will improve capability and skills to use information and communication technology, and develop community driven requirements for digital content. This appropriation commenced on 1 July 2005 and will finish on 30 June 2009.

The Significant Community-based Project Fund under Vote Internal Affairs is an appropriation to support major community-based projects that have a range of benefits contributing to regional and/or national outcomes with particular reference to arts, culture and heritage; sport and recreation; tourism; conservation and the environment; and economic development. This appropriation commenced on 1 July 2005 and will finish on 30 June 2009.

The Non-Departmental accounting policies and notes form an integral part of, and should be read in conjunction with, these financial schedules.

	VOTE COMMUNITY AND VOLUNTARY SECTOR COMMUNITY PARTNERSHIP FUND (\$000)	VOTE INTERNAL AFFAIRS SIGNIFICANT COMMUNITY BASED PROJECT FUND (\$000)
MYA* commences	1 July 2005	1 July 2005
MYA expires	30 June 2009	30 June 2009
Original Appropriation	17,403	32,000
Adjustments	5,607	846
Total Appropriation	23,010	32,846
Actuals to 2005/06 Year End	0	19,254
Actuals to 2006/07 Year End	4,226	32,000
Actuals to 2007/08 Year End	11,242	32,846
Actuals to 2008/09 Year End	23,010	32,846

* MYA = Multi-year appropriation

The Non-Departmental accounting policies and notes form an integral part of, and should be read in conjunction with, these financial schedules.

Unappropriated Expenditure

Schedule of Non-Departmental Unappropriated Expenditure and Capital Expenditure for the year ended 30 June 2009

The Statement of Unappropriated Expenditure details the amount of expenditure incurred above appropriation.

2008/09 Unappropriated Expenditure against Main Estimates

There was no unappropriated expenditure against Main Estimates for the year ended 30 June 2009, or the previous financial year.

2008/09 Unappropriated Expenditure against Supplementary Estimates

There was no unappropriated expenditure against Supplementary Estimates for the year ended 30 June 2009.

2007/08 Unappropriated Expenditure against Supplementary Estimates

Appropriations for Expense Items	ACTUAL 2007/08 \$000	SUPP. ESTIMATES 2007/08 \$000	UNAPPROPRIATED EXPENDITURE 2007/08 \$000
Vote Ministerial Services			
<i>Other Expenses to be Incurred by the Crown</i>			
Ministers' Internal and External Travel	10,596	10,440	156

Ministers' Internal and External Travel incurred unappropriated expenditure of \$0.156m due to higher travel costs for Members of the Executive. The Minister of Finance approved the incurring of this over expenditure under section 26(b) of the Public Finance Act 1989.

The Non-Departmental accounting policies and notes form an integral part of, and should be read in conjunction with, these financial schedules.

Assets and Liabilities

Schedule of Non-Departmental Assets and Liabilities as at 30 June 2009

The Schedule of Assets summarises the assets the Department administers on behalf of the Crown.

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	SUPP. ESTIMATES 2008/09 \$000	ACTUAL 2007/08 \$000
Assets				
Current Assets				
Cash	55,193	50,802	30,382	62,171
Accounts Receivable	238	12	147	222
Total Current Assets	55,431	50,814	30,529	62,393
Non Current Assets				
Land – Ministerial Properties	8,250	8,250	8,250	8,250
Buildings – Ministerial Properties	4,954	4,449	4,226	5,085
Buildings – Lake Taupo Harbourmaster	4,865	4,239	5,134	4,363
Total Non Current Assets	18,069	16,938	17,610	17,698
Total Assets	73,500	67,752	48,139	80,091
Liabilities				
Current Liabilities				
Payables	30,405	19,224	14,936	21,334
Total Current Liabilities	30,405	19,224	14,936	21,334
Term Liabilities				
Provisions	10,498	10,005	10,251	10,251
Total Term Liabilities	10,498	10,005	10,251	10,251
Total Liabilities	40,903	29,229	25,187	31,585

Land and Buildings

DTZ New Zealand Ltd (MREINZ), registered independent valuer, conducted a valuation of non-departmental Ministerial Properties land and buildings during April 2008 with valuations effective 30 June 2008. The Lake Taupo Boating Facilities have been revalued by DTZ New Zealand Ltd (MREINZ), registered independent valuer in May 2009 with valuations effective 30 June 2009.

The Ministerial Properties comprising of Premier House, Vogel House and Bolton Street are restricted for Government use. The carrying value of the land and buildings is \$13,204,000. (2008 \$13,335,000)

Investments in Crown Entities

The Department monitors a number of Crown entities. The investment in these entities is recorded within the Crown financial statements on a line-by-line basis. No disclosure is made in this schedule.

The Non-Departmental accounting policies and notes form an integral part of, and should be read in conjunction with, these financial schedules.

Commitments

Year Ended 30 June 2009

There were no Commitments for the year ended 30 June 2009 (Nil 2008)

Contingent Assets and Liabilities

Schedule of Non-Departmental Contingent Assets and Liabilities
as at 30 June 2009

Quantified Contingent Liabilities

	ACTUAL 2008/09 \$000	ACTUAL 2007/08 \$000
Annuities	91	0
Emergency Responses	502	0
Total Contingent Liabilities	593	0

Unquantified Contingent Liabilities

Year Ended 30 June 2009

There are unquantified contingent liabilities for the year ended 30 June 2009 relating to the various emergency responses associated with recent incidents.

Year Ended 30 June 2008

There were no Contingent Liabilities for the year ended 30 June 2008.

Unquantified Contingent Assets

Year Ended 30 June 2009

There are unquantified contingent assets representing potential refunds of emergency expenses paid to the Whangarei District Council and Far North District Council in relation to the Kaeo flooding.

Year Ended 30 June 2008

There were no Contingent Assets for the year ended 30 June 2008.

The Non-Departmental accounting policies and notes form an integral part of, and should be read in conjunction with, these financial schedules.

Notes to the Financial Schedules

Notes to the Non-Departmental Financial Schedules

for the year ended 30 June 2009

NOTE 1

Revenue and Receipts

Revenue and receipts consists mainly of prior year's grant refunds (\$0.166m) and fines & penalties (\$0.174m)

NOTE 2

GST Expense

Section 6 of the Public Finance Act 1989 provides authority for GST expenditure in relation to appropriated expenditure.

NOTE 3

Explanation of Significant Variances between Actual and Main Estimates

Explanations for significant variances above 5% between Actual and Main Estimates for 2008/09 are as follows:

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	UNDERSPEND/ (OVERSPEND) 2008/09 \$000	UNDERSPEND/ (OVERSPEND) 2008/09 %
Vote Community and Voluntary Sector				
Non-Departmental Output Expenses				
Charities-Administration	5,932	3,370	(2,562)	(76)
Other Expenses to be Incurred by the Crown				
Community Internship Programme	421	581	160	28
Vote Emergency Management				
Other Expenses to be Incurred by the Crown				
Emergency Expenses	1,363	100	(1,263)	(1,263)
Vote Internal Affairs				
Other Expenses to be Incurred by the Crown				
Miscellaneous Grants (Internal Affairs)	31	49	18	37
Public Inquiries	523	304	(219)	(72)
Vote Local Government				
Benefits and Other Unrequited Expenses				
Rates Rebate Scheme	52,597	76,565	23,968	31
Other Expenses to be Incurred by the Crown				
Chatham Islands Council	1,828	2,231	403	18
Vote Ministerial Services				
Benefits and Other Unrequited Expenses				
Annuities to Former Governors-General, Prime Ministers and Widows	657	400	(257)	(64)

	ACTUAL 2008/09 \$000	MAIN ESTIMATES 2008/09 \$000	UNDERSPEND/ (OVERSPEND) 2008/09 \$000	UNDERSPEND/ (OVERSPEND) 2008/09 %
Other Expenses to be Incurred by the Crown				
Depreciation	131	121	(10)	(8)
Executive Council and Ministers' Salaries and Allowances	7,921	7,210	(711)	(10)
Governors-General Pension Arrangements	19	20	1	5
Ministers' Internal and External Travel	11,278	10,440	(838)	(8)
Travel for Former Governors-General and Prime Ministers	486	520	34	7
Vote Racing				
Other Expenses to be Incurred by the Crown				
Racing Safety Development Fund	1,621	1,000	(621)	(62)
Vote Local Government				
Purchase or Development of Capital Assets by the Crown				
Capital Investments – Lake Taupo	169	34	(135)	(397)

Vote Community and Voluntary Sector

Non-Departmental Output Expenses

Charities – Administration

The baseline for this appropriation increased during the 2008/09 financial year due to additional funding for the Charities Commission to enable the completion of the inaugural registration of charities under the Charities Act 2005 and to address a shortfall in annual return funding and advance the Charities Commission's broader functions under the Charities Act 2005, and actual expenditure increased accordingly.

Other Expenses to be Incurred by the Crown

Community Internship Programme

The take-up of this fund was lower than forecast due to fewer applicants meeting eligibility criteria than first anticipated.

Vote Emergency Management

Other Expenses to be Incurred by the Crown

Emergency Expenses

The baseline for this appropriation increased during the 2008/09 financial year due to additional funding for the Tauranga City Council impacted by the May 2005 Bay of Plenty Storm (\$2.000 million), assistance for homeowners affected by flooding in Kaeo (\$500,000), reimbursement of council response costs as a result of the July 2007 Upper North Island Severe Weather Event (including risk remedial work in Kaeo), the December 2007 Gisborne Earthquake (\$181,000) and reimbursement to councils due to the July 2007 Hawkes Bay floods and the February 2008 Patea freezing works fire (\$9,000), and actual expenditure increased accordingly.

Vote Internal Affairs

Other Expenses to be Incurred by the Crown

Miscellaneous Grants (Internal Affairs)

The expenditure on miscellaneous grants is demand driven with only three grants paid out during the financial year.

Public Inquiries

The baseline for this appropriation increased during the 2008/09 financial year due to a transfer from Information and Advisory Services to fund Commissioners' fees for the Royal Commission on Auckland Governance (\$235,000) and an expense transfer from 2007/08 for commissioners fees for the Royal Commission on Auckland Governance (\$113,000), and actual expenditure increased accordingly.

Vote Local Government

Benefits and Other Unrequited Expenses

Rates Rebate Scheme

The Rates Rebate Scheme is demand driven, and depends on territorial authorities submitting claims. Claims during the year were lower than expected.

Other Expenses to be Incurred by the Crown

Chatham Islands Council

The under expenditure was due to delays in identifying suitable waste management sites. An in-principle expense transfer from 2008/09 to 2009/10 was approved for this under spend.

Vote Ministerial Services

Benefits and Other Unrequited Expenses

Annuities to Former Governors-General, Prime Ministers and Widows

The over expenditure is due to recognition of the actuarial valuation of this item. This appropriation is authorised by Permanent Legislative Authority, therefore does not constitute a breach of appropriation.

Other Expenses to be Incurred by the Crown

Depreciation

The baseline for this appropriation increased during the 2008/09 financial year and relates to an increase in costs as a result of the 2007/08 revaluation of ministerial properties (\$0.016 million), and actual expenditure increased accordingly.

Executive Council and Ministers' Salaries and Allowances

The baseline for this appropriation increased during the 2008/09 financial year due to an increase in costs pursuant to the Parliamentary Salaries and Allowances Determination (\$0.510 million), and actual expenditure increased accordingly.

Governors-General Pension Arrangements

Expenditure for this item was lower than forecast.

Ministers' Internal and External Travel

The baseline for this appropriation increased during the 2008/09 financial year due to an increase in the cost of Ministerial travel (\$1.000 million), and actual expenditure increased accordingly.

Travel for Former Governors-General and Prime Ministers

Expenditure for this item is demand driven, and depends on the volume of travel taken.

Vote Racing

Other Expenses to be Incurred by the Crown

Racing Safety Development Fund

The baseline for this appropriation increased during the 2008/09 financial year relates to an expense transfer from 2007/08 for unallocated grant funding (\$0.635 million), and actual expenditure increased accordingly.

Vote Local Government

Purchase or Development of Capital Assets by the Crown

Capital Investments – Lake Taupo

The baseline for this appropriation increased during the 2008/09 financial year due to a capital transfer from 2007/08 for the undertaking of reparation work at Lake Taupo, and actual expenditure increased accordingly.

NOTE 4

Explanation of Significant Budget Changes

The *Supplementary Estimates of Appropriations for the year ended 30 June 2009* contain an explanation of significant budget changes between the 2008/09 Main Estimates and 2008/09 Supplementary Estimates as set out below:

a) Vote Community and Voluntary Sector

Supplementary Estimates of Appropriations, B7 – Page 748.

Non-Departmental Output Expenses

Charities – Administration

The change in budget between Main Estimates and Supp. Estimates relates to additional funding for the Charities Commission to enable the completion of the inaugural registration of charities under the Charities Act 2005, address a shortfall in annual return funding and advance the Charities Commission's broader functions under the Charities Act 2005.

b) Vote Emergency Management

Supplementary Estimates of Appropriations, B7 – Page 755.

Non-Departmental Other Expenses

Emergency Expenses

The change in budget between Main Estimates and Supp. Estimates relates to additional funding for the Tauranga City Council impacted by the May 2005 Bay of Plenty Storm (\$2.000 million), assistance for homeowners affected by flooding in Kaeo (\$500,000), reimbursement of council response costs as a result of the July 2007 Upper North Island Severe Weather Event (including risk remedial work in Kaeo) and the December 2007 Gisborne Earthquake (\$181,000) and reimbursement to councils due to the July 2007 Hawkes Bay floods and the February 2008 Patea freezing works fire (\$9,000).

c) Vote Internal Affairs

Supplementary Estimates of Appropriations, B7 – Page 762.

Non-Departmental Other Expenses**Public Inquiries**

The change in budget between Main Estimates and Supp. Estimates relates to a transfer from Information and Advisory Services to fund Commissioners' fees for the Royal Commission on Auckland Governance (\$235,000) and an expense transfer from 2007/08 for commissioners fees for the Royal Commission on Auckland Governance (\$113,000).

d) Vote Local Government

Supplementary Estimates of Appropriations, B7 – Pages 487 to 490.

Benefits and Other Unrequited Expenses**Rates Rebate Scheme**

The change in budget between Main Estimates and Supp. Estimates relates to due to a forecast change in demand (-\$15.850 million).

Depreciation

The change in budget between Main Estimates and Supp. Estimates relates to capitalisation of crown owned assets at Lake Taupo (\$0.020 million).

e) Vote Ministerial Services

Supplementary Estimates of Appropriations, B7 – Pages 593 and 594.

Non-Departmental Benefits and other Unrequited Expenses**Annuities to Former Governors-General, Prime Ministers and Widows**

The change in budget between Main Estimates and Supp. Estimates relates to an increase in costs as a result of the Parliamentary Annuities Determination 2008 and the Civil List Determination 2008 (\$0.050 million).

Non-Departmental Other Expenses**Depreciation**

The change in budget between Main Estimates and Supp. Estimates relates to an increase in costs as a result of the 2007/08 revaluation of ministerial properties (\$0.016 million).

Executive Council and Ministers' Salaries and Allowances

The change in budget between Main Estimates and Supp. Estimates relates to an increase in costs pursuant to the Parliamentary Salaries and Allowances Determination (\$0.510 million).

Ministers' Internal and External Travel

The change in budget between Main Estimates and Supp. Estimates relates to an increase in the cost of Ministerial travel (\$1.000 million).

f) Vote Racing

Supplementary Estimates of Appropriations, B7 – Page 794.

Non-Departmental Other Expenses**Racing Safety Development Fund**

The change in budget between Main Estimates and Supp. Estimates relates an expense transfer from 2007/08 for unallocated grant funding (\$0.635 million).

Trust Money Administered on Behalf of the Crown

Schedule of Trust Money Administered on Behalf of the Crown

for the year ended 30 June 2009

The following trust money was administered on behalf of the Crown under Part VII of the Public Finance Act 1989.

The schedule shows the opening and closing trust balances including bank and investments at cost, and the movements during the year.

Under the Public Finance Act 1989, and by delegation from the Secretary to The Treasury, trust money can only be invested on deposit with New Zealand registered banks or in New Zealand government stock. Trust money is also managed so there is no significant concentration of credit risk. Interest rate risk is managed by investing across a wide range of maturity dates, but subject to liquidity requirements.

Schedule Of Trust Money

	OPENING BALANCE 2008/09 \$000	CONTRIBUTIONS \$000	DISTRIBUTIONS \$000	REVENUE \$000	EXPENSES \$000	CLOSING BALANCE 2008/09 \$000
Vogel House	0	1	0	0	0	1
New Zealand 1990 Scholarships	637	0	0	33	0	670
Total	637	1	0	33	0	671

The Vogel House Trust was established to hold bonds for the hireage of Vogel House and Premier House.

The New Zealand 1990 Scholarship Trust was established to provide scholarships for top overall students in University Bursaries examinations.

Legislation We Administer

As at 30 June 2009, the following is a list of legislation we administer, classified by Vote.

Internal Affairs

Births, Deaths, Marriages and Relationships Registration Act 1995

Births, Deaths, Marriages and Relationships Registration (Fees) Regulations 1995

Births, Deaths, Marriages and Relationships Registration (Prescribed Information and Forms) Regulations 1995

Births, Deaths, Marriages and Relationships Registration (Non-Disclosure Direction) Regulations 2008

Boxing and Wrestling Act 1981

Citizenship Act 1977

Citizenship Regulations 2002

Citizenship (Western Samoa) Act 1982

Civil Union (Prescribed Information, Fees, and Forms) Regulations 2005*

Commissions of Inquiry Act 1908

Commonwealth Games Symbol Protection Act 1974

Fire Safety and Evacuation of Buildings Regulations 2006

Fire Service Act 1975

Fire Service Levy Order 1993

Fire Service Regulations 2003

Forest and Rural Fires Act 1977

Forest and Rural Fires Regulations 2005

Gambling Act 2003

Gambling (Class 4 Banking) Regulations 2006

Gambling (Class 4 Net Proceeds) Regulations 2004

Gambling (Fees) Regulations 2007

Gambling (Forms) Regulations 2004

Gambling (Harm Prevention and Minimisation) Regulations 2004

Gambling (Infringement Notices) Regulations 2004

Gambling (Licensed Promoters) Regulations 2005

Gambling (Problem Gambling Levy) Regulations 2007

Gambling (Prohibited Property) Regulations 2005

Human Assisted Reproductive Technology (Fees) Regulations 2005*

Marriage (Fees) Regulations 1995*

Marriage (Forms) Regulations 1995*

New Zealand Daylight Time Order 2007

New Zealand Fire Brigades Long Service and Good Conduct Medal (1981) (Royal Warrant)

Official Appointments and Documents Act 1919
Passport (Fees) Regulations 1996
Passports Act 1992
Queen's Fire Service Medal Regulations 1955 (Royal Warrant)
Royal Titles Act 1974
Rural Fire Fighting Fund Regulations 1992
Seal of New Zealand Act 1977
Seal of New Zealand Proclamation 1977
Time Act 1974

Emergency Management

Civil Defence Emergency Management Act 2002
Civil Defence Emergency Management Regulations 2003
National Civil Defence Emergency Management Plan Order 2005

Local Government

Bylaws Act 1910
Bylaws Regulations 1968
Chatham Islands Council Act 1995
Counties Insurance Empowering Act 1941
Dog Control Act 1996
Dog Control (Microchip Transponder) Regulations 2005
Dog Control (National Dog Control Information Database Levy) Order 2006
Dog Control (Prescribed Forms) Regulations 1996
Impounding Act 1955
Impounding Regulations 1981
Lake Taupo (Crown Facilities, Permits and Fees) Regulations 2004
Land Drainage Act 1908
Libraries and Mechanics' Institutes Act 1908
Litter Act 1979
Local Authorities (Members' Interests) Act 1968
Local Authority Reorganisation (Property Transfers) Act 1990
Local Electoral Act 2001
Local Electoral Regulations 2001
Local Government Act 1974
Local Government Act 2002

Local Government (Infringement Fees for Offences: Navigation Safety Bylaws) Regulations (Various) 2002–2008
Local Government (Auckland Regional Parks) Order 2008
Local Government Official Information and Meetings Act 1987
Local Government (Rating) Act 2002
Local Government (Tamaki Makaurau Reorganisation) Act 2009
Local Government (Watercare Services Limited) Order 2007
Local Legislation Acts 1926-1992
Municipal Insurance Act 1960
Public Authorities (Party Wall) Empowering Act 1919
Public Bodies Contracts Act 1959
Public Bodies Leases Act 1969
Rangitaiki Land Drainage Act 1956
Rates Rebate Act 1973
Rates Rebates Order 2006
Rates Rebates (Specified Amounts) Order 2008
Rating (Fees) Regulations 1997
River Boards Act 1908
Waimakariri-Ashley Water Supply Act 1961

Community and Voluntary Sector

Charities Act 2005
Charities (Fees, Forms, and Other Matters) Regulations 2006
Community Trusts Act 1999
Community Trusts (Fees) Regulations 2000
Trustee Banks Restructuring Act Repeal Act 1999
Winston Churchill Memorial Trust Act 1965

Racing

Racing Act 2003
Racing (Harm Prevention and Minimisation) Regulations 2004

Ministerial Services

Executive Travel, Accommodation, Attendance, and Communications Services Determination 2003**

* Regulations made under legislation administered by the Ministry of Justice.

** Regulations made under legislation administered by the Department of the Prime Minister and Cabinet

Online Information

The Department of Internal Affairs' websites:

Departmental Websites

www.dia.govt.nz	Main corporate website
www.antispam.govt.nz	Anti-spam information and spam complaints
www.bdm.govt.nz	Births, Deaths and Marriages information
www.bdmrecords.dia.govt.nz	Access to birth, death and marriage historical records
www.cdgo.govt.nz	Grants Online website – for online Community Organisation Grants Scheme and Lottery Grants applications
www.censorship.dia.govt.nz	Censorship information
www.citizenship.govt.nz	Citizenship information
www.civildefence.govt.nz	Ministry of Civil Defence and Emergency Management information and services
www.community.dia.govt.nz	Local Government and Community Branch information
www.dia.govt.nz/apostille	Apostille Certification information
www.dia.govt.nz/authentication	Document Authentication information
www.ems.govt.nz	Information about the Electronic Monitoring System for gaming machine societies
www.ethnicaffairs.govt.nz	Office of Ethnic Affairs information and services
www.gazette.govt.nz	New Zealand Gazette information
www.identityservices.govt.nz	Identity services transactional website
www.languageline.govt.nz	Information about Language Line – a telephone interpreting service
www.localcouncils.govt.nz	Information about what councils do, to encourage public participation in local council processes
www.communityoutcomes.govt.nz	Information to support central and local government in achieving community outcomes
www.passports.govt.nz	Passports information
www.ratesrebates.govt.nz	Information about the Rates Rebate Scheme
www.translate.govt.nz	Translation Service information

Public Information Websites

www.auckland.govt.nz	'Making Auckland Greater' website
www.beehive.govt.nz	Official website of the Government of New Zealand
www.community.net.nz	CommunityNet Aotearoa – an Internet resource to support communities
www.dia.govt.nz/royalvisit2002/index.html	The Royal Visit – New Zealand 2002 (historical interest)
www.dogsafety.govt.nz	Public safety information about dogs
www.education.citizenship.govt.nz	Citizenship education for New Zealand schools
www.getthru.govt.nz	Get Ready, Get Thru – civil defence public information website
www.i.govt.nz	New Zealand government logon and identity verification service
www.newzealand.govt.nz	All New Zealand central and local government information and services
www.psd.govt.nz	Public Service Directory
www.stv.govt.nz	Single transferable voting information website
www.usar.govt.nz	Urban Search and Rescue information for emergency sector groups
www.webstandards.govt.nz	Information about the New Zealand Government Web Standards
www.whatstheplanstan.govt.nz	Civil defence public information for young people

Independent Agency Websites

www.ata.govt.nz	Auckland Transition Agency
www.cadetreview.govt.nz	Ministerial Review into Allegations of Abuse at the Regular Force Cadet School
www.cipc.govt.nz	Commission of Inquiry into Police Conduct
www.confidentialforum.govt.nz	Confidential Forum for Former In-Patients of Psychiatric Hospitals
www.gamblingcom.govt.nz	New Zealand Gambling Commission
www.lgc.govt.nz	Local Government Commission
www.listening.govt.nz	Confidential Listening and Assistance Service
www.ratesinquiry.govt.nz	Local Government Rates Inquiry
www.royalcommission.govt.nz	Royal Commission on Auckland Governance
www.vietnamvetSWG.govt.nz	Joint Working Group on Concerns of Viet Nam Veterans

The Department of Internal Affairs

46 Waring Taylor Street

PO Box 805

Wellington 6011

Telephone +64 4 495 7200

For more information on the work of the
Department of Internal Affairs please visit
our website www.dia.govt.nz

THE DEPARTMENT OF INTERNAL AFFAIRS



Te Tari Taiwhenua