



Report of

The Department of Internal Affairs
Te Tari Taiwhenua

for the year ended
30 June 2000

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Part One

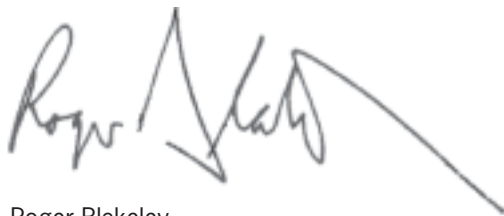
The Department's Year

Chief Executive's Statement

The Department's first annual report of the new century is also my last as chief executive. This report is an illustration of the change that continues to shape the story of the Department of Internal Affairs.

The early years of the new century are rich in both challenge and possibility for this Department. We have a new Government, new Ministers, new goals, new responsibilities and a new strategy. The change within government, though, is dwarfed by the changes in the world in which we work: the impact of new technology, new ideas about what constitutes a healthy society and how to achieve it, and a new respect for the things we have in common, such as history, culture, environment and identity. The pages of this annual report present the most recent year in the life of this Department – its context, challenges, initiatives, goals and achievements – and also anticipate how it will respond to the changes ahead.

It has been a privilege to lead the Department into this new phase of its evolution, its third century of service to the Government and people of New Zealand. I will hand on to my successor a vibrant organisation managed and staffed by talented, committed and ethical public servants. It is a Department with a proud history of contribution to New Zealand and a vivid sense of the possibilities within reach for the individuals, communities, cultures and institutions that are shaping New Zealand's future.

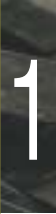


Roger Blakeley
Chief Executive



Snapshots: A Year in the Life of the Department

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The past year has been marked by significant change, challenge and achievement – a watershed year in the life of the Department of Internal Affairs.

It has been a busy year for the Department. There were many highlights, as this annual report shows. Here we have assembled four ‘snapshots’ of the Department’s year: a loose-link series of observations of important moments and developments during what was a challenging but rewarding 12 months.

DIA in the spotlight

Last September, we played a major role in organising the post-APEC visits for three heads of state: the Presidents of China, South Korea and the United States. Providing each President with a warm welcome and a memorable stay, we received many positive comments on our efforts from the visitors, their support teams, and the large press contingent.

We also featured strongly on both the gloomy and sunny sides of preparing for 1 January 2000 – Millennium Day.

Deep in the Beehive bunker, our staff in the Ministry for Emergency Management along with those from other government departments counted down the minutes to midnight as final preparations were made for any Y2K bug to strike. Happily, that and subsequent critical moments in computer history came and went without a glitch. We ensured the public was aware of the Y2K status on the night. Along with most organisations, the Department itself had no problems.

Our Millennium Office staff helped make the millennium celebrations a stunning success and a memorable occasion for all New Zealanders, with events continuing through the year. Their efforts helped pave the way for New Zealand events to feature in 85 minutes of the 26-hour *2000 Today Millennium Day* global television event. Stunning images of the long-awaited dawn on Pitt Island and later Gisborne were beamed to an international audience of over two billion people. This was a result of our unique *First to the Future* position in the world programme.

The theme of celebrating our national identity featured in one of our more public successes during the year: the production of 1,500 compact discs of the first verse of the National Anthem sung in both Māori and English. The CD was launched live on television on 1 April, supported by a media and letter campaign headed by the Minister of Internal Affairs. Free copies of the CD were sent to all national sporting organisations, radio stations, stadium, libraries and overseas posts. The recording can also be downloaded from our website (www.dia.govt.nz). Funding for the CDs came from the Hillary Commission.

The Department also campaigned to get the Māori and English words of the Anthem displayed at the venues for international sporting events while it was being sung. TV3 also helped out by displaying the words across the screen before All Blacks matches.

Then there was our involvement in maintaining New Zealand's grip on the America's Cup, through the promotional and co-ordinating activities of the Office of Tourism and Sport. The Chief Executive and the Office made sure that relevant government departments worked together with the regatta organisers and Auckland local authorities to make life as easy as possible for the visiting syndicates – off the water, at least. At the other end of the regatta, our Visits and Ceremonial staff were delighted to help organise the victory reception in Wellington.

Sticking with the Auckland theme, our local government policy team played a key role in resolving the crisis around the Rodney District Council. Following the Department's advice, the Minister of Local Government appointed a commissioner, suspended the remaining councillors and introduced legislation to call for an early election of the Council (on 31 March 2001). The legislation was enacted under urgency in May 2000.

Assisting the change of Government

Last November's general election brought in a new coalition Government – after the election results had been formally confirmed by the Secretary for Internal Affairs in his role as Clerk of the Writs. The Department's Ministerial Services and VIP Transport teams swung into action to enable a swift and sure transition to the new Government – a major logistical exercise involving the set-up and staffing of Ministers' offices, as well as meeting the new Ministers' accommodation, staffing and transport needs.

We had a bigger job than most other government agencies in preparing written briefings for all 11 Ministers appointed to portfolios relating to the Department's responsibilities, including three new portfolios: National Archives, Ethnic Affairs, and the Community and Voluntary Sector.

Our Chief Executive and Policy Group took the lead in engaging with the Department's new Ministers and helping them to make early progress on their priorities. We were able to respond quickly to the Government's interest in a new way of working with other parts of New Zealand society, by drawing on our extensive experience in local government and the community and voluntary sector.

The Government has identified *Closing the Gaps* for Māori and Pacific Peoples as its paramount policy objective. The Department has started working with other departments to develop new ideas on how to achieve this, drawing on its own and existing networks of the public servants who work directly with some of New Zealand's most disadvantaged communities. The Department's position at the cross-roads between central government, local government, and the community and voluntary sector enables it to make a unique contribution to the innovation and leadership that the Government is expecting from the public service in this area.

A notable achievement was the historic and highly successful Forum between central and local government, held on 7 March 2000, and organised jointly by the Department of the Prime Minister & Cabinet and *Local Government New Zealand*. The Department was given the ongoing task of convening a core group of officials to monitor the Government's work programme affecting local government and to develop principles for local government.

Meanwhile, the Ministry for Emergency Management continued to promote the Government's new approach to civil defence and emergency management in discussions with local authorities, utility companies and emergency services throughout New Zealand. We made further progress with the Civil Defence Emergency Management Bill during the year, which will confirm the new approach, based on reducing the risks of emergency, better preparation and better planning for response and recovery.

Other prominent policy issues that we tackled during the year included reviews of fire service funding, citizenship and research into problem gambling. The Budget made provision for more rapid progress in 2000/2001 on several policy priorities of particular importance to the Department, namely the Gaming Review, the review of racing industry structures and the Ethnic Affairs Policy Framework.

Doing the ordinary things well

Much of what the Department is responsible for never makes the headlines and seldom comes to the attention of Ministers, but high-quality, highly reliable performance is expected – and delivered – all the same.

The Department continued delivering on its commitment to community development in 1999/2000. It received 3,825 grant applications for community grant schemes. More than 4,400 lottery grants worth \$76.7 million for New Zealand communities were made by the lottery distribution committees. These committees are serviced by the Community Development Group.

The Department continued its very high standard of service delivery for passports, applications for citizenship, and births, deaths and marriage certificates. The number of standard passports issued in 1999/2000 far exceeded expectations with the Department issuing 308,691 standard passports. When members of the public ask for an urgent passport, we really deliver: 99.99 percent were issued within the three days specified. In addition, we are very careful: 99.94 percent of all passports were issued without error. We dealt with 31,535 applications for grant of New Zealand citizenship. It was pleasing to gain additional funding to allow births, deaths and marriages records dating back to 1848, to be converted to electronic form. When finished, this will be a great asset to professional and amateur historians and genealogists alike.

It was also a busy year in respect of censorship compliance, with 16 of the 17 censorship prosecutions resulting in conviction. Gaming inspectors audited 181 gaming machine societies, using an innovative audit model that focuses on aspects of highest risk, such as banking proceeds and claiming expenses

against gaming machine revenue. The risk-based approach developed by the Department to casino and gaming inspection has attracted interest as a “best practice” model and several Australian states are looking to emulate it. Supervision and inspection teams were established at the new casinos in Dunedin and Queenstown.

In the Heritage Group, highlights included the near completion of *Volume 5* of the *Dictionary of New Zealand Biography*, an exhibition at National Archives commemorating 50 years of New Zealand citizenship, the launch of the innovative website www.nzhistory.net.nz to international acclaim and completion of the new commemorative site at Gallipoli in time for the 85th anniversary of that nation-forging campaign for New Zealand, Australia and modern Turkey.

The Department prepared Cabinet papers enabling the establishment of two Commissions of Inquiry: the INCIS (Police computer system) Inquiry (subsequently changed to a Ministerial Inquiry), and the Royal Commission on Genetic Modification. Once the Royal Commission on Genetic Modification was established, we then carried out the administrative necessities such as hiring staff, setting up systems and providing ongoing support to assist the Commissioner to carry out his mandate.

A new look for the Department

As New Zealand's longest-lived department, established in 1840, we are well used to changes in what we do and how we do it. The past year has brought perhaps more than the usual amount of that change to the Department.

At year's end, we bid a fond farewell to our historical writing and heritage property teams, following the Government's decision to consolidate a range of arts, culture, heritage and broadcasting responsibilities within the enlarged Ministry for Culture and Heritage.

We also farewelled the Office of Tourism and Sport, following the Government's decision to transfer it to the Ministry of Economic Development because of the strong contribution that tourism makes to the Government's economic objectives. Informed observers said the Office had “lifted the game” in tourism and sport policy advice during its two-year association with the Department.

The winner of several website awards since its relaunch by the Department in September 1999, *New Zealand Government Online (NZGO)* www.govt.nz is now regarded as a world-class government website, and receives two million ‘hits’ each month. It has become the public face of emerging eGovernment in New Zealand, and therefore the decision was made to transfer responsibility to the new eGovernment Unit of the State Services Commission from 1 July 2000.

We also started preparations for the establishment of the National Archives as a new department from 1 October 2000, which included discussions about services we might continue to provide after separation.

Early in 2000, the Secretary for Internal Affairs, Roger Blakeley, announced he would not be seeking another term as Chief Executive of the Department. Dr Blakeley subsequently accepted appointment as Chief Executive of Porirua City Council. At the time of writing, the State Services Commissioner announced the appointment of the new Chief Executive, Peter Hughes beginning in December, 2000.

The Department undertook a thorough examination of its objectives, outputs, systems and structures during the year, in conjunction with the Treasury and the State Services Commission. The review concluded that for the most part, the Department's outputs were adequately specified and funded, the relevant Government objectives were clear, and that the Department had sustainable management systems in place to deliver its outputs and meet its obligations as a government department. Further assessment of the Department's responsibilities and activities in community development and gaming regulation is planned in the year ahead, and will be linked to Government policy initiatives.

Finally, we reorganised our corporate services group, to strengthen the support for the Chief Executive around the key areas of people, information, finance and leadership. The new design will provide better and more cost-effective support for the Department's governance needs, as well as the delivery of its business.

The Department ended its year on a high note – a reflection of the dedication and professionalism of the staff who made the achievements possible. The challenge continues to sharpen our strategic focus and our business delivery, backed by a culture of high performance and wise investment in capability through skills, technology and good management. We are eager and ready as we begin our third century of service to the Government and people of New Zealand.





Part Two

Achievements

Strategic and Operating Context

Government Strategy

The Government sets the strategic context for all public service departments, including the Department of Internal Affairs. By being clear about its purpose and priorities, the Government enables decision-makers in all departments to respond in a co-ordinated way to the complex developments that characterise government, without excessive central control.

With the election of a new Government half-way through the financial year, the Department's strategic context changed. In the "Speech from the Throne", the Government emphasised themes of fairness, partnership, the making up of lost ground for vulnerable New Zealanders, investment, national identity and good government. Taken together, they represent a significant statement of orientation and priorities for government and the public service.

The themes, and the shift in focus, were confirmed when the Government defined six goals to guide public sector policy formation, strategy development, performance achievement and evaluation. The goals are to:

- strengthen national identity and uphold the principles of the Treaty of Waitangi
- grow an inclusive, innovative economy for the benefit of all
- restore trust in government and provide strong social services
- improve New Zealanders' skills
- close the gaps for Māori and Pacific Peoples in health, education, employment and housing
- protect and enhance the environment.

The Department's broad span of responsibilities enables it to contribute to each of these goals. Its unique 'crossroads' position within government means the Department has well established links with local government, the community and voluntary sectors, and a strong interest in helping ethnic communities engage in New Zealand life. Through these links, the Department has been working with other departments and with Ministers to help the Government forge new partnerships and develop new ways of working with these sectors. By placing particular priority on its local government and community development policy responsibilities and associated stakeholder relationships, the Department is able to contribute to the *Closing the Gaps* policy priority.



Departmental Purpose and Strategy

During 1999/2000, the Department of Internal Affairs worked to:

- safeguard and strengthen communities
- support executive and local government
- provide New Zealanders with records of personal identity
- nurture and celebrate New Zealand history, heritage and nationhood
- ensure gaming is fair, legal and honest
- foster tourism and sport
- enable New Zealanders to participate in millennium celebrations.

With its diverse range of policy and operating responsibilities, the Department is the most notable exception to the 'single purpose' model that has governed the public sector since the mid-1980s. The Department's core focus is on the efficient and reliable management and governance of a loosely connected set of businesses, rather than on any single outcome or public policy objective. In recent years, the Department has concentrated on developing devolved business management, complemented by an effective corporate governance framework and a distinctive corporate culture.

Building on that capability, and following discussion with the Minister of Internal Affairs and the central agencies of government, the Department is positioning itself as the Government's generalist department. The core proposition is that government needs a public service capability to govern businesses which:

- do not obviously fit better elsewhere
- lack the critical mass to stand alone but need a direct relationship with the relevant Responsible Minister
- need a distinct identity
- are intentionally short-lived and therefore need the least possible infrastructure.

A generalist department gives the Government organisational flexibility and allows other government agencies to focus on their core functions.

Complementing the generalist strategy is the Department's "shared services initiative". The Government has expressed interest in developing shared services across the breadth of the public service as a way of improving the efficiency and capability of the public sector. The Department is responding by offering a tailored range of corporate and business support services both to internal and external clients. The Department is also contributing to the wider policy development on shared services that is being led by central agencies.

The Department's overarching statement of corporate strategy draws all these strands together:

The Department of Internal Affairs will be a high-performing generalist organisation of strong, diverse business groups exercising appropriate autonomy and taking collective responsibility for an effective departmental structure. Each part will add value to the whole. The Department will actively welcome opportunities to take on, develop and divest functions in the best interests of government, and will organise itself to enable smooth movement of functions into and out from the Department.

Operating Context

As its generalist positioning and its history suggests, change is the dominant theme in the Department's operating context.

Several developments in 1999/2000 illustrate this change theme and underline what being a generalist means:

- After a review of the Government's objectives and organisational arrangements for the culture and heritage sector – in which the Department played a big role – the Government decided to consolidate a range of arts, culture, heritage and broadcasting responsibilities within the Ministry for Culture and Heritage. As a result, the Heritage Group's responsibilities for historical writing and heritage property management transferred to the Ministry for Culture and Heritage on 1 July 2000. These responsibilities include the acclaimed *Dictionary of New Zealand Biography* project and the award-winning website www.nzhistory.net.nz. The Government has also decided to establish National Archives as a separate government department from 1 October 2000. The combined change required a substantial contribution by the Department to both the policy process and the change management project. The Department's constructive approach ensured a smooth transition, with minimal disruption to business delivery.
- On 1 July 1998, the Department established the Office of Tourism and Sport. For the following two years, the office provided high-quality policy advice in the tourism and sport sectors. It is widely acknowledged to have "lifted the game" in both sectors. The Government transferred the function to the Ministry of Economic Development on 1 July 2000, because of the strong alignment of tourism to the Government's economic development strategy.
- *New Zealand Government On-Line (NZGO)* www.govt.nz, the official web site for the Government, was established in 1997 from the amalgamation of the Government Web Pages (administered by the Ministry of Commerce) and the *New Zealand Government On-Line Blue Pages* (administered by the Department of Internal Affairs). The web site provides an entry point for access to 285 government agencies on the Internet, and has won several website awards since its re-launch in September 1999. The Department's Community Development Group developed NZGO to the point where it is now a highly successful, world-class government website with 2 million hits

per month. It has become the public face of emerging eGovernment. Cabinet transferred NZGO to the new eGovernment Unit in the State Services Commission on 1 July 2000.

These changes highlight the flexibility, adaptability and rapid responsiveness that are the keys to the generalist strategy. During the past year, the Department has worked hard to become an effective generalist, beginning with a thorough assessment of its capability to identify areas for improvement.

Overview Project

The main review activity during the year was the “Overview Project” – commissioned jointly with the Treasury and the State Services Commission to assess:

- clarity of, and alignment with, relevant Government objectives
- the rationale for the Department’s current set of outputs
- its level of resourcing
- its overall performance and management systems.

The review concluded that:

- for the most part, the Department’s outputs were adequately specified and funded
- the relevant government objectives were clear
- the outputs made sense given those objectives
- the Department has sustainable management systems in place to deliver its outputs and meet its obligations as a government department.

The review reaffirmed the Department’s strategic positioning and its broad governance arrangements.

The review confirmed that the Department needed to address its responsibilities and activities in the areas of community development and gaming regulation. Both areas will be examined further in the year ahead, linked to relevant government policy initiatives. The review also confirmed the Department’s intention to review fees charged for some of its services to ensure costs are appropriately allocated between, and recovered from, the Crown and third parties.

Wider Government

Developments in the public sector affected how the Department operated during the year in review, and provided opportunities for the Department to make a contribution to the collective interests of government. Three notable developments are discussed here, while a fourth (the Government’s *Closing the Gaps* policy priority) is discussed in a later section.

Crown entity governance – During 1999/2000, the Department was responsible for advising Ministers on the performance of nine Crown entities. To lift the standards of its Crown entity monitoring work and to ensure consistent application of those standards, the Policy Group led the development of a comprehensive set of guidelines for reference and use by both Department advisers and Crown entity boards and managers. The initiative culminated in a presentation (in conjunction with the State Services Commission) to Crown entity personnel in November 1999. The Department's Crown entity framework:

- clarifies the roles, responsibilities and expectations of Ministers, Crown entities and the Department
- provides information on public sector ethics and practice
- outlines how the Department will conduct its monitoring and advisory role, while maintaining effective working relationships with Crown entities
- addresses inconsistent and incomplete governance arrangements.

The Department also established a database to record appointments to its related entities.

The Department's extensive experience with Crown entity monitoring and governance matters and its initiative in developing a detailed framework enabled it to contribute to the government-wide Crown entity project, jointly led by the State Services Commission and Treasury.

These developments in thinking and expectations around Crown entity governance and monitoring have led the Department's Policy Group to set up a specialised monitoring unit. This will ensure a consistent approach to entities and foster a centre of excellence within the Department.

eGovernment – The Department is contributing to this rapidly developing area of policy making and service delivery. In addition to the Department's leading role in developing the NZGO website (see earlier reference on page 16), it has been a member of the Chief Executives' Information Management and Technology Group. This group helped develop the vision statement for eGovernment approved by Cabinet in May 2000.

The Department has been active in addressing concerns about the 'digital divide' – the emerging gap between those with access to the tools and benefits of new technology and those without access. Under the theme of *Claiming the Internet for the Community*, the Community Development Group helped organise the first-ever 'Flaxroots Technology' national conference. Held in April 2000, it attracted 230 participants interested in community development through the use of Internet and information technology. About 75 percent of participants were from Māori or community sector groups, with the remainder from local government, private sector and central government agencies. The Department also hosts *Community Net Aotearoa* www.community.net.nz, a website for and about communities in New Zealand.

The Department overhauled its own website during 1999/2000, with a strong emphasis on the Department's brand and on service information of relevance to the public. The Department is actively planning the introduction of electronic transactions with the public in areas such as lottery grants applications, gaming licences, passports and birth, death and marriage certificates.

Year 2000 and Business Continuity – The Department of Internal Affairs started contributing to the wider debate on the year 2000 computer date problem in 1997, with advice that contributed to the establishment of the Y2K Readiness Commission. Internal Affairs was the only government department represented on the special advisory group that provided advice to the Y2K Readiness Commission.

The Department's high-profile role stemmed from its responsibilities and expertise relating to emergency management, the operation of Executive Government, Millennium celebrations and the tourism industry. Executive Government Support and the Ministry for Emergency Management were both classified by the State Services Commission as "high impact agencies" and were subject to external monitoring. Both agencies consistently exceeded State Services Commission readiness requirements for the whole of the project.

The Department set a strong example in public service assurance and reporting. It developed a comprehensive plan to ensure Y2K compliance and business continuity in the Department. This included an inventory of all computer-based and other systems which classified their critical status and probability of Y2K failure. Corrective action was taken and continuity plans were tested. Work was monitored internally and external assurance was sought for important systems. Communications with suppliers, stakeholders and staff were an important feature of the preparation, especially towards the end of 1999.

The Department experienced no problems in the transition to Year 2000. The Department's total cost of preparation and risk management was close to the estimated \$1.7 million.



Key Result Areas

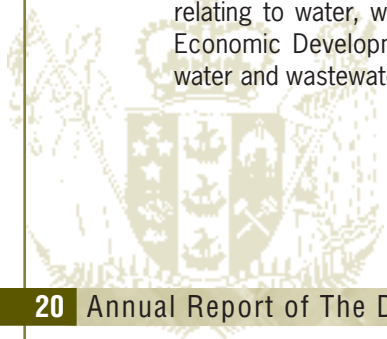
The Chief Executive agreed on three Key Result Areas for the Department in 1999/2000 with the Minister of Internal Affairs in the former Government. The impact of the election on the normal business of government and the resulting change in Government meant that five of the 11 milestones agreed with the former Minister were set aside by the in-coming Government. Consequently these milestones received comparatively little attention for the remainder of the year. The other six milestones were achieved.

The highlights of achievements against the KRAs were as follows:

KRA 1: Enhancing Local Government Effectiveness

Five of the six milestones for this KRA were reviewed and formally set aside by the Minister of Local Government towards the end of the year. Nevertheless, the following progress was made during the year, to the amended timelines:

- **Remuneration** – A report was delivered to the Minister of Local Government on 31 January 2000 recommending changes to the present system for deciding elected members' remuneration. Following consultations, Cabinet approved the changes in June 2000.
- **Funding powers** – The original commitments were to prepare advice on new funding powers legislation and to prepare the new legislation for introduction. Instead, a new terms of reference for the local government funding powers review has been discussed with the Minister and her advisers.
- **Financial management** – The original commitments were to monitor the effectiveness of the new financial management provisions applying to local government and to report to the Minister on key issues. Monitoring of a pilot group of eight local authorities on their implementation of the financial management provisions of the Local Government Act did occur, and should be completed early in 2000/2001.
- **Water, wastewater and stormwater** – Although the Government passed responsibility for the review of water, wastewater and stormwater to *Local Government New Zealand*, its national council deferred decisions on progressing the review at its December 1999 and March 2000 meetings. The Minister of Local Government convened a meeting of interested Ministers in June 2000 to ensure co-ordination of the Government's initiatives relating to water, wastewater and stormwater. As a result, the Ministry of Economic Development was directed to prepare a stocktake of current water and wastewater activity affecting local government.



KRA 2: Emergency Management Reforms: Developing Community Resilience

Three milestones were set for this KRA for the 1999/2000 year, which were all achieved, and one was set for 2000/2001. Main achievements during 1999/2000 were:

- **Emergency Management Bill** – After consultation with the new Minister, revised drafting instructions for the Bill were sent to the Parliamentary Counsel Office in April 2000. The Bill has a Category 4 slot on the 2000 Legislative Programme (to be referred to a Select Committee in 2000/2001).
- **Emergency Management Groups** – The original commitment was to have all Civil Defence Emergency Management Groups (based around regional groupings of local authorities) in place within 18 months of the passage of the Bill. Because of its priority on the Government's legislative agenda, this milestone will therefore not be achieved until 2002 at the earliest. Nevertheless, draft guidelines for forming the Groups and for the Groups to develop emergency management plans were developed during the year.
- **Y2K preparations** – The original commitments were to conduct a test of monitoring arrangements for Y2K incidents on 9 September 1999 (9/9/99, a date which provided an early test of any likely computer date-related problems) and to monitor and report any actual Y2K incidents affecting utilities by 29 February 2000. Both of these milestones were achieved, through using a monitoring network involving 300 organisations (local authorities, utilities and emergency services).

KRA 3: Managing the Official Millennium Celebrations Programme

There were two milestones for this KRA, and both were achieved.

- **Official Millennium Celebrations Programme** – The commitment to develop the programme for final approval by 30 November 1999 was achieved. The programme itself featured over 350 domestic events, projects and celebrations supported with \$10 million of Lottery Grants funding. Highlights included the America's Cup regatta, the Olympic Torch Relay and the International Festival of the Arts. The programme enjoyed high public support.
- **Dawn event** – The commitment to ensure that official dawn celebrations on 1 January 2000 were managed successfully was achieved. The official dawn programme featured celebrations in the Chatham Islands, Mt Hikurangi and Gisborne. New Zealand events contributed more than 85 minutes of live television coverage in the 26-hour *2000 Today Millennium Day* broadcast to an international audience of more than 2 billion people. This was the third-largest contribution to the broadcast by any country, behind the United States and United Kingdom. The BBC attributed this level of coverage to the high quality of the broadcast from this country.

Closing the Gaps

The Government has instructed departments to include a section in their annual reports on their contribution to improving outcomes for Māori and Pacific Peoples. The intention is to disclose levels of expenditure targeted at these communities, the rationale for that expenditure and evidence of its effectiveness in achieving the desired results.

The Department has not previously tracked expenditure on specific communities and did not configure its financial management information system at the start of 1999/2000 to allow a ready and accurate year-end report of this sort. However, the Department has identified key areas of expenditure and activity geared solely or principally to meeting the needs of Māori and Pacific Peoples, and has estimated the likely level of expenditure based on information such as client profiles, nominated target groups or likely audience of interest.

The relevant activity and expenditure has occurred in three areas: community development, history and heritage, and policy. In summary, the Department estimates that it spent about \$7.288m during 1999/2000 on initiatives designed in whole or part to improve outcomes for Māori. In terms of the newly-defined categories for such expenditure, the approximate break-down of this sum was:

Category	Definition	Amount
Category 1	Expenditure targeted solely at improving outcomes for Māori.	\$0.400m
Category 2	The estimated 'for Māori' portion of expenditure intended to improve outcomes for at-risk groups, including Māori.	\$6.888m

Community Development

The Department's Community Development Group spent approximately \$6.933m on grants administration, advisory services and direct transfers to improve outcomes for Māori during 1999/2000.



The categories of expenditure, rationale and approximate amounts were:

Indicative Expenditure on activities with a focus on improving outcomes for Māori

Activity	\$000	Rationale
Grants administration and support services	1,573	The Department provides support to the Community Organisation Grants Scheme and other community-oriented grants schemes to meet community needs (especially for at-risk groups) through grant funding. The schemes emphasise community identification of needs and ownership of solutions, and insist on self-help. The schemes are designed to build and reinforce community capability. The Department also administers the Lottery Grants Board's grants to the community.
Advisory services to disadvantaged groups	988	The Department provides training and advice to community groups to boost local initiatives aimed at disadvantaged and vulnerable groups in the community, such as young people. The emphasis is on community development, which creates a sustainable endowment of capability through greater skills and self-help.
Direct resource transfers to communities	4,372	The Department provided direct funding through four on-going schemes and several one-off projects, for a range of purposes including youth suicide prevention, youth workers' salaries and training, community organisation initiatives, Māori development and training. In all cases, the funding is based on locally-determined needs and strengthens community capability and local leadership.

All of the on-going schemes and services have periodic evaluation processes built into their delivery. Evaluations are being conducted on outcomes for Māori and Pacific Peoples for the Youth Development Fund and the Community Project Worker Crime Prevention projects. Further community-specific evaluation will be possible with the Māori community development worker initiative funded in Budget 2000. The Department is also re-focusing a number of grants schemes on the Government's *Closing the Gaps* priority, which will yield future information on effectiveness.

History and Heritage

The Department spent approximately \$175,000 on historical scholarships, publications and heritage property management to improve outcomes for Māori in 1999/2000.

The categories of expenditure, rationale and approximate amounts were:

Activity	\$000	Rationale
Preparing publication of <i>Ngā Tāngata Taumata Rau – Volume 5</i> of the Māori-language edition of the <i>Dictionary of New Zealand Biography</i> .	150	This volume contains a large number of biographies of Māori leaders from the 1940s and 1950s. Their stories provide pride and inspiration to the Māori community. The volume is also one of the largest modern pieces of writing in the Māori language and will encourage a greater respect for and use of te reo.
Providing a fellowship in Māori history. Preparing publication of <i>He Pukapuka Whakaatu atu Tēnei Nāku: My Book of Written Records</i> , by the Fellow in Māori history.	20	The Department's Historical Branch funds a fellowship which allows Māori historians to research and publish on Māori history topics, in the company of other professional historians and with the resources, reputation and networks of the Branch at their disposal. The focus of the Fellowship is on iwi history that is not Treaty claims-related.

... continued on the next page.



Activity	\$000	Rationale
		<p>This actively fosters an area of scholarship that might otherwise be neglected, and ensures that the unique perspective that Māori have into their own history is reflected in New Zealand's official historical writing.</p> <p>This book shows how important literacy and writing has been to the Māori community over the past 150 years. It will help give Māori a sense that a literary tradition goes back to the early 19th century.</p>
Initiation of a memorial over unmarked Māori graves from a battle site at Katikara in Taranaki.	5	The memorial will mark a significant group of tipuna and signal that the Crown respects Māori dead from the New Zealand wars, as well as those who fought for the Crown.

The two publications and the memorial will all be completed in 2000/2001, so evaluation of their effectiveness is not yet possible. The key indicator of the effectiveness of the Fellowship for Māori historians is the three publications on iwi history that have been produced as a direct result of the Fellowship, which represent important taonga for Ngāti Raukawa, Ngāti Porou and Ngāti Ruapani respectively.

Policy

The Department spent \$180,000 in the latter part of 1999/2000 on three policy projects linked to the Government's *Closing the Gaps* priority. They were funded by transfers from Vote Ministerial Services to Votes Internal Affairs and Local Government (\$90,000 each).

Internal Affairs – The expenditure was used to conduct an audit across all Vote-related activities to identify where and how the Department's policy and operations can deliver better outcomes for Māori. The results of the audit are due to be reported in August 2000, and will shape decisions on improvements to existing policy settings and programmes or innovations to improve the Department's effectiveness for Māori.

Local Government – The expenditure was used on two projects:

- Developing policy on the obligations of local authorities under the Treaty of Waitāngi, as a contribution to a report on this matter due by October 2000. The project involved identifying Treaty references in the full body of legislation applying to local government and summarising relevant Court and tribunal decisions bearing on local authority responsibilities.
- Identifying relationships between the single transferable vote (STV) voting system and Māori representation in local government.

The projects have contributed to the development of advice on local authorities' Treaty of Waitāngi obligations (a report on this is due in October 2000) and on enhancing Māori representation in local government.

Again, it is too soon to evaluate the effectiveness of this expenditure, and it would be difficult to do so in isolation from the wider initiatives to which the expenditure is contributing.



Business Group & Semi-autonomous Body Reports

G7

2

Policy Group (Ngā Kaiwhiri Kaupapa Here)

The Policy Group is responsible for providing advice to the Ministers of Internal Affairs, Local Government, Racing, and Ethnic Affairs on censorship, national identity, citizenship, ethnic affairs, community development, building, fire, gaming, local government, and racing policy.

The Policy Work Programme

The Policy Group in 1999/2000 delivered policy work programmes under three Votes: Vote Internal Affairs, Vote Local Government, and Vote Racing. Key features of these programmes are set out below and followed by other initiatives that contributed to the Group's success.

The key milestones of several projects within these work programmes were either amended or revoked to bring them into line with the new Government's policy directions and priorities. Some key achievements during 1999/2000 were not on the work programme at the beginning of the 1999/2000 year and are not mentioned in the Department's planning publications.

The 1999/2000 year was particularly busy for the Group, due to the election of a new Government involving the appointment of new Ministers to Cabinet. Briefings to Incoming Ministers were prepared in December 1999 for all Ministers for whom the Department works. These outlined the responsibilities relating to each Minister's portfolio and the key issues relating to the sector. The briefings exemplified the wide range of work handled by the Department and were well received by Ministers.

A précis of key achievements during the year includes:

Internal Affairs Policy Advice

Crown Entity Performance and Governance – During the year, the Policy Group completed a major project aimed at producing a comprehensive and detailed set of internal guidelines for its Crown entity monitoring work. The project culminated in a presentation (in conjunction with the State Services Commission) to Crown entity personnel in November 1999 (refer page 18 above for further details).

Controversies involving several of the entities were managed during the year, with improved monitoring frameworks significantly reducing the risk to Government. The focus on a more comprehensive Crown entity framework in 1999/2000 led to specific Policy Group resources being dedicated to a specialised monitoring unit in 2000/2001. This will allow for a consistent approach to the monitoring of entities and will help develop 'a centre of excellence' within the Department.

New Zealand Gaming Survey (Problem Gambling Research) – This substantial problem gambling research project is coming to fruition. Two research reports were released in March and another in June. These reports provide robust and detailed information on problem gambling in New Zealand and findings can be compared with data from a 1991 survey.

The reports have been well received in New Zealand and internationally, and have major international significance.

Establishment of Commissions of Inquiry – Cabinet papers prepared by the Policy Group enabled the establishment of two Commissions of Inquiry: the INCIS Inquiry and the Royal Commission on Genetic Modification.

Gaming Law Reform Bill – A change in approach by the new Minister and Parliament has meant this project was not completed.

In February 2000 the Minister of Internal Affairs referred the Gaming Law Reform Bill back to the Government Administration Committee. The Minister subsequently wrote to Government members seeking possible supplementary order papers. At 30 June 2000, the Bill was still with the Committee.

Review of Fire Service Funding – In November 1999, Government assigned priority to resolving the firefighters' employment contract negotiations, and in January 2000, the Minister suspended work on the Review of Fire Service Funding. In June 2000, the Minister agreed to an overall strategy to resolve several major problems connected to the funding arrangements of the Fire Service Commission. A terms of reference for a major review of the Fire Service's funding arrangements is now being developed in consultation with central agencies and the Ministry for Emergency Management.

Review of the Building Act 1991 – Substantive work was done on the Building Act Review throughout 1999/2000. A draft terms of reference was circulated to all local authorities and stakeholders within the construction building sector. Interest in the review was considerably greater than expected, with 92 submissions received. A draft discussion document was developed and will be published in 2000/2001.

Review of the Citizenship Act – This review is of interest to many New Zealanders, especially tangata whenua. A substantial discussion document on issues relating to citizenship was produced, along with a summary document and translations into several languages. Ministers agreed that a policy framework be developed for the Government's consideration.

Ethnic Affairs – The previous Government suspended work on the Ethnic Affairs Policy Framework before the election. The incoming government created a portfolio for Ethnic Affairs. The new Minister has initially focused on building his relationship with various ethnic communities throughout New Zealand.



Building Amendment (Dam Safety) Bill – The Department took over the promulgation of this Bill from the Ministry of Commerce after preliminary work had been done on identifying safety measures needed in the construction and maintenance of dams and features of an associated regulatory regime. The Department decided it was necessary to undertake a cost-benefit analysis of the proposed regulatory regime and a commissioned study was not able to conclude that benefits would outweigh costs. The proposed regime is now being refined.

Local Government Policy Advice

Forum between Central and Local Government – The Department liaised closely with the Department of the Prime Minister and Cabinet, and *Local Government New Zealand*, on the preparation of material for the first Forum between central and local government held in March 2000. Consequently, the Department convened a core officials group to monitor those aspects of Government's work programme affecting local government and to develop principles for local government.

Rodney District Council Review – The Department recommended an unprecedented Ministerial review of the Council. Council members had themselves recognised that as a body, they were no longer functioning productively and they were in danger of not meeting statutory requirements. This culminated in the appointment of a commissioner in place of the elected councillors, and legislation to provide for an early election of the Council in March 2001.

Chief Executives' Validation Bill – The Department advised the Minister of Local Government on issues around local government chief executives' contracts, which resulted in the Local Government (Validation of Reappointments) Act 2000, being passed under urgency in March 2000.

Local and Members' Bills – The Select Committee was advised on nine Local & Members' Bills during 1999/2000.

Racing Policy Advice

Review of the Racing Industry – Limited resources were available to work on the Review of the Racing Industry due to a combination of Ministerial requirements for briefings and ad-hoc policy advice and overall funding levels within Vote Racing. Additional funding has been allocated to undertake a review of racing industry structures in 2000/2001.



Policy Group Capability Initiatives

Throughout 1999/2000 the Group continued developing its capability and its ability to deliver outputs – this process began with the Group's formation in early 1998. Particular initiatives that contributed to the Group's success included:

Policy Baseline Review – KPMG was contracted to review the scope, capability and funding of the Policy Group by Department, in conjunction with the Treasury and State Services Commission. The review recommended an increase in baseline funding to support greater capability and a stronger capacity for strategic policy work. The review contributed to a 33 percent increase in overall funding for the Group in 2000/2001. Expenditure will focus on strategic policy projects in the local government and gaming areas.

Policy Skills Enhancement – Members of the Group continued to undertake ongoing monthly policy skills training sessions as part of the *Policy Leadership Skills Enhancement Programme*, which was developed with Victoria University of Wellington.

Policy Leadership Strategies – The Group continued to implement *Policy Leadership Strategies* aimed at improving the core capability of the Group, particularly in the areas of systems, best-practice policy analysis, strategic direction, human resources, relationship management and effective work systems.

Ministerial Satisfaction – The quality, quantity, timeliness and overall satisfaction of policy advice provided to Ministers for the 1999/2000 year continued to be rated highly (as assessed by Ministerial Satisfaction Surveys).

Community Development Group

The Community Development Group aims to build strong communities through the provision of community development advisory services, information, Lottery Grants, Community Organisation Grants Scheme (COGS) and other grants which develop community capacity to address local issues. The Group also supports the local government system through administering aspects of the statutory framework and provision of information.

COGS, which funds the direct provision of social services through 40 community-elected local committees, received 3,499 applications for government grant funding for community groups. Building on the Department's partnership with the community through COGS, the Group entered into a memorandum of understanding with the COGS National Advisory Committee, which represents the local committees. This memorandum set out clearly, for the first time, the working relationship between the Department and the community representatives of the scheme. The National Advisory Committee also reached agreement with the Minister of Internal Affairs to distribute the government grant funding for the United Nations' International Year of Volunteers 2001.

The Ethnic Affairs Service continued to provide advice and information to those involved with or interested in New Zealand's ethnic communities. This included publication of a profile of ethnic groups entitled *Ethnic Diversity in New Zealand*. Support was provided for the new portfolio of the Minister for Ethnic Affairs, including preparatory work to establish the Office of Ethnic Affairs in July 2000.

A total of 4,419 Lottery grants worth \$76.7 million for New Zealand communities were made by the Lottery distribution committees serviced by the Group: this included \$7.5 million for millennium celebration events. Other major grants were made for the development of Waipoua Forest in Northland (\$1.4 million), the North Shore Bays Community Fitness Centre (\$1 million) and the Southland Indoor Leisure Centre (\$750,000). The average amount funded per grant was \$17,356 and the median grant funded was \$5,830.

In 1999/2000, the Lottery Grants Board allocated \$61 million to the Hillary Commission, Creative New Zealand and the Film Commission. A further \$500,000 was allocated towards celebrating the International Year of Volunteers 2001. The Lottery General International Year of Volunteers Subcommittee has determined its funding policies and has called for applications. Grants will be determined in late October 2000.

The Local Government Services team provided advisory and administrative support to the Local Government Commission to facilitate decision making on the proposed amalgamations of Hastings District with Napier City, and Banks Peninsula District with Christchurch City, and on proposals to alter the boundaries between Canterbury and Otago Regions, and Hastings and Wairoa Districts. An Internet site was also established for the Commission.

Local Government Services also provided support and advice to the Review Authority appointed by the Minister of Local Government to review the Rodney District Council.

Publications produced by Local Government Services included guidelines on the local government reorganisation legislation, and on the process for devolving control of land drainage and water race schemes from local authorities to landowners. The 1998 local authority election statistics were also published.

Discussions were held with the Tūwharetoa Māori Trust Board to develop a Memorandum of Understanding that clearly articulates the relationship between Tūwharetoa and the Crown in respect of the Lake Taupō harbourmaster function.

Executive Government Support Group (Te Pouroto Kāwanatanga)

The mission of the Executive Government Support Group is to enable executive government to function effectively through anticipating Ministers' needs and providing them with exemplary support services. During 1999/2000 the Group once again demonstrated its operational diversity.

The Visits and Ceremonial Office (VCO), working with other business units and agencies, managed the very successful concurrent hosting of the visits of three Heads of State after the Asia-Pacific Economic Cooperation (APEC) meeting –

the Presidents of China, South Korea and the United States. It was an unprecedented event for New Zealand and a significant achievement for VCO and the Department.

In March, 2000 America's Cup celebrations were held at Parliament. VCO was responsible for the Prime Minister's reception for Team New Zealand and Prada (the Italian America's Cup Challenge team).

Ministerial Services, VIP Transport and Media Services were challenged to make quick and seamless changes following the general election, to enable Ministers to focus on their new responsibilities.

On 1 July 1999 Vote Ministerial Services was established. Initially, this involved Ministerial Services and VIP Transport being transferred from Vote Internal Affairs to Vote Ministerial Services. On July 1, 2000 VCO also transferred. The change in funding arrangements better reflects the relationship between the Crown and the services provided under this output class.

The Commission of Inquiry into the Provision of Computer System known as the Integrated National Crime Information System (INCIS) was established and then had its status changed to a Ministerial Inquiry. This was the first time for several decades that a Commission has had its warrant revoked. Quickly following this, the Royal Commission on Genetic Modification was established. The Group will continue to manage and respond to the needs of the Commission during 2000/2001. This is typical of the level of preparedness that the Group needs to maintain to be totally responsive to the ongoing and changing needs of Executive Government.

On 1 January 2000, publication arrangements for the NZ Gazette were changed from being sourced outside the Department (as they have been for almost 160 years), to being managed in-house. This will enable an improved service that is more responsive to client requirements.

On 1 July 2000 the Translation Service took over the Authentications Unit from the Department's Identity Services Group. The Authentications Unit, in conjunction with Ministry of Foreign Affairs and Trade provides a service to clients who wish to prove to an overseas source the genuineness of their New Zealand issued documents. About 2000 documents are authenticated each year. Authenticating documents fits well with the Translation Service, with its orientation on providing an accurate and timely service.

The Group now plans to focus on ensuring that the Department's workplace principles are the foundation for the way the Group works, and to build on its ability to provide effective services to Ministers.

Gaming and Censorship Regulation Group

The Gaming and Censorship Regulation Group aims to ensure that gaming is fair, honest and lawful; and to uphold community standards of censorship, including regulating the possession and supply of objectionable material and the public display of publications.

The 1999/2000 year involved increasing levels of activity and the refinement of risk based regulatory tools used in the supervision of casinos and other forms of gaming. Key activities in the censorship area included continuing to improve the means of Internet monitoring and working to increase public awareness of Internet offending. This included the publication of a guide for parents and children on how the Internet can be used safely.

Gaming machine audits, investigations and prosecutions

Two types of gaming machine audits are undertaken by the Group:

- society audits which examine the entire operation of gaming machine societies, including site management; and
- site audits which examine individual sites licensed to multi-site societies. Site audits allow supervision of multi-site operations even in years when the society is not being audited.

In 1999/2000, Inspectors of Gaming completed audits of 20 percent of all gaming machine societies (181) and a further 154 gaming machine sites.

A high percentage of audited societies (79 percent) and sites (70 percent) had 'high priority failings', which indicate significant problems with the integrity of gaming machine operations. Of these high priority failings, most were in the area of banking of proceeds, with 70 percent of audited societies and 42 percent of audited sites failing in this area.

Of the society audits which identified failings in the bankings area, most were found to be due to funds not being banked correctly, rather than money being missing altogether. However, in the majority of failed site audits, money was identified as missing – with a total amount of \$523,760 missing as a result of not being banked.

In addition, audits identified several instances where expenses claimed by a society were not 'actual, reasonable and necessary'. Generally this involved a society contracting a private organisation owned by a member or members of the society to provide services at a profit.

Because 1999/2000 was the first full year of the risk-based audit process, the majority of failed audits resulted in official warnings to the society. However, in 2000/01 the Department intends to suspend the licence of any society or site which exceeds a set number of high priority audit failings.

In 1999/2000, Inspectors of Gaming investigated 74 gaming machine operations after alleged breaches of legislation and/or licence conditions. As a result of these investigations, 22 official warnings were issued (18 of these resulted from a serious breach in the authorised purpose grants process); five cases were referred to the police; three site approvals were suspended; and two cases were prosecuted by the Department of Internal Affairs. One of these prosecutions resulted in a conviction and the other is pending. The remaining 42 investigations found no breach or that there was insufficient evidence to take further action.

Casino Supervision and Inspection

The Unit successfully established two new inspectorates in the Dunedin and Queenstown casinos. During the year, both new casinos moved to part-time supervision after demonstrating an acceptable level of compliance. Twenty-four hour inspection is still maintained in the Auckland Sky City and Christchurch casinos.

The Unit helped investigate 78 cheating offences, investigated 129 complaints on behalf of patrons, dealt with 112 minors on casino premises and took formal action against two casino operators for serious breaches of their internal control procedures.

Censorship Compliance

Of the 34 prosecution cases prepared in 1999/2000, three related to the distribution of unclassified adult videos and 31 related to the possession and trade of objectionable material.

Seventeen censorship cases were heard in the courts in 1999/2000. Sixteen resulted in conviction and one was discharged under Section 19 of the Criminal Justice Act.

The Censorship Compliance Unit is in daily contact with overseas enforcement agencies. In one case last year involving a computer system seized under warrant in New Zealand, the Unit identified 75 confirmed overseas target computers whose users were trading in child pornography.

Heritage Group (Te Puna Kōrero Tuku Iho)

The Heritage Group was established in January 1998 to bring together National Archives, the Historical Branch, *the Dictionary of New Zealand Biography* and the Heritage Property Unit. The common interest of each of these units in history and heritage – preserving government records, caring for heritage sites and producing historical publications – was seen as a strong unifying focus for future work. It was agreed that exploiting synergies within the Group would have many advantages. Also, the immense interest that New Zealanders have shown in their history suggests exciting opportunities for the Group to provide new heritage products and services. This interest is exemplified by increased attendance at ANZAC Day services, the popularity of exhibitions, television programmes and books on New Zealand history, and the growth of interest in family and local history.

During its two and a half year existence, the Heritage Group encountered some obstacles. Of these, the most significant was a legal challenge mounted by the Archives and Records Association of New Zealand and the Society of Genealogists. Although the final judgement favoured the Department, the protracted nature of the case made it difficult to realise some of the Group's original plans. At the same time, governmental reviews of historic heritage management and the broad culture and heritage sector took place. A submission to the Historic Heritage Management Review by the Department, recommend-

ing an independent National Archives, proved influential. Government last year moved to restructure the sector: from 1 September 1999 the Heritage Group was funded through Vote Culture and Heritage while remaining operationally part of the Department of Internal Affairs; and from 1 July 2000 the Historical Branch, the *Dictionary of New Zealand Biography* and the Heritage Property Unit moved out of the Department and became part of the Ministry for Culture and Heritage.

Despite difficulties, the Group had some significant successes during 1999/2000. The most notable has been the launch of the www.nzhistory.net.nz website, which aims to be a gateway to New Zealand history sources on the Internet. The development of the site has called on the resources, energy and creativity of all units of the Heritage Group, and it has won international acclaim. It will continue to be developed by the History and Heritage units in the Ministry for Culture and Heritage. Other joint achievements include an exhibition at National Archives commemorating 50 years of New Zealand citizenship, a series of guides to battle sites of the First World War, and an illustrated history of the 20th Century using photographs from National Archives. An important achievement of the Heritage Property Unit was the completion of a new commemorative site at Gallipoli. The site, developed in co-operation with the Australian Government, was unveiled on ANZAC Day by the Prime Ministers of Australia and New Zealand.

With the dissolution of the Heritage Group, the long association of the constituent units within the Department comes to an end. However, the functions performed by National Archives, the Historical Branch, the *Dictionary of New Zealand Biography* and the Heritage Property Unit will continue to be supported within new governance frameworks which will allow them to consolidate and progress in the years ahead.

National Archives will become a new department – Archives New Zealand on 1 October 2000. Various Heritage Group initiatives have smoothed the path towards its independent status. These include a successful budget bid in 1999 to provide up to 20 years of new storage at Archives House, Wellington and two further successful bids in 2000 for a significant baseline increase and for the development of electronic finding aids. The baseline increase will fund maintenance, and an expanded Statutory/Regulatory Unit. The ‘finding aids’ project will increase the general public’s ability to access the records of government. In addition a major project to upgrade Archives House, Wellington beginning in 1999, has been funded by the Department of Internal Affairs.

Meanwhile within the Ministry for Culture and Heritage, the former Historical Branch and *Dictionary of New Zealand Biography* have already amalgamated as the History Group, while the former Heritage Property Unit will be known as the Heritage Operations Group. Under the aegis of the Ministry, some exciting projects will be furthered or brought to completion, including the New Zealand Memorial on ANZAC Parade in Canberra, the history of Government series, and the on-line *Dictionary of New Zealand Biography*.

Identity Services Group (Te Ratonga Tuakiri)

Identity Services Group aims to be the primary source of information about personal identity and key life events, by registering birth, death and marriage details, issuing passports and handling citizenship applications.

The year 1999/2000 was another busy year for Identity Services. The Group issued 308,691 passports and more than 270,000 birth, death and marriage (BDM) certificates. Applications for grant of New Zealand citizenship were well ahead of projections, with 31,535 applications received.

As a largely technology-based business group, the Group was pleased to enter the Year 2000 with no significant problems – a comprehensive programme of checking and updating systems had been instituted. The Group also helped New Zealanders to celebrate the millennium by producing an attractive set of millennium birth certificates available throughout the year 2000. By 30 June 2000, 30,000 of these certificates had been purchased.

The process of converting current BDM records (births and deaths 1935-97, marriages 1951-97) to electronic formats has made good progress this year, and the project is on track for completion by 30 June 2001. The Department has also obtained funding of \$3.8 million to convert the remaining paper-based BDM records (back to 1848) during the next two years. When finished, the electronic records will be a valuable heritage asset and research tool. The conversion process has allowed BDM processing operations to be largely centralised. It also assisted in a collaboration with the Department for Courts as that agency gradually reduced its role to marriage-related services only.

The Citizenship Office has completed its transition to electronic operating systems and is now making process refinements. The Citizenship Act is under review. It was amended in 1999 to reduce the risk of New Zealanders born overseas unwittingly losing their right to register citizenship by descent. The amendment, which has the effect of deferring this issue by two years, was accompanied by a *Stay Kiwi* communications campaign to advise the children of New Zealanders abroad of the requirement to register citizenship by descent before the age of 22.

The Passport Office and the Ministry of Foreign Affairs and Trade (MFAT) have agreed that the London Passport Office will be managed by the Department of Internal Affairs from mid 2001. MFAT and the Group will be working together to ensure a smooth transition.

The Group's Call Centre has continued to develop as the primary interface for customers seeking information, forms and some simple transactions. Customer feedback has been overwhelmingly positive. The Call Centre, which is supported by a comprehensive Intranet, has handled more than 600,000 customer calls during 1999/2000.



On a corporate level, the Group has given particular attention to effectiveness for Māori. A framework of operational principles and proposed initiatives has been completed. Through the year, partnership principles set out in the Group's Collective Employment Contract have been implemented. Risk management has been a further area of focus, with a more robust business continuance platform for information technology designed and partially installed during the year. The Group has also been heavily involved with the Government's drive towards eGovernment through participation in strategic planning workshops focused on developing a vision for development of eGovernment in New Zealand. The Group now leads the Public Registers On-line project, as well as enhancing its own web sites.

The New Zealand Millennium Office (Te Tari Mano Tau o Aotearoa)

The New Zealand Millennium Office supported the Towards 2000 Taskforce in the development, implementation and maintenance of the Official Millennium Celebrations Programme which aims to maximise the opportunities afforded to New Zealand as *First to the Future Tuatahi ki Tua*.

Overview of the Office's Activities during 1999/2000

New Zealand's Official Millennium and Year 2000 celebrations programme began successfully during 1999/2000. Operations of the NZ Millennium Office included:

- Successful staging of the official dawn events at Mount Hakepa on Pitt Island, Rangaika on Chatham Island, Mount Hikurangi on the East Coast, and Gisborne City.
- Wide participation by community groups in local and regional events that celebrated and showcased New Zealand's culture, people, achievements and country, at the dawning of the Year 2000 and the new millennium.
- New Zealand's millennium celebrations led the world at the beginning of the Year 2000 with a domestic and international broadcast to more than two billion people world-wide.
- New Zealand events contributed more than 85 minutes of live television coverage in the 26-hour *2000 Today Millennium Day* broadcast. New Zealand was the third largest contributor of film footage to the broadcast, after the United States and United Kingdom.
- Audits, reviews and post-event debriefs were completed on key funded events and event producers.
- Completion of a research study gauging the overall public perception of New Zealand's Official Millennium celebrations. Results indicate that two out of every three New Zealanders celebrated the millennium, and that more than three out of four were happy with the events.

- The *Official Millennium Celebrations Programme* was completed and approved by a team of Ministers. More than 350 events, projects and products were listed on the Programme which carried the *First to the Future Official Programme* brand.
- Millennium celebrations achieved substantial media exposure within New Zealand and overseas, including the cover of *Time* magazine's Year 2000 commemorative edition.
- Production of the official millennium song *I'll Meet You There*, originally recorded by Dave Dobbyn and Bic Runga.
- Successful delivery of a television branding campaign through TV3. The campaign comprised a series of vignettes under the banner 'Our Children, Our Future, Our Millennium' with the official millennium song. The campaign also featured stories profiling young New Zealanders (up to age 35 years) who have achieved in their respective fields of endeavour.
- Sponsorship and merchandising agreements were secured with the Bank of New Zealand and Ezibuy to extend the brand campaign and promote the Official Millennium Celebrations Programme in all forms of media and advertising.
- An inter-agency communications group including the Tourism Board, TradeNZ, Hillary Commission for Sports, Fitness and Leisure, Tourism Industry Association, APEC and America's Cup, was established to maximise communication opportunities around the millennium and other significant events.
- A broad range of events and projects of long-standing value were funded throughout New Zealand that support the millennium themes across the arts and culture, sports, environment, heritage and tangata whenua.

Ministry for Emergency Management (Te Rākau Whakamarumarū)

The focus of the Ministry for Emergency Management (MEM) is making New Zealand and its communities resilient to hazards and disasters. Its task is to restructure New Zealand's existing civil defence emergency management arrangements, to ensure a co-ordinated disaster management capability at the local/regional level and to provide capacity for a national emergency event. The Ministry also provides policy advice to government, establishes necessary structures and manages national level disasters.

MEM began as a Ministry on 1 July 1999. It set out to achieve:

- drafting of the new emergency management legislation
- preparing a draft National Civil Defence Emergency Management (CDEM) Strategy
- developing formation and planning guidelines for CDEM groups
- preparing professional development and research frameworks for the industry

- developing and implementing a national incident monitoring system for Y2K and millennium events.

Highlights

Directions in Civil Defence Emergency Management (CDEM) – The new Government endorsed the Ministry's vision of resilient communities. In March 2000, the Minister of Civil Defence, committed to the risk management approach and implementation of the new CDEM group arrangements based on regional boundaries. Throughout the year, the Ministry engaged with local authority and emergency services stakeholders to establish the basis for the new structures. This has resulted in a high level of 'buy-in' for the new directions.

New Legislation – A draft Civil Defence Emergency Management Bill was prepared during the year. The Bill is on the Government legislative programme to proceed to select committee in 2000/2001.

Y2K – The Ministry developed a nation-wide incident monitoring system of key utilities, emergency services and local government organisations to manage the prospect of community disruption due to Y2K and millennium events.

The system provided a means to monitor the status of more than 300 organisations nationally and make incident information available to the world immediately via the Internet. Six million hits to the Ministry's special monitoring web site were recorded in the first eight hours of the rollover period.

The Ministry also developed contingency planning templates for life-line utilities, emergency services and local authorities. The templates provided these organisations with a basis to develop their own strategies to cope with potential problems resulting from Y2K or millennium celebrations.

Declared Emergencies – The Ministry monitored four declared civil defence emergencies during the year. Floods in the Queenstown, Central Otago and Clutha districts in November 1999 were the main emergencies.

Clutha River Project – After the Central Otago flooding, the Ministry co-ordinated a project to define long-term solutions to the Clutha flooding problem. A Clutha Solutions co-ordinator was appointed to work with MEM and the local communities.

Professional Development in the Civil Defence Emergency Management Sector – During 1999/2000 the Ministry held five successful civil defence emergency management courses attended by local government, and emergency services staff. These included new courses designed to align the sector to the new emergency management approach.

A scoping paper for a joint-agency approach to professional development programmes in the emergency management sector was prepared by the Ministry and adopted by MEM and the Police and Fire Service.

Office of Tourism and Sport

The Office of Tourism and Sport provides advice to Ministers on tourism, events and sport. It also reports on the performance of various Crown entities, including the Tourism Board. The Office manages land at Wairākei and Rotorua and assesses grants for non-commercial tourism facilities.

Several key developments in tourism research occurred during 1999/2000. A major achievement was securing approval for the Tourism Research and Forecasting Clearinghouse. This mechanism aims to facilitate public and private sector co-operation in tourism research and forecasting and to provide a greater user-focus to projects. The more co-ordinated approach will operate from 2000/2001 with the first meeting of the governing council which oversees the clearinghouse system to be held in August 2000.

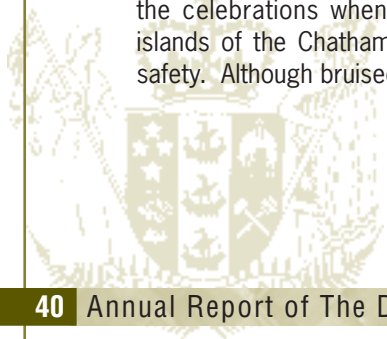
Research commissioned on *The Economic Impact of the America's Cup* set a standard that should constitute a benchmark for studying the economic impact of major events. The tourism forecasting contract was expanded and upgraded to forecast outbound and domestic tourism as well as inbound, and to add extra quality input from industry. It will be supplemented by a report on New Zealand's relative competitiveness with other tourism destinations, which will be delivered in 2000/2001.

Finally, the first Tourism Satellite Account was published, providing an official and authoritative set of data on the economic impacts of tourism. Based on 1995 data, this account showed that tourism added \$6.9m to the economy and generated 118,000 jobs.

A major theme of core policy advice provided was the means of maintaining or expanding the openness of New Zealand to tourism. This was achieved through work at APEC, advice against the proposed MAF/Customs levy on passengers, changes to visa requirements – including the doubling of working holiday visa permits from 10,000 to 20,000 – and work on air transport issues.

Event highlights for the Office included providing assistance in the millennium celebrations, especially in managing the host broadcaster and the Chatham Islands event, and the America's Cup. A secretariat was provided for the America's Cup taskforce and the Office facilitated arrangements between the syndicates, government departments and local bodies and assisted the Minister during the America's Cup Challenge. The combined efforts of the private, voluntary and public sectors made for two very successful events.

Two Office of Tourism and Sport staff experienced a more dramatic aspect of the celebrations when in late 1999 the plane carrying them between two islands of the Chathams crashed. The group had to swim some distance to safety. Although bruised, all survived.



In sport, the two dominant issues were drug testing and assistance for high performance competitors. Additional funding to buy more tests was secured and work began on improving the drug-testing regime. Late in the year, a one-off grant, equivalent to four years funding, provided the opportunity to develop centres for sports excellence.

Major progress was made in addressing the ownership and liability issues surrounding Crown land holdings at Wairākei. Revenue from forest sales, tourism and farm leases exceeded expectations by \$100,000. There was a large one-off increase in grants for non-commercial facilities, with the Hump Ridge Track in Southland being the main beneficiary.

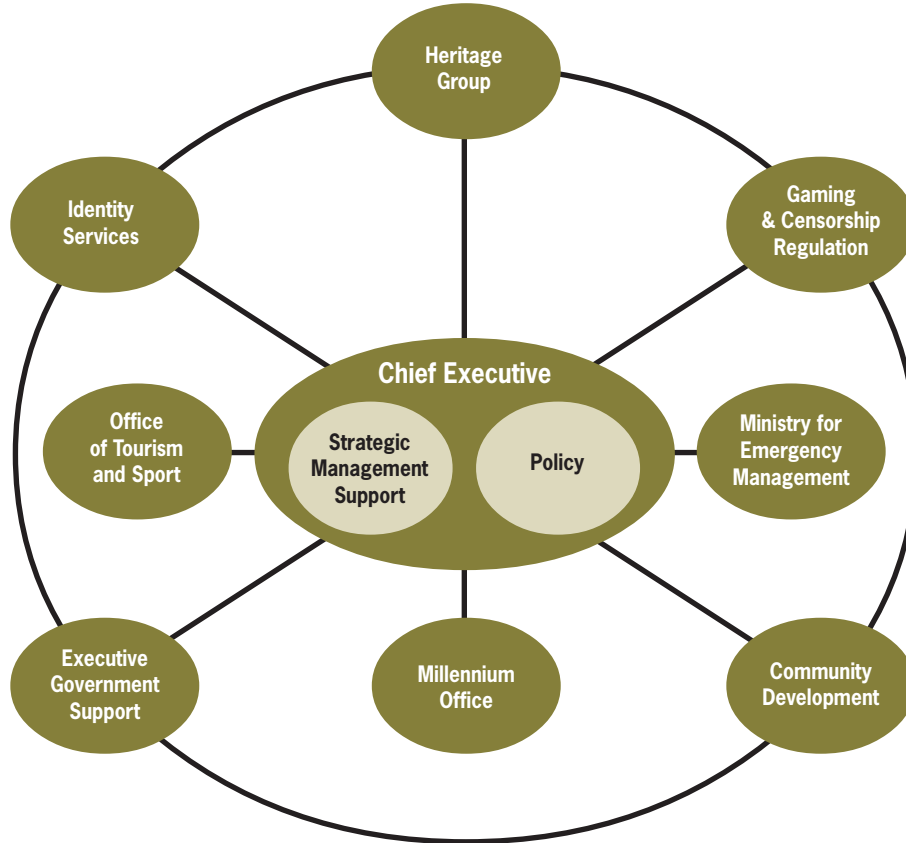




Part Three

Governance and Organisational Development

Organisational Structure



Governance and Organisational Development

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Governance profile

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. The Minister exercises oversight through the performance agreement with the Department's Chief Executive.

As at 30 June 2000, the Chief Executive reported to the following 11 portfolio Ministers on the discharge of his responsibilities for nine Votes:

- the Minister of Civil Defence
- the Minister for the Community and Voluntary Sector
- the Minister of Ethnic Affairs
- the Minister of Internal Affairs
- the Minister of Local Government
- the Minister in Charge of Vote Millennium
- the Minister Responsible for Ministerial Services
- the Minister Responsible for the National Archives
- the Minister for Racing
- the Minister for Sport, Fitness and Leisure
- the Minister of Tourism¹.

The Department's Chief Executive has statutory roles and duties as the Secretary for Internal Affairs, Secretary for Local Government, the Secretary for Civil Defence, and the Clerk of the Writs.

The Chief Executive exercises leadership and governance of the Department with the assistance of other senior managers, through the Executive Management Team.

As at 30 June 2000, the members of that team were:

- Helen Algar – General Manager Policy
- Roger Blakeley – Chief Executive
- Janice Calvert – General Manager Gaming & Censorship Regulation
- Alvin Clement – Advisor to the Chief Executive
- Paul Curry – General Manager Community Development
- Pam Madgwick – General Manager Executive Government Support

¹ On 1 July 2000, the Ministry for Economic Development took over responsibilities to the Minister for Sport, Fitness and Leisure and the Minister of Tourism. In July 2000, an Associate Minister of Internal Affairs was appointed to assist primarily with citizenship matters.

- Annette Offenberger – General Manager Identity Services
- Jock Phillips – Acting General Manager Heritage¹
- Brenda Tahī – General Manager Strategic Management Support

As at 30 June 2000, the Department:

- Included four entities that operate outside the core Department, but for which the Chief Executive retains overall responsibility: the Ministry for Emergency Management (Director John Norton), the Millennium Office (Manager Sharon van Gulik), the Office of Tourism and Sport (Acting Director Neil Plimmer)², and the National Archives, during the transitional period until its establishment as an independent Department on 1 October 2000 (Acting Director and Chief Archivist Chris Hurley).
- Had an association with nine Crown entities through its policy and Vote administration responsibilities to the Minister of Internal Affairs, Minister for Sport, Fitness and Leisure, and Minister of Tourism. The Department also had an association with, and varying responsibilities for, many other statutory bodies and trusts. These associations are presented in the following table.

Crown and other entities associated with the Department of Internal Affairs

VOTE AND ENTITY TYPE	ENTITY
Vote Internal Affairs	
Crown entities	<ul style="list-style-type: none"> • Building Industry Authority • Casino Control Authority • NZ Fire Service Commission • NZ Lotteries Commission • NZ Lottery Grants Board • Office of Film and Literature Classification
Statutory bodies and trusts	<ul style="list-style-type: none"> • Architects Education and Registration Board • Architects Investigation Committee

¹ On 1 July 2000; the Chief Historian transferred with the History and Heritage Units to the Ministry for Culture and Heritage; on 14 August 2000, the General Managers of DIA Capability and Communications, DIA Finance and Performance, DIA Information and Facilities and the Director Strategic Support joined the EMT in place of the General Manager Strategic Management Support.

² On 1 July 2000, the Office of Tourism and Sport transferred to the Ministry for Economic Development, as did the monitoring responsibilities for the Hillary Commission, Sports Drug Agency, NZ Sports Foundation and Tourism New Zealand.

VOTE AND ENTITY TYPE	ENTITY
Vote Internal Affairs	
Statutory bodies and trusts	<ul style="list-style-type: none"> • Chatham Island Enterprise Trust • Community Trusts • Diana, Princess of Wales Memorial Trust • Film and Literature Board of Review • Film and Video Labelling Body • Norman Kirk Memorial Trust • Pacific Development and Conservation Trust • Patriotic and Canteen Funds Board • Peace and Disarmament Education Trust • Winston Churchill Memorial Trust
Vote Local Government	
Statutory body	<ul style="list-style-type: none"> • Local Government Commission
Vote Racing	
Statutory bodies	<ul style="list-style-type: none"> • Racing Industry Board • Totalisator Agency Board
Vote Sport, Fitness and Leisure	
Crown entities	<ul style="list-style-type: none"> • Hillary Commission for Sport, Fitness and Leisure • Sports Drug Agency
Statutory body	<ul style="list-style-type: none"> • NZ Sports Foundation
Vote Tourism	
Crown entities	<ul style="list-style-type: none"> • Tourism New Zealand

Governance Framework

The Department defines governance as:

the leadership, direction and control of the Department such that the Government's broad ownership interests are protected and the Department's strategic intent is achieved.

The Department has adopted a framework for corporate governance based on five principles:

- **openness** of process, information, decisions and actions
- **integrity** in ethics, probity, propriety and the collective interest
- **accountability** for authority, responsibility, actions, resources and results
- **stewardship** of the owner's interests and assets, capability, resources, risks
- **effectiveness** by doing the right things well to achieve desired results.

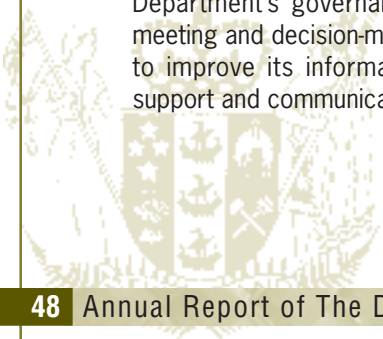
The Department's preferred style of governance is to devolve as much responsibility and decision-making discretion to business groups as possible (and to respect the operational independence of its semi-autonomous bodies), consistent with the need to conduct and represent itself as a single organisation. Corporate governance, therefore involves decisions by the Departments' Executive Management Team on those matters of strategy, policy, performance, capability, resource allocation, risk and relationships that the Department wants, or has, to determine collectively.

Executive Management Team: Key decisions

Key corporate governance and organisational development decisions made by the Executive Management Team (EMT) during 1999/2000 were:

Corporate strategy – Following consultation with staff, the EMT adopted a strategic framework for the Department that clarified its purpose and outlined its generalist strategy. The framework acknowledges the Department's unique role within government as an incubator and host of a changing set of functions and entities. The framework distinguishes between the corporate capabilities needed to be an effective generalist and the business capabilities needed for effective performance across the range of the Department's responsibilities.

Roles and responsibilities – As part of the process of clarifying the Department's approach to corporate governance, the EMT revised a core document on the roles and responsibilities of all those who contribute to the Department's governance. At the same time, the EMT overhauled its own meeting and decision-making processes, and appointed a business co-ordinator to improve its information management, meeting administration, decision support and communications.



Workplace Principles – The EMT decided to develop a set of workplace principles on which to base ongoing review of human resource strategies, policies and practices as well as the Department's approach to employment contracts. The three principles, developed in consultation with staff, are:

We value people, we act with integrity, we provide outstanding service.

The principles confirm the Department's intention to build a work environment based on trust, partnerships and shared values. The EMT has begun to consider a principles-based approach to the Department's five collective employment contracts and all individual employment contracts.

The Chief Executive meets quarterly with the Public Service Association to develop the partnership which supports the principles-based approach to workplace management. Changes to employment legislation mean these meetings will continue to provide an important forum to share information and seek solutions to workplace issues.

Effectiveness for Māori – The EMT sought to deepen the Department's responsiveness to Māori as staff, clients and stakeholders by establishing an Effectiveness for Māori self-audit process. This requires each business group to assess itself against a series of audit standards. Business groups must use the results of their self-assessment to develop customised solutions or practices that ensure the services, products, policies and programmes they deliver are effective for Māori. There is some evidence that the audit process is resulting in increased awareness and action being taken to improve the Department's responsiveness to Māori, as business groups are now including specific Effectiveness for Māori plans within their strategic business plans. The Department now has a valuable mechanism for evaluating its Effectiveness for Māori and it will continue to refine the self-audit process.

Health and Safety – Approval and implementation of a health and safety policy was a high priority for the EMT during the year. The Team wanted to establish an appropriate framework for accountability, procedures and reporting. Two important initiatives have been the establishment of a Departmental Health and Safety Committee to raise the profile of health and safety policy and oversee progress, and a Health and Safety database to record and enable analysis of hazards and accidents. During the year the focus has been on business groups developing their health and safety plans for integration into their 2000/2001 business plans.

Remuneration – During 1999/2000, the EMT reviewed remuneration practices in the Department as part of its on-going commitment to recognise and reward high performance while actively managing poor performance. The EMT is developing a remuneration system that is transparent, fair, internally and externally equitable, and responsive to the different remuneration issues and labour market conditions which affect each business group.

Balance sheet management – The EMT decided to address issues concerning the management of assets and liabilities and capital allocation by assigning primary responsibility for balance sheet management to the general managers of each business group, to take effect from 1 July 2000. This comes with an agreed set of principles and rules to safeguard the Chief Executive's overall responsibility for financial management. Devolving balance sheet management is likely to lead to better decisions about asset management and capital spending over time, by ensuring the right incentives and information are present when decisions are made. This approach to asset management and replacement is also consistent with the Department's operating style and better reflects the asset intensity and capital needs of the different business groups.

Overhead cost allocation – Another financial issue that the EMT worked on during the year was refining the Department's method for allocating corporate overhead costs. The goal is to ensure that corporate costs are shared equitably and managed appropriately. Financial modelling is still underway to compare the consequences of several alternative methods. The review has led to a helpful distinction between 'true' corporate costs, either for compliance or organisational development activities, and business support costs. The Department intends to have the new allocation method in place by 1 July 2001.

Office accommodation – The EMT completed an assessment of the Department's head office accommodation needs during the year. Its goal is to update its office standards, including health and safety standards, to meet the wide variety of demands placed on the modern workplace. The best solution was to upgrade its existing accommodation in Wellington's State Insurance Building. The Department secured funding in the 2000 Budget to undertake the upgrade, which includes improvements to security, air flow, lighting, noise management and cabling, and provides for a consistent standard of office furniture. The refit is due to begin in October 2000 and finish by the end of 2001.

Business support – The examination of the Department's management systems through the Overview Project prompted the EMT to reconsider whether the devolved business support arrangements put in place in late 1997 were still appropriate, effective and efficient. The EMT undertook some bench-marking against other comparable organisations to gauge aspects of quality and value for money in its support services. The review confirmed that output delivery is adequately supported overall, and identified areas for further improvement, including specific service improvement goals. The review suggested that delivery of some business support services could be centralised. The review also identified opportunities for improving the Department's approach to capability development, with more explicit recognition of the trade-off between managing risk and allowing flexibility in implementing agreed policies, and of the costs of development and implementation. Finally, the review highlighted opportunities for streamlining processes and documents associated with the Department's compliance activity, and for enhancing the quality of analysis of the information gathered for accountability purposes.

New corporate centre – Towards the end of the year, the Chief Executive agreed to reorganise the Department's corporate services group, with effect from August 2000. The design of the new Governance and Business Support centre will ensure the right mix of strategic and technical advice is available to the Chief Executive in the key capability areas of people, information, finance and the leadership and governance of the Department. The purpose of the change is to improve support for the Department's governance needs and to lift the cost-effectiveness of business support. The change will also better position the Department as a generalist organisation and shared services provider.

Other Governance and Organisational Development Reporting

In addition to the key decisions taken by the EMT, there was a wide range of activity and reporting on governance and organisational development matters during the year, led by the corporate services group (Strategic Management Support).

Staff

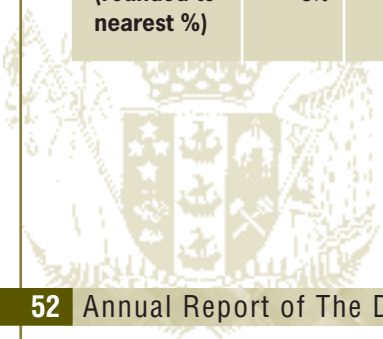
The Department aims to be a high performing, generalist department. To help achieve this goal, its human resource strategies are aimed at developing people capability by appointing and developing the right people, in the right places, in the right way and at the right time. Key human resource initiatives in 1999/2000 have included the development of workplace principles, the adoption of a new corporate EEO strategy, the development of a department-wide health & safety policy (including the establishment of a department-wide Health & Safety Committee), a focus on increasing investment in staff development and a review of the remuneration strategy. These initiatives have all taken place within an environment of ongoing change. The following sections report on those initiatives not discussed under *Key decisions* above.

EEO – A review of Equal Employment Opportunities(EEO) initiatives during the year has led to the development of a new department-wide EEO strategy aligned with the State Services Commission *EEO Policy to 2010*. Strategies under the four headings of leadership; organisational culture and strategic human resource management; employment of EEO groups; and monitoring and evaluation, have been developed for implementation through business group strategies and initiatives. Overall, the new EEO strategy aims to deliver measurable EEO outcomes with a particular focus on the effective recruitment and retention of Māori and people from other EEO groups. The following table provides an overview of the ethnic composition of each of the Department's business groups.



Ethnic group composition as a percentage of all Department of Internal Affairs staff by business groups

	ASIAN	OTHER ETHNIC MINORITY	MĀORI	PACIFIC PEOPLES	EUROPEAN	UNKNOWN	ALL ETHNICITIES
Community Development	0.0%	0.2%	4.3%	0.5%	7.5%	0.9%	13.5%
Executive Government	0.2%	0.2%	2.5%	0.0%	10.0%	10.3%	23.1%
Gaming and Censorship	0.2%	0.0%	0.9%	0.1%	4.5%	0.5%	6.2%
Heritage	0.1%	0.1%	0.9%	0.3%	8.4%	1.0%	10.8%
Identity Services	1.5%	0.2%	4.4%	2.3%	19.9%	2.3%	30.6%
Ministry for Emergency Management	0.0%	0.2%	0.3%	0.0%	1.8%	0.0%	2.3%
NZ Millennium Office	0.0%	0.0%	0.1%	0.0%	0.1%	0.0%	0.2%
Office of Tourism & Sport	0.1%	0.1%	0.0%	0.0%	0.7%	0.1%	0.9%
Office of the Chief Executive	0.0%	0.0%	0.0%	0.0%	0.2%	0.1%	0.3%
Policy	0.1%	0.0%	0.4%	0.0%	2.6%	0.0%	3.1%
Strategic Management Support	1.2%	0.2%	0.8%	0.6%	6.2%	0.2%	9.1%
All employees (rounded to nearest %)	3%	1%	15%	4%	62%	15%	100%



Remuneration disclosure – The next table reports salaries (not necessarily total remuneration) for all staff. The average salary for all staff has increased from \$42,207 to \$44,500 in the past year – an overall increase of 5.4 percent.

Numbers of Staff who received Salary within each Salary Range during the 12 months ending 30 June 2000

SALARY RANGE	NUMBER OF STAFF
\$10,000 – \$19,000	1
\$20,000 – \$29,999	235
\$30,000 – \$39,999	303
\$40,000 – \$49,999	211
\$50,000 – \$59,999	102
\$60,000 – \$69,999	55
\$70,000 – \$79,999	43
\$80,000 +	113
TOTAL	1,063

Organisational Change – The Community Development Group's National Office was realigned during 1999/2000 to better provide services to its stakeholders and support the self-management approach. All of the Heritage Group (other than National Archives) transferred to the Ministry for Culture and Heritage (1 July 2000); the Office of Tourism and Sport transferred to the Ministry of Economic Development (1 July 2000); and Strategic Management Support is regrouping into four new groups under the umbrella of the Department's Governance and Business Support. Such changes have been demanding on the people and the organisation. Each change has required detailed design, thorough preparation and consultation with staff, and careful implementation to ensure that wherever possible jobs can be retained.

At the close of the year, the Department employed 972.43 full time equivalents (FTE). This compares with 1001 FTEs at 30 June 1999. By business group, FTEs at 30 June 2000 were as follows:



Numbers of Staff (Full-time equivalents) within each Business Group at 30 June 2000

BUSINESS GROUPS	NUMBERS OF FTE'S AT 30 JUNE 2000
Community Development	129.8
Executive Government Support	212.6
Gaming and Censorship Regulation	61.8
Heritage	100.8
Identity Services	302.3
Ministry for Emergency Management	23.9
NZ Millennium Office	1.2
Office of Tourism & Sport	9.0
Office of the Chief Executive	2.0
Policy	32.9
Strategic Management Support	96.2
Total	972.5

Effectiveness for Māori – The Department has completed work on several significant projects during the year aimed at fostering responsiveness to the Treaty of Waitāngi and to Māori staff, clients and stakeholders.

The Department has developed and implemented an electronic database for all staff entitled *Ngā Puna Whakamārama – 'The Pools of Understanding'*. This database contains information, guidelines and corporate policy details relating to Effectiveness for Māori for the Department. At 30 June 2000, the database included information on:

- the Treaty of Waitāngi – including the text of the Treaty (Māori and English versions) and principles and guidelines for applying the Treaty to the Department's work
- consultation processes with Māori
- corporate policy on Te Reo
- corporate policy on Tikanga Māori
- protocol guidelines for staff when working with Māori organisations.

Development of the database has involved internal and external consultation aimed at ensuring the participation of key stakeholders relevant to each aspect.

In November 1999 the Department surveyed all staff about the Department's capacity to deliver services to Māori. The findings of the survey are expected to identify priority areas that the Department will need to address in 2000/2001.

The Department realises it needs to develop stronger consultation frameworks – particularly in the area of policy. To this end a strategy for consultation with Māori was adopted for the Policy Group. This has resulted in a new Māori Advisory Group that meets quarterly with the General Manager Policy and other key policy staff to provide advice on key strategic issues affecting Māori. In addition, Te Atamira Taiwhenua advises the Community Development Group about issues affecting Māori.

The Department knows it has to have a critical mass of Māori staff at requisite levels. As at 30 June 2000 15 percent of all departmental staff were Māori, while nine percent of senior management were Māori (five out of a total of 45 Level II and III positions). A breakdown of the number of Māori staff (senior management and other staff) – as a percentage of total business group headcount is as follows:

Number of Māori Senior Managers and other Māori Staff by Business Group as a percentage of the total staff of the Department.

	SENIOR MANAGEMENT MĀORI	OTHER MĀORI	TOTAL STAFF	MĀORI AS A PERCENTAGE OF TOTAL STAFF
Community Development	2	44	143	32%
Executive Government Support	0	26	245	11%
Gaming and Censorship Regulation	0	10	66	15%
Heritage	1	9	115	9%
Identity Services	0	47	325	14%
Ministry for Emergency Management	0	3	24	13%
NZ Millennium Office	0	1	2	50%
Office of Tourism & Sport	0	0	10	0%
Office of the Chief Executive	0	0	3	0%
Policy	0	4	33	12%
Strategic Management Support	2	6	97	8%
TOTAL	5	150	1,063	15%

High performance culture – During the year, the Department used a variety of means to promote, reinforce and measure its performance culture, based on key values such as integrity, honesty, trust, equality of opportunity, diversity, open communication and high quality service.

The Chief Executive began a weekly electronic newsletter to staff to keep them informed on current issues and achievements, and to reinforce important messages from the Government and the Department's leaders.

Staff were invited to contribute to several electronic consultation exercises through real-time discussion databases, on topics such as the Department's corporate strategy and workplace principles.

The annual staff climate survey was conducted for the sixth time, inviting assessments from all staff about 17 attributes of high performance. The survey attracted a record response rate of 66 percent, and the highest aggregate score since the survey started. Perceived strengths included customer responsiveness, teamwork and flexibility. Areas for further attention included continuous learning and focus on performance.

A further innovation during the year was the reinstatement of *Project Frontline*, which exposed the Chief Executive and other senior managers to frontline duties in some part of the Department on a regular basis. The Chief Executive's duties included work in a call centre, issuing passports, supervising a casino and providing community development advice. The practical experience has proved invaluable in building rapport with clients and staff and injecting first-hand experience into advice to Ministers or discussions among Wellington officials.

Leadership forums – Five forums were held during the year for those with recognised leadership roles in the Department (about 80 managers and team leaders). The forums help strengthen the Department's leadership capacity by fostering a common perspective among participants and exposing them to new ideas and information on topical matters. Forum topics during the year included public service ethics, eGovernment and a dialogue with the new Minister of Internal Affairs.

Stakeholders

During the year the Department developed and implemented a formal system for managing relationships with its key external stakeholders. The aim is to promote a forward-thinking and well co-ordinated focus on key stakeholder needs.

The essence of the approach is a relationship management team for each key stakeholder, led by a designated relationship manager, who is responsible for developing and implementing a plan for the Department's relationship with the stakeholder.

A core feature of the system is a Lotus Notes database for tracking stakeholder contacts, decisions and issues. It enables all the Department's staff involved with key stakeholders to stay up to date with, and understand, stakeholder communications and expectations.

The Department also replaced its lengthy stakeholder magazine *Inform* with a tightly written four-page monthly newsheet titled *DIary*. This publication has been well received by key stakeholders. The next challenge is to develop measures of the effectiveness of the Department's services to key stakeholders.

Information Technology

The strategy and systems that support the gathering and distribution of information and the accumulation and deployment of knowledge are critical to the success of all modern organisations. This is even more so in large and complex organisations such as the Department of Internal Affairs where the information systems must support a variety of different businesses and yet allow those businesses to share and combine information for collective purposes.

Key information management challenges and themes in the Department during the year included:

- coping with the Y2K computer date problem
- making corporate networks more efficient, robust and secure
- implementing applications around better knowledge management
- addressing the total cost of IT ownership.

Y2K passed with no problems, the result of considerable effort to thoroughly test and prepare the Department's systems. This was an expensive, protracted but necessary project, with the spin-off benefit of a comprehensive overhaul and tidy-up of hardware and software.

Significant changes to the corporate network included increased speed, replacement and rationalisation of hardware, and provisions for 'redundant' devices and circuits to ensure availability during component failure. A security review was undertaken, the firewall and other security provisions strengthened, and a security policy drafted. The Department also reviewed its business continuity plans and produced an outline for a comprehensive new plan. Work is continuing in these areas.

Major strides in knowledge management were made during the year, with the launch of a Departmental Intranet and the development and partial implementation of an electronic document and records management system. Both of these use the well-established platform of Lotus Notes. Less well-established is the knowledge management culture needed to get the best from these tools. Developing that culture, and related behaviours, will be a key area of emphasis in the year ahead.

Information management is also an increasingly important focus for corporate governance. During 1999/2000, the EMT considered strategy papers on IT standards, the adoption of a 'thin client' IT architecture, the Department's web presence and e-commerce. Common to these papers was the Department's IT strategy of simplifying and standardising its information systems and architecture, improving secure and reliable access for all users at all times in all locations, and reducing the total cost of ownership.

The Department also maintained a focus on IT-related risks. A software licence audit is ongoing, including implementing a new tracking system. The Department has established policies and guidelines on the appropriate use of email and the Internet. New employees and contractors are required to confirm that they are aware of and will comply with these policies before they are given access to the network. The policies cover such matters as etiquette, improper or unlawful use, copyright, confidentiality and network security. The Department monitors and reports on Internet use monthly.

Finance

Sound financial management is the key to ensuring that the Department meets its commitments and achieves the results that the Government expects, on a sustainable basis. Decision-relevant financial information is critical to the Department's accountability and good governance. The Department took some important steps during 1999-2000 to further strengthen its financial management and financial reporting, and received confirmation from various quarters that it is on the right track.

Highlights from the year included:

- agreement on arrangements to enable business groups to manage their own balance sheets (assets and liabilities) on a devolved basis
- development of options for altering the method used to allocate corporate overhead costs to the Department's various outputs
- design of a new budget management system to enable better resource allocation and costing of outputs
- completion of a capital plan for the next five years, together with a method for determining priorities for capital expenditure
- establishment of two new Votes (Ministerial Services, and Culture and Heritage (Internal Affairs))
- advice on financial aspects of the transfer of the various history, heritage, archives, tourism and sport responsibilities from the Department on 1 September 1999, 1 July and 1 October 2000
- preparation of several proposals to provide financial accounting services to other departments, using the capacity of the Department's Oracle financial management information system
- participation in several benchmarking studies to compare cost and quality of financial management services across a range of government organisations.

The Department's progress with financial management was confirmed in several ways:

- reports commissioned by the Treasury into practice and standards across government departments in the areas of internal controls assurance and management of physical assets confirmed that the Department meets, and sometimes exceeds, good practice in these areas

- Audit New Zealand rated the financial management and accounting control environments within the Department as excellent
- the Court of Appeal found that the Department had complied with the Public Finance Act in actions relating to changes in appropriation for the National Archives.

Management Assurance

Management assurance refers to the Department's arrangements for reporting on performance and capability to the EMT and managing any risks to performance or capability. Important aspects of management assurance during 1999/2000 included the following.

Performance and capability reporting – Prime responsibility for managing and reporting on performance and capability lies with the general managers and directors of the Department's business groups. To reinforce this, their performance agreement and monthly report formats were amended to place greater emphasis on delivery against their business plans and early reporting of key risks.

The corporate managers responsible for human resource, information and financial management also refined their regular reports to the EMT, to sharpen the EMT's focus on key measures of capability and emerging risks. An executive summary of the Department's quarterly reports to Ministers on business performance and organisational capability was also provided for the first time, to assist a collective awareness of, and focus on, the Department's achievements and areas of risk. Corporate reporting was assisted by further development of the Department's data warehouse.

The Department is investing in a new Human Resource Management Information System, which will enable it to further develop the ability to monitor and measure progress against key human resource initiatives. It is expected the new system will 'go-live' in November 2000.

Risk management – The Department continued to implement the risk management programme that it adopted in 1997. This includes training in risk management theory, concepts and methods. Greater emphasis was placed on risk reporting, and a higher level of risk awareness was evident in business plans and corporate decision papers.

The Department's Audit Services Team offers a distinctive resource for risk management and assurance. During the year, the Team conducted programmed assurance reviews in areas such as the Office of Tourism and Sport, the Millennium Office, Identity Services Group, the Community Development Group, the Department's Y2K status, the budget management system, website security, staff safety and security, and capital projects management.

Legality assurance – The Department continued its legality assurance project during the year. The project is designed to identify and bridge any gaps in staff awareness of the duties imposed upon the Department by statutory and other legal requirements. Remedial measures included internal seminars, occasional electronic newsletters to all departmental staff and presentations from external agencies.

Litigation – The Department was involved in a significant case decided in the Court of Appeal during the year. The case concerned the Department's compliance with the Public Finance and Archives Acts in respect of administrative and financing decisions bearing on the National Archives. On both counts at issue, the Court of Appeal found in favour of the Department.



Acts and Regulations Administered by the Department as at 30 June 2000

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Portfolio – Internal Affairs

Antiquities Act 1975
Anzac Day Act 1966
Architects Act 1963
Architects Regulations 1964
Archives Act 1957
Births, Deaths and Marriages Registration Act 1995
Births, Deaths and Marriages Registration (Fees) Regulations 1995
Births, Deaths and Marriages Registration (Prescribed Information and Forms) Regulations 1995
Boxing and Wrestling Act 1981
Building Act 1991
Building Regulations 1992
Casino Control Act 1990
Casino Control (Applications and Hours) Regulations 1991
Casino Control (Certificates of Approval and Warrants) Regulations 1994
Citizenship Act 1977
Citizenship Regulations 1978
Citizenship (Western Samoa) Act 1982
Commercial Use of Royal Photographs Rules 1955
Commercial Use of Royal Photographs Rules 1959
Commercial Use of Royal Photographs Rules 1962
Commissions of Inquiry Act 1908
Commonwealth Games Symbol Protection Act 1974
Community Trusts Act 1999
Fire Engineers' Qualification Notice 1983
Fire Safety and Evacuation of Buildings Regulations 1992
Fire Service Act 1975
Fire Service Levy Order 1993
Flags, Emblems, and Names Protection Act 1981



Forest and Rural Fires Act 1977
Forest and Rural Fires Regulations 1979
Gaming and Lotteries Act 1977
Gaming and Lotteries (Licensed Promoters) Regulations 1978
Gaming and Lotteries (Licence Fees) Regulations 1992
Gaming and Lotteries Prizes Notice 1993
Gaming and Lotteries (Problem Gambling Levy) Regulations 1998
Historic Articles Regulations 1965
Housie Regulations 1989
Massey Burial-Ground Act 1925
National War Memorial Act 1992
Naturalisation Regulations 1929
New Zealand Fire Brigades Long Service and Good Conduct Medal (1976)
(Royal Warrant)
New Zealand Flag Notice 1986
Official Appointments and Documents Act 1919
Passports Act 1992
Passport (Fees) Regulations 1996
Patriotic and Canteen Funds Act 1947
Queen's Fire Service Medal Regulations 1955
Royal Titles Act 1974
Royal Warrant (1955) (Queen's Fire Service Medal)
Rural Fire Districts Regulations 1980
Rural Fire Fighting Fund Regulations 1992
Seal of New Zealand Act 1977
Seal of New Zealand Proclamation 1977
Sovereign's Birthday Observance Act 1952
Time Act 1974
Waitangi Day Act 1976
War Funds Act 1915
Winston Churchill Memorial Trust Act 1965

Portfolio – Civil Defence

Civil Defence Act 1983

Portfolio – Local Government

Bylaws Act 1910

Bylaws Regulations 1968

Chatham Islands Council Act 1995

Counties Insurance Empowering Act 1941

Counties Insurance Empowering Order 1973

Dog Control Act 1996

Dog Control (Prescribed Forms) Regulations 1996

Fencing of Swimming Pools Act 1987

Impounding Act 1955

Impounding Regulations 1981

Land Drainage Act 1908

Lake Taupo Regulations 1976

Libraries and Mechanics Institutes Act 1908

Litter Act 1979

Local Authorities (Members' Interests) Act 1968

Local Authorities (Members' Interests) Order 1971

Local Authorities (Members' Interests) Order 1997

Local Authorities (Petroleum Tax Refund) Regulations 1971

Local Authorities (Petroleum Tax) Regulations 1970

Local Authority Reorganisation (Property Transfers) Act 1990

Local Elections and Polls Act 1976

Local Government Act 1974

Local Government (Electoral) Regulations 1992

Local Government (Local Authorities Salaries and Allowances) Determination
1998

Local Government Official Information and Meetings Act 1987

Local Government (Petroleum Tax Exemption) Order 1980

Local Government Reform (Transitional Provisions) Act 1990

Local Government (Watercare Services Limited) Order 1999

Local Legislation Acts 1926-1992

Municipal Insurance Act 1960
Municipal Insurance Empowering Order 1973
Public Bodies Contracts Act 1959
Public Bodies Leases Act 1969
Rangitaiki Land Drainage Act 1956
Rates Rebate Act 1973
Rates Rebate Order 1982
Rates Rebate Order 1990
Rates Rebate (Witnessing of Declarations) Notice 1977
Rating (Fees) Regulations 1997
Rating Powers Act 1988
Rating Regulations 1968
River Boards Act 1908

Portfolio – Recreation and Sport

New Zealand Sports Drug Agency Act 1994
Sport Drug (Urine Testing) Regulations 1994
Sport, Fitness, and Leisure Act 1987

Portfolio – Racing

Racing Act 1971

Portfolio – Tourism

New Zealand Māori Arts and Crafts Institute Act 1963
New Zealand Tourism Board Act 1991
Tourist and Health Resorts Control Act 1908





Part Four

Performance of the Department of Internal Affairs

Financial Statements for the Department of Internal Affairs
Te Tari Taiwhenua
for the Year Ended 30 June 2000

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Statement of Responsibility

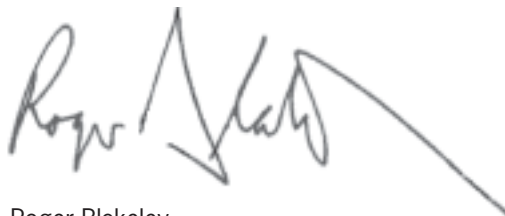
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As Secretary for Internal Affairs I am responsible, under Sections 35 and 37 of the Public Finance Act 1989, for the preparation of the financial statements and the judgements made in the process of producing those statements.

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 (pages 70 to 207) fairly reflects the financial position and operations of the Department of Internal Affairs for the year ended 30 June 2000.



Roger Blakeley

Secretary for Internal Affairs

15 September 2000



Ben Bush

General Manager, Finance and Performance

15 September 2000



Report of the Audit Office to the Readers of the Financial Statements of the Department of Internal Affairs for the Year Ended 30 June 2000

We have audited the financial statements on pages 70 to 207. The financial statements provide information about the past financial and service performance of the Department of Internal Affairs and its financial position as at 30 June 2000. This information is stated in accordance with the accounting policies set out on pages 70 to 75.

Responsibilities of the Chief Executive

The Public Finance Act 1989 requires the Chief Executive to prepare financial statements in accordance with generally accepted accounting practice which fairly reflect the financial position of the Department of Internal Affairs as at 30 June 2000, the results of its operations and cash flows and service performance achievements for the year ended 30 June 2000.

Auditor's responsibilities

Section 38(1) of the Public Finance Act 1989 requires the Audit Office to audit the financial statements presented by the Chief Executive. It is the responsibility of the Audit Office to express an independent opinion on the financial statements and report its opinion to you.

The Controller and Auditor-General has appointed Stephen Lucy, of Audit New Zealand, to undertake the audit.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Chief Executive in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the Department of Internal Affairs' circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards, including the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have carried out assurance related assignments for the Department of Internal Affairs. Other than these assignments, and in our capacity as auditor acting on behalf of the Controller and Auditor-General, we have no relationship with or interests in the Department of Internal Affairs.

Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements of the Department of Internal Affairs on pages 70 to 207:

- comply with generally accepted accounting practice; and
- fairly reflect:
 - the financial position as at 30 June 2000;
 - the results of its operations and cash flows for the year ended on that date; and
 - the service performance achievements in relation to the performance targets and other measures set out in the forecast financial statements for the year ended on that date.

Our audit was completed on 15 September 2000 and our unqualified opinion is expressed as at that date.



S B Lucy

Audit New Zealand

On behalf of the Controller and Auditor-General

Wellington, New Zealand



Statement of Accounting Policies for the Year Ended 30 June 2000

Statutory Basis

The Department of Internal Affairs is a government department as defined by Section 2 of the Public Finance Act 1989. Part IV Section 35 of the Public Finance Act 1989 requires the preparation of annual financial statements in accordance with generally accepted accounting practice. Section 80 of the Public Finance Act 1989 also requires compliance with Treasury Instructions which may prescribe accounting policies to be applied by the Department.

Reporting Entity

The reporting entity is the Department of Internal Affairs *Te Tari Taiwhenua*. The statements report on:

- those activities represented by outputs supplied by the Department and related assets, liabilities and taxpayers' funds (see pages 76 to 183);
- non-departmental output classes, benefits and other unrequited expenses, and other expenses together with those assets and liabilities administered on behalf of the Crown (see pages 184 to 205); and
- trust money administered by the Department as agent on behalf of the Crown under Part VII of the Public Finance Act 1989 (see pages 206 to 207).

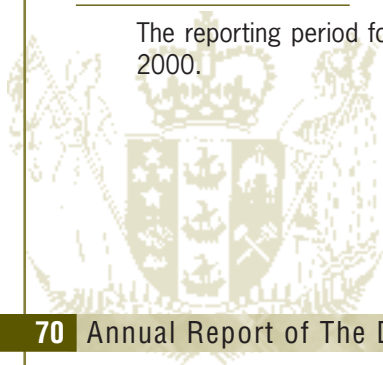
The first two components of the reporting entity have separate sets of statements. A consolidated set of financial statements is not prepared as the Department does not exercise control over the Crown or Trust operations for its own benefit. Crown and Department results are consolidated into the Financial Statements of the Government of New Zealand. The trust statement outlines the movements in trust balances during the financial year.

Measurement Base

The measurement base adopted is that of historical cost, unless otherwise stated.

Reporting Period

The reporting period for these financial statements is 1 July 1999 to 30 June 2000.



Budget Figures

The budget figures are those presented in:-

- the Main Estimates (headed in financial statements as Main Estimates) as published in the Departmental Forecast Report and presented to the House of Representatives pursuant to Section 34A of the Public Finance Act 1989; and
- the Main Estimates as amended by the Supplementary Estimates (headed in financial statements as Supp. Estimates) and any transfer made by Order in Council under Section 5 of the Public Finance Act 1989.

Basis of Preparation

The financial statements report the financial performance and financial position after eliminating all significant intra-entity transactions between output classes. Eliminations have not been made in the Statement of Estimated Actuals, Appropriations and Expenditure or in the financial information supporting the Statements of Service Performance.

Foreign Currency Transactions

Foreign exchange contracts are entered into for the primary purpose of reducing material exposure to fluctuations in foreign currency exchange rates. The rates specified in forward contracts are used to convert the transactions into New Zealand currency at date of settlement. No exchange gains or losses resulting from the difference between the forward exchange contract rates and the spot exchange rates on dates of settlement are recognised. Unrealised foreign exchange gains and losses on overseas cash balances are recognised at balance date in the Statement of Financial Performance.

Unhedged transactions in foreign currencies are converted into New Zealand currency using the exchange rate on the date of the transaction.

Monetary assets denominated in a foreign currency are translated to New Zealand dollars at the closing mid-point exchange rate.

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:

Criteria for Direct and Indirect Costs

“Direct Costs” are those costs directly attributed to an output.

“Indirect Costs” are those costs incurred by overhead units which are not directly attributable to an output.

Direct Costs Assigned to Outputs

Direct costs 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 charged on the basis of estimated asset utilisation; and
- accommodation costs are allocated on the basis of floor space occupied.

Basis for Assigning Indirect Costs

Indirect costs are allocated to outputs on the basis of a mix of assessed charges, based on perceived benefit, personnel numbers and estimated allocation of time.

Accounts Receivable

Accounts receivable for the Department and Crown are shown at expected net realisable value after making allowance for doubtful debts.

Leases

The Department leases office equipment, vehicles and accommodation. All leases are operating leases. Lease costs are expensed in the period in which they are incurred.

Inventories

Inventories or stock holdings are stated at the lower of cost or net realisable value. Costs are determined on a first in first out basis.

Financial Instruments

The Department is party to financial instrument arrangements as part of its daily operations. These include bank, short term deposits, accounts receivable, accounts payable and provisions, accrued expenses and foreign currency. Investments are only made with New Zealand Debt Management Office (NZDMO) in accordance with Treasury Instructions. Financial instruments are recognised in the Statement of Financial Position, except for foreign exchange contracts.

All revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

Property, Plant and Equipment

Land, buildings and infrastructural assets are recorded at net current value or optimised deprival value, with buildings and infrastructural assets subsequently depreciated over their useful lives. Valuations have been undertaken in accordance with New Zealand Institute of Valuers' standards. Antiques and works of art are recorded at net current value. The National Archive collection is valued based on the application of indicative benchmark values to relevant categories of archives. Benchmark valuations were obtained from an independent professional valuer, through market place assessments and from values ascribed to collections of a similar nature to categories of government archives. Accessions since the date of valuation are valued on the basis of these benchmarks. Items of exceptional nature are individually considered and valuations supplied by an international auction house. Valuations are undertaken every three years.

All other items of property, plant and equipment costing more than \$3,000 are capitalised. These assets are initially recorded at cost and subsequently depreciated over their useful lives.

Capital work in progress is recognised as costs are incurred. Depreciation is not recorded until the asset is fully acceptance tested and operational.

Forests

Forests are recorded at market value and the valuation of the forests is undertaken in accordance with the Forest Valuation Standard issued by the New Zealand Institute of Forestry.

Depreciation

Depreciation is charged on all fixed assets except land, forests, antiques and works of art, capital work in progress and the National Archive collection. Assets are depreciated on a straight line basis over the estimated useful life after allowing for residual values where appropriate. Revalued fixed assets are depreciated on their revalued amount on a straight line basis over the remaining useful life.

The estimated useful life for each asset category is as follows:-

Asset Categories	Estimated Useful Life
Infrastructural	50 years
Buildings	33-50 years
Plant and Equipment	5-20 years
Furniture and Fittings	5-10 years
Office Equipment	5-10 years
Motor Vehicles	2-6 years
Information Technology Equipment	3-5 years

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

Gains/Losses on Assets

Realised gains and losses arising from the disposal or sale of 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 fixed assets are recognised at balance date. To the extent gains reverse losses previously charged to the Statement of Financial Performance, the gains are credited to the Statement of Financial Performance. Otherwise, gains are credited to an asset revaluation reserve for that class of fixed assets. Unrealised losses are first applied against the revaluation reserve for that class of fixed assets. The balance, if any, is charged to the Statement of Financial Performance.

If an asset is sold which has contributed to a revaluation reserve, the related portion of the reserve is transferred to taxpayers funds.

Employee Entitlements

Employee entitlements are recognised for annual leave at the time of entitlement based on current rates of pay. Retirement and long service leave are recognised on an actuarial basis according to entitlement based on service to date and accounting for the average attrition rate.

Taxation

Government departments are exempt from the payment of income tax in terms of the Income Tax Act 1994. 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).

Goods and Services Tax

The Statements of Departmental and Non Departmental Estimated Actuals, Appropriations and Expenditure and the Statement of Unappropriated Expenditure are inclusive of GST. The GST expense within total appropriations is included based on revenue earned in accordance with Treasury Instructions. All other statements are GST exclusive. The Statement of Financial Position is exclusive of GST, except for accounts payable and accounts receivable which are GST inclusive.

The amount of GST owing to or from Inland Revenue at balance date is included in accounts receivable or payable as appropriate.

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 Liabilities

Contingent liabilities are disclosed at the time at which the contingency becomes evident. These are disclosed in the Statement of Contingent Liabilities.

Intangible Assets

The Department is in the continual process of developing intangible assets primarily in the form of databases and a website which can be used over a number of financial years. The cost of these assets cannot be reliably measured and these costs have been expensed in the Statement of Financial Performance as they are incurred.

Changes in Accounting Policies

There have been no changes in accounting policies, including cost allocation accounting policies, since the date of the last audited financial statements. All policies applied are consistent with those used in the previous year.



Statement of Financial Performance for the Year Ended 30 June 2000

Description of Statement

The Statement of Financial Performance details the income and expenditure relating to all outputs (goods and services) produced by the Department of Internal Affairs. The supporting statements for each output class provide further details as to the revenues and expenses.

	NOTE	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL ^{15a} 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue					
Revenue Crown		61,799	63,540	63,364	63,581
Revenue Third Parties	1	56,583	64,698	63,550	61,811
Interest		650	850	1,066	859
Revaluation Gain		0	0	0	2,873
Profit on Sale of Assets		0	124	0	0
Total Operating Revenue		119,032	129,212	127,980	129,124
Expenses					
Personnel		51,922	56,055	57,983	53,178
Operating	2a, 2b	52,314	56,650	49,674	53,460
Depreciation		5,636	3,689	4,245	5,532
Capital Charge	3	4,081	4,301	4,232	3,988
Other Expenses	4	0	0	0	610
Total Operating Expenses	2c, 16	113,953	120,695	116,134	116,768
Net Surplus		5,079	8,517	11,846	12,356



Statement of Financial Position as at 30 June 2000

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Description of Statement

The Statement of Financial Position reports the total assets and liabilities of the Department of Internal Affairs. The difference between the assets and liabilities is taxpayers' funds.

	NOTE	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL ^{15b} 1999/00 \$000	ACTUAL 1998/99 \$000
Assets					
Current Assets					
Cash and Short Term Deposits	5	17,674	24,433	30,867	26,335
Accounts Receivable	6	2,257	2,533	2,998	2,936
Inventories	7	1,676	1,864	2,890	2,347
Prepayments		863	290	49	80
Total Current Assets		22,470	29,120	36,804	31,698
Non Current Assets					
Term Accounts Receivable		0	175	0	0
Property, Plant and Equipment	8	46,655	47,761	44,489	45,046
Total Non Current Assets		46,655	47,936	44,489	45,046
Total Assets		69,125	77,056	81,293	76,744
Liabilities and Taxpayers' Funds					
Current Liabilities					
Accounts Payable and Provisions	9	4,560	7,373	5,892	6,672
Revenue Received in Advance		2,240	3,716	5,090	4,456
Accrued Expenses	10	8,031	7,492	9,752	8,890
Provision for Payment of Surplus	11a	5,079	8,393	11,722	10,094
Total Current Liabilities		19,910	26,974	32,456	30,112
Term Liabilities					
Term Accrued Expenses	12	0	628	613	628
Total Term Liabilities		0	628	613	628
Total Liabilities		19,910	27,602	33,069	30,740
Taxpayers' Funds					
General Funds		48,939	49,178	47,948	45,728
Revaluation Reserve		276	276	276	276
Total Taxpayers' Funds		49,215	49,454	48,224	46,004
Total Liabilities and Taxpayers' Funds		69,125	77,056	81,293	76,744

Statement of Cash Flows for the Year Ended 30 June 2000

Description of Statement

The Statement of Cash Flows summarises the cash movements in and out of the Department of Internal Affairs during the year.

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL ^{15c} 1999/00 \$000	ACTUAL 1998/99 \$000
Cash Flows from Operating Activities				
Cash was Provided from:				
Supply of Outputs to the Crown	61,799	63,540	63,315	63,581
Supply of Outputs to Third Parties	54,273	64,111	63,657	61,468
Interest	734	925	896	852
Payment of GST	0	0	17	(85)
	116,806	128,576	127,885	125,816
Cash was Disbursed to:				
Costs of Producing Outputs	(107,241)	(112,755)	(107,408)	(103,930)
Capital Charge	(4,081)	(4,301)	(4,232)	(3,988)
Other Expenses	0	(32)	0	0
	(111,322)	(117,088)	(111,640)	(107,918)
Net Cash Flows from Operating Activities	5,484	11,488	16,245	17,898
Cash Flows from Investing Activities				
Cash was Provided from:				
Sale of Property, Plant and Equipment	1,000	2,335	2,044	1,062
Cash was Disbursed to:				
Purchase of Property, Plant and Equipment	(6,500)	(8,957)	(5,827)	(4,532)
Net Cash Flows from Investing Activities	(5,500)	(6,622)	(3,783)	(3,470)
Cash Flows from Financing Activities				
Cash was Provided from:				
Capital Contribution	1,991	3,326	2,220	0
Cash was Disbursed to:				
Payment of Net Surplus	(5,360)	(10,094)	(10,094)	(8,827)
Transfer of Cash from Ministry of Commerce	0	0	0	56
Net Cash Flows from Financing Activities	(3,369)	(6,768)	(7,874)	(8,771)
Net Increase/(Decrease) in Cash Held	(3,385)	(1,902)	4,588	5,657
Add Opening Cash	21,059	26,335	26,335	20,678
Add Effect of Exchange Rate Change on Foreign Currency Balance	0	0	(56)	0
Closing Cash	17,674	24,433	30,867	26,335
Cash Consists of:				
Bank	3,574	2,433	2,167	3,335
Short Term Deposits	14,100	22,000	28,700	23,000
	17,674	24,433	30,867	26,335

Reconciliation of Reported Surplus with Cash Generated from Operating Activities for the Year Ended 30 June 2000

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Description of Statement

The Reconciliation Statement details the difference between the surplus/ (deficit) reported in the Statement of Financial Performance and the net cash flows from operating activities reported in the Statement of Cash Flows.

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Surplus From Statement of Financial Performance	5,079	8,517	11,846	12,356
Add/(Deduct) Non Cash Items				
Depreciation	5,636	3,689	4,245	5,532
Net Loss on Foreign Currency Balance	0	0	56	0
Capital Contribution for Revaluation Gains	0	0	0	(2,873)
Capital Contribution for Gain on Sale of Property	0	0	(124)	0
	5,636	3,689	4,177	2,659
Add/(Deduct) Movements in Working Capital Items				
(Increase)/Decrease in Accounts Receivable	(54)	403	(62)	(355)
(Increase)/Decrease in Inventories	(1,269)	483	(543)	(553)
(Increase)/Decrease in Prepayments	0	(210)	31	736
Increase/(Decrease) in Accounts Payable and Provisions	(3,908)	701	(780)	(30)
Increase/(Decrease) in Revenue Received in Advance	0	(740)	634	405
Increase/(Decrease) in Accrued Expenses	0	(1,398)	862	1,826
Movement in Working Capital	(5,231)	(761)	142	2,029
Add/(Deduct) Items Classified as Investing Activities				
Loss/(Gain) on Sale of Property, Plant and Equipment	0	(124)	277	356
(Increase)/Decrease in Accounts Payable for Property, Plant and Equipment	0	342	(182)	(130)
(Increase)/Decrease in Term Accounts Receivable	0	(175)	0	0
Increase/(Decrease) in Term Accrued Expenses	0	0	(15)	628
	0	43	80	854
Net Cash Flows From Operating Activities	5,484	11,488	16,245	17,898

Statement of Movements in Taxpayers' Funds for the Year Ended 30 June 2000

Description of Statement

The Statement of Movements in Taxpayers' Funds (Crown's net investment in the Department) combines information about the net surplus with other aspects of the Statement of Financial Position. This gives a degree of measure of the taxpayers' (owners') comprehensive income.

	NOTE	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Taxpayers' Funds at the start of the year		47,224	46,004	46,004	43,554
Net Surplus for the year		5,079	8,517	11,846	12,356
Net Revaluations		0	0	0	100
Total Recognised Revenues and Expenses for the year		5,079	8,517	11,846	12,456
Asset/Liability Transfers between Departments		0	0	0	88
Provision for Payment of Surplus		(5,079)	(8,517)	(11,846)	(12,356)
Other Expenses	4	0	0	0	(610)
Capital Contribution retained from surplus	11b	0	124	124	2,872
	11a	(5,079)	(8,393)	(11,722)	(10,006)
Other Capital Contributions	11b	1,991	3,326	2,096	0
Taxpayers' Funds at the end of the year		49,215	49,454	48,224	46,004



Statement of Commitments as at 30 June 2000

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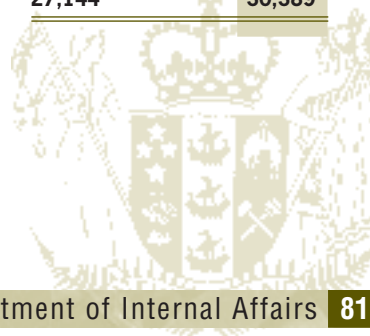
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Description of Statement

The Statement of Commitments records expenditure to which the Department is contractually committed. Commitments will become liabilities when both parties have performed their obligations.

Other non-cancellable leases and non-cancellable contracts for goods and services includes lease payments for telephone exchange systems, facsimile machines and photocopiers, vehicles and computer support contracts.

	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Capital Commitments		
Plant and Equipment		
Less than one year	1,480	1,175
One to two years	0	862
Total Capital Commitments	1,480	2,037
Operating Commitments		
Non-Cancellable Accommodation Leases		
Less than one year	4,599	4,915
One to two years	3,808	3,797
Two to five years	7,992	8,858
Over five years	5,953	8,131
Total Accommodation Commitments	22,352	25,701
Other Non-Cancellable Leases		
Less than one year	308	1,334
One to two years	192	370
Two to five years	107	50
Total Other Lease Commitments	607	1,754
Non-Cancellable Contracts for Goods and Services		
Less than one year	1,379	803
One to two years	666	63
Two to five years	660	31
Total Goods and Services Commitments	2,705	897
Total Commitments	27,144	30,389



Statement of Contingent Liabilities as at 30 June 2000

Description of Statement

The Statement of Contingent Liabilities discloses known transactions or events which existed at 30 June 2000, the ultimate outcome of these events is uncertain and can only be confirmed on occurrence of one or more future events outside the Department's control after the date of completion of the financial statements.

Quantifiable contingent liabilities are as follows:

	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Legal Proceedings and Disputes		
Personnel Issues	90	130
Gaming Issues	100	0
Breach of Constitutional Law Issues	400	0
Consultancy Claim	0	60
Total Contingent Liabilities	590	190

There were no unquantifiable contingent liabilities, guarantees or indemnities for the year ended 30 June 2000 or for the previous financial year.



Statement of Unappropriated Expenditure for the Year Ended 30 June 2000

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Description of Statement

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

There was no unappropriated expenditure for the year ended 30 June 2000 or for the previous financial year.

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Statement of Departmental Estimated Actuals, Appropriations and Expenditure for the Year Ended 30 June 2000

Description of Statement

The Statement of Departmental Estimated Actuals, Appropriations and Expenditure details appropriations for every Class of Output to be Supplied by the Department and for Other Expenses to be Incurred by the Department. All classes of outputs are Mode B Gross unless otherwise specified.

(Figures are GST inclusive)

NOTE

Vote Internal Affairs	14a,15d
<i>Classes of Outputs to be Supplied by the Department</i>	
D1 National Archival Services	
D2 Official, Legal and Historical Publications	18
D3 Administrative and Advisory Support Services	
D4 Support Services to Ministers	
D5 Property Management	18
D6 Administration of Grants	
D7 Issuing of Licences and Administration of Regulations	
D8 Issuing of Official Documents	
D9 Policy Advice (Internal Affairs)	
D10 Community Advisory and Information Services	
D11 Visits and Ceremonial Services	
D12 Transport Services	
D13 Translation Services (Mode B Net)	
<i>Other Expenses to be Incurred by the Department</i>	
Provision for Retirement and Long Service Leave	
Vote Civil Defence	14b, 15d
<i>Classes of Outputs to be Supplied by the Department</i>	
D1 Policy Advice (Civil Defence)	
D2 Support Services, Information and Education	
D3 Management of National Emergency Readiness, Response and Recovery	
Vote Local Government	14c
<i>Classes of Outputs to be Supplied by the Department</i>	
D1 Policy Advice (Local Government)	
D2 Information, Support and Regulatory Services	
Vote Sport, Fitness and Leisure	
<i>Classes of Outputs to be Supplied by the Department</i>	
D1 Policy Advice (Sport, Fitness and Leisure)	18
Vote Racing	
<i>Classes of Outputs to be Supplied by the Department</i>	
D1 Policy Advice (Racing)	
Vote Tourism	14d, 15d, 18
<i>Classes of Outputs to be Supplied by the Department</i>	
D1 Policy Advice (Tourism)	
D2 Wairākei Tourist Park: Development and Management	
Vote Millennium	14e
<i>Classes of Outputs to be Supplied by the Department</i>	
D1 Administrative and Advisory Support Services	
D2 Year 2000 Commemorations Marketing Programme	18
Vote Culture and Heritage (Internal Affairs)	14f
<i>Classes of Outputs to be Supplied by the Department</i>	
D1 National Archival Services	
D2 Historical Publications and Administrative Services	18
D3 Heritage Property Management	18
Vote Ministerial Services	14g, 15d
<i>Classes of Outputs to be Supplied by the Department</i>	
D1 Support Services to Ministers	
D2 Crown and Ministerial Property Management	
D3 Transport Services	
Total Appropriations	16

ESTIMATED ACTUALS 1999/00 \$000	MAIN ESTIMATES 1999/00 \$000	SUPPLEMENTARY ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
1,708	11,080	1,709	1,708	9,823
1,657	3,462	1,993	1,658	3,179
9,111	8,511	9,348	8,914	8,836
0	24,553	0	0	23,577
112	3,496	112	112	1,899
2,465	2,464	2,465	2,442	2,640
7,870	8,258	7,949	7,811	7,456
41,490	36,043	41,511	41,258	39,959
2,303	2,393	2,303	2,301	2,130
6,135	5,839	6,144	6,105	5,850
3,061	2,190	3,467	2,945	2,193
0	5,913	0	0	5,379
545	492	563	620	611
0	0	0	0	610
1,481	1,571	1,481	1,390	1,349
2,951	2,820	2,954	2,945	3,291
906	934	906	877	1,588
1,836	1,746	1,836	1,835	2,021
1,739	1,748	1,760	1,713	1,681
277	280	280	280	259
138	138	138	138	133
1,723	1,978	1,743	1,720	1,118
1,196	1,327	1,327	1,120	1,453
685	628	685	684	470
906	890	906	906	2,365
9,707	0	9,709	9,511	0
1,850	0	1,850	1,820	0
614	0	615	601	0
22,774	0	24,553	23,067	0
2,150	0	2,509	2,203	0
5,644	0	5,913	5,651	0
133,034	128,754	136,729	132,335	129,870

Notes to the Financial Statements for the Year Ended 30 June 2000

Note 1 Revenue Third Parties

	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Passport Fees	25,898	25,177
Citizenship Fees	7,457	7,751
Birth, Death and Marriage Fees	7,779	7,215
Gaming Licences	1,299	1,254
Gaming Machine Fees*	2,525	2,499
Casino Operators' Levies	2,325	1,956
VIP Transport	4,980	4,655
Recovery from New Zealand Lottery Grants Board	7,083	6,826
New Zealand Gazette	1,231	1,261
Other	2,973	3,217
Total Revenue Third Parties	63,550	61,811

*Gaming machine fees are allocated to cover gaming audits of \$1.138 million and gaming investigations of \$1.387 million. In 1998/99 the respective amounts were \$1.214 million and \$1.285 million.

Note 2 Operating Expenses

a) Office Accommodation

	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Rental	3,447	3,932
Energy	350	309
Building Management, Maintenance, Rates and Cleaning	681	729
Total Office Accommodation	4,478	4,970

	ACTUAL 1999/00	ACTUAL 1998/99
Total area leased (square metres)	21,084	21,874
Average total costs per square metre leased	\$212	\$227
Space allocated per staff member (square metres)	26	27
Annual rental cost of vacant space	\$0	\$142,424
Vacant leased accommodation (square metres)	0	1,014
Average cost per square metre of vacant space	\$0	\$140

b) Other Operating Expenses Disclosures

	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Fee for Audit of Financial Statements	157	157
Fees to Auditors for Other Services Provided	23	0
Leases (excluding accommodation)	531	503
Bad Debts	2	11
Increase/(Decrease) in Provision for Doubtful Debts	84	(5)
Net Foreign Exchange Losses	(56)	0
Loss/(Gain) on Sale of Property, Plant and Equipment	247	274
Asset Write-offs	30	82

c) Direct costs

For the year ended 30 June 2000, direct costs accounted for 81% of the Department's costs compared to 83% for the previous financial year. Direct costs includes personnel, operating, capital charge, accommodation and depreciation.

Note 3 Capital Charge

The Crown imposes a capital charge on taxpayers' funds. The rate in the 1999/00 was 9.2%. (1998/99 9.2%)

Note 4 Other Expenses

The Department had no Other Expenses for the year ended 30 June 2000. For the year ended 30 June 1999, the Department expensed \$610,000 as a result of a change to an actuarial basis for the calculation of retirement and long service leave.

Note 5 Cash and Short Term Deposits

	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
New Zealand Bank Account	2,063	3,055
Overseas Bank Accounts		
Sydney	43	22
Washington	7	35
Los Angeles	9	46
London	45	177
Short Term Deposits	28,700	23,000
Total Cash and Short Term Deposits	30,867	26,335

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

The Department had the following short term deposits:

1999/00				1998/99			
Principal \$000	Term	Interest	Maturity	Principal \$000	Term	Interest	Maturity
3,800	94 days	6.00%	3/07/00	8,000	91 days	4.25%	30/07/99
3,000	91 days	6.25%	19/07/00	2,000	92 days	4.25%	17/08/99
4,500	91 days	6.25%	28/07/00	5,000	63 days	4.50%	30/08/99
5,500	92 days	6.25%	1/08/00	2,000	92 days	4.25%	31/08/99
8,400	92 days	6.75%	31/08/00	6,000	92 days	4.50%	30/09/99
3,500	94 days	6.50%	2/10/00				
28,700				23,000			

Note 6 Accounts Receivable

	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Trade Receivables	2,773	2,880
Less Provision for Doubtful Debts	103	19
Net Trade Receivables	2,670	2,861
GST Receivable	34	0
Debtor Crown	49	0
Accrued Interest	245	75
Total Accounts Receivable	2,998	2,936

Note 7 Inventories

	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Passports	561	436
- Stock on hand		
- Work in Progress	172	157
Visits and Ceremonials	148	182
- Liquor		
Birth, Death and Marriage Certificates	47	35
Citizenship	80	72
- Stock on hand		
- Work in Progress	1,880	1,448
Other	2	17
Total Inventories	2,890	2,347



a) Property, Plant and Equipment

	NOTE	1999/00 COST OR VALUATION \$000	1999/00 ACCUM. DEPREC. \$000	CARRYING AMOUNT \$000	1998/99 COST OR VALUATION \$000	1998/99 ACCUM. DEPREC. \$000	CARRYING AMOUNT \$000
Land	8b	12,675	0	12,675	13,095	0	13,095
Buildings	8b	16,685	533	16,152	17,050	183	16,867
Lease Improvements		3,501	2,925	576	3,549	2,806	743
Antiques and Works of Art	8b	573	0	573	573	0	573
Furniture and Fittings		1,987	1,670	317	2,109	1,643	466
Office Equipment		1,796	1,523	273	2,188	1,741	447
Motor Vehicles		4,817	1,962	2,855	5,635	1,975	3,660
Plant and Equipment		5,600	3,485	2,115	5,289	3,333	1,956
IT Equipment		21,670	17,588	4,082	23,151	18,133	5,018
Capital Work in Progress		4,871	0	4,871	2,221	0	2,221
Total		74,175	29,686	44,489	74,860	29,814	45,046

b) Revaluation Basis

Valuations were made on the basis of net current value where an identified market existed. This is the price at which an asset might reasonably be expected to be sold less the costs of disposal that could reasonably be anticipated. Optimised deprival value was used for assets of a specialised nature that were unlikely to be sold. Optimised deprival value is an assessment of the worth of the asset to the business. It assumes replacement value with modern equivalent facilities which would serve the same functional purpose after adjusting for physical deterioration and functional obsolescence. No revaluations occurred during this financial year.

Land and Buildings

Valuation of land and buildings was conducted by Knight Frank (NZ) Ltd (ANZIV, MREINZ), registered independent valuer on 1 January 1999. Valuation of land and buildings is undertaken every three years.

Antiques and Works of Art

Valuation of antiques and works of art was undertaken by Dunbar Sloane, an independent expert, on 30 November 1998. Valuation of antiques and works of art is undertaken every three years.



Note 9 Accounts Payable and Provisions

	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Accounts Payable	3,273	5,161
Closure of Link Centres	0	219
Strategic Management Support Restructuring (due for payment September – November 2000)	761	0
Identity Services: London and Sydney Offices' Restructuring (due for payment January – March 2001)	208	0
Accrued Salaries	1,359	901
Accounts Payable for Property, Plant and Equipment	291	315
GST Payable	0	76
Total Accounts Payable and Provisions	5,892	6,672

Note 10 Accrued Expenses

	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Annual Leave	3,090	3,101
Long Service and Retirement Leave	645	737
Accrued Expenses for Property, Plant and Equipment	265	59
Audit Fees	75	77
Provision for Performance Pay	1,565	1,296
Other	4,112	3,620
Total Accrued Expenses	9,752	8,890

Note 11 Movements in Taxpayers Funds

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

a) Provision for Payment of Surplus

The Department is required to return to the Crown the higher of its annual net surplus (excluding Other Expenses) or interest earned. In 2000/01 \$11.722 million will be paid to the Crown. This represents the surplus in 1999/00 of \$11.846 million reduced by an amount retained as a capital contribution of \$0.124 million. The payment made in 1999/00 to the Crown of \$10.094 million represents the surplus in 1998/99 of \$12.356 million plus \$0.610 million for Other Expenses reduced by an amount retained as a capital contribution of \$2.872 million.

b) Capital Contribution

The Department received capital contributions of \$0.124 million arising from a gain on the sale of Ministerial properties, \$1.991 million for the refurbishment of National Archives accommodation and \$0.105 million for the conversion of historical birth, death and marriage records.

Note 12 Term Accrued Expenses

This represents long service and retirement leave calculated on an actuarial basis which is not considered payable in the next twelve months. The assessment was undertaken for each employee.

Note 13 Financial Instruments

The Department is party to financial instrument arrangements as part of its daily operations. These include bank, short term deposits, accounts receivable, accounts payable and provisions, accrued expenses, term accrued expenses and foreign exchange contracts.

a) Currency and Interest Rate Risk

Interest rate risk is the risk that the Department's return on the funds it has invested will fluctuate due to changes in market interest rates. All investments are placed with the New Zealand Debt Management Office on short term deposits in order to maximise liquidity. All interest earned on short term deposits is returned to the Crown as part of the surplus. Both the Department and the Crown have no significant exposure to interest risk on its financial instruments. There is no material difference between nominal interest rates and effective interest rates on short term deposits.

Under Section 46 of the Public Finance Act, the Department cannot raise a loan without approval of the Minister of Finance. No such loans have been arranged. Accordingly there is no interest rate exposure on funds borrowed.

Currency risk is the risk that debtors and creditors 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.

b) 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 bank, trade receivables and short term investments.

Short term deposits are placed with the New Zealand Debt Management Office. Such deposits are guaranteed by the New Zealand Government. This limits the exposure to concentrations of credit risk. 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.

Maximum exposures to credit risk.

	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Bank	2,167	3,335
Short Term Deposits	28,700	23,000
Accounts Receivable	2,998	2,936

c) Fair Value

Estimated fair values of the financial assets and liabilities.

	1999/00		1998/99	
	CARRYING VALUE \$000	FAIR VALUE \$000	CARRYING VALUE \$000	FAIR VALUE \$000
Bank	2,167	2,167	3,335	3,335
Short Term Deposits	28,700	28,700	23,000	23,000
Accounts Receivable	2,998	2,998	2,936	2,936
Accounts Payable and Provisions	5,892	5,892	6,672	6,672
Accrued Expenses	9,752	9,752	8,890	8,890
Term Accrued Expenses	613	613	628	628

The above maximum exposures are net of any recognised provision for losses in these financial statements.

The carrying amount as disclosed in the Statement of Financial Position is the fair value for each of these classes of financial instruments.

d) Foreign Exchange

	1999/00		1998/99	
	CONTRACT VALUE \$000	VALUE AT 30 JUNE \$000	CONTRACT VALUE \$000	VALUE AT 30 JUNE \$000
Foreign Exchange Contracts	3,670	3,786	3,127	3,268

The value of foreign exchange contracts at 30 June is calculated as the contract value converted at the closing spot rate.

Note 14 Explanation of Significant Budget Changes

Statement of Departmental Estimated Actuals, Appropriations and Expenditure (page 84)

(All figures are GST inclusive)

The following notes explain the significant changes between the 1999/00 Main Estimates (as published in the Departmental Forecast Report) and Supplementary Estimates reported in the Statement of Departmental Estimated Actuals, Appropriations and Expenditure. Variances are the bracketed figures. Explanations are provided for variances of greater than 5%.

a) Vote Internal Affairs*D1 National Archival Services (\$9,371,000)*

The decrease arose from the transfer of appropriation for the establishment of Vote Culture and Heritage (Internal Affairs).

D2 Official, Legal and Historical Publications (\$1,469,000)

The total reduction reflects a decrease arising from the establishment of Vote Culture and Heritage (Internal Affairs) (\$1,482,000), increased activity for *New Zealand Gazette* (\$56,000) and a decrease reflecting refinement of costs between output classes (\$43,000).

D3 Administrative and Advisory Support Services (\$837,000)

The total increase reflects a decrease for the establishment of Vote Culture and Heritage (Internal Affairs) (\$220,000), additional appropriation for the Commission of Inquiry into INCIS (\$627,000), additional funding for the administration of lottery grants (\$394,000) and additional appropriation for the Royal Commission of Inquiry into Genetic Modification (\$36,000).

D4 Support Services to Ministers (\$24,553,000)

The reduction provides for the transfer of appropriation for the establishment of Vote Ministerial Services.

D5 Property Management (\$3,384,000)

The total reduction reflects a decrease for the establishment of Vote Culture and Heritage (Internal Affairs) (\$650,000), a decrease for the transfer of appropriation for the establishment of Vote Ministerial Services (\$2,835,000) and an increase in the transfer of funds from Vote Veterans Affairs for Heritage Property Services (\$101,000).

D8 Issuing of Official Documents (\$5,468,000)

The total increase provides for increased activity in passports and citizenship (\$5,206,000), increased rental recoveries from subtenants (\$144,000) and the cost of historical birth, death and marriage records computerisation (\$118,000).

D10 Community Advisory and Information Services (\$305,000)

The total increase takes account of a decrease for the establishment of Vote Culture and Heritage (Internal Affairs) (\$48,000), an increase related to refinement of costs between output classes (\$64,000), increased activity for *New Zealand Government On-line* (\$209,000), additional funding for work on Closing the Gaps (\$45,000) and for International Year of Volunteers (\$35,000).

D11 Visits and Ceremonial Services (\$1,277,000)

The total increase reflects an increase for the Asia Pacific Economic Leaders Meeting state visits (\$1,320,000), a decrease related to refinement of costs between output classes (\$8,000) and a decrease in appropriation for the International Year of Volunteers (\$35,000).

D12 Transport Services (\$5,913,000)

The decrease provides for the transfer of appropriation to the establishment of Vote Ministerial Services.

D13 Translation Services (\$71,000)

The increase provides for increased activity for translation services.

b) Vote Civil Defence

D1 Policy Advice (Civil Defence) (\$90,000)

The reduction provides mainly for Y2K project costs transferring to the output class D2: Support Services, Information and Education.

c) Vote Local Government

D1 Policy Advice (Local Government) (\$90,000)

The increase provides for work on Closing the Gaps relating to the obligation of local authorities under the Treaty of Waitangi and identification of some issues on māori representation in local government.

d) Vote Tourism

D1 Policy Advice (Tourism) (\$235,000)

The reduction provides for an expense transfer from 1999/2000 to 2000/01 for the final stages of certain research projects. These are forecasting tourism demand and the updating of the tourism satellite, both of which will be completed in 2000.

e) Vote Millennium

D1 Administrative and Advisory Support Services (\$57,000)

The total increase arises from an expense transfer from 1998/99 to 1999/2000 (\$19,000) and rescheduling of funding from Non-Departmental to Departmental expenses (\$38,000) to meet the programme in 1999/2000.

f) Vote Culture and Heritage (Internal Affairs)*D1 National Archival Services (\$9,709,000)*

The total increase provides for the establishment of Vote Culture and Heritage (Internal Affairs) from Vote Internal Affairs (\$9,371,000), refinement of costs between output classes (\$57,000), increased activity in archival services (\$35,000) and costs to set up National Archives as a stand alone Department from 1 October 2000 (\$246,000).

D2 Historical Publications and Administrative Services (\$1,850,000)

The total increase reflects an increase for the establishment of Vote Culture and Heritage (Internal Affairs) from Vote Internal Affairs (\$1,701,000), a decrease for refinement of costs between output classes (\$6,000), increased activity in the written history service (\$54,000) and an increase of funding from Vote Ministerial Services for the provision of redundancy costs (\$101,000).

D3 Heritage Property Management (\$615,000)

The total increase provides for the establishment of Vote Culture and Heritage (Internal Affairs) from Vote Internal Affairs (\$618,000) and a decrease reflecting refinement of costs between output classes (\$3,000).

g) Vote Ministerial Services*D1 Support Services to Ministers (\$24,553,000)*

The increase provides for the establishment of Vote Ministerial Services from Vote Internal Affairs.

D2 Crown and Ministerial Property Management (\$2,509,000)

The total increase reflects an increase for the establishment of Vote Ministerial Services from Vote Internal Affairs (\$2,835,000), reductions for the transfer of funding for work on Closing the Gaps to Vote Internal Affairs (\$135,000) and Vote Local Government (\$90,000) and a decrease for the transfer of funding for redundancy costs to Vote Culture and Heritage (Internal Affairs) (\$101,000).

D3 Transport Services (\$5,913,000)

The increase provides for the establishment of Vote Ministerial Services from Vote Internal Affairs.



Note 15 Explanation of Significant Actual Variances

The following notes explain the significant variances between Supplementary Estimates and Actuals. Variances are the bracketed figures. Explanations are provided for variances of greater than 5%.

a) Statement of Financial Performance (page 76)

Interest (\$216,000)

Interest was above forecast due to higher interest rates and to greater cash being available for investment as a result of timing issues on capital expenditure.

Operating (\$6,976,000)

The variance results from underexpenditure in Vote Internal Affairs and Vote Ministerial Services. The primary output classes underspent in Vote Internal Affairs include Administration and Advisory Support Services (due to the lower Commission of Inquiry costs), Visits and Ceremonial Services (lower costs associated with the Asia Pacific Economic Leaders Meeting) and Official, Legal and Historical Publications (due to changing *New Zealand Gazette* printing contract and providing in-house financial administration). Underexpenditure in Vote Ministerial Services was due to underexpenditure in Support Services to Ministers (closely monitored budgets given to new Executive) and Transport Services (demand for VIP transport was lower than anticipated).

Depreciation (\$556,000)

Depreciation was above forecast due to the reassessment of residual values for motor vehicles.

b) Statement of Financial Position (page 77)

Cash and Short Term Deposits (\$6,434,000)

The closing balance of cash and short term deposits was higher than budgeted principally due to a higher than anticipated accrued expenses, timing issues on development and acquisition of assets and a higher surplus than anticipated.

Accounts Receivable (\$465,000)

The variance relates to higher accounts receivable for various business areas within the Department, in particular, higher than forecast recovery from the Lottery Grants Board for services performed in June 2000 and higher than forecast interest receivable.

Inventories (\$1,026,000)

A shipment of passport blanks were received earlier than planned and work in progress for citizenship was higher than forecast.

Prepayments (\$241,000)

Payment for ACC was lower than forecast.

Term Accounts Receivable (\$175,000)

Permanent advances have been classified as a current asset rather than a term asset as the Department can require immediate repayment.

Property, Plant and Equipment (\$3,272,000)

This is due to delays in the purchase of equipment for various large capital projects.

Accounts Payable and Provisions (\$1,481,000)

The variance primarily relates to lower than expected accounts payable for support services to Ministers.

Revenue Received in Advance (\$1,374,000)

Revenue received in advance was higher than estimated for citizenship and birth, death and marriage certificates.

Accrued Expenses (\$2,260,000)

The variance relates to higher than expected leave accrual and higher than expected accruals relating to various business areas. This is partially offset by lower than forecast accounts payable and provisions.

c) Statement of Cash Flows (page 78)*Sale of Property, Plant and Equipment (\$291,000)*

This is due to the lower returns on the sale of assets, in particular motor vehicles.

Purchases of Property, Plant and Equipment (\$3,130,000)

This is due to delays in timetabling for several large capital projects.

Capital Contribution (\$1,106,000)

The variance primarily relates to the capital transfer of \$1.230 million from 1999/00 to 2000/01 for the establishment of National Archives as a stand alone Department.

Effect of exchange rate on foreign currency balance (\$56,000)

Losses on foreign exchange are not able to be forecast.

d) Statement of Departmental Estimated Actuals, Appropriations and Expenditure (page 84)

(All figures are GST inclusive)

Vote Internal Affairs

D2 Official, Legal and Historical Publications (\$335,000)

Changing the *New Zealand Gazette* printing contract and the provision of in-house financial administration resulted in savings.

D11 Visits and Ceremonials (\$522,000)

Costs for the Asia Pacific Economic Leaders Meeting state visits were lower than initially budgeted.

D13 Translation Services (\$57,000)

Higher than expected demand for services, especially citizenship translations, increased both revenue and expenditure.

Vote Civil Defence

D1 Policy Advice (Civil Defence) (\$91,000)

Delays in the progress of the Emergency Management Bill resulted in under-expenditure.

Vote Tourism

D2 Wāirakei Tourist Park: Development and Management (\$207,000)

Anticipated costs relating to land ownership issues did not arise.

Vote Ministerial Services

D1 Support Services to Ministers (\$1,486,000)

This was due to close monitoring and control of Ministerial office budgets and costs.

D2 Crown and Ministerial Property Management (\$306,000)

This is due to a gain on sale of Ministerial properties of \$124,889 and also delays in the property maintenance programme.

Note 16 Reconciliation between Total Operating Expenses and Total Appropriations

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

	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Total Operating Expenses in Statement of Financial Performance	116,134	116,768
Revaluation Gain	0	(2,873)
Intra-entity Expenditure	297	268
GST on Revenue Crown	7,921	7,948
GST on Revenue Third Parties	7,946	7,726
GST on Intra-entity Revenue	37	33
Total Appropriations in Statement of Estimated Actuals, Appropriations and Expenditure	132,335	129,870

Note 17 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 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.



Note 18 Discontinued Activities

The actual financial results for the current financial year 1 July 1999 to 30 June 2000 are disclosed for discontinued activities in the table below:

	Total Revenue \$000	Total Expenditure \$000	Surplus/(Deficit) \$000
VOTE INTERNAL AFFAIRS			
Effective date 31 August 1999:			
Transfer of activity to Vote Culture and Heritage (Internal Affairs)			
Official, Legal and Historical Publications			
Dictionary of New Zealand Biography	91	91	0
New Zealand Written History	183	183	0
Property Management			
Management of National Monuments, War Graves and Antiquities	101	99	2
VOTE SPORT, FITNESS AND LEISURE			
Effective date 30 June 2000:			
Transfer of activity to Ministry of Economic Development			
Policy Advice (Sport, Fitness and Leisure)			
Sport, Fitness and Leisure Policy Advice	223	223	0
Ministerial Correspondence and Questions	26	26	0
VOTE TOURISM			
Effective date 30 June 2000:			
Transfer of activity to Ministry of Economic Development			
Policy Advice (Tourism)			
Tourism Policy Advice	1,549	1,526	23
Wairākei Tourist Park: Development and Management			
Wairākei Tourist Park: Development and Management	1,185	972	213
VOTE MILLENNIUM			
Effective date 30 June 2000:			
Programme concluded			
Year 2000 Commemorations Marketing Programme			
Marketing Programme	805	805	0
VOTE CULTURE AND HERITAGE			
Effective date 30 June 2000:			
Transfer of activity to Ministry for Culture and Heritage			
Historical Publications and Administrative Services			
Dictionary of New Zealand Biography	462	449	13
New Zealand Written History	1,024	1,013	11
Historical Grants and Awards	149	154	(5)
Heritage Property Management			
Management of National Monuments, War Graves and Antiquities	548	533	15

Summary of Departmental Financial Results for the Year Ended 30 June 2000

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	UNIT	ACTUAL 1999/00	ACTUAL 1998/99	ACTUAL 1997/98	ACTUAL 1996/97	ACTUAL 1995/96
Operating Results						
Revenue: Third Parties	\$000	63,550	61,811	56,650	54,864	49,163
Revenue: Interest	\$000	1,066	859	698	840	1,119
Output Expenses	\$000	116,134	116,768	111,082	115,259	108,593
Operating Surplus before Capital Charge	\$000	16,078	16,344	12,848	7,672	9,748
Net Surplus/(Deficit)	\$000	11,846	12,356	8,630	3,374	5,195
Working Capital						
Liquid Ratio		1.31:1	1.21:1	1.09:1	0.91:1	0.75:1
Current Ratio		1.13:1	1.05:1	0.97:1	0.93:1	0.77:1
Average Debtors Outstanding	days	14	14	16	18	19
Average Creditors Outstanding	days	37	36	38	34	33
Resource Utilisation						
<i>Physical Assets:</i>						
Physical Assets as % of Total Assets	%	54.73	58.70	63.15	71.18	76.03
Additions as % of Physical Assets	%	13.10	10.06	12.16	13.74	17.52
<i>Taxpayers' Funds:</i>						
Level at year-end	\$000	48,224	46,004	43,554	45,203	45,253
Taxpayers' Funds as % of Total Assets	%	59.32	59.95	62.04	69.17	69.58
Net Cash Flows						
Surplus/(Deficit) from Operating Activities	\$000	16,245	17,898	16,295	14,969	10,745
Surplus/(Deficit) from Investing Activities	\$000	(3,783)	(3,470)	(4,530)	(5,637)	(6,985)
Net Increase/(Decrease) in Cash Held	\$000	4,588	5,657	6,939	3,009	(3,359)



Summary of Discontinued and New Output Classes for the Year Ended 30 June 2000

DISCONTINUED OUTPUT CLASSES	EFFECTIVE FROM	REASON FOR CHANGE
Vote Internal Affairs		
Support Services to Ministers	June 30, 1999	New vote established
Transport Services	June 30, 1999	New vote established
Property Management	August 31, 1999	Outputs reclassified between two new votes established
National Archival Services	August 31, 1999	New vote established
Official, Legal and Historical Publications	August 31, 1999	New vote established
NEW OUTPUT CLASSES	EFFECTIVE FROM	REASON FOR CHANGE
Vote Ministerial Services		
Support Services to Ministers	July 1, 1999	New vote established
Crown and Ministerial Property Management	July 1, 1999	New vote established
Transport Services	July 1, 1999	New vote established
Vote Culture and Heritage (Internal Affairs)		
National Archival Services	September 1, 1999	New vote established
Historical Publications and Administrative Services	September 1, 1999	New vote established
Heritage Property Management	September 1, 1999	New vote established

Refer to the Statement of Departmental Estimated Actuals, Appropriations and Expenditure (page 84) for disclosure of the financial figures related to the above output classes.



Statement of Objectives and Service Performance for the Year Ended 30 June 2000

4

VOTE INTERNAL AFFAIRS OUTPUT CLASS D1 – National Archival Services

MEASURES

ACTUAL TO 30 JUNE 2000

Reference Services

Quantity, Quality and Timeliness

Capacity to make available an estimated 7,200 hours of Reading Room services to the public across four locations in Auckland, Wellington, Christchurch and Dunedin.

✓ 7,514 hours.

Capacity of an estimated 24,000 to 30,000 hours for the delivery of reference services.

✓ 38,463 hours – this was a new measure in 1999/2000. Demand for reference services greatly exceeded expectations. In recognition that this level of demand is likely to continue, the target range for this measure has been increased by 25% in 2000/01.

85% of on-site reference service items delivered within 30 minutes of published delivery times.

✓ 93% – improvements in facilities and increased experience of the retrieval team contributed to this result.

80% of respondents to a client satisfaction survey rate the quality of Reference Services at 7 or greater using a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”.

✓ 82%.

Selection and Description

Quantity, Quality and Timeliness

4,000 to 5,000 hours allocated for delivery of appraisal services delivered to government departments and agencies on request.

✓ 4,552 hours.

✓ = target met, ✗ = target not met, – = measure changed by Government decision.



MEASURES**ACTUAL TO 30 JUNE 2000**

Capacity of an estimated 9,000 to 11,500 hours allocated for delivery of transfer and documentation services. ✓ 14,191 hours – this was a new measure in 1999/2000. Demand for reference services greatly exceeded expectations. In recognition that this level of demand is likely to continue, the target range for this measure has been increased by 10% in 2000/01.

85% of draft appraisal reports delivered within contracted timeframes. ✓ 87%.

Archives transfers processed within 12 months with 100% of linear metres that are transferred processed to standards set out in the Department's Vote Internal Affairs Purchase Agreement for 1999/2000. ✗ 99.5%.

Quality

80% of respondents to a client satisfaction survey rate services at 7 or greater using a scale of 1 to 9, where 1 is "very poor" and 9 is "outstanding". ✓ 95%.

Physical Preservation and Storage**Quantity, Quality and Timeliness**

Capacity of an estimated 150 to 200 hours for conducting condition surveys of archives. ✓ 157 hours.

90% of targets in the annual Preservation Management Plan completed. ✓ Plan was revised in April 2000 to 37 projects – 92% of these were completed.

Storage environments monitored 95% of the time to standards specified in the Preservation Management Plan. ✓ 100%. This was a new measure for 1999/2000 and has been reported against since April 2000.

95% of requests for treatment in accordance with agreed standards based on the *Code of Ethics of the New Zealand Professional Conservators' Group*. ✓ 100%.

✓ = target met, ✗ = target not met, – = measure changed by Government decision.

MEASURES**ACTUAL TO 30 JUNE 2000**

Repository location guides within agreed timeframe with 100% of transfers entered into the guides within 3 working days.

✘ 97% – this was a new measure in 1999/2000. A flaw in the procedure was identified and remedied early in the year.

Archives Education**Quantity, Quality and Timeliness**

45 to 55 public events completed, including book launches, gallery exhibitions, touring exhibitions, public tours and talks.

✓ 163 events – this was a new measure in 1999/2000. Interest in public events was greater than anticipated. The target range for this measure has been increased to 140 to 180 for 2000/01.

80% of respondents to a client satisfaction survey rate services at 7 or greater using a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”.

✓ 93%.

Provision of Recordkeeping Advice

Capacity of an estimated 800 to 1,200 hours for formulation and delivery of recordkeeping advice.

✓ 1,277 hours.

95% of advice provided within agreed deadlines and to standards acceptable to the Chief Archivist.

✓ 100%.

95% of appraisal reports processed within 10 working days.

✘ 94.5%.

Formulation of Policies and Setting of Recordkeeping Standards**Quantity, Quality and Timeliness**

800 to 1,200 hours allocated for formulation of policies and setting of standards as set out in the Annual Business Plan.

✓ 909 hours.

95% of policies and standards formulated within agreed deadlines and criteria acceptable to the Chief Archivist.

✓ 100%.

✓ = target met, ✘ = target not met, – = measure changed by Government decision.

National Archival Services

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Reference Services	3,241	516	516	3,198
Selection and Description	2,162	362	362	2,014
Physical Preservation and Storage	3,035	418	417	2,941
Archives Education	1,097	166	166	1,195
Provision of Recordkeeping Advice	157	25	25	148
Formulation of Policies and Setting of Recordkeeping Standards	156	32	32	146
Total excluding GST	9,848	1,519	1,518	9,642
GST	1,232	190	190	1,211
Total Appropriation	11,080	1,709	1,708	10,853

Financial Information – National Archival Services

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue				
Revenue Crown	9,083	1,314	1,314	8,863
Revenue Third Parties	770	204	204	824
Revaluation Gain	0	0	0	1,030
Total Operating Revenue	9,853	1,518	1,518	10,717
Expenses				
Personnel	3,720	571	579	3,552
Operating	3,111	499	489	3,408
Depreciation	1,104	125	126	871
Capital Charge	1,913	324	324	1,811
Total Operating Expenses	9,848	1,519	1,518	9,642
Net Surplus/(Deficit)	5	(1)	0	1,075



MEASURES

ACTUAL TO 30 JUNE 2000

Dictionary of New Zealand Biography

Quantity, Quality and Timeliness

- Volumes I, II, III and IV (English and Māori) to be kept in print. ✓ All in print.
- Volume V English to be 100% complete by 30 June 2000. ✓ 100% complete.
- Volume V Māori to be 100% complete by 30 June 2000. ✓ 100% complete.
- All DNZB essays will be completed to factual and reference standards as endorsed by the Dictionary's Policy Committee. These standards are set out in the Department's Vote Internal Affairs Purchase Agreement for 1999/2000. ✓ All to standards.

New Zealand Written History

Quantity, Quality and Timeliness

- Research and write eleven historical projects as set out in the Department's Vote Internal Affairs Purchase Agreement for 1999/2000. Four projects will be published throughout the year. ✗ Eleven projects completed and four are with the publisher and will be published in September 2000.
- 80% of historical publications meet time criteria as specified by the Historical Branch Advisory Committee. ✓ 95%.
- 100% of historical publications completed meet content criteria as specified by the Historical Branch Advisory Committee. ✓ 100%.

✓ = target met, ✗ = target not met, – = measure changed by Government decision.



MEASURES

ACTUAL TO 30 JUNE 2000

New Zealand Gazette

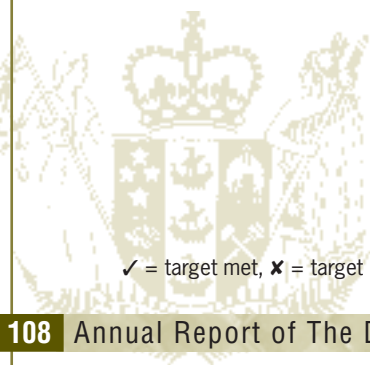
Quantity, Quality and Timeliness

49 Principal Editions.	✓ 50 Principal Editions.
2 Special Editions.	✓ 2 Special Editions.
47 Custom Editions.	✗ 46 – demand for this service is externally driven.
5 Professional and Trade Lists.	✗ 4 – demand for this service is externally driven.
All requested supplements published.	✓ 79 supplements.
100% of <i>New Zealand Gazettes</i> published to deadlines.	✓ 100%.
The text of the <i>New Zealand Gazette</i> , which is handled by the Department's staff, is published in accordance with the text supplied by the client with no more than one error per month.	✓ 1 error in 12 months.

Official, Legal and Historical Publications

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
<i>Dictionary of New Zealand Biography</i>	554	91	91	596
<i>New Zealand Written History</i>	1,037	183	183	924
<i>New Zealand Gazette</i>	1,484	1,495	1,193	1,307
Total excluding GST	3,075	1,769	1,467	2,827
GST	387	224	191	352
Total Appropriation	3,462	1,993	1,658	3,179

✓ = target met, ✗ = target not met, – = measure changed by Government decision.



Financial Information – Official, Legal and Historical Publications

G7

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue				
Revenue Crown	1,289	178	178	1,254
Revenue Third Parties	1,805	1,611	1,353	1,559
Total Operating Revenue	3,094	1,789	1,531	2,813
Expenses				
Personnel	1,163	395	440	1,073
Operating	1,835	1,355	1,008	1,650
Depreciation	48	13	13	75
Capital Charge	29	6	6	29
Total Operating Expenses	3,075	1,769	1,467	2,827
Net Surplus/(Deficit)	19	20	64	(14)

4



OUTPUT CLASS D3 – Administrative and Advisory Support Services

MEASURES

ACTUAL TO 30 JUNE 2000

Historical Advice and Administrative Services

Quantity, Quality and Timeliness

- | | |
|---|---|
| Capacity for 500 staff hours (the estimated range is 250 to 750 staff hours) providing advice in response to an estimated 300 to 400 enquiries. | ✓ 654 hours. |
| Capacity for 2,000 staff hours (the estimated range is 1,750 to 2,250 staff hours) processing an estimated 140 to 180 applications for three grants (Awards in History, Awards in Oral History, and Grants to Publishers). | ✗ 552 hours – the number of hours was lower than predicted. This measure has been revised for the future. |
| 98% of advice on historical enquiries provided in accordance with criteria set out in the Department's Vote Internal Affairs Purchase Agreement for 1999/2000. | ✓ 100%. |
| 98% of applications processed for three grant schemes (Awards in History, Awards in Oral History, and Grants to Publishers) administered to standards set out in the Department's Vote Internal Affairs Purchase Agreement for 1999/2000. | ✓ 100%. |

NZLGB & Distribution Committees

Quantity, Quality and Timeliness

- | | |
|--|---|
| 6,800 (6,400 to 7,200) grant applications processed. | ✓ 6,696 applications considered out of a total of 7,357 applications processed. |
| 112 meetings (the estimated range is 110 to 120) scheduled by the NZLGB, Presiding Members Policy Advisory Group, lottery distribution committees and lottery sub-committees serviced. | ✗ 107 – meetings are driven by external demand. Not all scheduled meetings were held. |

✓ = target met, ✗ = target not met, – = measure changed by Government decision.

MEASURES	ACTUAL TO 30 JUNE 2000
Average cost per application reduced to \$1,000 or less.	✓ \$963 per application.
Average cost per dollar distributed maintained at 5.5 cents or less.	✓ 5.5 cents per dollar.
Percentage of total Lottery Grants Board income used in administration maintained at 6% or less.	✓ 5.2%.
Deliver the range of services specified in the Lottery Grants Memorandum of Understanding. The estimated range of staff time is 85,000 to 105,000 hours.	✓ 88,102 hours.
85% of respondents to an annual independent survey of all appointed members rate the quality and timeliness of services at 7 or greater using a scale of 1 to 9 on a scale of 1 to 9 where 1 is "very poor" and 9 is "outstanding".	✗ 84%.
85% of respondents to an annual independent survey of a random sample of at least 400 competed interviews of lottery grants applicants rate services at 7 or greater using a scale of 1 to 9 where 1 is "very poor" and 9 is "outstanding".	✗ 55% of respondents rated services at 7 or more – that is, were 'delighted' or 'satisfied' (this was not significantly different from the 1998/99 result of 53%). 34% of respondents rated services as 'about what they expected'.
100% of complete and eligible applications received before the advertised closing date will have been presented at the next scheduled decision making meeting following that closing date.	✗ 96%.
100% of grant payments are paid within 10 working days of recipients' compliance with pre-payment and payment process conditions set by the committee.	✗ 88% – due to business process delays.
100% of logged customer service complaints responded to within timeframes specified in internal quality service documentation.	✓ 100%.

✓ = target met, ✗ = target not met, – = measure changed by Government decision.

MEASURES**ACTUAL TO 30 JUNE 2000*****Crown Trusts and Fellowships*****Quantity, Quality and Timeliness**

- Servicing of the Norman Kirk Memorial Trust; Pacific Development and Conservation Trust; Peace and Disarmament Education Trust; Winston Churchill Memorial Trust; the New Zealand 1990 Scholarships Trust; and the Diana, Princess of Wales Memorial Fund. ✓ All six Trusts or Funds serviced.
- Monitoring the Trustee Banks Restructuring Act 1988 and any subsequent legislation. ✓ The Community Trusts Act 1999 which repealed the previous legislation was monitored.
- 500 (the estimated range is 450 – 550) grant applications processed. ✓ 593 applications processed.
- 450 (the estimated range is 400 to 500) copies of Winston Churchill Fellows' reports distributed. ✓ 706 reports distributed.
- Support services provided for seven (the estimated range is 6 to 9) disbursement meetings. ✓ 7 disbursement meetings serviced.
- Support services provided for five finance committee meetings (the estimate range is 4 to 6). ✓ 7 finance meetings serviced.
- The appointment of 30 trustees (the estimate range is 26 to 36 per year) to the Community Trusts administered. ✓ 35 trustees appointed to the Community Trusts.
- The appointments to the Lottery Grants Board Distribution Committees administered as vacancies arise. ✓ 17 appointments administered.
- Advice to the Ministers of Internal Affairs, Finance, and Disarmament and Arms Control concerning the above Trusts and Fellowships provided as required. ✓ Advice provided as required.

✓ = target met, ✗ = target not met, – = measure changed by Government decision.

MEASURES**ACTUAL TO 30 JUNE 2000**

98% of administrative, advisory support and monitoring services provided in accordance to the standards specified in the Trusts and Fellowships Procedures Manuals and internal quality service documentation.

✓ 100%.

100% of logged customers service complaints responded to within timeframes specified in internal service documentation.

✓ No complaints received.

Commissions of Inquiry**Quantity, Quality and Timeliness**

Support services provided to Commissions of Inquiry as they arise.

✓ Work was undertaken on the establishment of two Commissions of Inquiry – INCIS and the Royal Commission on Genetic Modification.

All administrative and advisory support services meet deadlines.

✓ No complaints received.

Accurate and appropriate information provided.

✓ No adverse comments from the Commission were received.

Commissioner's rating of the quality of services provided is 7 or greater using a scale of 1 to 9, where 1 is "very poor" and 9 is "outstanding", the assessment method is to be an annual survey.

✓ Average rating "8.5".

✓ = target met, ✗ = target not met, – = measure changed by Government decision.



Administrative and Advisory Support Services

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Judicial Review of Findings of the Commission of Inquiry	178	767	583	173
Historical Advice and Administration Services	229	34	34	213
New Zealand Lottery Grants Board and distribution Committees	6,866	7,129	7,017	6,762
Crown Trusts and Fellowships	285	372	263	270
Millennium Office	0	0	0	429
Total excluding GST	7,558	8,302	7,897	7,847
GST	953	1,046	1,017	989
Total Appropriation	8,511	9,348	8,914	8,836

Financial Information – Administrative and Advisory Support Services

Historical Advice and Administration Services output was transferred to Vote Culture and Heritage (Internal Affairs) – Historical Publications and Administrative Services from 1 September 1999.

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue				
Revenue Crown	493	887	887	904
Revenue Third Parties	7,131	7,481	7,245	7,010
Total Operating Revenue	7,624	8,368	8,132	7,914
Expenses				
Personnel	3,963	4,049	4,166	4,114
Operating	3,080	3,843	3,175	3,195
Depreciation	367	252	406	366
Capital Charge	148	158	150	172
Total Operating Expenses	7,558	8,302	7,897	7,847
Net Surplus/(Deficit)	66	66	235	67



OUTPUT CLASS D4 – Support Services to Ministers

G7

MEASURES	ACTUAL TO 30 JUNE 2000
Support Service to Ministers	
Quantity, Quality and Timeliness	
100% of the Executive and their support staff are provided with administration, accounting, personnel, media, information technology, facilities management, media and advisory services.	✓ 100% provision.
100% of services provided in accordance with Ministers' or Government demands and in accordance with correct authorisation.	✓ 100% in accordance.
100% of requests for specific services actioned within specified timeframe.	✓ 100% actioned within timeframe.
No complaints received for the administration of the Executive Government Website, co-ordination of the electronic news and transcript services and provision of audio visual support to meet Ministers' daily requirements.	✓ No complaints received.
95% of monitoring of approximately 65 newspapers and the provision of relevant material to the Prime Minister and Ministers of the Crown twice daily (week days) meet agreed deadlines.	✓ Achieved.
Ministerial satisfaction rating for services provided achieve an average of 7.5 or greater on a scale of 1 to 9, where 1 is "very poor" and 9 is "outstanding". The assessment method is to be an annual Ministerial satisfaction survey, and the average taken from those who respond.	✗ Average satisfaction rating of "7" – covering the period 10 December 1999 to 30 June 2000.

✓ = target met, ✗ = target not met, – = measure changed by Government decision.



Support Services to Ministers

(from 1 July 1999)

	MAIN ESTIMATES 1999/00 \$000 (RESTATED FROM VOTE INTERNAL AFFAIRS)	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000 (RESTATED FROM VOTE INTERNAL AFFAIRS)
Support Services to Ministers	21,825	21,825	20,337	20,868
Total excluding GST	21,825	21,825	20,337	20,868
GST	2,728	2,728	2,730	2,709
Total Appropriation	24,553	24,553	23,067	23,577

Financial Information – Support Services to Ministers

Main Estimates and Actual 1998/99 data is reported under Vote Ministerial Services although reported under Vote Internal Affairs in the Departmental Forecast Report.

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue				
Revenue Crown	21,799	21,799	21,799	21,625
Revenue Third Parties	25	25	39	47
Total Operating Revenue	21,824	21,824	21,838	21,672
Expenses				
Personnel	13,655	12,815	13,907	12,411
Operating	7,070	7,930	5,659	6,323
Depreciation	751	728	419	1,794
Capital Charge	349	352	352	340
Total Operating Expenses	21,825	21,825	20,337	20,868
Net Surplus/(Deficit)	(1)	(1)	1,501	804



MEASURES

ACTUAL TO 30 JUNE 2000

Management of Residential Property

Quantity, Quality and Timeliness

All Ministers of the Crown requiring accommodation are housed.	✓ All Ministers requiring accommodation were housed.
100% of specific property management services actioned within eight working hours from receipt of request.	✓ 100%.
100% of emergencies attended immediately (a 24 hour and 365 day service).	✓ No emergencies occurred during the 1999/2000 year.
100% of specific property services provided to the appropriate New Zealand Standard.	✓ 100%.
Ministerial satisfaction rating for services provided achieves an average of 7 or greater on a scale of 1 to 9, where 1 is "very poor" and 9 is "outstanding". The assessment method is to be an annual Ministerial satisfaction survey, and the average taken from those who respond.	✗ Overall satisfaction rating of "6.6" – covering the period 10 December 1999 to 30 June 2000.

Management of National Monuments, War and Historic Graves and Antiquities

Quantity, Quality and Timeliness

4,188 war graves, 70 historic graves, and 16 national monuments maintained in accordance with agreed programme.	✓ Achieved.
The National War Memorial and five overseas war memorials managed and maintained in accordance with agreed programme.	✓ Achieved.

✓ = target met, ✗ = target not met, – = measure changed by Government decision.



MEASURES**ACTUAL TO 30 JUNE 2000**

- | | |
|--|---|
| <p>150 (the estimated range of orders is 120 to 180) applications under the Antiquities Act 1975 processed:</p> <ul style="list-style-type: none"> - 50 (the estimated range is 40 to 60) export certificates for antiquities issued. - 50 (the estimated range is 40 to 60) custody of newly found items determined. - 50 (the estimated range is 40 to 60) collectors of artefacts registered. <p>All site inspections to determine necessary maintenance undertaken in accordance with agreed schedule and cycle time.</p> <p>All sites managed and maintained in a good state of repair (the inscriptions are legible and the stonework intact) at conclusion of scheduled maintenance.</p> <p>90% of contracts over \$1,000 for capital works and maintenance within New Zealand comply with the agreed criteria as set out in the Department's Vote Internal Affairs Purchase Agreement for 1999/2000.</p> <p>No Antiquities Act decisions overturned through the appeal process.</p> | <ul style="list-style-type: none"> - This measure was transferred to the Ministry for Culture and Heritage on 1 September 1999. The achievements below refer to the two months prior to transfer: - 6 certificates within the two months prior to transfer. One application was declined and 18 applications were processed for non antiquity items. - 13 determined within the two months prior to transfer. - 9 registered within the two months prior to transfer. <p>✓ Achieved.</p> <p>✓ Achieved.</p> <p>✓ Achieved.
Criteria included:</p> <ul style="list-style-type: none"> - competitive tendering where possible - completion of a written works specifications - photographic evidence of completion where physical inspection is not practical - payments are made to the Agreement. <p>✓ No decisions overturned in the two months prior to transfer to the Ministry of Culture and Heritage.</p> |
|--|---|

✓ = target met, ✗ = target not met, - = measure changed by Government decision.

Property Management

G7

(from 1 July 1999)

	MAIN ESTIMATES 1999/00 \$000 (RESTATED FROM VOTE INTERNAL AFFAIRS)	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000 (RESTATED FROM VOTE INTERNAL AFFAIRS)
Management of Residential Property	2,519	2,230	1,924	2,020
Total excluding GST	2,519	2,230	1,924	2,020
GST	315	279	279	253
Total Appropriation	2,834	2,509	2,203	2,273

4

Financial Information – Property Management

Main Estimates and Actual 1998/99: Restated Management of Residential Property Output to Vote: Ministerial Services (Crown and Ministerial Property Management). Management of National Monuments, War Graves and Antiquities output was transferred to Vote: Culture and Heritage (Internal Affairs) – Heritage Property Management from 1 September 1999.

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue				
Revenue Crown	2,494	2,205	2,205	2,311
Revenue Third Parties	25	25	24	31
Revaluation Gain	0	0	0	1,801
Total Operating Revenue	2,519	2,230	2,229	4,143
Expenses				
Personnel	190	206	273	190
Operating	1,973	1,546	1,172	1,465
Depreciation	64	98	119	80
Capital Charge	292	380	360	285
Total Operating Expenses	2,519	2,230	1,924	2,020
Net Surplus/(Deficit)	0	0	305	2,123



OUTPUT CLASS D6 – Administration of Grants

MEASURES	ACTUAL TO 30 JUNE 2000
Administration of Grants	
Quantity, Quality and Timeliness	
3,700 (the estimated range 3,400 to 4,000) grant applications received for all grants schemes assessed, processed and monitored.	✓ 3,841 applications assessed, processed and monitored.
Support Services and training will be provided to: <ul style="list-style-type: none"> – The COGS National Advisory Committee. – 40 COGS Local Distribution Committees. 	✓ All 41 Committees provided with Support services and training.
Information and assistance provided to prospective grant applicants through a minimum of 40 funding clinics.	✓ 199 clinics held.
40 public planning and selection meetings and public accountability processes completed for 40 elected COGS Local Distribution Committees and their grant recipients.	✓ 63 public planning and selection meetings held for 40 committees. 39 public accountability processes completed for 40 committees.
A framework for evaluating grant schemes against community development outcomes documented and implemented by 30 June 2000.	✓ Documented and implemented.
100% of public planning and selection meetings and public accountability processes assessed against a checklist specified in COGS grants scheme procedural documentation and approved by the COGS National Advisory Committee.	✓ 100% – assessed & approved.
A minimum 98% of applications, assessed through a random audit against an internal control checklist, meet standards specified in grants scheme procedural documentation.	✗ 93% – staff training regarding key internal control points in procedural documentation was not able to be completed, resulting in a lower than expected result.

✓ = target met, ✗ = target not met, – = measure changed by Government decision.

MEASURES**ACTUAL TO 30 JUNE 2000**

A minimum 98% of grant disbursements, assessed through a random audit against an internal control checklist, meet standards for accuracy and timeliness specified in internal quality service documentation.	✘ 83% – staff training regarding key internal control points in procedural documentation was not able to be completed, resulting in a lower than expected result.
Provision of service and training to COGS National Advisory Committee and Local Distribution Committee members will result in 85% of respondents to a customer satisfaction survey of committee members rating quality and timeliness at 7 or greater on a scale of 1 to 9 where 1 is “very poor” and 9 is “outstanding”.	✔ 86%.
85% of respondents to a customer satisfaction survey rate satisfaction with the services provided at 7 or greater using a scale of 1 to 9 where 1 is “very poor” and 9 is “outstanding”.	✘ 58% – relates to survey of Community Project Worker Scheme and Youth Development Fund. Dissatisfaction was greatest with requirements for monitoring and evaluation.
100% of logged customer service complaints responded to within timeframes specified in internal quality service documentation.	✔ 100%.

✔ = target met, ✘ = target not met, – = measure changed by Government decision.

Administration of Grants

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Administration of Grants	2,190	2,191	2,168	2,347
Total excluding GST	2,190	2,191	2,168	2,347
GST	274	274	274	293
Total Appropriation	2,464	2,465	2,442	2,640

Financial Information – Administration of Grants

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue				
Revenue Crown	2,190	2,191	2,191	2,325
Revenue Third Parties	0	0	0	21
Total Operating Revenue	2,190	2,191	2,191	2,346
Expenses				
Personnel	1,147	1,145	1,137	1,262
Operating	911	941	866	959
Depreciation	90	64	124	85
Capital Charge	42	41	41	41
Total Operating Expenses	2,190	2,191	2,168	2,347
Net Surplus/(Deficit)	0	0	23	(1)



OUTPUT CLASS D7 – Issuing of Licences and Administration of Regulation

G7

4

MEASURES

ACTUAL TO 30 JUNE 2000

Performance Targets for Casino Audits

Quantity, Quality and Timeliness

<p><i>Financial Audits</i> Target: 1,030. Range: 1,100 to 1,150.</p>	<p>✓ 1,327 financial audits – internal targets adjusted upward during year in response to risk based audit programme analysis.</p>
<p><i>Table games</i> Target: 462. Range: 440 to 520.</p>	<p>✓ 650 table games audits – internal targets adjusted upward during year in response to risk based audit programme analysis.</p>
<p><i>Gaming machines</i> Target: 1,213. Range: 1,200 to 1,350 gaming machine audits.</p>	<p>✓ 1,381 gaming machine audits – internal targets adjusted upward during year in response to risk based audit programme analysis.</p>
<p><i>Cashiering</i> Target: 165. Range: 160 to 200.</p>	<p>✓ 215 cashiering audits – internal targets adjusted upward during year in response to risk based audit programme analysis.</p>
<p><i>Surveillance</i> Target: 1,064. Range: 1,000 to 1,210.</p>	<p>✓ 1,461 surveillance audits – internal targets adjusted upward during year in response to risk based audit programme analysis.</p>
<p><i>Security</i> Target: 99. Range: 120 security audits.</p>	<p>✓ 142 security audits – internal targets adjusted upward during year in response to risk based audit programme analysis.</p>
<p><i>Income control</i> Target: 33. Range: 30 to 45.</p>	<p>✓ 43 income control audits.</p>
<p>All audit reports will meet criteria specified in the Gaming & Censorship Regulation's 1999/ 2000 Business Plan.</p>	<p>✓ All met criteria.</p>

✓ = target met, ✗ = target not met, – = measure changed by Government decision.

MEASURES**ACTUAL TO 30 JUNE 2000****Casino Investigation****Quantity, Quality and Timeliness**

Patron complaints in relation to the conduct of gaming. ✓ 129.
Target: 107.
Range: 80 to 140.

Ongoing suitability of individuals to hold Certificates of Approvals. ✓ 17.
Target: 17.
Range: 13 to 30.

Investigations into operator breaches. ✓ 28 – demand for this service is externally driven by factors outside the department's control.
Target: 10.
Range: 8 to 20.

Investigations into offences under the Casino Control Act. ✓ 190 – demand for this service is externally driven by factors outside the department's control.
Target: 79.
Range: 70 to 100.

All investigation reports will meet criteria specified in the Gaming & Censorship Regulation's 1999/2000 Business Plan. ✓ All met criteria.

100% of complaints responded to within seven days of the receipt of the complaint. ✓ 100%.

Censorship Inspections**Quantity, Quality and Timeliness**

Video sites inspections. ✓ 388 inspections – target exceeded due to high demand associated with two major investigations of distribution of unlabelled videos.
Target: 325.
Range: 300 to 350.

Film site inspections. ✓ 23.
Target: 20.
Range: 10 to 30.

Magazines/book sites inspections. ✓ 359 inspections – target exceeded due to effective database recording, and relatively high compliance rates (both allow faster turnaround).
Target: 325.
Range: 300 to 350.

✓ = target met, ✗ = target not met, – = measure changed by Government decision.

MEASURES**ACTUAL TO 30 JUNE 2000**

Electronic media sites inspections. ✓ 250 inspections – demand for this service is externally driven by factors outside the department's control.
Target: 125.
Range: 100 to 150.

Other forms of publications inspections. ✓ 668 inspections – target exceeded due to effective database recording, and relatively high compliance rates (both allow faster turnaround).
Target: 550.
Range: 500 to 600.

95% of inspections will meet the reporting criteria detailed in the 1999/2000 Purchase Agreement. ✓ 100%.

Censorship Investigations**Quantity, Quality and Timeliness**

An estimated minimum of 300 censorship investigations in the year completed to standards and legal requirements. ✓ 487 investigations – the number and complexity of investigations is difficult to predict. Target exceeded due to high detection rate of overseas offenders which were forwarded to Interpol and US enforcement contacts.

100% of investigations reviewed by Manager monthly and within seven days of completion to ensure legal requirements are complied with. ✓ 100%.

Censorship Prosecutions**Quantity, Quality and Timeliness**

An estimated minimum of 15-20 cases of censorship prosecutions completed. ✓ 34 – target exceeded due to high success rate in detecting and investigating internet offenders.

A capacity of 694 hours per inspector per year spent on censorship prosecutions. ✓ 752.

100% of prosecution files submitted within six weeks of the completion of the investigation to either Crown Law or the Crown Solicitor. ✗ 91% – target not met in first quarter due to workload and absence of key non-unit staff. During the remaining three quarters the target was met.

✓ = target met, ✗ = target not met, – = measure changed by Government decision.

MEASURES**ACTUAL TO 30 JUNE 2000**

The following standards will be maintained to conduct prosecution:

- A maximum of 5% of cases dismissed where prima facie case is not established. ✓ No cases dismissed.
- A maximum of 5% of cases received adverse judicial comments on prosecution case or preceding investigation process. ✓ No cases received adverse judicial comments.

A minimum of 90% of prosecution cases granted approval to pursue prosecution by the Attorney-General (Sections 123, 124 and 131 offences). ✓ 100%.

Gaming Licensing**Quantity, Quality and Timeliness**

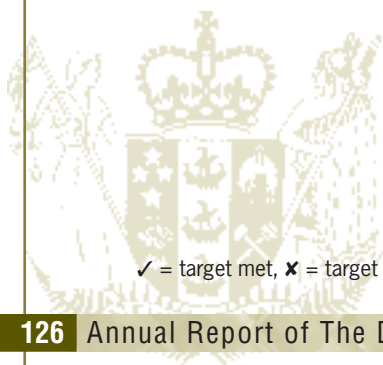
Demand for the number of licences is externally driven by factors outside the Department's control – those measures marked. *

Prize competition licences issued. ✓ 27 issued. *
Target: 20.
Range: 15 to 25.

Housie licences issued. ✗ 667 issued. *
Target: 905.
Range: 855 to 955.

Lottery licences. ✓ 725 issued. *
Target: 750.
Range: 700 to 800.

Other games of chance licences issued. ✗ 103 issued. *
Target: 130.
Range: 105 to 155.



✓ = target met, ✗ = target not met, - = measure changed by Government decision.

MEASURES**ACTUAL TO 30 JUNE 2000**

Society applications for gaming machine licences:

New applications.

✓ 41 applications. *

Target: 20.

Range: 15 to 25.

Amendments.

✓ 641 applications. *

Target: 700.

Range: 600 to 800.

Annual renewals.

✓ 880 applications. *

Target: 950.

Range: 850 to 1,050.

Casino employee approvals.

✓ 715 applications. *

Target: 650.

Range: 550 to 750.

99% of licences and amendments issued without error.

✓ 99% issued without error.

99% of licences and amendments issued in accordance with policy and legislation.

✓ 100% in accordance.

95% of licences and amendments issued within timeframes set out in the Gaming & Censorship Regulation Group's 1999/2000 Business Plan.

✗ 72% – targets not met due to processing delays resulting from the installation of a new database.

Provision of Advice**Quantity, Quality and Timeliness**

1,325 hours of staff time allocated to the provision of advice relating to the application of gaming law; the advice being provided from a centralised Gaming Licensing Office in Wellington between the hours of 8.30am to 5.00pm Monday to Friday (inclusive).

✗ 1,295 hours – this was a new output for 1999/2000 and the complexity of requests for advice was difficult to predict.

85% of requests for advice answered within agreed timeframe of:

– no more than ten working days for written requests.

✓ 90% within ten day timeframe.

– no more than two working days for verbal requests.

✓ 90% within two day timeframe.

✓ = target met, ✗ = target not met, – = measure changed by Government decision.

MEASURES**ACTUAL TO 30 JUNE 2000**

95% of complaints (which are kept in a complaints register) acted on within five working days of receipt of complaint. ✓ 100% acted on within timeframe.

Provision of Operational Policy and Licence Conditions**Quantity, Quality and Timeliness**

Capacity for an estimated 1,600 hours of staff time allocated to the development of licence conditions and departmental operational policies. ✓ 1,644 hours.

All operational policies and licence conditions meet criteria as specified in the Gaming & Censorship Regulation Group's 1999/2000 Business Plan. ✓ All policies meet criteria.

Gaming Audits**Quantity, Quality and Timeliness**

Based on historical trends, the following were forecasted for completion:

- 100 gaming machine society audits completed. ✓ 181 audits – target exceeded due to additional staff capacity.
- 100 gaming machine site audits completed. ✓ 154 audits – target exceeded due to additional staff capacity.
- 30 housie sites audits completed. ✓ 46 audits – target exceeded due to additional staff capacity.
- 10 other sites audits completed. ✓ 16 audits – target exceeded due to additional staff capacity.

A capacity for 9,000 staff hours spent on gaming audits. ✓ 19,510 hours – this is the first year that time records have been maintained. The time required was underestimated.

100% of gaming machine audits comply with standards/criteria specified in the risk based Gaming Machine Audit model. ✓ 100% in accordance.

✓ = target met, ✗ = target not met, - = measure changed by Government decision.

MEASURES**ACTUAL TO 30 JUNE 2000**

100% of Housie audits completed in accordance with standards/criteria specified in Gaming & Censorship Regulation's 1999/2000 Business Plan. ✓ 100% in accordance.

100% of other audits completed in accordance with criteria specified in Gaming & Censorship Regulation's 1999/2000 Business Plan. ✓ 100% in accordance.

Gaming Investigations**Quantity, Quality and Timeliness**

Based on historical trends, the following were forecast for completion:

- 100 gaming machines investigations completed. ✗ 74 investigations – demand for this service is externally driven by factors outside the department's control.
 - 50 housie investigations completed. ✗ 25 investigations – demand for this service is externally driven by factors outside the department's control.
 - 10 other investigations completed. ✓ 31 investigations – demand for this service is externally driven by factors outside the department's control.
- A capacity for 7,200 hours of staff time spent on gaming investigations. ✗ 5,315 hours – fewer hours due to low demand.
- 100% of investigations complied with legal requirements. ✓ 100% compliance.

Gaming Prosecutions**Quantity, Quality and Timeliness**

Based on historic trends, the following were forecasted for completion:

- 2 gaming machine prosecutions completed. ✓ 2 completed.
- 5 housie prosecutions completed. ✗ 2 – demand for this service is externally driven by factors outside the department's control.

✓ = target met, ✗ = target not met, – = measure changed by Government decision.

MEASURES	ACTUAL TO 30 JUNE 2000
– 2 other prosecutions completed.	✘ 1 – demand for this service is externally driven by factors outside the department's control.
A capacity for 1,800 hours of staff time spent on gaming prosecutions.	✘ 550 hours – this is the first year figures have been made. Both a low demand and an overestimating of the time per prosecution led to the low hours.
100% of all dates set by Court met and complied with by the Department.	✓ 100% met and complied with.
A maximum of 5% of cases dismissed where prima facie case not established.	✓ No cases dismissed.
A maximum of 5% of cases received adverse judicial comments on prosecution case or preceding investigation process.	✓ No cases with adverse judicial comments.

Gaming Regulatory Policy Advice

Quantity, Quality and Timeliness

Completion of the Policy Work Programme as agreed between the Minister of Internal Affairs and the Chief Executive, or as amended by agreement during the year; which includes the following priority project:

- Review of Gaming Licensing Fees and relevant legislation (including subordinate legislation).

Policy advice is provided within the funded level of policy capacity for each policy output, responded within a timely manner with relevant briefings on all Cabinet papers and speech notes as required; provide support for the Minister of Internal Affairs as required in Cabinet Committees, Select Committees, and in the House.

✘ Work on the review of gaming licensing fees should be completed in the first part of 2000/01.

✘ Policy advice provided under this output has not yet been completed.

✓ = target met, ✘ = target not met, – = measure changed by Government decision.

MEASURES**ACTUAL TO 30 JUNE 2000**

<p>Ministerial Satisfaction with the coverage and timeliness of policy advice is rated 8 or higher on a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”, the assessment mechanism being a half yearly survey of the Minister of Internal Affairs.</p> <p>All policy advice meets agreed timeframes.</p> <p>All policy advice shall be provided in accordance with agreed policy quality criteria set out in the Department’s Vote Internal Affairs Purchase Agreement for 1999/2000.</p> <p>All policy advice will be provided in accordance with the quality assurance system for policy advice.</p> <p>Ministerial Satisfaction with the quality of gaming regulatory policy advice is rated 8 or higher on a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”, the assessment mechanism being a half yearly survey.</p>	<p>✘ Overall satisfaction rating “7” – covering the period 10 December 1999 to 30 June 2000.</p> <p>✘ A number of milestones associated with the review of gaming licensing fees were not met.</p> <p>✘ Policy advice provided under this output has not yet been completed.</p> <p>✘ Policy advice provided under this output has not yet been completed.</p> <p>✘ Overall satisfaction rating “7” – covering the period 10 December 1999 to 30 June 2000.</p>
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✓ = target met, ✘ = target not met, – = measure changed by Government decision.

Issuing of Licences and Administration of Regulation

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Casino Audits	1,761	1,850	1,804	1,567
Casino Investigations	440	475	485	389
Censorship Inspections	277	280	268	0
Censorship Investigations	277	280	295	559
Censorship Prosecutions	277	277	268	258
Gaming Licensing	1,979	1,480	1,474	1,915
Gaming Advice and Information	0	110	75	0
Provision of Advice	110	0	0	0
Provision of Operational Policy and Licence Conditions	150	100	82	0
Gaming Audits	947	957	901	847
Gaming Investigations	757	935	920	999
Gaming Prosecutions	189	128	158	47
Gaming Regulatory Policy Advice	135	153	155	0
Total excluding GST	7,299	7,025	6,885	6,581
GST	959	924	926	875
Total Appropriation	8,258	7,949	7,811	7,456

Financial Information – Issuing of Licences and Administration of Regulation

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue				
Revenue Crown	1,237	1,228	1,228	1,266
Revenue Third Parties	6,431	6,165	6,176	5,733
Total Operating Revenue	7,668	7,393	7,404	6,999
Expenses				
Personnel	3,969	4,448	4,246	3,704
Operating	2,878	2,280	2,368	2,541
Depreciation	371	212	186	254
Capital Charge	81	85	85	82
Total Operating Expenses	7,299	7,025	6,885	6,581
Net Surplus/(Deficit)	369	368	519	418



OUTPUT CLASS D8 – Issuing of Official Documents

G7

MEASURES	ACTUAL TO 30 JUNE 2000
Citizenship	
Quality, Quantity and Timeliness	
Applications for grants of citizenship Range: 19,000 to 23,000.	✓ 31,535 applications – demand for this service is externally driven by factors outside the department's control.
Applications for registration of citizenship by descent. Range: 5,000 to 6,000.	✓ 5,941 applications.
Applications for certificates of citizenship status. Range: 2,000 to 2,500.	✓ 3,939 applications – demand for this service is externally driven by factors outside the department's control.
99% of citizenship documents issued without error.	✓ 99.9%.
80% of applications for grants of citizenship recommended to the minister within four months of receipt.	✓ 84.2%.
95% of applications for registration of citizenship not involving adoption completed within 20 working days of receiving a complete application.	✓ 99%.
95% of applications for certificates of status completed within 20 working days of receiving a completed application.	✓ 99%.
Passports	
Quality, Quantity and Timeliness	
Standard passports. Range: 227,000 to 266,000.	✓ 308,691.
Urgent passports. Range: 24,000 to 30,000.	✓ 28,733.
Other travel documents. Range: 6,000 to 10,000.	✓ 6,823.
✓ = target met, ✗ = target not met, – = measure changed by Government decision.	

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MEASURES	ACTUAL TO 30 JUNE 2000
100% of passport documents issued without error.	✘ 99.9%
100% of urgent passports and other urgent travel documentation issued within three working days of receipt of completed application.	✘ 99.9%
100% of non-urgent passports issued within 10 working days of receipt of a complete application.	✘ 99.99%
Births, Deaths and Marriages Registration	
Quality, Quantity and Timeliness	
<i>Birth registration.</i> Range: 56,000 to 62,000.	✓ 59,601 registrations.
<i>Death registration.</i> Range: 27,000 to 30,500.	✓ 27,925 registrations.
<i>Marriage registration.</i> Range: 20,000 to 22,500.	✓ 23,616 registrations.
<i>Births, Deaths and Marriages access certificates issued.</i> Range: 245,000 to 273,000.	✓ 271,129 registrations.
<i>Micrographics issued.</i> Range: 50,000 to 58,000.	✓ 82,152 issued – demand for this service is externally driven by factors outside the department's control.
100% of birth, death and marriage certificates issued without error.	✘ 99.4%.
99% of birth, death and marriage information registered without error.	✓ 99.99%
95% of death registrations completed within three working days from receipt of a properly completed notification or application form.	✓ 100%.
95% of birth and marriage registrations completed within four working days from receipt of a properly completed notification or application form.	✓ 100%.

✓ = target met, ✘ = target not met, – = measure changed by Government decision.

MEASURES	ACTUAL TO 30 JUNE 2000
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Applications for certificates processed:

- | | |
|---|----------|
| – 95% of applications received at the district office – one working day. | ✓ 100%. |
| – 95% of applications for certificates by mail at the district office – two working days. | ✓ 100%. |
| – 95% of applications received at central registry counter – three working days. | ✓ 100%. |
| – 95% of applications received by mail at central registry – eight working days. | ✓ 96.4%. |

100% of applications for computer-based certificates, received by 3.00 p.m. will be processed on same working day.	✓ 100%.
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100% of application for computer-based certificates, received after 3.00 p.m. will be processed on the next working day.	✓ 100%.
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95% of documents issued from micrographic retrieval system produced within eight working days.	✓ 97%.
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Authentication Services

Quality, Quantity and Timeliness

An estimated 1,700 to 1,800 authentication of documents completed.	✓ 2,386 – demand for this service is externally driven by factors outside the department's control.
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99% of documents authenticated without error.	✓ 99.9%.
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95% of documents submitted for authentication processed within five working days.	✓ 99.9%.
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✓ = target met, ✗ = target not met, – = measure changed by Government decision.

MEASURES**ACTUAL TO 30 JUNE 2000*****Policy Advice (National Identity)*****Quality, Quantity and Timeliness**

The Policy Work Programme completed as agreed between the Minister of Internal Affairs and the Chief Executive, or as amended by agreement during the year; including the following priority project: – Complete the Review of Citizenship Act 1977 by 30 June 2000. **✘** Not completed. A discussion document was prepared and submitted for Cabinet approval.

Within the current resource allocation, a level of coverage offered which provided a timely response on all significant policy issues which arise. This includes: briefings, advice, Cabinet papers and speech notes, support as required in Cabinet Committees, Select Committees and in the House. **✓** Achieved.

Ministerial Satisfaction with the coverage and timeliness of Identity Services policy advice rated at 8 or higher on a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”, the assessment mechanism being a half yearly survey. **✘** Overall satisfaction rating “7” – covering the period 10 December 1999 to 30 June 2000.

Policy advice shall be provided in accordance with the agreed policy quality criteria as set out in the Purchase Agreement 1999/2000. **✓** Achieved.

Ministerial Satisfaction with the quality of Identity Services policy advice is rated 8 or higher on a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”, the assessment mechanism being a half yearly survey. **✘** Overall satisfaction rating “7” – covering the period 10 December 1999 to 30 June 2000.

✓ = target met, **✘** = target not met, – = measure changed by Government decision.

Ministerial Correspondence and Questions**Quality, Quantity and Timeliness**

An estimated 160 to 200 draft replies to Ministerial correspondence on all items, drafted as required.	✓ 218 replies – demand for this service is externally driven. All items drafted as required.
An estimated 0 to 10 Official Information Act requests and Ombudsman's enquiries on all items responded to as required.	✓ 1 request – demand for this service is externally driven.
An estimated 15 to 25 draft answers to Parliamentary Questions on all items drafted as requested.	✗ 10 draft answers – demand for this service is externally driven. All items drafted as required.
95% 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.	✓ 100%.
100% of draft responses to Official Information Act requests and Ombudsman's enquiries returned for signature, two days prior to the statutory deadline for reply.	✓ 100%.
All draft replies to Parliamentary Questions completed within the time frames specified by the Minister.	✓ All within timeframes.
At least 95% of first versions of Ministerial Correspondence, Official Information Act requests, Ombudsman's requests and Parliamentary Questions accepted by the Minister.	✓ 100%.

✓ = target met, ✗ = target not met, – = measure changed by Government decision.

Issuing of Official Documents

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Citizenship	5,942	8,029	7,542	6,738
Passports	14,860	16,965	17,163	16,486
Births, Deaths and Marriages Registration	10,315	10,637	10,739	10,970
Authentication Services	94	94	46	71
Identity Services Policy	387	388	387	476
Total excluding GST	31,598	36,113	35,877	34,741
GST	4,445	5,398	5,381	5,218
Total Appropriation	36,043	41,511	41,258	39,959

Financial Information – Issuing of Official Documents

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue				
Revenue Crown	1,846	1,844	1,844	1,839
Revenue Third Parties	33,712	41,341	41,206	39,907
Total Operating Revenue	35,558	43,185	43,050	41,746
Expenses				
Personnel	11,412	15,133	15,442	13,405
Operating	18,198	19,030	18,774	19,883
Depreciation	1,312	1,215	951	817
Capital Charge	676	735	710	636
Total Operating Expenses	31,598	36,113	35,877	34,741
Net Surplus/(Deficit)	3,960	7,072	7,173	7,005



MEASURES

ACTUAL TO 30 JUNE 2000

Internal Affairs Policy Advice

Quantity, Quality and Timeliness

The Policy Work Programme completed as agreed between the Minister of Internal Affairs and the Chief Executive, or as amended by agreement during the year; including the following priority projects under each policy output:

Gaming and Censorship Policy Advice

Implementation of the Gaming Law Reform Bill.

- The work programme was amended by Ministerial directive in February 2000. The Bill is still with the Government Administration Select Committee.

Fire and Building Policy Advice

- Completion of the Review of Fire Service Funding.
- Building Amendment (Dam Safety Bill).
- Review of the Building Act 1991.

- The work programme was amended by Ministerial directive in January 2000. A major review was initiated in the fourth quarter.
- ✘ The Bill was not completed. Further work is required to identify the cost/benefit of the proposal.
- ✘ The Review was not completed. Extensive interest shown by stakeholders in the review required wider consultation than envisaged.

Heritage and Constitutional Policy Advice

- Protection of Moveable Cultural Heritage Bill.
- Internal Affairs Antiquities Act Protocol with Ngāti Awa.

- Transferred to Ministry for Culture and Heritage on 1 September 1999.

✓ = target met, ✘ = target not met, - = measure changed by Government decision.

MEASURES**ACTUAL TO 30 JUNE 2000***Community Development and Ethnic Affairs Policy Advice*

- Ethnic Affairs Policy Framework.
- The work programme was suspended by Ministerial directive prior to the November 1999 election. After the election, resources were diverted to support the new Minister.

Advice on Crown Entity Performance and Governance

- Advice on Crown entities' governance and performance against financial projections and performance indicators. ✓ Achieved. Various briefings on Crown Entity performance were submitted to ministers and other officials.
- Members of Crown entity boards and statutory bodies appointed as required but estimated at 10 appointments per year. ✓ Achieved. Appointments were made or initiated for five crown entities.
- Advice given on Crown Entities' strategic business plans, Statements of Intent and purchase agreements. ✓ Achieved. The Department has had ongoing discussions with the Fire Service Commission, the Building Industry Authority, the Office of Film and Literature Classification and the Lotteries Commission regarding business planning, estimates of expenditure and Statements of Intent.

Advice given on ownership interests, financial viability and value. ✓ Achieved.

Within the current resource allocation, a level of coverage offered to provide a timely response on all significant policy issues which arise. ✓ Achieved.
These include: briefings, advice, Cabinet papers and speech notes, support as required in Cabinet Committees, Select Committees and in the House.

Policy advice provided in accordance with agreed policy criteria attached to the 1999/2000 Vote Internal Affairs Purchase Agreement. ✓ Achieved.

✓ = target met, ✗ = target not met, - = measure changed by Government decision.

MEASURES**ACTUAL TO 30 JUNE 2000**

Ministerial Satisfaction with the coverage and the timeliness of the policy advice rated at 8 or greater on a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”, the assessment mechanism being a half yearly survey.

✘ Overall satisfaction rating “7” – covering the period 10 December 1999 to 30 June 2000.

Ministerial Satisfaction with the quality of policy advice rated at 8 or greater on a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”, the assessment mechanism being a half yearly survey.

✘ Overall satisfaction rating “7” – covering the period 10 December 1999 to 30 June 2000.

All policy advice meets agreed timeframes.

✓ All met agreed timeframes.

*Ministerial Correspondence and Questions***Quantity, Quality and Timeliness**

An estimated range of 600 to 750 replies to Ministerial correspondence for all items drafted as required.

✘ 368 – demand for this service is externally driven. All items were drafted as required.

An estimated range of 25 to 35 Official Information Act requests and Ombudsman’s enquiries for all items responded to as required.

✓ 28.

An estimated range of 300 to 450 answers to Parliamentary Question for all items drafted as required.

✘ 152 – demand for this service is externally driven. All items were drafted as required.

95% of draft responses to Ministerial Correspondence returned for signature, within 15 working days of receipt from the Minister’s office.

✓ 95%.

All responses to Official Information Act and Ombudsman’s enquiries returned to the Minister’s Office for signature, two days prior to the statutory deadline for reply.

✘ 93% – two fire responses were late.

All draft replies to Parliamentary Questions completed within the time frames specified by the Minister.

✘ 98% met the specified timeframes.

✓ = target met, ✘ = target not met, – = measure changed by Government decision.

MEASURES

ACTUAL TO 30 JUNE 2000

At least 95% of first versions of replies to Ministerial correspondence, Official Information Act requests, Ombudsman's enquiries and Parliamentary Questions accepted by the Minister. ✕ 93% – there were issues in third quarter over drafting style.

Policy Advice (Internal Affairs)

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Gaming and Censorship Policy Advice	388	0	0	0
Fire and Building Policy Advice	534	0	0	0
Heritage and Constitutional Policy Advice	401	0	0	0
Community Development and Ethnic Policy Advice	241	0	0	0
Advice on Crown Entity Performance and Governance	275	275	304	0
Internal Affairs Policy Advice	0	1,492	1,466	1,652
Ministerial Correspondence and Questions	288	280	275	238
Total excluding GST	2,127	2,047	2,045	1,890
GST	266	256	256	240
Total Appropriation	2,393	2,303	2,301	2,130

Financial Information – Policy Advice (Internal Affairs)

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue				
Revenue Crown	2,126	2,046	2,046	1,919
Revenue Third Parties	0	0	0	2
Total Operating Revenue	2,126	2,046	2,046	1,921
Expenses				
Personnel	1,259	1,213	1,344	1,231
Operating	754	761	622	578
Depreciation	89	52	58	60
Capital Charge	25	21	21	21
Total Operating Expenses	2,127	2,047	2,045	1,890
Net Surplus/(Deficit)	(1)	(1)	1	31

✓ = target met, ✕ = target not met, – = measure changed by Government decision.

OUTPUT CLASS D10 – Community Advisory and Information Services

G7

4

MEASURES

ACTUAL TO 30 JUNE 2000

Advisory Services to Community Groups

Quantity, Quality and Timeliness

<p>Advisory Services to community groups using a community development approach. The estimated range of staff time is 33,000 to 39,000 staff hours. This amount will be measured through an annual activity survey of all staff with community group contact.</p>	<p>✘ 22,594 hours. Targets were over-ambitious for the resources available and targets have been modified for 2000/01. A significantly higher than expected amount of time under this output was spent on administrative, business servicing and overhead tasks.</p>
<p>35 Community Project Worker agencies provided with project management advisory services.</p>	<p>✓ 46 agencies – higher than forecast due to inclusion of projects winding up as well as new and on-going projects.</p>
<p>15 youth worker networks provided with facilitation and training advisory services.</p>	<p>✓ 39 networks – higher than forecast and customer driven. Target has been revised upward for 2000/01.</p>
<p>90% of advisory services, assessed through a random audit against an internal control checklist, meet standards specified in internal quality service documentation.</p>	<p>✓ 97%.</p>
<p>85% of respondents to a customer satisfaction survey of advisory and information service clients will rate advisory services on a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”.</p>	<p>✘ 80%.</p>
<p>100% of logged customer service complaints acted on within timeframes specified in internal quality service documentation.</p>	<p>✓ 100%.</p>

✓ = target met, ✘ = target not met, – = measure changed by Government decision.



MEASURES**ACTUAL TO 30 JUNE 2000****Information Services to the Community Sector****Quantity, Quality and Timeliness**

Community information services to individuals, community groups and agencies. The estimated range of staff time is 8,000 to 10,000 hours. This amount will be measured through an annual activity survey of all staff with community sector contact.	✗ 7,605 hours.
A minimum of 12 updates made to the Community Net Website.	✓ 50 updates.
500 (estimated range 400 to 600) Community Net e-mail and helpdesk enquiries responded to.	✗ 269 – the result is dictated by customer demand which has been less than predicted.
Public access to the Funding Information Service database provided at 17 sites.	✗ 16 sites.
4 editions of Ethnic Link newsletter published and circulated.	✓ 4 editions.
11 editions of Rural Bulletins published and circulated in conjunction with the Minister of Agriculture and Forestry.	✓ 11 editions.
Access to information about government and local government services maintained through:	
– the Blue Pages published in 18 Telecom Regional Telephone Directories.	✓ 18 directories.
– a minimum of 50 updates made to the New Zealand Government Online (NZGO) website.	✓ 275 updates – this result is dictated by customer and stakeholder demand which has been greater than predicted.
90% of information services, assessed through a random audit against an internal control checklist, that meet standards specified in internal quality service documentation.	✓ 97.1%.

✓ = target met, ✗ = target not met, – = measure changed by Government decision.

MEASURES	ACTUAL TO 30 JUNE 2000
85% of respondents to a customer satisfaction survey of advisory and information service clients will rate the quality of information services on a scale of 1 to 9, where 1 is "very poor" and 9 is "outstanding".	✘ 89.5%.
No more than one compensation claim against the Blue Pages sustained.	✓ No claims.
90% of respondents to an annual client satisfaction survey rate the information in the Blue Pages as "useful". A random sample of the New Zealand population, aged 18 years and over, will be surveyed.	✘ 85%.
100% of logged customer service complaints responded to within timeframes specified in internal service documentation.	✓ 100%.

Advisory and Information Services on Building Controls and Fire Service

Quantity, Quality and Timeliness

110 (the estimated range is 100 to 120) written items of information provided during the year, dealing with issues such as the building levy, building regulation compliance and consents, and building and fire safety provisions. ✓ 109 written items provided.

100% of written requests for information responded to within 10 working days of receipt of request. ✓ 100%.

All written items of information meet the following standards: ✓ All met the standards.

- factually accurate.
- provide all necessary information.
- laid out in the standard format and layout.

✓ = target met, ✘ = target not met, – = measure changed by Government decision.

Community Advisory and Information Services

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Advisory Services to Community Groups	2,511	2,585	2,580	2,395
Information Services to the Community Sector	1,851	1,874	1,794	2,023
Government Information Services	630	816	994	666
Advisory and Information Services on Building Controls and Fire Service	197	185	57	108
Total excluding GST	5,189	5,460	5,425	5,192
GST	650	684	680	658
Total Appropriation	5,839	6,144	6,105	5,850

Financial Information – Community Advisory and Information Services

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue				
Revenue Crown	4,480	4,564	4,564	4,417
Revenue Third Parties	719	905	876	844
Total Operating Revenue	5,199	5,469	5,440	5,261
Expenses				
Personnel	2,690	2,517	2,513	2,563
Operating	2,153	2,686	2,519	2,310
Depreciation	236	157	292	216
Capital Charge	110	100	101	103
Total Operating Expenses	5,189	5,460	5,425	5,192
Net Surplus/(Deficit)	10	9	15	69



OUTPUT CLASS D11 – Visits and Ceremonial Services

G7

MEASURES	ACTUAL TO 30 JUNE 2000
VIP Co-ordination	
Quantity, Quality and Timeliness	
100% of programmes agreed for all Guest of Government visits, and Ministerial and state functions arranged and carried out (unless cancelled or postponed).	✓ 100%.
100% of facilitations (primarily Ministers and Guests of Government) at international airports carried out to agreed standards.	✓ 100%.
100% of visit programmes appropriately signed off as negotiated, and planned to meet relevant objectives.	✓ 100% of visit programmes agreed upon.
100% of visit programmes carried out in accordance with agreed criteria in the Visits and Ceremonial Office manual.	No complaints received.
Commemorative and Official Events Co-ordination	
Quantity, Quality and Timeliness	
Waitangi Day commemorations co-ordinated in accordance with Cabinet requirements.	✓ Achieved.
Commemorative and national anniversary events co-ordinated and managed according to specified events criteria.	✓ Achieved.
Constitutional and Protocol Services	
Quantity, Quality and Timeliness	
100% of requests for flag hire transacted.	✓ 100%.

✓ = target met, ✗ = target not met, – = measure changed by Government decision.

4

MEASURES**ACTUAL TO 30 JUNE 2000**

100% of congratulatory messages and flag hire services provided:

- accurately and to timeframes agreed with customer. ✓ 100%.
- with no more than one complaint per 250 requests. ✓ No complaints received.

100% of documentation accepted concerning:

- general elections. ✓ 100%.
- Ministerial submissions in relation to legislation administered. ✓ 100%.

Visits and Ceremonial Services

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
VIP Coordination	1,551	2,780	2,223	1,628
Commemorative and Official Events Coordination	224	178	195	178
Constitutional and Protocol Services	172	124	143	131
Total excluding GST	1,947	3,082	2,561	1,937
GST	243	385	384	256
Total Appropriation	2,190	3,467	2,945	2,193

✓ = target met, ✗ = target not met, - = measure changed by Government decision.

Financial Information – Visits and Ceremonial Services

G7

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue				
Revenue Crown	1,937	3,072	3,072	2,046
Revenue Third Parties	5	5	3	2
Total Operating Revenue	1,942	3,077	3,075	2,048
Expenses				
Personnel	742	747	750	672
Operating	1,144	2,305	1,775	1,224
Depreciation	43	19	25	26
Capital Charge	18	11	11	15
Total Operating Expenses	1,947	3,082	2,561	1,937
Net Surplus/(Deficit)	(5)	(5)	514	111

4

OUTPUT CLASS D12 – Transport Services

MEASURES

ACTUAL TO 30 JUNE 2000

Transport Services

Quantity, Quality and Timeliness

100% of requests for transport services to be provided are met.

✘ 99.99%.
3 requests in 28,000 were missed.

No more than one complaint received for every 1,500 vehicle hires.

✓ Achieved.

Ministerial satisfaction with the transport service is rated at 8 or greater on a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”; the assessment method being an annual Ministerial satisfaction survey, and the average taken from those who respond.

✓ Average Ministerial satisfaction rating “8.5” – covering the period 10 December 1999 to 30 June 2000.

✓ = target met, ✘ = target not met, – = measure changed by Government decision.



Transport Services

	MAIN ESTIMATES 1999/00 \$000 (RESTATED FROM VOTE INTERNAL AFFAIRS)	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000 (RESTATED FROM VOTE INTERNAL AFFAIRS)
Transport Services	5,256	5,256	5,028	4,780
Total excluding GST	5,256	5,256	5,028	4,780
GST	657	657	623	599
Total Appropriation	5,913	5,913	5,651	5,379

Financial Information – Transport Services

Main Estimates and Actual 1998/99 data is reported under Vote Ministerial Services although reported under Vote Internal Affairs in the Departmental Forecast Report.

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue				
Revenue Crown	0	0	0	0
Revenue Third Parties	5,256	5,256	4,980	4,792
Total Operating Revenue	5,256	5,256	4,980	4,792
Expenses				
Personnel	2,709	2,716	2,711	2,626
Operating	1,725	1,693	1,497	1,405
Depreciation	630	625	611	512
Capital Charge	192	222	209	237
Total Operating Expenses	5,256	5,256	5,028	4,780
Net Surplus/(Deficit)	0	0	(48)	12



OUTPUT CLASS D13 – Translation Services

G7

MEASURES ACTUAL TO 30 JUNE 2000

Translation Services

Quantity, Quality and Timeliness

- 100% of contracted services are provided. ✓ 100%.
- 100% of translations completed to professional standards. ✗ 99%. Less than 1% returned with errors.
- 98% of translations meet timeframes which are satisfactory to customers. ✓ 98%.
- An average client satisfaction rating of 7.5 or greater is achieved through formal client feedback on a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”. ✓ Average client satisfaction rating “7.8”. For the period October 1998 to September 1999.

Translation Services

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Translation Services	437	500	550	543
Total excluding GST	437	500	550	543
GST	55	63	70	68
Total Appropriation	492	563	620	611

✓ = target met, ✗ = target not met, – = measure changed by Government decision.

Financial Information – Translation Services

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue				
Revenue Crown	0	0	0	0
Revenue Third Parties	437	500	558	546
Total Operating Revenue	437	500	558	546
Expenses				
Personnel	247	247	292	274
Operating	182	249	256	262
Depreciation	3	3	1	3
Capital Charge	5	1	1	4
Total Operating Expenses	437	500	550	543
Net Surplus/(Deficit)	0	0	8	3



VOTE CIVIL DEFENCE
 OUTPUT CLASS D1 – Policy Advice (Civil Defence)

G7



MEASURES

ACTUAL TO 30 JUNE 2000

Civil Defence Policy Advice

Quantity, Quality and Timeliness

Completion of the Policy Work Programme as agreed between the Minister of Civil Defence and the Director of Emergency Management and Civil Defence or as subsequently amended by agreement during the year:

- Complete draft National Emergency Management Strategy (NEMS) framework document by 30 June 2000. ✓ Achieved. The National Civil Defence Emergency Management Strategy (NCDEMS) has been drafted.
- Develop and prepare for introduction the Emergency Management Bill by 31 March 2000. ✓ Achieved. Drafting instructions were forwarded to the Parliamentary Counsel Office in April 2000.
- Develop draft framework for National Emergency Management Plan (NEMP) by 30 June 2000. ✓ Achieved. The National Civil Defence Emergency Management Plan (NCDEMP) has been drafted.
- Complete report on river management responsibilities by 28 February 2000. ✓ Achieved. Report completed and circulated to Regional Council Chief Executives for discussion at the Regional Chief Executive Officers Group meeting on 15 February 2000.
- Complete conceptual paper on economic framework for assessing impact of emergency management systems by 30 June 2000. ✓ Achieved.

Policy advice provided within the current resource allocation, responded to in a timely manner with relevant briefings on all significant policy issues which arise during the year; briefings, advice, Cabinet papers and speech notes, support as required in Cabinet Committees, Select Committees and in the House.

- By negotiation with the Minister of Civil Defence, this measure was changed subsequent to the publication of the DFR.

✓ = target met, ✗ = target not met, – = measure changed by Government decision.

MEASURES**ACTUAL TO 30 JUNE 2000**

- | | |
|---|---|
| Ministerial Satisfaction with the coverage and timeliness of policy advice rated at 7 or greater on a scale of 1 to 9 where 1 is "very poor" and 9 is "outstanding", the assessment being a quarterly survey. | ✓ Overall satisfaction rating "7.5" – covering the period 10 December 1999 to 30 June 2000. |
| Policy advice provided in accordance with agreed policy quality criteria set out in Appendix 2 of the Vote Civil Defence Purchase Agreement for 1999/2000. | ✓ Achieved. |
| Ministerial Satisfaction with the quality of policy advice rated at 7 or greater on a scale of 1 to 9 where 1 is "very poor" and 9 is "outstanding", the assessment mechanism being a quarterly survey. | ✓ Overall satisfaction rating "7.5" – covering the period 10 December 1999 to 30 June 2000. |
| All policy advice meets agreed timeframes. | ✓ Achieved. |
| All policy advice provided in accordance with the quality assurance system for policy advice. | ✓ Achieved. |

Ministerial Correspondence and Questions**Quantity, Quality and Timeliness**

- | | |
|---|--|
| – An estimated range of 25-35 replies to Ministerial correspondence (including Official Information Act enquiries and Ombudsman enquiries) drafted for all items as required. | ✓ 53 replies – demand for this service is externally driven by factors outside the department's control. |
| – An estimated range for 30 to 50 answers to Parliamentary Questions for all items drafted as required. | ✓ 48 answers. |
| – 95% of draft responses returned to the Minister's office for signature, within 15 working days of receipt from the Minister's office. | ✓ Achieved. |

✓ = target met, ✗ = target not met, – = measure changed by Government decision.

MEASURES**ACTUAL TO 30 JUNE 2000**

- | | |
|--|--|
| <ul style="list-style-type: none"> - At least 95% of first versions of ministerial correspondence, Official Information Act requests, Ombudsman requests and Parliamentary Questions accepted by the Minister in terms of content and technical accuracy. | <ul style="list-style-type: none"> ✓ 100% of first versions accepted for Ministerial correspondence. 98% of first versions of replies to Parliamentary Questions. |
|--|--|

Official Information and Ombudsman Requests**Quantity, Quality and Timeliness**

- | | |
|--|--|
| <ul style="list-style-type: none"> - 100% of draft responses returned to the Minister's office for signature, two days prior to the statutory deadline for reply. | <ul style="list-style-type: none"> ✓ No requests were received. |
|--|--|

Parliamentary Questions**Quantity, Quality and Timeliness**

- | | |
|--|---|
| <ul style="list-style-type: none"> - All draft replies to Parliamentary Questions completed within time frames specified by the Minister. | <ul style="list-style-type: none"> ✓ All within timeframe. |
|--|---|

✓ = target met, ✗ = target not met, - = measure changed by Government decision.

Policy Advice (Civil Defence)

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Civil Defence Policy Advice	1,353	1,276	1,186	1,180
Ministerial Correspondence and Questions	43	40	39	18
Total excluding GST	1,396	1,316	1,225	1,198
GST	175	165	165	151
Total Appropriation	1,571	1,481	1,390	1,349

Financial Information – Policy Advice (Civil Defence)

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue				
Revenue Crown	1,396	1,316	1,316	1,206
Revenue Third Parties	0	20	0	0
Total Operating Revenue	1,396	1,316	1,316	1,206
Expenses				
Personnel	733	639	667	601
Operating	609	632	503	549
Depreciation	36	28	29	18
Capital Charge	18	17	26	30
Total Operating Expenses	1,396	1,316	1,225	1,198
Net Surplus/(Deficit)	0	0	91	8



MEASURES

ACTUAL TO 30 JUNE 2000

Emergency Support Sector Services

Quantity, Quality and Timeliness

- An estimated 500 Visits, meetings, and phone discussions providing advice and assistance on emergency management. ✓ 825 visits, meetings or phone discussions. Demand for this service is externally driven by factors outside the department's control.
- A statement of strategic direction for the emergency management sector developed and circulated to the sector for comment by 30 June 2000. – Renegotiated in Purchase Agreement.
- A document *Best Practice Guideline for Emergency Management* developed and circulated to the sector for comment by 30 June 2000. – Renegotiated in Purchase Agreement.
- Criteria for future evaluation of risk based emergency management developed and circulated to the sector for comment by 30 June 2000. – Renegotiated in Purchase Agreement.
- A minimum of 80% of users who respond to a satisfaction survey, rate the quality and timeliness of the emergency management advice and assistance at 7 or greater on a scale of 1 to 9 where 1 is "very poor" and 9 is "outstanding". ✗ 78%.

Community Information

Quantity, Quality and Timeliness

- One issue of 5,000 copies of the magazine *Tephra* produced and distributed by 30 June 2000. ✓ Achieved.
- At least 12 items of community information resources produced and distributed by 30 June 2000. – Renegotiated in Purchase Agreement.
- At least 12 updates of the Ministry for Emergency Management Website made. ✓ Achieved – new website launched.

✓ = target met, ✗ = target not met, – = measure changed by Government decision.

MEASURES**ACTUAL TO 30 JUNE 2000**

Website updates made at least monthly, and within one day of major events.

✓ Updates made.

A minimum of 80% of users who respond to a satisfaction survey rate the quality of Tephra at 7 on a scale of 1 to 9, where 1 is "very poor" and 9 is "outstanding".

✓ 100%.

Professional Development**Quantity, Quality and Timeliness**

A Memorandum of Understanding (MOU) between the Ministry and key agencies on relevant qualifications, professional development programmes, and delivery mechanisms developed and agreed to deadline; 30 June 2000.

✗ An inter-agency sponsor group has been established to pursue joint activity. Technical Working Group has met to confirm terms of reference and initial tasks.

A document "Guideline for Curriculum Development" researched, developed and distributed by 30 June 2000.

– Renegotiated in Purchase Agreement.

Support Services, Information and Education

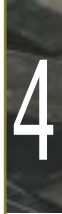
	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Emergency Sector Support Services	1,720	1,799	1,848	2,061
Community Information	505	541	517	642
Professional Development	282	286	252	0
Development of Unit Standards	0	0	0	219
Total excluding GST	2,507	2,626	2,617	2,922
GST	313	328	328	369
Total Appropriation	2,820	2,954	2,945	3,291

✓ = target met, ✗ = target not met, – = measure changed by Government decision.

Financial Information – Support Services, Information and Education

G7

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue				
Revenue Crown	2,507	2,613	2,613	2,857
Revenue Third Parties	0	13	13	96
Total Operating Revenue	2,507	2,626	2,626	2,953
Expenses				
Personnel	1,220	1,232	1,246	1,403
Operating	1,135	1,279	1,256	1,405
Depreciation	89	54	63	67
Capital Charge	63	61	52	47
Total Operating Expenses	2,507	2,626	2,617	2,922
Net Surplus/(Deficit)	0	0	9	31



OUTPUT CLASS D3 – Management of National Emergency
Readiness, Response and Recovery

MEASURES

ACTUAL TO 30 JUNE 2000

Management of Readiness for National Emergencies

Quantity, Quality and Timeliness

A national operations framework developed and distributed for comment within the emergency management sector. – Renegotiated in Purchase Agreement.

The National Civil Defence Plan maintained in accordance with the timetable agreed in the Plan: ✓ Achieved.

– update parts 3, 6 and 10 by 30 June 2000.

Mutual agreements with at least two national lifeline organisations and emergency services organisations, negotiated and put in place by 30 June 2000. ✓ Achieved.

The following systems tests completed:

– alternate communications systems tested weekly. ✓ Achieved.

– call out procedures tested monthly. ✓ Achieved.

– national warning systems tested quarterly. ✓ Achieved.

100% of deficiencies revealed by the tests of the high-frequency radio nets and communication systems remedied within seven days, and alternative communication methods used if necessary until deficiencies remedied. ✓ Achieved.

Monitoring of Emergency Events

Quantity, Quality and Timeliness

220 (the estimated range is 190 to 270) civil defence incidents monitored. ✓ 359 – demand for this service is externally driven by factors outside the department's control.

✓ = target met, ✗ = target not met, – = measure changed by Government decision.

MEASURES**ACTUAL TO 30 JUNE 2000**

- 100% of alerts and warnings of events likely to lead to an emergency, issued within 60 minutes after identification of the pending event. ✓ No alerts or warnings were issued.
- A minimum of 80% of local authorities who respond to a satisfaction survey, rate the quality and timing of alerts and warnings at 7 or greater on a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”. ✗ No satisfaction survey was undertaken because no alerts or warnings were issued.

Management of Central Government Response**Quantity, Quality and Timeliness**

- Central government response managed as required to Civil Defence emergencies (an estimated three emergencies; the range is 0 to 10). ✓ 4 emergencies.
- All responses managed in accordance with criteria outlined in the National Civil Defence Plan. ✓ All in accordance.
- 100% of preliminary briefings and recommendations provided to the Minister within 24 hours after the declaration of a Civil Defence emergency. ✓ 100%.
- Ministerial Satisfaction with the quality and timeliness of briefings and recommendations rated at 7 or greater on a scale of 1 to 9 where 1 is “very poor” and 9 is “outstanding”. ✗ Not measured – surveys were not undertaken due to a clash with the general election and the departure of the minister.
- A minimum of 80% of local authorities who respond rate the quality, timing and effectiveness of central government response to emergency events at 7 or greater on a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”. ✗ 67% of respondents rated 7 or above.

✓ = target met, ✗ = target not met, – = measure changed by Government decision.

MEASURES**ACTUAL TO 30 JUNE 2000****Management of Recovery Support****Quantity, Quality and Timeliness**

Central government activity in regard to recovery from emergency events managed as required (an estimated three events; the range is 0 to 10); including:

- the evaluation of the impacts of emergencies.
- the development and implementation of recovery strategies as appropriate on behalf of the minister.
- the administration of additional funds disbursed.
- the appointment of disaster relief co-ordinators.

100% of the above central government activity managed in accordance with criteria outlined in the National Civil Defence Plan.

Ministerial satisfaction with the quality, coverage and timeliness of recovery management services is rated at 7 or greater on a scale of 1 to 9 where 1 is "very poor" and 9 is "outstanding".

A minimum of 80% of local authorities rate their satisfaction with the quality, timing and effectiveness of the management of central Government activity in regard to recovery from emergency events at 7 or greater on a scale of 1 to 9 where 1 is "very poor" and 9 is "outstanding".

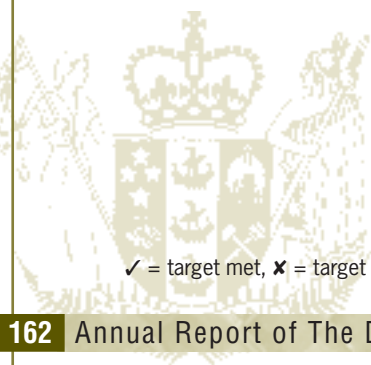
✓ 1 project was managed – the Clutha River Project (to control the Clutha flooding problem). An interim report was produced in March 2000 and a draft final report submitted on 30 June 2000.

✓ 100%.

✗ Not yet measured. A survey will be undertaken once the recovery project is completed.

✗ Not measured. A survey will be undertaken once the recovery project is completed.

✓ = target met, ✗ = target not met, – = measure changed by Government decision.



Management of National Emergency Readiness, Response and Recovery

G7

4

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Management of Readiness for National Emergencies	315	373	359	621
Monitoring of Emergency Events	373	302	298	719
Management of Central Government Response	103	100	92	64
Management of Recovery Support	39	30	27	6
Total excluding GST	830	805	776	1,410
GST	104	101	101	178
Total Appropriation	934	906	877	1,588

Financial Information – Management of National Emergency Readiness, Response and Recovery

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue				
Revenue Crown	830	805	805	1,425
Revenue Third Parties	0	0	0	0
Total Operating Revenue	830	805	805	1,425
Expenses				
Personnel	316	318	323	788
Operating	384	391	345	512
Depreciation	81	49	62	67
Capital Charge	49	47	46	43
Total Operating Expenses	830	805	776	1,410
Net Surplus/(Deficit)	0	0	29	15



VOTE LOCAL GOVERNMENT
 OUTPUT CLASS D1 – Policy Advice (Local Government)

MEASURES

ACTUAL TO 30 JUNE 2000

Local Government Policy Advice

Quantity, Quality and Timeliness

Policy Work Programme completed as agreed between the Minister of Local Government and the Chief Executive, or as subsequently amended by agreement during the year and includes the following priority projects:

- | | |
|--|---|
| <ul style="list-style-type: none"> - Local Government Funding Powers Review. | <ul style="list-style-type: none"> - The work program was amended by Ministerial directive. The milestone was revoked on 26 June 2000. A new direction was agreed with the Minister in May involving legislation being introduced by April 2001. |
| <ul style="list-style-type: none"> - Contribution to the Water, Wastewater and Stormwater Review. | <ul style="list-style-type: none"> - The work program was amended by Ministerial directive. Responsibility for the Review has been passed to Local Government New Zealand for 18 months. The Department now has a relationship management role. |
| <ul style="list-style-type: none"> - Review of the basis of Elected Members' Remuneration. | <ul style="list-style-type: none"> ✓ Achieved. |
| <ul style="list-style-type: none"> - Local and Members Bills. | <ul style="list-style-type: none"> ✓ The Select Committee received advice on nine Local and Member's Bills. |

<p>Policy advice provided in accordance with the agreed quality criteria set out in the Department's Vote Local Government Purchase Agreement for 1999/2000 (Schedule 1).</p>	<ul style="list-style-type: none"> ✓ 100% in accordance.
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<p>All policy advice provided in accordance with the agreed quality assurance system for policy advice.</p>	<ul style="list-style-type: none"> ✓ All in accordance.
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✓ = target met, ✗ = target not met, - = measure changed by Government decision.

MEASURES**ACTUAL TO 30 JUNE 2000**

- Ministerial Satisfaction with the quality of policy advice is rated 8 or higher on a scale of 1 to 9 where 1 is “very poor” and 9 is “outstanding”, the assessment mechanism being a half yearly survey.
- ✘ Overall satisfaction rating “7” – covering the period 10 December 1999 to 30 June 2000.
- Within the current resource allocation, a level of coverage offered to provide a timely response on all significant policy issues which arise. These include: briefings, advice, Cabinet papers and speech notes, support for the Minister of Local Government as required in Cabinet Committees, Select Committees and in the House.
- ✓ Achieved – 247 briefings were provided.
- Ministerial Satisfaction with the coverage and timeliness of policy advice is rated 8 or higher on a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”, the assessment mechanism being a half yearly survey.
- ✓ Overall satisfaction rating “8” – covering the period 10 December 1999 to 30 June 2000.
- All policy advice met agreed timeframes. ✓ All within timeframe.

Ministerial Correspondence and Questions**Quantity, Quality and Timeliness**

- An estimated range of 500 to 700 replies to Ministerial correspondence for all items as required. ✓ 551.
- An estimated range of 5 to 15 responses to Official Information Act requests and Ombudsman’s enquiries on all items required. ✓ 5.
- An estimated range of 40 to 60 answers to Parliamentary Questions drafted for all items as required. ✓ 70 – demand for this service is externally driven. All items were drafted as required.
- At least 95% of first versions of replies to Ministerial correspondence, Official Information Act requests, Ombudsman’s requests and Parliamentary Questions accepted by the Minister. ✓ 98.4% – Ministerials.
100% – Parliamentary Questions.

✓ = target met, ✘ = target not met, – = measure changed by Government decision.

MEASURES

ACTUAL TO 30 JUNE 2000

- 95% of draft responses to Ministerial correspondence returned to the Minister's office for signature, within 15 working days of receipt from the Ministers office. **✗** 94.2% – during the second quarter the previous minister would not receive 19 ministerials which had been prepared within the 15 day timeframe.
- 100% of draft responses to Official Information and Ombudsman enquiries returned to the Minister's office for signature, two days prior to the statutory deadline for reply. **✓** 100%.
- All draft replies to Parliamentary Questions completed within the time frames specified by the Minister. **✓** All within timeframe.

Policy Advice (Local Government)

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Local Government Policy Advice	1,396	1,476	1,480	1,624
Ministerial Correspondence and Questions	156	156	151	168
Total excluding GST	1,552	1,632	1,631	1,792
GST	194	204	204	229
Total Appropriation	1,746	1,836	1,835	2,021

Financial Information – Policy Advice (Local Government)

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue				
Revenue Crown	1,552	1,632	1,632	1,835
Revenue Third Parties	0	0	0	0
Total Operating Revenue	1,552	1,632	1,632	1,835
Expenses				
Personnel	1,014	1,051	1,089	1,147
Operating	446	517	474	560
Depreciation	72	45	50	61
Capital Charge	20	19	18	24
Total Operating Expenses	1,552	1,632	1,631	1,792
Net Surplus/(Deficit)	0	0	1	43

✓ = target met, ✗ = target not met, – = measure changed by Government decision.

OUTPUT CLASS D2 – Information, Support and Regulatory Services (Local Government)

G7

4

MEASURES

ACTUAL TO 30 JUNE 2000

Information, Advisory and Regulatory Services

Quantity, Quality and Timeliness

- 95% of requests for information from the public responded to within 15 working days. ✓ 97%.
- 100% responses to requests for information provided in accordance with quality criteria contained in the Local Government Services business plan. ✓ 100%.
- At least 4 publications about local government are produced. ✓ 4 produced.
- 100% of local government services provided to offshore islands meet statutory requirements. ✓ 100%.
- 98% of rates rebates reimbursed to local authorities within 20 working days. ✓ 99%.
- 100% of disaster recovery grants disbursed in accordance with requirements of Cabinet. ✓ 100%.
- Ministerial approvals processed in accordance with the quality criteria contained in the Local Government Services business plan. ✓ Achieved.

Information, Advisory and Support Services to the Local Government Commission

Quantity, Quality and Timeliness

- 98% of advice and information provided within deadlines and standards as detailed in the Local Government Services business plan. ✓ 100%.
- 100% of the statutory duties of the Chief Executive Officer carried out according to statutory requirements. ✓ 100%.

✓ = target met, ✗ = target not met, - = measure changed by Government decision.



MEASURES

ACTUAL TO 30 JUNE 2000

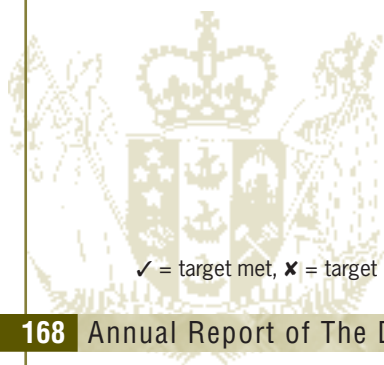
Regulatory and Boating Services for Lake Taupo Operations

Quantity, Quality and Timeliness

- Maintenance of boat ramps, jetties, moorings, berths, navigational lights and navigational markers carried out in accordance with the maintenance schedule contained in the Local Government Services business plan. ✓ Achieved.
- 100% of regulatory services (as listed in the Local Government services business plan) provided in accordance with the Harbours Act and associated Acts and regulations. ✗ 6 of the 7 criteria met. Mooring areas have not yet been gazetted under the Lake Taupo Regulations due to difficulties in defining areas and reconciling with previous regulations.
- A minimum of 95% of successful prosecutions taken against lake users identified as contravening the Harbours Act and associated Acts and regulations. ✓ 95.4%.

Information, Support and Regulatory Services (Local Government)

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Information, Advisory and Regulatory Services	452	234	216	277
Information, Advisory and Support Services to the Local Government Commission	635	669	660	579
Regulatory and Boating Services for Lake Taupo Operations	467	661	641	670
Total excluding GST	1,554	1,564	1,517	1,526
GST	194	196	196	197
Total Appropriation	1,748	1,760	1,713	1,723



✓ = target met, ✗ = target not met, - = measure changed by Government decision.

Financial Information – Information, Support and Regulatory Services (Local Government)

G7

4

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue				
Revenue Crown	1,287	1,287	1,287	1,280
Revenue Third Parties	267	278	283	293
Revaluation Gain	0	0	0	42
Total Operating Revenue	1,554	1,565	1,570	1,615
Expenses				
Personnel	681	752	778	801
Operating	807	750	663	661
Depreciation	38	35	46	37
Capital Charge	28	27	30	27
Total Operating Expenses	1,554	1,564	1,517	1,526
Net Surplus/(Deficit)	0	1	53	89



VOTE MILLENNIUM
 OUTPUT CLASS D1 – Administrative and Advisory Services

MEASURES

ACTUAL TO 30 JUNE 2000

Administrative and Advisory Support Services

Quantity, Quality and Timeliness

<p>The Official Millennium Celebrations Programme developed for approval by the New Zealand 2000 Team of Ministers and signed off by and completed by 31 December 1999.</p>	<p>✓ Received by Minister's office on 29th October 1999. Signed off on 2 November 1999.</p>
<p>100% of application and grants for the Official Millennium Dawn Programme for specific dawn events on Chatham Islands, Mt Hikurangi, and Gisborne processed by 31 October 1999.</p>	<p>✓ 100% of applications and grants processed by 31 October 1999.</p>
<p>100% of funding applications processed within 15 working days of receipt of completed applications.</p>	<p>✓ 100% processed within 15 working days.</p>
<p>When an application is approved, client agreement negotiations commenced within 15 working days.</p>	<p>✓ All client agreement negotiations commenced within 15 working days.</p>
<p>Payment of initial instalment made within 10 working days upon receipt of completed client agreement.</p>	<p>✓ All payments within 10 working days.</p>
<p>95% monitoring and tracking programme of the Official Millennium Dawn Programme completed.</p>	<p>✗ 90% complete.</p>
<p>100% of an estimated 5,000 requests for information responded to within five working days.</p>	<p>✗ Not measured. Approximately 3,500 requests for information were received. The Millennium Office estimates that 98% were responded to within five working days.</p>
<p>A risk assessed sample of 20% of organisations that have received funding (the total maximum sample being 40) audited for correct use of funding, completed in accordance with specified and published criteria.</p>	<p>✓ 24% of organisations audited.</p>

✓ = target met, ✗ = target not met, – = measure changed by Government decision.

Administrative and Advisory Services

G7

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Administrative and Advisory Support Services	558	609	608	416
Total excluding GST	558	609	608	416
GST	70	76	76	54
Total Appropriation	628	685	684	470

4

Financial Information – Administrative and Advisory Services

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue				
Revenue Crown	558	609	609	435
Revenue Third Parties	0	0	0	0
Total Operating Revenue	558	609	609	435
Expenses				
Personnel	261	321	302	205
Operating	287	278	296	193
Depreciation	5	7	7	2
Capital Charge	5	3	3	16
Total Operating Expenses	558	609	608	416
Net Surplus/(Deficit)	0	0	1	19



OUTPUT CLASS D2 – Marketing Programme

MEASURES ACTUAL TO 30 JUNE 2000

Marketing Programme

Quantity, Quality and Timeliness

Market research surveys show a 30% increase in the awareness and acceptance of “*First to the Future*” brand positioning among New Zealanders.

✘ Only one survey was completed so an increase in awareness has not been measured.
A market survey conducted in March 2000 showed a 91% awareness of brand positioning.

Market research surveys show a 15% positive acceptance of brand values.

✔ 53% – 87% positive acceptance.

Marketing Programme

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Marketing Programme	791	805	805	2,100
Total excluding GST	791	805	805	2,100
GST	99	101	101	265
Total Appropriation	890	906	906	2,365

Financial Information – Marketing Programme

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue				
Revenue Crown	791	805	805	2,116
Revenue Third Parties	0	0	0	0
Total Operating Revenue	791	805	805	2,116
Expenses				
Personnel	0	0	0	0
Operating	791	805	805	2,100
Depreciation	0	0	0	0
Capital Charge	0	0	0	0
Total Operating Expenses	791	805	805	2,100
Net Surplus/(Deficit)	0	0	0	16

✔ = target met, ✘ = target not met, – = measure changed by Government decision.

VOTE RACING
 OUTPUT CLASS D1 – Policy Advice (Racing)

G7

MEASURES

ACTUAL TO 30 JUNE 2000

Racing Policy Advice

Quantity, Quality and Timeliness

The Policy Work Programme completed as agreed between the Minister for Racing and the Chief Executive or as amended by agreement during the year; including the following priority project:

- between 15 and 25 days allocated to a review of racing industry. ✘ Only 3.1 days were delivered in 1999/2000 because of higher priority non-discretionary work, as agreed with the Minister.

Policy advice provided in accordance with agreed policy quality criteria set out in the Department's Vote Racing Purchase Agreement for 1999/2000. ✔ All in accordance.

All policy advice provided in accordance with the quality assurance system for policy advice. ✔ All in accordance.

Ministerial Satisfaction with the quality of policy advice is rated 8 or higher on a scale of 1 to 9 where 1 is "very poor" and 9 is "outstanding"; the assessment mechanism being a half yearly survey. ✘ Not yet measured.

Within the current resource allocation offer a level of coverage offered which provided a timely response on all significant policy issues which arise. This included briefings, advice, Cabinet papers and speech notes, support for the Minister of Racing as required in Cabinet Committees, Select Committees and in the House. ✔ Achieved – 34 briefings were provided.

✔ = target met, ✘ = target not met, – = measure changed by Government decision.



MEASURES**ACTUAL TO 30 JUNE 2000**

Ministerial Satisfaction with the coverage and timeliness of policy advice is rated 8 or higher on a scale of 1 to 9 where 1 is "very poor" and 9 is "outstanding"; the assessment mechanism being a half yearly survey.

✘ Not yet measured.

All policy advice met agreed time frames.

✘ 97.1% – one briefing was a day late.

Ministerial Correspondence and Questions**Quantity, Quality and Timeliness**

An estimated range of 90 to 110 replies to Ministerial correspondence drafted for all items as required.

✘ 34 – demand for this service is externally driven. All items drafted as required.

An estimated range of 0 to 10 Official Information Act requests and Ombudsman's enquiries responded to for all items as required.

✓ 0 – demand for this service is externally driven.

An estimated range of 25 to 35 to Parliamentary Questions drafted for all items as required.

✘ 20 – demand for this service is externally driven. All items drafted as required.

95% of first versions of Ministerial correspondence, Official Information Act requests, Ombudsman's enquiries and Parliamentary Questions accepted by the Minister.

✓ 100%.

95% of draft responses to Ministerial correspondence returned to the Minister's Office for signature, within 15 working days of receipt from the Ministers office.

✓ 100%.

100% of draft responses to Official Information Act requests and Ombudsman's enquires returned to the Minister's office for signature, two days prior to the statutory deadline for reply.

✓ Demand for this service is externally driven. No Official Information Act requests were received.

100% of draft replies to Parliamentary Questions completed within the time frames specified by the Minister.

✓ 100%.

✓ = target met, ✘ = target not met, – = measure changed by Government decision.

Policy Advice (Racing)

G7

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Racing Policy Advice	86	86	88	93
Ministerial Correspondence and Questions	37	37	35	25
Total excluding GST	123	123	123	118
GST	15	15	15	15
Total Appropriation	138	138	138	133

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Financial Information – Policy Advice (Racing)

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue				
Revenue Crown	123	123	123	123
Revenue Third Parties	0	0	0	0
Total Operating Revenue	123	123	123	123
Expenses				
Personnel	78	80	84	70
Operating	37	39	34	45
Depreciation	6	3	4	2
Capital Charge	2	1	1	1
Total Operating Expenses	123	123	123	118
Net Surplus/(Deficit)	0	0	0	5



VOTE SPORT, FITNESS AND LEISURE
 OUTPUT CLASS D1 – Policy Advice (Sports, Fitness and Leisure)

MEASURES

ACTUAL TO 30 JUNE 2000

Sport, Fitness and Leisure Policy Advice

Quantity, Quality and Timeliness

Policy projects completed, or reached the agreed milestones, as set out in the 1999/2000 Vote Sport, Fitness and Leisure Purchase Agreements, subject to any modifications agreed between the Minister and the Director of the Office of Tourism and Sport in the course of the year including these key projects in 1999/2000:

- | | |
|---|--|
| <ul style="list-style-type: none"> - the America's Cup. | <ul style="list-style-type: none"> ✓ Assistance provided to facilitate policy issues surrounding the successful holding of the America's Cup. |
| <ul style="list-style-type: none"> - High Performance sports funding. | <ul style="list-style-type: none"> ✓ Conduct review and make recommendations on long term funding need for high performance sport. <p>Advice provided on high performance sports funding. Cabinet agreed to a grant of \$16m to operate high performance centres over the next four years</p> |
| <ul style="list-style-type: none"> - physical activity Policy. <p>A comprehensive policy advice service provided including:</p> <ul style="list-style-type: none"> - reacting promptly to Ministerial requests. - providing relevant and timely briefings on significant issues. - providing secretariat for the America's Cup Taskforce. | <ul style="list-style-type: none"> ✓ A physical activity policy has been launched. ✓ Oral and written requests were responded to promptly. ✓ Briefings were provided as required. ✓ Assistance provided to facilitate hosting the America's Cup. |

✓ = target met, ✗ = target not met, - = measure changed by Government decision.

MEASURES	ACTUAL TO 30 JUNE 2000
– evaluating on a regular basis major policies affecting sport, fitness and or leisure.	✓ Evaluation of the major policies was undertaken.
– providing support for the Minister for Cabinet committees, Select committees and in the House.	✓ The Minister was supported as required.
Policy papers contained the following quality characteristics (as set out in the Vote Tourism Purchase Agreement):	✓ Independent review of policy advice conducted by external consultant concluded that 'OTSP is producing policy papers and comments that generally meet the quality characteristics applying to Government agencies'.
– Purpose	
– Logic	
– Accuracy	
– Options	
– Consultation	
– Practicality	
– Presentation.	

Ministerial Correspondence and Questions

Quantity, Quality and Timeliness

An estimated range of 80 to 100 replies to Ministerial correspondence and Parliamentary Questions drafted.

✓ 230. Demand for this service is externally driven.

100% of replies to Ministerial correspondence submitted to the Minister within 7 working days, and priority replies within 5 working days.

✗ 42% within 7 working days, 97.6% within 10 working days. Revised target of 10 days agreed with Minister.

95% of first drafts and answers to Parliamentary Questions accepted by the Minister.

✓ 100%.

✓ = target met, ✗ = target not met, – = measure changed by Government decision.



Policy Advice (Sports, Fitness and Leisure)

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Sport, Fitness and Leisure Policy Advice	223	223	223	206
Ministerial Correspondence and Questions	26	26	26	22
Total excluding GST	249	249	249	228
GST	31	31	31	31
Total Appropriation	280	280	280	259

Financial Information – Policy Advice (Sports, Fitness and Leisure)

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue				
Revenue Crown	249	249	249	249
Revenue Third Parties	0	0	0	0
Total Operating Revenue	249	249	249	249
Expenses				
Personnel	166	161	154	162
Operating	75	84	91	59
Depreciation	7	3	3	6
Capital Charge	1	1	1	1
Total Operating Expenses	249	249	249	228
Net Surplus/(Deficit)	0	0	0	21



VOTE SPORT, FITNESS AND LEISURE
 OUTPUT CLASS D1 – Policy Advice (Tourism)

G7



MEASURES

ACTUAL TO 30 JUNE 2000

Policy Advice

Quantity, Quality and Timeliness

The Minister expect the policy projects to be completed, or reach the agreed milestones, as set out in the Purchase Agreement, subject to any modifications agreed between the Minister and the Director of the OTSP in the course of the year. Key projects in 1999/2000 will include:

- | | |
|--|--|
| <ul style="list-style-type: none"> – the development of a Research and Forecasting Council. | <ul style="list-style-type: none"> ✓ The Research and Forecasting Clearinghouse proposal was approved by Cabinet. Members of the Council will meet in July 2000. |
| <ul style="list-style-type: none"> – charges or taxes on tourism. | <ul style="list-style-type: none"> ✓ The Office of Tourism and Sport participated in all stages of the work. The introduction of a charging regime has been deferred on account of a number of issues, including practicality and sustainability. |
| <ul style="list-style-type: none"> – performance monitoring of the New Zealand Tourism Board (& providing on-going contestable advice). | <ul style="list-style-type: none"> ✓ The Office provided a six monthly assessment to the Minister comparing the actual delivery of services with the targets in the Purchase agreement. Discussions and correspondence also occurred with the Board on performance matters. |

The Minister also expects the OTSP to provide a comprehensive policy advice service including:

- | | |
|--|---|
| <ul style="list-style-type: none"> – reacting promptly to Ministerial requests. | <ul style="list-style-type: none"> ✓ Oral and written requests were responded to promptly. |
| <ul style="list-style-type: none"> – provide relevant and timely briefings on significant issues. | <ul style="list-style-type: none"> ✓ Briefings were provided as required. |

✓ = target met, ✗ = target not met, – = measure changed by Government decision.

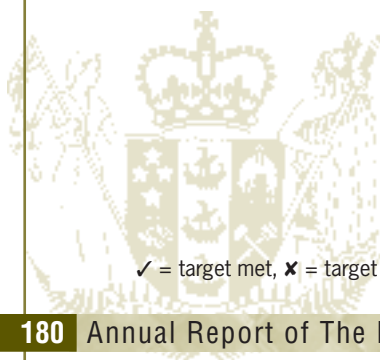
VOTE SPORT, FITNESS AND LEISURE
 OUTPUT CLASS D1- Policy Advice (Tourism)

MEASURES	ACTUAL TO 30 JUNE 2000
– evaluating on a regular basis policies effecting tourism.	✓ Evaluation of the proposed border charging regime was undertaken.
– providing support to the Minister for Cabinet Committees, Select Committees and in the House.	✓ The Minister was supported as required.
The Minister expects policy papers to have the following quality characteristics: Purpose, Logic: Accuracy, Options, Consultation, Practicality, Presentation, Impartiality, as set out in the Vote Tourism Purchase Agreement.	✓ Independent review of policy advice conducted by external consultant concluded that 'OTSP is producing policy papers and comments that generally meet the quality characteristics applying to Government agencies'.

Ministerial Correspondence and Questions

Quantity, Quality and Timeliness

Number of replies to Ministerial correspondence and Parliamentary Questions is estimated at 190 to 230.	✓ 387 replies. Demand for this service is externally driven.
Percentage of replies to Ministerial correspondence submitted to the Minister by agreed time: 100% within 7 working days, and priority replies within 5 working days.	✗ 98% within 10 working days. Revised target of 10 days agreed with Minister.
Percentage of first drafts and answers to Parliamentary Questions accepted by the Minister: 95%.	✓ 96.4%



✓ = target met, ✗ = target not met, – = measure changed by Government decision.

Policy Advice (Tourism)

G7

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Tourism Policy Advice	1,758	1,549	1,526	986
Total excluding GST	1,758	1,549	1,526	986
GST	220	194	194	132
Total Appropriation	1,978	1,743	1,720	1,118

4

Financial Information – Policy Advice (Tourism)

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue				
Revenue Crown	1,758	1,549	1,549	1,047
Revenue Third Parties	0	0	0	7
Total Operating Revenue	1,758	1,549	1,549	1,054
Expenses				
Personnel	508	618	624	463
Operating	1,233	915	887	513
Depreciation	15	12	11	8
Capital Charge	2	4	4	2
Total Operating Expenses	1,758	1,549	1,526	986
Net Surplus/(Deficit)	0	0	23	68



OUTPUT CLASS D2 – Wairākei Tourist Park: Development and Management

MEASURES	ACTUAL TO 30 JUNE 2000
Quantity	
– Forest:	✓
584 hectares pines.	734 hectares pine.
92 hectares other species.	161 hectares other species.
– Farmland:	✓
92 hectares leased for grazing.	246 hectares leased for grazing.
– Infrastructure:	✓
(Maintenance of physical assets).	
One jetty, one viewing platform, one administration building and roads and tracks over 70 hectares of land were maintained.	One jetty, one viewing platform, one administration building and roads and tracks over 70 hectares of land were maintained.
– Tourism operator concessions.	✓
10-15 existing arrangements are managed.	13 agreements were managed.
Quality	
– Forestry revenue is maximised on a long-term basis within the constraint of operating the Park as a tourism and recreation facility.	✓ The budgeted revenue for the 1999/2000 year was met and exceeded (Budget \$1.1M, revenue \$1.2M).
– Concession agreements are managed and all rentals and concessions are collected as within the timeframe specified in the individual agreements.	✗ 10 out of 13 rentals collected on time. The balance are in dispute or being pursued by debt recovery.
– Park infrastructure is maintained in good repair and amenity value of the Park enhanced.	✓ Maintenance and tree planting undertaken in accordance with agreed programme and best practice.
– Relationships with Iwi and key stakeholders are developed and maintained.	✓ Periodic meetings held with hapu representative group, Taupo District Council, DoC. Informal regular communication with other user and industry groups.
✓ = target met, ✗ = target not met, – = measure changed by Government decision.	

MEASURES	ACTUAL TO 30 JUNE 2000
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- | | |
|---|--|
| – Compliance with by-laws, Resource Management Act and other relevant legislation. | ✓ Achieved. |
| – Concessionaire developments (new and existing) comply with the environmental policy guidelines. | ✓ Full compliance was achieved. |
| – Risks to the Crown are identified and appropriate actions taken to minimise these risks. | ✓ Risk management programmes are fully executed and current. |

Wairākei Tourist Park: Development and Management

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Wairākei Tourist Park: Development and Management	1,179	1,179	972	1,277
Total excluding GST	1,179	1,179	972	1,277
GST	148	148	148	176
Total Appropriation	1,327	1,327	1,120	1,453

Financial Information – Wairākei Tourist Park: Development and Management

	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue				
Revenue Crown	1,185	1,185	1,185	1,408
Revenue Third Parties	0	0	0	0
Total Operating Revenue	1,185	1,185	1,185	1,408
Expenses				
Personnel	120	121	187	232
Operating	1,054	1,050	775	1,034
Depreciation	5	5	7	9
Capital Charge	0	3	3	2
Total Operating Expenses	1,179	1,179	972	1,277
Net Surplus/(Deficit)	6	6	213	131

✓ = target met, ✗ = target not met, – = measure changed by Government decision.

Crown Statement of Financial Performance for the Year Ended 30 June 2000

Description of Statement

The Crown Statement of Financial Performance details the income and expenditure relating to all activities managed by the Department of Internal Affairs on behalf of the Crown.

	NOTE	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL ^{25a} 1999/00 \$000	ACTUAL 1998/99 \$000
Revenue					
Revenue Crown		95,422	125,992	125,992	105,883
Operational Revenue	19	1,121	1,121	1,500	1,107
Accessions	20b	0	0	5,959	12,886
Total Revenue		96,543	127,113	133,451	119,876
Expenses					
Personnel		4,254	4,254	4,242	3,656
Benefits and Unrequited Expenses		957	935	927	12,299
Outputs from Other Parties		61,360	87,951	87,942	70,241
Depreciation		517	254	254	429
Revaluation Loss/(Gain)	20b,21b	0	0	(74)	1,644
Other Expenses		28,851	32,852	32,140	17,206
Total Expenses		95,939	126,246	125,431	105,475
Net Crown Operating Result		604	867	8,020	14,401



Crown Statement of Financial Position for the Year Ended 30 June 2000

G7

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Description of Statement

The Crown Statement of Financial Position reports the assets and liabilities managed by the Department of Internal Affairs on behalf of the Crown.

	NOTE	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL ^{25b} 1999/00 \$000	ACTUAL 1998/99 \$000
Assets					
Current Assets					
Bank		1,448	7,216	5,094	7,218
Accounts Receivable		182	102	428	100
Total Current Assets		1,630	7,318	5,522	7,318
Non-Current Assets					
Term Accounts Receivable		31	32	32	32
Property, Plant and Equipment	20	468,198	479,101	485,204	479,355
Forests	21	7,540	5,896	5,970	5,896
Total Non-Current Assets		475,769	485,029	491,206	485,283
Total Assets		477,399	492,347	496,728	492,601
Liabilities and Taxpayers' Funds					
Current Liabilities					
Accounts Payable		835	1,726	1,715	1,726
Total Current Liabilities		835	1,726	1,715	1,726
Taxpayers' Funds					
General Funds		469,836	483,837	488,085	484,091
Revaluation Reserve		6,728	6,784	6,928	6,784
Total Taxpayers' Funds		476,564	490,621	495,013	490,875
Total Liabilities and Taxpayers' Funds		477,399	492,347	496,728	492,601



Crown Statement of Cash Flows for the Year Ended 30 June 2000

Description of Statement

The Crown Statement of Cash Flows summarises the cash movements in and out of the accounts managed by the Department of Internal Affairs on behalf of the Crown during the year.

	NOTE	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Cash Flows from Operating Activities					
Cash was Provided from:					
Revenue Crown		95,422	125,992	125,992	105,883
Other Operating Receipts		1,121	1,121	1,321	1,224
		96,543	127,113	127,313	107,107
Cash was Disbursed to:					
Cost of Producing Outputs		(95,422)	(125,994)	(125,279)	(113,934)
Other Transfers		0	0	0	0
Payment of GST		0	0	(149)	(117)
Net Cash Flows from Operating Activities		1,121	1,119	1,885	(6,944)
Cash Flows from Investing Activities					
Cash was Provided from:					
Repayment of Advances	25c	0	0	17	27
Net Cash Flows from Investing Activities		0	0	17	27
Cash Flows from Financing Activities					
Cash was Disbursed to:					
NZDMO Prior Year Non Departmental Expenditure returned		0	0	(2,554)	(882)
NZDMO for Non Departmental Receipts		(1,121)	(1,121)	(1,472)	(979)
Net Cash Flows from Financing Activities		(1,121)	(1,121)	(4,026)	(1,861)
Net Increase /(Decrease) in Cash Held		0	(2)	(2,124)	(8,778)
Add Opening Cash		1,448	7,218	7,218	15,996
Closing Cash		1,448	7,216	5,094	7,218



Crown Reconciliation of Reported Surplus with Cash Generated from Operating Activities for the Year Ended 30 June 2000

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Description of Statement

The Crown Reconciliation Statement details the difference between the net Crown operating result reported in the Statement of Financial Performance and the net cash flows from operating activities reported in the Statement of Cash Flows.

NOTE	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Net Crown Operating Result from Statement of Financial Performance	604	867	8,020	14,401
Add/(Deduct) Non Cash Items				
Depreciation	517	254	254	429
Revaluations and Accessions	0	0	(6,033)	(11,169)
Scope Loans	0	0	(17)	0
	517	254	(5,796)	(10,740)
Add/(Deduct) Movements in Working Capital Items				
(Increase)/Decrease in Accounts Receivable	0	(2)	(328)	(33)
Increase/(Decrease) in Accounts Payable	0	0	(11)	(10,570)
	0	(2)	(339)	(10,603)
Add/(Deduct) Items classified as Investing Activities				
(Increase) /Decrease in Term Accounts Receivable	0	0	0	(2)
	0	0	0	(2)
Net Cash Flows From Operating Activities	1,121	1,119	1,885	(6,944)



Crown Statement of Movements in Taxpayers' Funds for the Year Ended 30 June 2000

Description of Statement

The Crown Statement of Movements in Taxpayers' Funds combines information about the net Crown operating result with other aspects of the Crown Statement of Financial Position. It provides information to give a measure of comprehensive income.

	NOTE	MAIN ESTIMATES 1999/00 \$000	SUPP. ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Crown Balance at the start of the year		477,081	490,875	490,875	463,434
Net Crown Operating Result		604	867	8,020	14,401
Revaluations	20b, 21b	0	0	144	1,339
Total Recognised Revenues and Expenses for the year		604	867	8,164	15,740
Non Departmental Receipts paid to NZDMO		(1,121)	(1,121)	(1,472)	(979)
Asset Transfers Between Departments		0	0	0	13,562
Prior Year Non Departmental Expenditure balance returned		0	0	(2,554)	(882)
Crown Balance at the end of the year		476,564	490,621	495,013	490,875



Crown Statement of Commitments as at 30 June 2000

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Description of Statement

This Statement records expenditure to which the Crown is contractually committed or obligated by statute. Commitments will become liabilities when both parties have performed their obligations.

Other operating commitments relate to ongoing international agreements which have no finite term. They have been recognised in this statement for a five-year period.

Non-cancellable contracts for goods and services relate to phones rented for Ministerial requirements overseas.

	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
OPERATING COMMITMENTS		
Other Operating Commitments		
Less than one year	1,852	1,706
One to two years	1,852	1,600
Two to five years	5,556	4,800
Total Other Operating Commitments	9,260	8,106
Non-Cancellable Contracts for Goods and Services		
Less than one year	2	2,502
Total Goods and Services Commitments	2	2,502
Total Commitments	9,262	10,608



Crown Statement of Non-Departmental Estimated Actuals, Appropriations and Expenditure for the Year Ended 30 June 2000

Description of Statement

The Statement of Non-Departmental Estimated Actuals, Appropriations and Expenditure details the appropriations for all items of Non-Departmental expenditure.

NOTE

23, 24, 25d

Vote Internal Affairs

Non-Departmental Output Classes

- Authentication of Antiquities
- Classification of Films, Videos and Publications
- Community-Based Youth Development Fund
- Year 2000 Commemoration Millennium Marketing Programme

Benefits and Other Unrequited Expenses

- ANZAC Fellowship
- Annuities to Former Prime Ministers, Governors' General, Prime Ministers and Widows
- Community Organisation Grants Scheme
- Community Project Workers Scheme
- Community Work Training Fund

Other Expenses to be Incurred by the Crown

- Payment to Commissioners - INCIS Inquiry
- Community Organisation Grants Scheme
- Community Project Workers Scheme
- Community Work Training Fund
- Commonwealth War Graves
- Development and Maintenance of Service Cemeteries, War Graves, Historic Graves and Monuments
- Executive Council and Ministers - Salaries and Allowances
- Governors General Pension Arrangement
- Ministers' Internal and External Travel
- Miscellaneous Grants (Internal Affairs)
- Royal Commission of Inquiry into Genetic Modification
- Royal Life Saving Commonwealth Council
- Chairman New Zealand Fire Service Commission
- Travel for Former Governors' General and Prime Ministers
- Treaty of Waitangi Commemorations
- Youth Workers Training Scheme

Purchase or Development of Capital Assets of Crown

- New Zealand Memorial in Canberra

Vote Civil Defence

Other Expenses to be Incurred by the Crown

- Emergency Expenses
- Subsidies to Local Government

Vote Sport, Fitness and Leisure

Non-Departmental Output Classes

- Sport, Fitness and Leisure Programmes
- Drugs Testing of Sports Persons

Other Expenses to be Incurred by the Crown

- Miscellaneous Grants (Sport, Fitness and Leisure)

ESTIMATED ACTUALS 1999/00 \$000	MAIN ESTIMATES 1999/00 \$000	SUPPLEMENTARY ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
0	21	0	0	21
2,305	2,305	2,305	2,305	2,525
473	473	473	464	470
0	0	0	0	102
0	0	0	0	4
0	257	0	0	233
0	0	0	0	10,290
0	0	0	0	1,227
0	0	0	0	60
31	0	31	20	0
10,295	10,295	10,295	10,295	0
1,227	1,227	1,227	1,193	0
60	60	60	60	0
1,959	2,000	1,959	1,959	1,394
93	339	93	93	902
0	4,232	0	0	3,638
0	22	0	0	18
0	9,008	0	0	9,156
48	48	48	48	33
95	0	95	34	0
1	1	1	1	1
0	0	0	0	68
0	277	0	0	264
291	324	324	272	264
200	200	200	200	199
0	686	0	0	0
94	48	94	94	40
1,000	1,000	1,000	1,000	1,000
19,812	2,812	19,812	19,812	3,375
922	722	922	922	722
120	50	120	120	50

Statement of Non-Departmental Estimated Actuals, Appropriations and Expenditure for the Year Ended 30 June 2000 ... continued

NOTE

23, 24, 25d

Vote Local Government

Benefits and Other Unrequited Expenses

Rates Rebate Scheme

Other Expenses to be Incurred by the Crown

Disaster Recovery Assistance - Far North District Council
Disaster Recovery Assistance - Otago-Southland Floods
Disaster Recovery Assistance - Ruapehu District Council
Disaster Recovery Assistance - West Coast Regional Council
Mayoral Relief Fund - Franklin District Council
Mayoral Relief Fund - Peria
Otorohanga District Council
Tuwharetoa Maori Trust Board
West Coast Regional Council
Whakatane District Council

Purchase or Development of Capital Assets by the Crown

Capital Investments - Lake Taupo

Vote Tourism

Non-Departmental Output Classes

Joint Venture Tourism Marketing
Marketing of New Zealand as a Visitor Destination

Other Expenses to be Incurred by the Crown

Tourism Facilities Development Grants
Tourism Board Directors

Vote Millennium

Other Expenses to be Incurred by the Crown

Year 2000 Commemoration Millennium Events Programme
Millennium Infrastructure
Year 2000 Commemoration Millennium Reserve Fund

Vote Ministerial Services

Other Expenses to be Incurred by the Crown

Ministers' Internal and External Travel
Travel for Former Governors' General and Prime Ministers
Executive Council and Ministers' Salaries and Allowances
Governors' General Pension Arrangements

Benefits and Other Unrequited Expenses

Annuities to Former Governors' General, Prime Ministers and Spouses

Vote Culture and Heritage (Internal Affairs)

Other Expenses to be Incurred by the Crown

Commonwealth War Graves
Development and Maintenance of War Graves, Historic Graves and Monuments

Purchase or Development of Capital Assets of Crown

ANZAC Commemorative Park, Gallipoli
New Zealand Memorial in Canberra

Total Appropriations

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ESTIMATED ACTUALS 1999/00 \$000	MAIN ESTIMATES 1999/00 \$000	SUPPLEMENTARY ESTIMATES 1999/00 \$000	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
678	700	678	677	485
251	0	251	251	0
150	0	150	149	0
99	0	99	99	0
0	0	0	0	115
0	0	0	0	20
0	0	0	0	20
0	0	0	0	54
150	128	150	150	133
0	0	0	0	338
0	0	0	0	338
34	34	34	34	34
0	0	0	0	12,000
64,439	55,027	64,439	64,439	51,026
1,730	600	1,730	1,730	559
0	0	0	0	213
3,874	1,913	4,037	3,532	1,938
396	0	396	396	0
613	613	613	613	0
8,745	0	9,008	9,007	0
257	0	277	251	0
4,145	0	4,232	4,225	0
19	0	22	18	0
246	0	257	250	0
40	0	41	41	0
183	0	183	178	0
313	0	313	313	0
23	0	23	23	0
125,411	95,422	125,992	125,268	103,329

Crown Statement of Contingent Liabilities as at 30 June 2000

Description of Statement

The Statement of Contingent Liabilities discloses known transactions or events which existed at 30 June 2000, the ultimate outcome of these events is uncertain and can only be confirmed on occurrence of one or more future events outside the Department's control after the date of completion of the financial statements.

There were no contingent liabilities, guarantees or indemnities for the year ended 30 June 2000 or for the previous year for the Crown activities managed by the Department of Internal Affairs.

Crown Statement of Unappropriated Expenditure as at 30 June 2000

Description of Statement

The Statement of Unappropriated Expenditure details the amount of expenditure incurred above appropriation. There was no unappropriated expenditure for the year ended 30 June 2000.

For the year ended 30 June 1999, Cabinet approved an ex-gratia payment of \$68,000 to the past Chairman of the New Zealand Fire Service Commission and payments totalling \$213,000 to two New Zealand Tourism Board directors. Both instances of unappropriated expenditure were approved by the Minister of Finance in terms of Section 12 of the Public Finance Act 1989.



Notes to the Crown Financial Statements for the Year Ended 30 June 2000

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Note 19 Operational Revenue

	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Wairākei Tourist Park	1,301	1,021
Forfeiture to the Crown	1	18
Rent for Crown Properties	11	12
Refund of Crown Expenditure	187	16
Other Miscellaneous Revenue	0	40
Total Operational Revenue	1,500	1,107

Wairākei Tourist Park revenue covers forest harvest rights, concessionaire payments and land rental.

Note 20 Property, Plant and Equipment

a) Property, Plant and Equipment

		1999/00 COST OR VALUATION \$000	1999/00 ACCUM. DEPREC. \$000	CARRYING AMOUNT \$000	1998/99 COST OR VALUATION \$000	1998/99 ACCUM. DEPREC. \$000	CARRYING AMOUNT \$000
Land	20b	11,109	0	11,109	10,965	0	10,965
Buildings	20b	10,762	341	10,421	11,711	127	11,584
Infrastructural Assets	20b	950	21	929	0	0	0
Furniture, Fittings, Plant & Equipment		2,160	2,126	34	2,161	2,107	54
National Archive Collection	20b	462,711	0	462,711	456,752	0	456,752
Total		487,692	2,488	485,204	481,589	2,234	479,355

b) Revaluation Basis

Valuations were made on the basis of net current value where an identified market existed. This is the price at which an asset might reasonably be expected to be sold less the costs of disposal that could reasonably be anticipated. Optimised deprival value was used for assets of a specialised nature that were unlikely to be sold. Optimised deprival value is an assessment of the worth of the asset to the business. It assumes replacement value with modern equivalent facilities which would serve the same functional purpose after adjusting for physical deterioration and functional obsolescence.

Land, Buildings and Infrastructural Assets

Valuation of land and buildings was undertaken by Knight Frank (NZ) Ltd (ANZIV, MREINZ), registered independent valuer, on 1 January 1999. The valuation of the land and infrastructural assets of the Wairākei Tourist Park was conducted later on the 9 June 1999 by Knight Frank (NZ) Ltd. Valuation of land, buildings and infrastructural assets are undertaken every three years. An adjustment of \$144,000 to land was recognised in the financial statements this financial year. This is a result of an amendment to the land value in the final valuation report which was received after the end of the 1998/99 financial year.

The Crown has beneficial rather than legal ownership over the property at 23 Bolton Street, Wellington, valued at \$1,205,000. This figure is included in the valuation of land and buildings for the Crown.

National Archive Collection

The National Archive collection was revalued in December 1997 using a methodology which divided the collection into categories by format and age, to associate records that could be said to have a broad commonality of value. Benchmark valuations were obtained from an independent valuer, through market assessments and from other collections of a similar nature to Government archives. Accessions since the date of valuation are valued on the basis of these benchmarks and are recognised as revenue. The values of exceptional items were based on a valuation from an international auction house.

Public Archives Held in Other Approved Repositories

There are approximately 1,900 cans of film and 300 linear metres of public archives identified in earlier valuations as being held in approved repositories. These do not form part of the National Archive collection valuation. As they were not part of the revaluation process, no current value is available.

Note 21 Forests

a) Forests

		1999/00		1998/99			
	COST OR	ACCUM.	CARRYING	COST OR	ACCUM.	CARRYING	
NOTE	VALUATION	DEPREC.	AMOUNT	VALUATION	DEPREC.	AMOUNT	
	\$000	\$000	\$000	\$000	\$000	\$000	
Forests	21b	5,970	0	5,970	5,896	0	5,896
Total		5,970	0	5,970	5,896	0	5,896

b) Revaluation Basis

The forest was revalued on 30 June 2000 by Forest and Woodlot Consultants (NZ) Ltd (NZIF). A revaluation gain of \$74,000 has been recognised in the financial statements. The valuation of the forests is conducted annually.

Note 22 Financial Instruments

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The Department of Internal Affairs on behalf of the Crown is party to financial instrument arrangements as part of its daily operations. These include bank, accounts receivable, term accounts receivable, accounts payable and foreign exchange contracts.

a) Credit Risk

Maximum exposures to credit risk.

	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Bank	5,094	7,218
Accounts Receivable	428	100
Term Accounts Receivable	32	32

Concentrations of credit risk

There was no exposure to concentrations of credit risk.

b) Fair Value

Estimated fair values of the financial assets and liabilities are as follows:

	1999/00		1998/99	
	CARRYING VALUE \$000	FAIR VALUE \$000	CARRYING VALUE \$000	FAIR VALUE \$000
Bank	5,094	5,094	7,218	7,218
Accounts Receivable	428	428	100	100
Term Accounts Receivable	32	32	32	32
Accounts Payable	1,715	1,715	1,726	1,726

The above maximum exposures are net of any recognised provision for losses in these financial statements.

The carrying amount as disclosed in the Statement of Financial Position is the fair value for each of these classes of financial instruments.

c) Foreign Exchange

	1999/00		1998/99	
	CARRYING VALUE \$000	FAIR VALUE \$000	CARRYING VALUE \$000	FAIR VALUE \$000
Foreign Exchange Contracts	2,012	2,023	2,040	1,897

The value of foreign exchange contracts at 30 June is calculated as the contract value converted at closing spot rate.

Note 23 Non-Departmental Expenditure

The following notes explain the meaning of each of the items of expenditure.

Classification of Films, Videos and Publications

The examination and classification of films, videos and publications by the Office of Film and Literature Classification under the Films, Videos and Publications Classification Act 1993, including provision of information and research on classification procedures and systems.

Community Based Youth Development Fund

Funding for community based youth development projects aimed at youth suicide prevention.

Payment to Commissioners – INCIS Inquiry

Payment of Commissioners for Commission of Inquiry into INCIS.

Community Organisation Grants Scheme

This scheme provides discretionary funding to community organisations which provide essential social services to priority sectors of their communities.

Community Project Workers Scheme

Grants to community organisations to meet community project workers salaries for up to three years.

Community Work Training Fund

A grant for national co-ordination of training, publicity and development for community workers.

Miscellaneous Grants (Internal Affairs)

Discretionary funding provided on application.

Royal Commission of Inquiry into Genetic Modification

Payment of Commissioners fees for the Royal Commission of Inquiry into Genetic Modification.

Royal Life Saving Commonwealth Council

Enables the Royal Lifesaving Society (New Zealand) to participate in, and benefit from international forums.



Treaty of Waitāngi Commemorations

The Crown's contribution to the cost of Treaty commemorations held at Waitāngi and within communities elsewhere in New Zealand.

Youth Workers Training Scheme

Grants for on-the-job training for both paid and voluntary youth workers on a regional short-term basis.

Emergency Expenses

Payments from the Crown to meet emergency expenses.

Subsidies to Local Government

Payments from the Crown to local authorities for civil defence preparation.

Sport, Fitness and Leisure Programmes

For the implementation of a high-performance sport strategy to achieve greater excellence in New Zealand high-performance sport.

Drugs Testing of Sports Persons

Provision of drugs testing of sports persons by the New Zealand Sports Drug Agency.

Miscellaneous Grants (Sport, Fitness and Leisure)

Discretionary funding provided on application to groups and individuals who otherwise are unable to obtain support through organisations such as the Hillary Commission, local government and the New Zealand Lottery Grants Board, to participate in sport, fitness and leisure activity.

Rates Rebates Scheme

Assistance with rates for low-income residential ratepayers.

Disaster Recovery Assistance – Far North District Council

Disaster recovery assistance to the Far North District Council after flooding in Hokianga.

Disaster Recovery Assistance – Otago-Southland Floods

Funding for a Clutha Solutions Coordinator in relation to the Otago-Southland Flood.

Disaster Recovery Assistance – Ruapehu District Council

Disaster recovery assistance to the Ruapehu District Council for the longer-term recovery costs of Ohura township.

Tuwharetoa Māori Trust Board

A grant for the use of Lake Taupo, based on a 1926 agreement between the Crown and the Tuwharetoa Iwi.

Capital Investments – Lake Taupo

Upgrading of jetty and ramp facilities at Lake Taupo. Provision of moorings, safety lighting and adequate warning of navigational hazards.

Marketing of New Zealand as a Visitor Destination

Promotion of New Zealand in international markets as a visitor destination. Promotions may include joint ventures with the private sector.

Tourism Facilities Development Grants

Government grants for non-commercial, nationally significant tourism facilities.

Year 2000 Commemoration Millennium Events Programme

Funding of the Official Millennium Celebrations Programme specifically official dawn events in the Chatham Islands, Mount Hikurangi (Ngāti Porou) and Gisborne City; the national and international broadcast of the millennium celebrations and other projects and events of national significance to celebrate the new millennium and year 2000 commemorations.

Millennium Infrastructure

Funding contribution to Gisborne District Council for infrastructural demands associated with the official millennium celebrations.

Year 2000 Commemoration Millennium Reserve Fund

A contingency fund for activities and events associated with the Official Millennium Celebrations Programme.

Ministers' Internal and External Travel

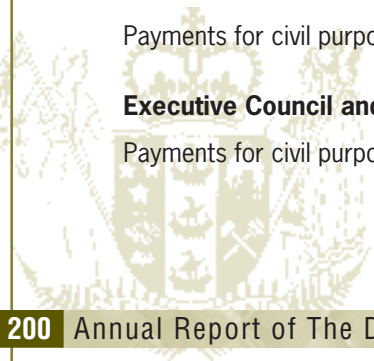
Payments for civil purposes, for Ministers internal and external travel, pursuant to Section 2 of the Civil List Act 1979.

Travel for Former Governors' General and Prime Ministers

Payments for civil purposes, pursuant to Section 2 of the Civil List Act 1979.

Executive Council and Ministers' Salaries and Allowances

Payments for civil purposes pursuant to Section 2 of the Civil List Act 1979.



Governors' General Pension Arrangements

Payments for civil purposes, for former Governors' General pension arrangements pursuant to Section 2 of the Civil List Act 1979.

Annuities to Former Governors' General, Prime Ministers and Spouses

Annuities to former Governors' General, Prime Ministers and their spouses, pursuant of Sections 4 and 24 of the Civil List Act 1979.

Commonwealth War Graves

Payment to Commonwealth War Graves Commission covering direct maintenance of New Zealand War Graves overseas and includes New Zealand's direct administration of Bourail Cemetery, New Caledonia for the Commission.

Development and Maintenance of War Graves, Historic Graves and Monuments

Development and maintenance of War Graves and Historic Graves within New Zealand and Monuments and Memorials in New Zealand and overseas.

ANZAC Commemorative Park, Gallipoli

Contribution towards the cost of construction of the new ANZAC Commemorative Park, Gallipoli.

New Zealand Memorial in Canberra

For the design and construction of the New Zealand Memorial in Canberra.

Note 24 Explanation of Significant Budget Changes**Statement of Non-Departmental Estimated Actuals, Appropriations and Expenditure (page 190)**

The following notes explain the significant variances between Main Estimates (as published in the Departmental Forecast Report) and Supplementary Estimates reported in the annual accounts in the Statement of Estimated Actuals, Appropriations and Expenditure. Explanations are provided for variances greater than 5%. Variances are the bracketed figures.

Authentication of Antiquities (\$21,000)

The adjustment provides for the transfer of appropriation for the establishment of Vote Culture and Heritage (Internal Affairs).

Payment of Commissioners – INCIS Inquiry (\$31,000)

The adjustment provides for the payment of Commissioners for the Commission of Inquiry into INCIS.

Royal Commission of Inquiry into Genetic Modification (\$95,000)

The adjustment provides for the payment of Commissioners fees for the Royal Commission of Inquiry into Genetic Modification.

Emergency Expenses (\$46,000)

The adjustment provides the settlement of claims related to the Far North District Council.

Sport, Fitness and Leisure Programmes (\$17,000,000)

The total adjustment provides for increased appropriation for the Sydney 2000 Olympics Team (\$1,000,000) and additional funding for high performance sports to support New Zealand teams and athletes competing in key international sporting events (\$16,000,000).

Drugs Testing of Sport Persons (\$200,000)

The adjustment provides for the purchase of additional drug tests for athletes prior to the Sydney 2000 Olympic Games.

Miscellaneous Grants (Sport, Fitness and Leisure) (\$70,000)

The adjustment provides for transfer from Vote Tourism for the Under 17 Soccer Tournament.

Disaster Recovery Assistance – Far North District Council (\$251,000)

The adjustment provides for disaster recovery assistance to the Far North District Council for rehabilitation after flooding in Hokianga.

Disaster Recovery Assistance – Otago-Southland Floods (\$150,000)

The adjustment provides funding for a Clutha Solutions Coordinator in relation to the Otago-Southland flood.

Disaster Recovery Assistance – Ruapehu District Council (\$99,000)

The adjustment provides for disaster recovery assistance to the Ruapehu District Council for the longer term recovery costs of the Ohura township.

Tuwharetoa Māori Trust Board (\$22,000)

The adjustment provides for additional funding to meet the payment to the Tuwharetoa Trust Board.



Marketing of New Zealand as a Visitor Destination (\$9,412,000)

The total adjustment provides for a decrease for a transfer of funding to Vote Millennium for the international broadcast of the millennium events (\$500,000), an expense transfer from 1998/99 to 1999/00 (\$4,500,000), a reduction in appropriation to offset payments to Directors of the Tourism Board made in 1998/99 (\$213,000), and a one-off grant to Team New Zealand for Trade and Tourism opportunities arising from the defence of the America's Cup in 2003 (\$5,625,000).

Tourism Facilities Development Grants (\$1,130,000)

The total adjustment provides for a decrease for a transfer of funding to Vote Sport, Fitness and Leisure for the Under 17 Soccer Tournament (\$70,000), additional funding for tourism facilities (\$300,000) and funding for the Tuatapere Hump Ridge Track (\$900,000).

Year 2000 Commemoration Millennium Events Programme (\$2,124,000)

The total adjustment provides for an increase for a transfer of funding from Vote Tourism for the international broadcast of the millennium events (\$500,000), an expense transfer from 1998/99 to 1999/2000 (\$1,662,000) and a decrease allowing for the rescheduling of funding arrangements from Non-Departmental to Departmental expenses (\$38,000).

Millennium Infrastructure (\$396,000)

The adjustment provides for a funding contribution to the Gisborne District Council for infrastructural demands.

Ministers' Internal and External Travel (\$9,008,000), Travel for Former Governors' General and Prime Ministers (\$277,000), Executive Council and Ministers Salaries and Allowances (\$4,232,000), Governors' General Pension Arrangements (\$22,000) and Annuities to Former Governors' General, Prime Ministers and Widows (\$257,000)

The adjustments to these items provided for the transfer of appropriation for the establishment of Vote Ministerial Services from Vote Internal Affairs from 1 July 1999.

Commonwealth War Graves (\$41,000), Development and Maintenance of War Graves, Historic Graves and Monuments (\$183,000), ANZAC Commemorative Park, Gallipoli (\$313,000) and New Zealand Memorial in Canberra (\$23,000)

The adjustments to these items was for the transfer of appropriation for the establishment of Vote Culture and Heritage (Internal Affairs) from Vote Internal Affairs from 1 September 1999.

Note 25 Explanation of Significant Actual Variances

The following notes explain the significant variances between the Supplementary Estimates and Actuals. Explanations are provided for variances greater than 5%. Variances are the bracketed figures.

a) Statement of Financial Performance (page 184)

Operational Revenue (\$379,000)

This arose from higher than forecast forestry revenue for Wairākei Tourist Park.

Accessions (\$5,959,000) and Revaluation Losses (\$74,000)

Accessions and revaluation losses are not forecast.

b) Statement of Financial Position (page 185)

Bank (\$2,122,000)

This arose from a payment to the New Zealand Debt Management Office for prior year (1998/99) non Departmental expenditure, the return of which was not forecast.

Accounts Receivable (\$326,000)

This is due to refunds relating to some Year 2000 Commemoration Millennium Events grants.

c) Statement of Cash Flows (page 186)

Repayment of Advances (\$17,000)

Recovery of some Small Co-operative Enterprises loans which were not forecast.

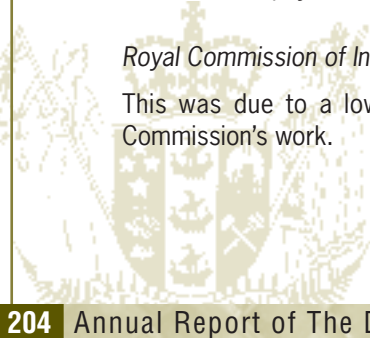
d) Statement of Departmental Estimated Actuals, Appropriations and Expenditure (page 190)

Payment to Commissioners – INCIS Inquiry (\$11,000)

This is due to payments being less than forecast.

Royal Commission of Inquiry into Genetic Modification (\$61,000)

This was due to a lower level of hours spent in the earlier stages of the Commission's work.



Treaty Commemorations at Waitāngi (\$52,000)

The programme and grants paid were less than originally provided through the appropriation.

Year 2000 Commemoration Millennium Events Programme (\$505,000)

One grant recipient did not draw down the grant due to cancellation of the project and other project costs were less than anticipated.

Travel for Former Governors' General and Prime Ministers (\$26,000)

Demand for travel was lower than anticipated.

Governors' General Pension Arrangements (\$4,000)

A small increase was projected in planning for costs but this did not eventuate in the 1999/00 financial year.

Note 26 Reconciliation Between Total Expenses and Total Appropriations

	ACTUAL 1999/00 \$000	ACTUAL 1998/99 \$000
Total Expenses in Statement of Financial Performance	125,431	105,475
Depreciation	(254)	(429)
Revaluation Loss/(Gain)	74	(1,644)
Debt write-offs	17	29
Change in debt provisions	0	(102)
Total Appropriations in Statement of Non-Departmental Estimated Actuals, Appropriations and Expenditure	125,268	103,329



Statement of Trust Money Administered on Behalf of the Crown for the Year Ended 30 June 2000

The following trust money was administered on behalf of the Crown under Part VII of the Public Finance Act 1989.

The statement shows the opening and closing trust balances including bank and investments at cost, and the movements during the year.

	OPENING BALANCE 1999/00 \$000	CONTRIBUTIONS \$000	DISTRIBUTIONS \$000	REVENUE \$000	EXPENSES \$000	CLOSING BALANCE 1999/00 \$000
New Zealand Historical Atlas	38	6	0	2	19	27
New Zealand History Research	1,414	0	92	138	0	1,460
Vogel House New Zealand Encyclopaedia	0	4	4	0	0	0
Australian Trust for Oral History Archives	1	0	0	0	0	1
NZ 1990 Scholarship	1,351	0	105	122	4	1,364
Dictionary of New Zealand Biography	360	0	24	34	0	370
Problem Gambling	982	72	0	58	480	632
Total	4,146	1,268	1,273	5	0	3,854

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.

New Zealand Historical Atlas Trust

This trust was established to hold New Zealand Lottery Grants Board funds, donations and royalties from sales to be used for the production of the *Historical Atlas of New Zealand*. This trust transfers to the Ministry for Culture and Heritage on 1 July 2000.

New Zealand History Research Trust

This trust was established to hold New Zealand Lottery Grants Board funds to make awards to individuals for historic research projects. This trust transfers to the Ministry for Culture and Heritage on 1 July 2000.

Vogel House Trust

This trust was established to hold bond money received from depositors who use Vogel House and Premier House for special functions.

New Zealand Encyclopedia Trust

This trust was established to hold funds from the New Zealand Lottery Grants Board to fund the collection of data for a New Zealand encyclopedia. This trust transfers to the Ministry for Culture and Heritage on 1 July 2000.

Australian Trust for Oral History Archives

This trust was established to hold funds from the Government for the Commonwealth of Australia. The income from these funds is used for the promotion of oral history in New Zealand and the South Pacific. This trust transfers to the Ministry for Culture and Heritage on 1 July 2000.

New Zealand 1990 Scholarship Trust

This trust was established to hold funds from the New Zealand Lottery Grants Board. The income from these funds is used for the purpose of awarding 1990 commemorative scholarships each year.

Dictionary of New Zealand Biography Trust

This trust was established to hold funds from the New Zealand Lottery Grants Board, funds from publication sales, and funds raised by private sponsorship or fundraising, for the production of the *Dictionary of New Zealand Biography* and subsidiary volumes. This trust transfers to the Ministry for Culture and Heritage on 1 July 2000.

Problem Gambling Trust

This trust was established to hold levies received from gaming machine societies pursuant to Section 116zr of the Gaming and Lotteries Act 1977, which are then transferred to the Committee on Problem Gambling.





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