

# ANNUAL REPORT

NINETEEN NINETY SIX

NINETEEN NINETY SEVEN

*identity*



*community*



THE DEPARTMENT OF  
**INTERNAL AFFAIRS**  
**TE TARI TAIWHENUA**



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Report of the

DEPARTMENT OF INTERNAL AFFAIRS  
TE TARI TAIWHENUA

for the year ended  
30 June 1997

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*Presented to the House of Representatives  
Pursuant to Section 39 of the Public Finance Act 1989*

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## *purpose statement*

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### MISSION

We, the people of DIA, will lead the way for the Government in strengthening New Zealand identity and building strong communities, towards a cohesive society

Ministers will demonstrate confidence in our policy advice and our exemplary executive government support services

We will be known as the centre of excellence in business management within the Government

All of our customers will be consistently delighted with our services

We will all be proud to say that we are members of DIA

### VALUES

- 1 We are committed to providing high-quality service to our customers.
- 2 We are committed to meeting our obligations under the Treaty of Waitangi.
- 3 We value and respect our diverse cultures.
- 4 We listen and talk to each other, to our clients and to our customers, frequently, honestly and openly.
- 5 We encourage innovation, flair and excellence.
- 6 We respect and trust each other, and prize integrity and courage.
- 7 We are committed to equality of opportunity in the recruitment, employment and development of people.
- 8 We support and challenge staff to continuously learn and to develop their individual talents.
- 9 We value cooperative achievement through teams.
- 10 We have fun and celebrate our successes.

*three themes*





## chief executive's overview



In 1996/97 the Department of Internal Affairs (DIA) had a successful year based on the three themes that underpin its work: **Building Strong Communities, Strengthening New Zealand Identity, and Supporting Executive Government.** Details of the important work done during the year can be found in the other sections of this report.

Highlights for me included the publication of *Ngā Tāngata Taumata Rau, Volume Three*, containing 80 illustrated biographies, in Māori, of people who made their mark in the years 1901-1920. This volume is the latest in a series of works of New Zealand biography

which makes a significant contribution to our understanding of ourselves as a nation.

During the year Internal Affairs introduced an 0800 line providing information about and access to passports and citizenship services. We also set up passport application forms on the Internet. These services are aimed at simplifying and streamlining the application process, and we look forward to their success.

The Review of Gaming and the Emergency Services Review continued in 1996/97. In May 1997, Cabinet agreed that a new Ministry of Civil Defence, responsible for emergency management, would replace the present Ministry of Civil Defence. The new Ministry will be located within the Department of Internal Affairs.

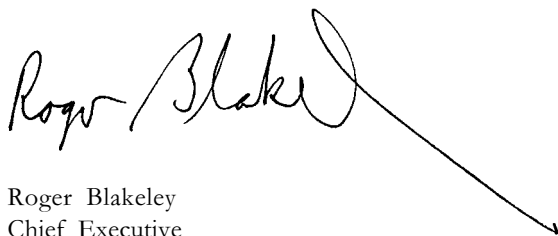
1996/97 was also a year in which New Zealand hosted many distinguished visitors. The German Chancellor and the Prime Ministers of Japan and Australia made official visits to New Zealand. Internal Affairs plays a vital role in ensuring that visits of guests of government are organised and implemented in a highly professional manner and meet their objectives.

The Department continued its commitment to community development. We provided support to the New Zealand Lottery Grants Board and celebrated the tenth birthday of the Community Organisation Grants Scheme, and joined with other agencies in organising several key conferences and hui. We also supported the Community Project Workers Scheme and the Youth Workers Training Scheme. Our Community Advisory Service continued to support capacity building of community and voluntary organisations. All of these activities directly support building of the nation's "social capital".

The organisational highlight for me during the year was the continuation of the process of Focused Change within the Department. The culture change is now well underway, with our aim being the achievement of the Department's mission as a major contribution to the goals of government. Almost all of DIA's staff participated in a series of intensive workshops aimed at fostering a sense of working together to achieve these goals. The next step will be "anchoring" the changes into the way we work.

During 1996/97 the Department took on particular responsibilities for the planning and coordination of events to celebrate the year 2000 and the new millennium. The summer of 1999/2000 will bring the America's Cup regatta and the Sydney Olympic Games. The Department has a key role in supporting New Zealand's preparation for these exciting events.

As always, the Department's success this year has been made possible because of the dedication and talents of its people. I would like to thank them all for their passion and commitment during the year, and look forward to sharing the challenges and rewards of the future with them.

A handwritten signature in black ink that reads "Roger Blakeley". The signature is written in a cursive style. A long, thin arrow-like stroke extends from the end of the signature downwards and to the right.

Roger Blakeley  
Chief Executive



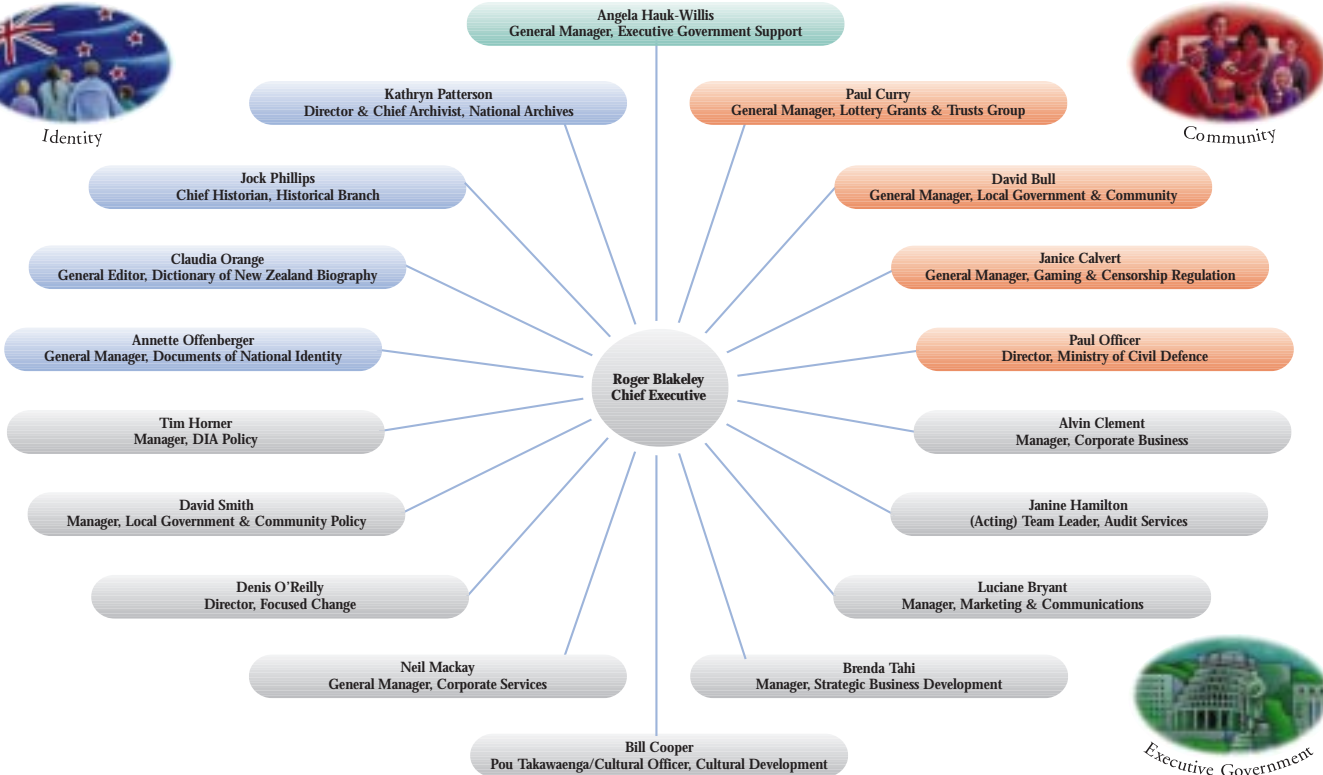
**Department of Internal Affairs**  
**ORGANISATIONAL STRUCTURE AS AT 30 JUNE 1997**




*Identity*



*Community*



*Executive Government*



## *the year in review*

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**Building Strong Communities, Strengthening New Zealand Identity, and Supporting Executive Government:** these are the three themes that underpin the activities of the Department of Internal Affairs, and link those activities to the broader strategic goals of the Government.

Within each theme, Internal Affairs can look back on a busy and successful year.

### **BUILDING STRONG COMMUNITIES**

Internal Affairs' commitment to building strong communities spans from funding voluntary groups through Lottery Grants and the Community Organisation Grants Scheme (COGS), to developing legislation for local government, providing information to the community, and safeguarding communities from hazards. These might be the hazards of pornography or unregulated gaming, or the physical hazards of a civil defence emergency.

A major task for the Department in 1996/97 was to develop a draft policy framework, or "Thinkpiece", on building strong communities. The "Thinkpiece" has stimulated widespread interest in concepts of community self-reliance, social cohesion and social capital. The ongoing development of the policy framework is closely related to the Government's goals.

## Local Government

During 1996/97 the Department continued its work to promote efficient, effective and accountable local government in New Zealand. To this end, further developments were made in the database which is designed to allow tracking and analysis of statistical information relating to local authority performance. The system was trialled with data from three previous financial years against ten high level performance measures. Another related project is the document *Strategic Directions for Local Government to 2010*. A discussion document detailing the purpose, objectives and operational principles for local government was substantially completed. A review of the Rating Powers Act commenced and a discussion document was released seeking comment on options for the future use of wealth generated by the Auckland Regional Services Trust. A survey of local authority water and waste water services was also released as part of a review of local authorities' powers regarding the delivery of those services.

A fatal dog mauling generated much public concern during the year. The Department serviced the Working Party on Dangerous Dog Breeds which made recommendations to the Minister of Local Government on phasing out pit bull terriers in New Zealand.

A Local Government Service Unit was established to bring together the operational aspects of the Department's functions and the provision of advisory and support services to the Local Government Commission.

## Community Organisation Grants Scheme (COGS)

This year the community and our staff celebrated the tenth anniversary of COGS, which is a unique government funding mechanism based on principles of devolution and local decision making. It helps fund community organisations to provide important services to socially disadvantaged groups. Over the past ten years COGS has made over 30,000 grants to community organisations to assist with the provision of essential social services.

## Community Development and Information

In 1996/97 Internal Affairs continued its commitment to community development.

Providing resources to community groups is an important part of the community advisory role. This year the Local Government and Community Information Group developed four new manuals designed for use by people training community organisations: *Legal Structures for Community Groups*; *Are You Ready For Funding*; *Ideas into Action: Planning Community Projects*; and *Training Kit Companion*.



photo: Waikato Times

Building relationships and joint projects with key agencies and the voluntary sector was further developed in several projects. Internal Affairs staff worked with others to organise several conferences and hui: the Voluntary Sector Research Conference in Wellington in August 1996; a Community Development hui at Waitara in November 1996; a DIA Community Development Presence hui at Mahia Peninsula in February 1997; Funding Workshops for funding agencies in the Hutt Valley, Wellington, Dunedin and Invercargill; and the Christchurch Social Cohesion hui in June 1997.

### **Link Centres**

In 1996/97 Link Centres continued to provide a range of government information to the people of New Zealand from seventeen sites around the country. On 30 June 1997, the Government agreed to closure of the Link Centres by the end of 1997. In their five year history the Link Centres have played a valuable role. Now changing customer expectations and new technology are changing the way the Department delivers services. Seventy percent of the business of Link Centres has been servicing passports and citizenship requirements. The introduction of 0800 freephone services and mobile citizenship officers visiting provincial towns will allow a more comprehensive service to be provided.

### **Lottery Grants and Trusts**

The major activity for the Lottery Grants and Trusts Group in 1996/97 was the review of the Lottery Grants mission, mission drivers, funding principles and future structure. Extensive community consultation resulted in the delivery of quality advice as to the future direction of the lottery distribution policies.

Special emphasis was placed on supporting Victoria University's Institute of Policy Studies in the development of a framework for social capital. This project is seen as being pertinent to the lottery distribution policies, and the possibility of developing a "community benefits model" to provide additional advice to distribution committees.

The Lottery Grants and Trusts Group was also proactive in the areas of responsiveness to Māori and Pacific Islands people. As part of implementing its own Māori responsiveness plan, *Kia Whakakotahi*, the Group undertook a cultural audit to identify areas for improvement. In addition, more Māori were included in decision-making roles on distribution committees thanks to the recommendations of the Lottery Grants and Trusts Group. A new, more appropriate Māori name was commissioned for the Lottery Grants Board - Te Puna Tahua (spring or source of sustenance).

During the year three fono were undertaken which resulted in the establishment of a Pacific Island Advisory Group to advise the Lottery Grants and Trusts business group.

A new computer-based client management application system was introduced, and a workloads and systems review of the Lottery Grants and Trusts group was undertaken which now forms part of the review of the strategic direction and structural change being undertaken for the Lottery Grants Board.

During the year the Lottery Grants and Trusts Group took responsibility for the appointments processes for the Trust Bank Community Trusts under contract from the Reserve Bank.

### **Ethnic Affairs Service**

The Ethnic Affairs Service carried out a wide range of advisory and information tasks during 1996/97. The Service's principal activities included: the publication of *High Hopes: A Survey of Qualifications, Training and Employment Issues for Recent Immigrants in New Zealand* which addressed issues of concern for new immigrants and agencies concerned with their settlement; the provision of policy advice on immigrant and refugee settlement issues; and preparatory work towards the development of a policy framework for ethnic issues, which will provide a set of values and principles to aid the development and evaluation of government policy relating to the post-immigration phase of the settlement of ethnic people in New Zealand. Other key activities included work with other agencies to improve the provision of interpreting services in New Zealand, presentations on ethnic issues to educational institutions and other groups, the publication of a quarterly newsletter about ethnic issues, and the publication of a multi-ethnic calendar.

### **Emergency Services Review**

Important decisions were made on the Emergency Services Review during the year, following extensive consultation with stakeholders. In September 1996, Cabinet agreed on nine principles as the basis of a new emergency management framework for New Zealand. Cabinet also agreed to accept responsibility as part of the core business of government, for developing and maintaining this framework. Then in May 1997, Cabinet agreed to the establishment of a new Ministry to be responsible for emergency management. The new Ministry of Civil Defence, replacing the present Ministry of Civil Defence following a carefully managed transition programme, is to be located within the structure of the Department of Internal Affairs. Consultation also continued on an appropriate emergency management structure at the local government level.

### **Civil Defence**

Internal Affairs, through the Ministry of Civil Defence, has a major part to play in the protection of communities. In December 1996 (Thames Valley), January 1997 (Thames/Coromandel) and June 1997 (Wairoa District), heavy rain caused the declaration of civil defence emergencies. The



photo: New Zealand Herald

collapse of the Opuha dam on Waitangi Day also led to the declaration of an emergency. Local civil defence responded well to all emergencies.

Ruapehu continued its volcanic activity, but at a lower level than the spectacular eruptions of 1995. Other incidents included earthquakes in the Wellington and Tarawera areas. A watch was kept during the descent of a Russian spacecraft as it passed over New Zealand.

In April 1997 the National Civil Defence School was accredited by the New Zealand Qualifications Authority to provide civil defence training. This was a significant step in meeting the training needs identified in recent reviews of civil defence.

Leaflets printed in six Pacific Island languages, and a video aimed at preparing people with disabilities for emergencies, were produced in June 1997.

### **Fire Service**

In consultation with other central agencies, the Department assessed the Fire Service Commission's *Five Year Financial Plan* which sought a substantial financial injection from the Government. In May 1997, the Department reported to the Ministers of Internal Affairs and Finance seeking agreement on financial parameters for the next three years.

### **Review of Gaming**

Internal Affairs is responsible for administering the wide range of legislation under which gaming activities are regulated in New Zealand. The current statutes contain many anomalies and have also not kept pace with the developments in new technology, for example the possibility of gaming over the Internet.

To address these problems, a comprehensive review by the Department of all forms of gaming, was announced in April 1995. The Department released a Discussion Document for public comment in August 1995. In July 1996, the Department released its policy proposals *Gaming - A New Direction for New Zealand*.

The Department received 677 submissions on the policy proposals. The Department intends to publish a synopsis of the submissions received in the near future. As part of the ongoing policy development on the Review, the Department is consulting various groups on the policy proposals and the submissions received, including groups representing Māori interests in gaming.

The Department has proposed that there should be a single policy framework for all forms of gaming. The framework should be based on a set of general principles which can accommodate the varying forms of gaming and their differing impacts. These principles should be developed and implemented in consultation with the gaming industry and the public.

Concurrently with the release of the policy proposals, the Department released a synopsis of the submissions to the Gaming Discussion Document released in 1995, the results of the 1995 survey on public attitudes to gambling, and three reports prepared for the Review on the economic and social impacts of gaming and on the impact of technology on gaming.

This package is one of the most complete sets of up-to-date information on gaming anywhere in the world and its production was a significant achievement for the Department.

### **Problem Gambling and Gaming Research**

During the year the Department continued to provide advice and administrative support to the Committee on Problem Gambling Management (COPGM). The Committee provides a forum for debate, gives advice to the Minister of Internal Affairs, and purchases services to deal with problem gambling. It comprises representatives of the major gaming operators and problem gambling treatment providers.

The Department was responsible for drafting the Gaming and Lotteries Amendment Act, passed in September 1996. This allows regulations to be made each year to set the levy which ensures that all gaming machine operators contribute to the purchase of services to deal with problem gambling.

In 1997 the Department initiated research into the impact of casinos and problem gambling. With respect to casinos, the Department undertook a review of the literature produced since 1985 in New Zealand and overseas on the actual and potential impacts of casinos. It is expected that the review will be published in late 1997.

With respect to the impacts of problem gambling, the Department has prepared terms of reference for a comprehensive research project to identify the current prevalence of problem and pathological gambling in New Zealand. The project will also assess the nature and correlation of problem and pathological gambling, looking at the individual, communities and the nation.

### **Gaming Compliance**

Inspectors of gaming continued to enforce the Gaming and Lotteries Act 1977, which has as its primary purposes, ensuring fairness to players, ensuring gaming is conducted with integrity, and requiring proceeds from gaming to go to community authorised purposes.

Gaming machines are the major gaming activity administered by gaming compliance inspectors. The present regulatory regime for gaming machines is weak and frequently abused. Abuses include inflated expenses, theft, kickbacks in return for grants, grants for personal benefit, payment to obtain sites, and commercial links between societies and machine manufacturers and between societies and site owners. At present machines are available in commercial sites (such as hotels, tenpin bowling alleys and snooker parlours), in licensed clubs and sports clubs. Gaming machines total about 11,400 and turned over about \$1.7 billion in 1996/97.

Of the 214 inspections, 321 audits of gaming machines societies and 12 other audits completed during the year, seven prosecutions, 34 cancellations and 167 warnings were initiated or completed. There is anecdotal evidence that this is only a fraction of the abuse occurring.



## Censorship Compliance

During 1996/97 Departmental officials gave advice to the Commerce Select Committee, which was considering the Technology and Crimes Reform Bill. This Private Member's Bill was introduced in 1994 and intended, among other things, to regulate the transmission of objectionable material via the Internet. Censorship of the Internet was the subject of intense interest during the past year to the public and the Internal Affairs and Local Government Select Committee.

The Department also continued to work with the Office of Film and Literature Classification to refine their funding needs and accountability mechanisms. A Memorandum of Understanding was signed between the Minister of Internal Affairs and the Chief Censor of Film and Literature on 1 July 1996.

In its first year as a dedicated business, the censorship inspectorate had an extremely active year enforcing the Films, Videos and Publications Classifications Act 1993. The team of a manager and five inspectors initiated 27 prosecutions with more than 50% relating to trading and possession of child pornography on the Internet. In addition the inspectorate has rigorously enforced the Act in relation to the supply and display of videos, magazines and other publications.

Censorship compliance inspectors achieved a high degree of publicity in their ground-breaking work in monitoring and detecting individuals abusing the Internet. Important links were also forged with community standards groups and overseas enforcement agencies, and the Department has become a recognised agency in assisting in Interpol investigations.

## Blue Pages

The Blue Pages, which are a listing of government departments and agencies at the front of each region's telephone book, marked their first year of success in October. The Blue Pages have been very well received by the public and are self-funding.



photo: Andrew Cornaga

## Sport, Fitness and Leisure

The Department undertook the role of coordinating the activities of all government departments in relation to preparations for the America's Cup in 1999/2000. Following consultation with the sector and the Department of Labour, the Minister of Immigration agreed to some relaxation of the rules applying to overseas coaches' residency qualifications.

The Department worked closely with the Hillary Commission and the Sports Drug Agency on the preparation of purchase agreements and memoranda of understanding.

## **Racing**

The Department continued to provide the Minister for Racing with advice and support on the future development of the racing industry to ensure that the industry is able to maintain the highest standards. A particular task was to facilitate the first performance and efficiency audits of the Racing Industry Board and the Totalisator Agency Board, now required by the Racing Act to be undertaken at least every five years. Ernst and Young were contracted by the industry, after approval by the Minister of the terms of reference for the audits, to undertake the audits and were expected to report in July 1997.

## **STRENGTHENING NEW ZEALAND IDENTITY**

The Department of Internal Affairs is New Zealand's oldest Government department, and is the agency most concerned with New Zealand's national identity. We are, for example, the guardian of the New Zealand Flag, Crest, Seal, and National Anthem, and administer national monuments and war graves. We are the custodians of the nation's archives, including the paramount taonga (treasure), the Treaty of Waitangi. We administer passports, citizenship, births, deaths and marriages; through our Historical Branch we assist in the publication of many works of New Zealand history; and we publish the Dictionary of New Zealand Biography.

### **National Archives**

During 1996/97 National Archives established a Statutory / Regulatory Group. The role of the group is to ensure that the requirements of the Archives Act 1957, and the archives provisions of the Local Government Act 1974, are met by departments and agencies of central and local government, and organisations having custody of archives. The group provides advice, develops operational policy and sets standards for archives, records and information management. The group published *Electronic Records Policy*, developed over the last two years by the National Archives electronic records committee. The full establishment of the group was a significant step in the realisation of a policy, statutory/purchaser, provider split at National Archives.

National Archives in Wellington continued to host exhibitions, including "Making an Impression", which celebrated the history of Government printing in New Zealand; and in December 1996 Archives marked a milestone with its 10,000th registered reader.

The Department circulated an issues paper on the Archives Bill and work was undertaken in analysing submissions received.

### **Historical Branch**

The 1996/97 year was a busy one for Historical Branch, with publications on New Zealand and the Korean War, transport and New Zealand society, the Department of Labour, and Valuation New Zealand. A major new project was *The Oxford Companion to New Zealand Military History*, to be launched on Anzac Day, 2000.

### **Dictionary of New Zealand Biography**

A flagship work of history is the *Dictionary of New Zealand Biography*. In December 1996, *Ngā Tāngata Taumata Rau, Volume Three* was published. It contains 80 illustrated biographies, in Māori, of people who made their mark in the years 1901-1920. *Te Kīngitanga* was also published, with support from the Tainui Māori Trust Board, and is selling well. Research and editing on *Volume Four (1921-1940)* of the Dictionary, which will be launched in August 1998, is progressing towards completion. One third of *Volume Five (1941-1960)* was commissioned to writers and this Volume will appear in the year 2000.

### **Land-Based Heritage Strategy**

The Department was part of an officials' group which worked on a proposal for the development of a national strategy for land-based historic and cultural heritage. This was in response to the June 1996 report of the Parliamentary Commissioner for the Environment, *Historic and Cultural Heritage Management in New Zealand*. This proposal is still to be finalised.

### **Waitangi Fund**

The Commemorating Waitangi Fund was established to encourage a wider participation of communities in activities commemorating Waitangi Day. This year information about the \$50,000 Fund was distributed more widely than in the past, and a great variety of applications was considered. Twenty-four projects were supported with grants of between \$350 and \$17,000 for activities, which provided a wide cross-section of the community with an opportunity to consider the Treaty's role in the life and history of the nation.

### **Year 2000**

The Department provided policy advice on the Government's role and objectives in celebrating the Year 2000 and the bodies subsequently established to ensure these are met. As a result the Department will house the Millennium Office, which will support the Towards 2000 Task Force. The Department will also support the Secretariat for the Prime Minister's Millennium Board. The Minister of Internal Affairs is a member of the Millennium Board, and the Secretary of Internal Affairs is a member of the Towards 2000 Task Force.

### **Documents of National Identity and Births, Deaths and Marriages**

Throughout the year work continued on integrating Documents of National Identity (DONI) and the Births, Deaths and Marriages (BDM) registry, which was transferred from the Department of Justice in October 1995. A number of options aimed at improving operational efficiency and increasing customer service were developed and evaluated during the year. This work resulted in the identification of a clear strategic direction for the combined Identity Services business. The first steps toward this direction were initiated during the year and will be in place by January 1998. These include integration of the management structure and the computerised capture of and access to new birth, death and marriage information.

In February 1997 the passport production process based in the London High

Commission was computerised. Staff at the High Commission can now produce machine-readable passports, increasing the security and integrity of these passports. The computer system is directly linked to the main system in Wellington, facilitating direct on-line communication.

During the year DONI introduced an 0800 line providing information about and access to passports and citizenship services. After a quiet beginning, the call centre now receives about 5,000 calls per week. It is anticipated that call volumes will continue to increase in the 1997/98 year. DONI and BDM also introduced application forms on the Department's Internet home page, allowing computer users to download forms.

In July 1996, changes to the citizenship application process were introduced. Citizens from Commonwealth countries are now required to attend a citizenship ceremony to complete their application for New Zealand citizenship, where previously they were not. This change resulted in a large increase in the



photo: *Evening Post*

numbers of people attending citizenship ceremonies. The Department works in partnership with Local Authorities to organise ceremonies. Local Authorities responded very positively to the challenge of increased numbers, helping to ensure that the process of being granted New Zealand citizenship is meaningful to all new citizens.

The Department is committed to preserving the quality of New Zealand citizenship. During the year there was an unfortunate increase in the number of applicants basing their claim on false documents, or by making untruthful declarations in their applications. Where people have become New Zealanders unlawfully, the Minister will make orders depriving them of their citizenship. Fifteen deprivation orders were made during the year.

## **SUPPORTING EXECUTIVE GOVERNMENT**

### **General Election**

A General Election was held in October 1996. As a key step in the electoral process, 75 writs were issued by Internal Affairs, one to each electorate. This authorised the Returning Officers to hold the election. After the writs were returned to Internal Affairs a list of electorate MPs was compiled. The Department also prepared documents for the Clerk of the House, the Speaker, the Deputy Speaker and MPs.

### **Commissions of Inquiry**

Another role for Internal Affairs is providing support to Commissions of Inquiry, of which there was one in the past year: the Winebox inquiry (Commission of Inquiry into Certain Matters Relating to Taxation). The Department continued to provide administrative support and policy advice on the Commission's operations and budgetary matters.

### VIP Transport

VIP Transport successfully introduced a computer-based booking and dispatch system, and centralised operational control in Wellington.

### Visits and Ceremonial

One of Internal Affairs' roles is to organise visits by distinguished guests of government. Our staff are the front line; in part how visitors experience New Zealand is determined by the quality of care, hospitality and planning our staff provide. During the year Internal Affairs arranged visits by the Japanese Prime Minister Ryutaro Hashimoto; Chancellor Helmut Kohl of Germany; Australian Prime Minister John Howard; the President of Mongolia, Punsalmaagiin Ochirbat; Mr Zhu Ronji, Vice Premier of the People's Republic of China; as well as 44 other guests of Government.



photo: Evening Post

### The Translation Service

The Translation Service had another successful year. It completed nearly 4,000 translation orders, up 24 percent on last year. Chinese and Korean were the languages in most demand, with the major European languages not far behind.

### REDESIGNING DIA

During 1996/97 DIA continued the intensive culture change plan (Focused Change) embarked upon in the previous year. Almost 900 staff participated in 15 intensive 5-day and 3-day workshops. These workshops sought to embed the "learning culture" and encourage DIA's people to put their passion and commitment into achieving the Department's mission. As a result of the workshops staff undertook over a hundred projects which will contribute to that achievement.

Integration of personal performance plans with the Department's strategic management processes is under way. The intention is for each person to have a clear idea of how their work contributes to DIA's mission.

We aim to achieve the status of "flagship government department" by achieving measurable performance goals. We want what we do to have a significant positive effect in the community. The work done in 1996/97 went a long way towards achieving that aim.

*"Organisations don't change.  
People change, and then they change organisations."*



## *achievement of key result areas*

In its strategic documents, including the *Coalition Agreement*, the *Strategic Result Areas* and *Path to 2010*, the Government set out its broad strategic objectives. The two strategic objectives towards which the work of the Department of Internal Affairs makes its major contribution are **Economic Growth** and **Social Cohesion**.

One of the ways in which the Department makes its contributions to these objectives is through the Key Result Areas (KRAs) which form part of the Chief Executive's Performance Agreement. Key Result Areas outline specific tasks which the Chief Executive commits to undertaking over a three-year period. Each KRA has an agreed final completion date and a set of milestones which mark progress along the way to completion.

In 1996/97 the Department's KRAs were organised under four themes. The first three are the themes set out on page 4 of this Report, which underpin all the work of the Department: **Building Strong Communities, Strengthening New Zealand Identity** and **Supporting Executive Government**, and which are closely linked with the Government's strategic objectives as outlined above. The fourth KRA deals with management issues.

The following were the principal achievements under each KRA theme.

### **KRA1: BUILDING STRONG COMMUNITIES**

Key tasks for completion in 1996/97 were:

<b>Task</b>	<b>Achievements</b>
<b><i>Building Strong Communities</i></b>	
<ul style="list-style-type: none"> <li>• Submit to Cabinet a discussion document on a draft policy framework on Building Strong Communities.</li> </ul>	<p>A departmental "Thinkpiece" was completed. The Minister agreed that the Chief Executive would discuss the "Thinkpiece" with a range of Chief Executives and a report would be prepared. The report was due for submission in August 1997.</p>

<b>Task</b>	<b>Achievements</b>
<b><i>Local Government</i></b>	
<ul style="list-style-type: none"> <li>• Implement a performance monitoring system for the local government sector against high level financial performance measures.</li> </ul>	Ten measures were applied against the financial database in June 1997.
<b><i>Gaming Review</i></b>	
<ul style="list-style-type: none"> <li>• Provide advice on the Review of Gaming.</li> </ul>	Policy proposals were released and an initial report on key issues and next steps provided to the Minister.
<b><i>Gaming, licensing and enforcement practices</i></b>	
<ul style="list-style-type: none"> <li>• Complete review of gaming machine licensing.</li> </ul>	Completed. New measures will be implemented with effect from 1 July 1997.
<ul style="list-style-type: none"> <li>• Implement electronic monitoring of gaming machines.</li> </ul>	The project is still in its initial stages. A business case is being prepared for the Minister.
<ul style="list-style-type: none"> <li>• Complete customer survey for gaming licensing.</li> </ul>	Completed. The results of the survey have been analysed, and an action plan implemented to improve customer service.
<b><i>Racing</i></b>	
<ul style="list-style-type: none"> <li>• Provide policy advice to the Minister for Racing relevant to Government decisions on the Review of Gaming, and include advice on implications for the racing industry in the post-election briefing.</li> </ul>	Achieved. Policy advice was provided as part of the post-election briefing, and subsequently.
<ul style="list-style-type: none"> <li>• Provide policy advice and analysis on the effectiveness of the racing industry's strategy.</li> </ul>	Advice and analysis were provided, and will be provided on an ongoing basis.
<ul style="list-style-type: none"> <li>• Provide policy advice on the implementation and outcome of efficiency and performance reviews of the Racing Industry Board and the Totalisator Agency Board.</li> </ul>	The efficiency and performance reviews were completed. Policy advice is being provided on these.



Task	Achievements
<b><i>Emergency Services Sector</i></b>	
<ul style="list-style-type: none"> <li>Develop and implement the strategy in accordance with the Government's final decisions on the report of the Emergency Services Review Task Force.</li> </ul>	<p>Cabinet approved a new Ministry of Civil Defence with extended policy and management roles. The Emergency Management Group proposal was partly completed; joint working parties are developing detail for reporting to Cabinet in 1997/98.</p>
<ul style="list-style-type: none"> <li>Subject to the Government's legislative programme and policy decisions, prepare the Fire Service Amendment Bill (which deals with Fire Service restructuring and financial management matters, and the Fire Service Levy Reform) for introduction.</li> </ul>	<p>The Bill had a low priority on the legislative programme for 1996/97. A report to the Minister will be prepared advising that the milestone needs to be extended further into 1998. The Alternative Funding for the Fire Service project absorbed the Fire Service Levy Reform project; a report is being prepared for the Ministers of Finance and Internal Affairs.</p>

Work also commenced on the following KRAs for **Building Strong Communities**, which have milestones in 1997/98 or beyond:

#### ***Lottery Grants***

- Developing a policy framework for discretionary and/or grants based funding for lottery grants.

#### ***Local Government***

- Developing, with Local Government New Zealand and the Society of Local Government Managers, a *Strategic Directions for Local Government to 2010*.
- Completing a review of the Rating Powers Act.
- Preparing legislation on the outcome of decisions on the future of the Auckland Regional Services Trust, the review of water and waste water services, and decisions on integration of Auckland water systems.

#### ***Gaming Review***

- Providing advice on any legislative reform required on the Review of Gaming.

#### ***Sport, Fitness and Leisure***

- Developing and implementing the national Sport, Fitness and Leisure Policy by providing advice on a policy framework.

## KRA2: STRENGTHENING NEW ZEALAND IDENTITY

Key tasks for completion in 1996/97 were:

Task	Achievements
<b><i>Year 2000 Celebrations</i></b>	
<ul style="list-style-type: none"> <li>Implement Government's decisions on the report of the Year 2000 Focus Group.</li> </ul>	<p>Government approved the establishment of a New Zealand Millennium Task Force, a New Zealand Millennium Office to support the Task Force, and a secretariat to ensure overall coordination of Year 2000/Millennium Activities.</p>
<b><i>Dictionary of New Zealand Biography</i></b>	
<ul style="list-style-type: none"> <li>Complete the Third Māori Language volume of the Dictionary, and a subsidiary publication.</li> </ul>	<p>The Third Māori Language volume was completed ahead of schedule and launched on 6 December 1996. The subsidiary, <i>Te Kīngitanga</i>, was launched on 16 December.</p>
<b><i>National Archives</i></b>	
<ul style="list-style-type: none"> <li>Promote improvements to current archiving practices across Government and encourage development of electronic storage of records, standards and protocols for access to archival material.</li> </ul>	<p>An exposure draft of the appraisal standard was issued for comment. The transfer standard was scheduled to be issued for comment in August 1997.</p>
<ul style="list-style-type: none"> <li>Develop a strategy and make recommendations to Government on the management of government information, both central and local.</li> </ul>	<p>As part of achieving this objective, a working party to examine options for the retention and disposal of local government archives is expected to report in October 1997.</p>
<ul style="list-style-type: none"> <li>Finalise a policy on the management of electronic records.</li> </ul>	<p>The policy was published and is being distributed.</p>

Work also commenced on the following KRAs for **Strengthening New Zealand Identity**, which have milestones in 1997/98 or beyond:

### ***Strengthening New Zealand Identity***

- Preparing a policy framework. A Departmental "Thinkpiece" was released to key agencies and a report is being prepared on options for progressing the work.
- Managing and reporting on a review of national celebrations, and developing proposals for commemorations which heighten national identity.

**Citizenship**

- Preparing a draft discussion document on key citizenship areas for consideration by government, and reporting to government on issues arising out of consultation on the document.

**Sport, Fitness and Leisure**

- Supporting and recognising the achievements of New Zealanders in the international sporting arena, through monitoring the operations of a new organisation to fund and service high performance sport.

**Dictionary of New Zealand Biography**

- Completing and promoting *Volume 4*, and the fourth Māori language volume.

**Historical Atlas**

- Publishing and promoting the *Historical Atlas of New Zealand*. Editorial work was completed, for publication of the *Atlas* in October 1997.

**National Archives**

- Ensuring the availability for introduction of the Protection of Moveable Cultural Heritage Bill and the Archives Bill.
- Developing a framework for measuring performance by central and local government to manage their information in relation to archives.

**KRA3: SUPPORTING EXECUTIVE GOVERNMENT**

Key tasks for completion in 1996/97 were:

<b>Task</b>	<b>Achievements</b>
<ul style="list-style-type: none"> <li>• Develop systems and structures to support Ministers and executive government in the lead-up to the 1996 General Election.</li> </ul>	Planning was completed, and systems were in place for the lead-up to the election.
<ul style="list-style-type: none"> <li>• Implement a system for identifying Ministers' satisfaction with support services provided.</li> </ul>	A Ministerial satisfaction survey was implemented.
<ul style="list-style-type: none"> <li>• Achieve acceptance of a system for expenditure management in Ministerial Offices.</li> </ul>	The Minister for Ministerial Services now has formal responsibility for ministerial servicing. This will allow close expenditure monitoring, using tools provided by the Department.
<ul style="list-style-type: none"> <li>• Implement and enhance the Ministerial Information Technology (MINIT) system to achieve consistently high standards of user satisfaction.</li> </ul>	User satisfaction is being monitored regularly. A formal review of MINIT was scheduled for August 1997.
<ul style="list-style-type: none"> <li>• Implement latest technology to enhance the efficiency of Commissions of Inquiry that may be set up.</li> </ul>	Not applicable for 1996/97. Improvements will be implemented for any future Commissions of Inquiry.

Work also commenced on the following KRAs for **Supporting Executive Government**, which have milestones in 1997/98 or beyond:

***New Zealand Memorial***

- Completing the New Zealand Memorial in Canberra.

***Management of Crown Property***

- Establishing robust capital funding arrangements for Crown properties managed by the Department.

**KRA4: MANAGEMENT**

Key tasks for completion in 1996/97 were:

<b>Task</b>	<b>Achievements</b>
<b><i>Nationwide Service Delivery</i></b>	
<ul style="list-style-type: none"> <li>• Complete a review of Link Centres.</li> </ul>	The review was completed and the decision made to close Link Centres with effect from 31 December 1997. They will be replaced with better targeted customer services making the best use of technology.
<b><i>DONI/BDM Integration</i></b>	
<ul style="list-style-type: none"> <li>• Provide a report on whether BDM and DONI businesses should be merged.</li> </ul>	As a result of the report, DONI and BDM are to be merged into Identity Services.
<ul style="list-style-type: none"> <li>• If Cabinet agrees to the merger, provide a report on organisation form for the merged businesses.</li> </ul>	Detailed organisation form finalised.
<ul style="list-style-type: none"> <li>• Develop computerisation proposals and implementation strategies for BDM.</li> </ul>	Proposals were developed. BDM registration will be computerised from 1 January 1998.
<ul style="list-style-type: none"> <li>• Identify appropriate alternatives to the Courts agency function and substantially transfer to this new delivery structure.</li> </ul>	With the cooperation and agreement of the Department for Courts, the new centralised registration service will now be operational from early 1998.
<b><i>Management Information System (MIS)</i></b>	
<ul style="list-style-type: none"> <li>• Complete implementation of the MIS project.</li> </ul>	Software concerns have delayed the completion of the project until later in 1997. Selective testing for some modules commenced in February 1997.

<b>Task</b>	<b>Achievements</b>
<b><i>Responsiveness to Māori</i></b>	
<ul style="list-style-type: none"> <li>Implement the <i>Responsiveness to Māori Plan</i>.</li> </ul>	Plan was 72% achieved. Full implementation is expected in the 1997/98 year. Māori staff are fully involved in the Department's strategic planning and change management processes.
<b><i>Strategic Thinking and Planning</i></b>	
<ul style="list-style-type: none"> <li>Implement a programme to develop strategic thinking and planning capability in the Department.</li> </ul>	Tools and methodologies were developed. High quality strategic analysis and planning are now ongoing across business units.
<b><i>National Archives</i></b>	
<ul style="list-style-type: none"> <li>Separate policy, statutory/purchase and provider functions.</li> </ul>	The separation was made. The Statutory/Regulatory Group commenced operations in early 1997.
<ul style="list-style-type: none"> <li>Implement strategic and business plans for the development of National Archives business.</li> </ul>	Draft plans were partially developed and are being further developed in light of the Heritage New Zealand proposal.
<b><i>Policy Capability</i></b>	
<ul style="list-style-type: none"> <li>Develop strategies and plans to strengthen policy capability.</li> </ul>	A comprehensive project scoping plan for delivering policy best practice was approved. Initial steps included the development of a more robust Ministerial satisfaction survey and a Department-wide quality assurance process.

Work also commenced on the following KRAs for **Management**, which have milestones in 1997/98 or beyond:

#### ***Focused Change***

- Implementing the Focused Change process through:
  - a culture change to achieve high performance - the majority of Departmental staff attended intensive workshops prior to Christmas 1996.
  - strategic planning - strategy development has taken place across the Department and will be incorporated into business plans.

- individual performance planning - “360-degree” performance assessment was implemented for senior managers and this will progressively form part of an integrated performance management and development system for all staff. The Department initiated the development of a new performance management system designed to link individual performance plans to business plans.
- enhancements to organisation, business processes and systems.
- Implementing integrated services for IT networks, telephone networks and face to face services, to meet specified customer service standards.
- Ensuring high performance is maintained against regular surveys of customer delight, Ministerial confidence and staff pride.

***National Archives***

- Implementing computerised finding aids in the National Archives through use of the Internet.

***Flagship Government Department Status***

- Managing DIA’s business groups to achieve “flagship” criteria agreed with the Treasury and the State Services Commission.



*achievements against  
departmental mission*

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Alongside the development of its mission, the Department developed mission drivers, or values which drive decision-making (see page 4). The drivers were defined, mission driver targets were set until the year 2000, and a mission driver measurement framework was established, including the focusing of key performance indicators. At this stage, we await key feedback from the Minister/stakeholder survey that has been conducted.

Evaluation of these results will enable the Department to make an assessment of the level of achievement against the mission drivers. It is hoped that achievements against the mission drivers will be featured in the Department's future annual reports.





## government's strategic objectives

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The diagram on the following pages shows the linkages between the Department's output classes, grouped under the three themes of **Building Strong Communities, Strengthening New Zealand Identity** and **Supporting Executive Government**, and the Government's strategic objectives, in particular *Economic Growth* and *Social Cohesion*. The case study below, and those on page 32, are some examples of how the linkages have worked in practice in the 1996/97 year. This section of the Annual Report should be read in conjunction with the section on Achievement of Key Result Areas (page 20) and Achievements Against Departmental Mission (page 28).

### **Case Study One: Citizenship**

#### *Output Class D9: Issuing of Official Documents*

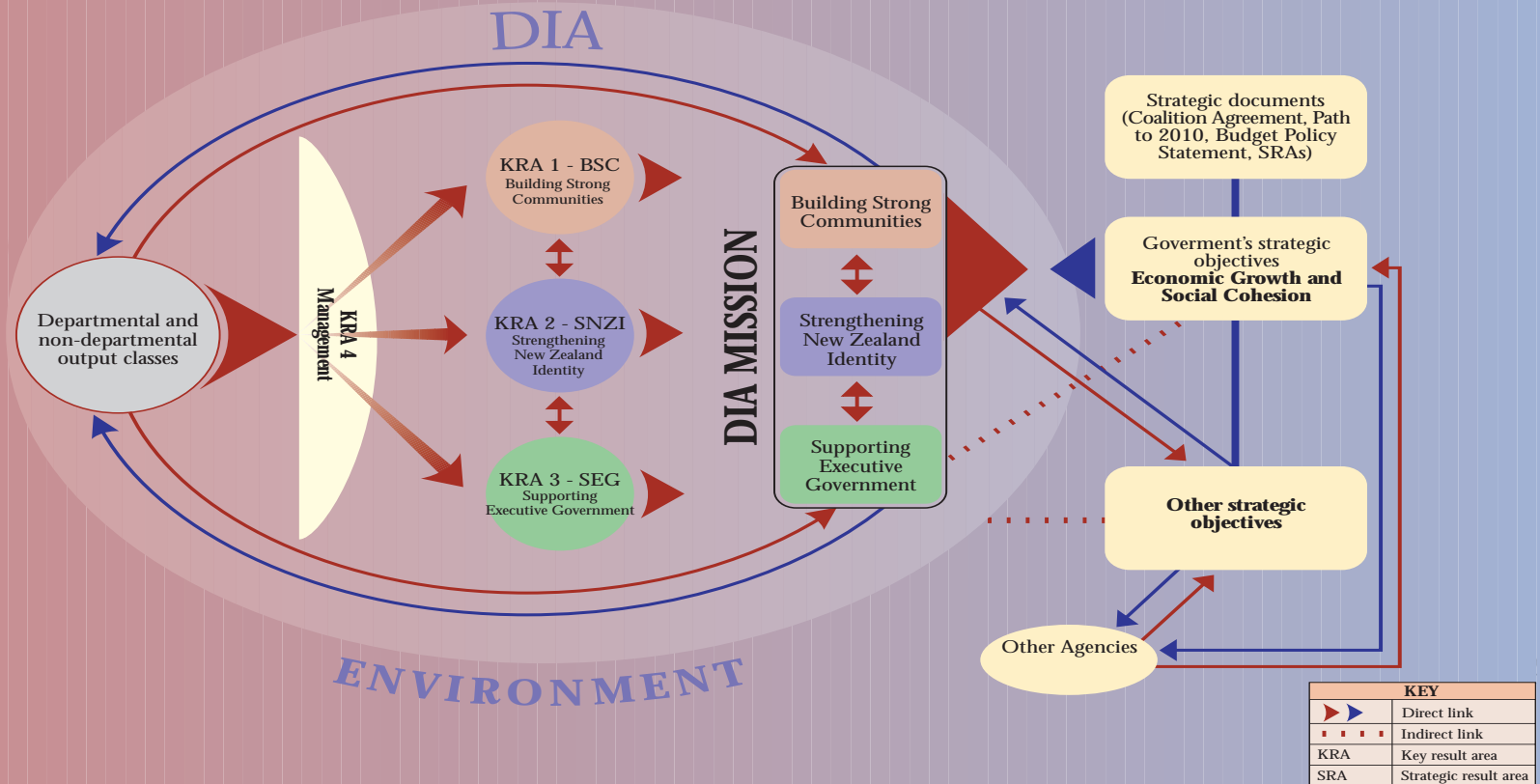
The Department's role in administering the Citizenship Act under this output class contributes directly to Government's goals in the area of **Social Cohesion**. New Zealand is permissive in the rights it grants those with permanent residence. To ensure, however, that those being granted citizenship are of good character and will contribute positively to the community life of New Zealand, the process to scrutinise applications for New Zealand citizenship is rigorous.

Most people who apply for citizenship do so honestly and with genuine intent to become New Zealanders and reside here. However, there are some who are interested in New Zealand citizenship solely as a means of exercising the rights of New Zealanders overseas. In a number of cases this year the Department investigated situations where applicants had gained residence through fraud or following marriage to New Zealanders. Investigations disclosed that these relationships did not last beyond the granting of citizenship and/or that there were pre-existing marriages overseas.

The Department links closely with the New Zealand Immigration Service (NZIS) and Interpol in confirming the identity of suspects where abuses of the citizenship process are reported. Where deception is established the Minister of Internal Affairs may order the deprivation of citizenship. Someone deprived of citizenship loses their rights as a New Zealander and in some cases (as a result of further action by the NZIS), may be deported.

## Model showing DIA relationships between output classes, KRAs, SRAs and Government's strategic objectives 1996/97 context

The relationship is two-way and cyclical: outputs lead (sometimes, but not always, through specific KRAs) to the mission and the achievement of strategic objectives; constant refinement and prioritising of strategic objectives lead to refining the mission, and to the selection of outputs and KRAs required to achieve the mission.



### **Case Study Two: *Te Kīngitanga***

*Output Class D2: Official, Legal and Historical Publications*

The production of *Te Kīngitanga* during 1996/97 was an example of a Departmental initiative with the clear aim of **Strengthening New Zealand Identity**. The book explains the historical background to the Tainui land settlement in an accessible way; this settlement is a topical and controversial issue of interest to many New Zealanders. The book is a subsidiary publication on Māori people in Volumes 1, 2, and 3 of the *Dictionary of New Zealand Biography* who were involved in the King Movement. It is illustrated and has an introductory essay on the history of the King Movement by Dr Angela Ballara. The book was produced with the support of the Tainui Trust Board and has wide appeal to university teachers and the general public.

### **Case Study Three: *Christchurch “Youth at Risk” Inter-Agency Group***

*Output Class D11: Community Advisory and Information Services*

The Department’s involvement with a “youth at risk” inter-agency group coordinated through the Christchurch City Council (CCC) and Safer Community Council is a good example of how the Department works with, and supports community groups to contribute to the goal of **Building Strong Communities**.

Christchurch, identified as one of the five top “hot spots” for national youth offending, was in need of youth workers to reduce youth violence in the city. As a result, the CCC committed \$300,000 to fund three youth workers in the central city and formed an inter-agency group to establish and support the youth work positions.

The Department’s Community Advisory Service was invited to be part of the inter-agency group, and assisted with the setting up of a funding programme so the projects could be monitored and evaluated, have clear objectives, and be selected through a transparent funding allocation process. The Department wanted to ensure there was good coordination between central and local government and community-provided services, so that youth worker positions had maximum impact.

Using the successful DIA Community Project Workers Scheme (CPWS) procedures as a blueprint, departmental staff provided a draft scheme outline, including examples of monitoring and evaluation processes, sample contracts, and application and assessment process outlines. These were adopted by the inter-agency group and have been successfully implemented.

The contribution of the Department’s CPWS expertise and assistance with inter-agency coordination has meant that the placement of two new CPWS projects and the three CCC-funded projects have been an effective and focused response to the problem of youth violence and youth at risk in Christchurch.



# uruparetanga - responsiveness to māori

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## CULTURAL DEVELOPMENT UNIT

### TE PAPA WHAKATIPU TIKANGA TAKITINI

The Department of Internal Affairs, having acknowledged the increasing demand by Māori for products and services that more effectively meet their needs, set out to introduce a process that would address the Department's presence in the community, at the same time assuring its responsiveness to Māori.

In order to achieve this, the implementation of *Te Kaupapa Urupare Ki Te Māori* - the *Responsiveness to Māori Plan*, in conjunction with the Focused Change process, has added more appropriate dimensions to the Department's corporate culture and strategic processes. This further enhances the Department's commitment to meeting its obligations under the Treaty of Waitangi.

### HIGHLIGHTS OF 1996/97

#### **Responsiveness to Māori Plan**

The *Responsiveness to Māori Plan - Te Kaupapa Urupare Ki Te Māori* was launched to warm acclaim in August 1996 and implementation of the plan began immediately.

Despite severe time constraints placed on staff due to other urgent priorities, the plan was 72 percent achieved. This result ensured a place for Māori input to the Department's strategic processes and had sufficient impact upon the Department to ensure full implementation in the 1997/98 year. Full implementation will ensure that the conduct and performance of the Department will be consistent with both the spirit and substance of the Treaty.

#### **Tangata Whenua in DIA**

The most significant factor influencing the self-determination of Tangata Whenua in DIA in this period was the implementation of *Te Kaupapa Urupare Ki Te Māori*. Section 6, in particular, addresses employment issues for Māori such as Treaty competencies, advertising methods, selection procedures, welcomes, on-going learning, dispute resolution etc. The implementation of the plan is the responsibility of all managers under the guidance of the Pou Takawaenga.

### **Māori Advisory Council**

The Department's Advisory Council - Te Atamira Taiwhenua - maintains an important stakeholder role with regard to the Department's being responsive to Māori. The role of the Advisory Council was endorsed in August 1997 in accordance with the Department's strategic direction.

### **Training and Development**

Attendance by staff at Māori programmes during 1996/97 was as follows:

<b>Type of Training</b>	<b>Number of courses</b>	<b>Total Number of staff</b>
Bicultural Development	8	86
Te Reo (Head Office) - 10 week blocks - - 1997 Block One	3 levels	17
- 1997 Block Two	3 levels	40
Treaty Talks	4	146

### **THE YEAR AHEAD**

The Department will move into an era where integrated Tangata Whenua strategies will begin to have a real impact on business group deliverables. These strategies will contribute towards anchoring responsiveness to Māori across the Department. The Advisory Council will also continue to enhance responsiveness.



## *collective and ownership interests of government*

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### **Background**

The Government's interests in government departments go beyond the output purchase decision. Like the owners of a business, ministers want to know that departments are able to maintain and enhance their capability to deliver outputs effectively and efficiently over the long term. Ministers also want to know that management and policy-making activities in departments contribute to the **collective interests** of Government as a whole. There is an expectation from ministers that chief executives will work together, across departmental boundaries, so that all departments will make a positive contribution to the objectives of government.

Chief executives are obliged to carry out the functions, duties and responsibilities given to them by general statutory direction (notably the State Sector Act 1988 and Public Finance Act 1989), specific legislation applicable to their departments or their positions, and related regulations. They are accountable for their departments' conduct and overall management of performance, encompassing human resources, financial and information management.

### **Achievements during 1996/97**

During 1996/97, the Department's Focused Change initiative (see page 19) made a significant contribution to building capability to deliver outputs more efficiently and effectively. Through Key Result Area (KRA) Four: Management, the agreement and participation of the "owner" was obtained for the change process. The benefits of Focused Change are ongoing and far-reaching.

The Department needs to have the human resource capability to manage into the future. The sections of this report on Human Resource Management (page 38) and Equal Employment Opportunities (page 43) show the commitment of the Chief Executive to ensuring that the Department has this capability and is meeting its obligations as a good employer under the State Sector Act 1988.

During the year the Chief Executive continued to promote integrity and accountability in relation to departmental management. Appropriate systems are in place to ensure regular and comprehensive reporting of the Department's situation, including any business or other risks. The Department is investing in a new Management Information System (MIS) which is scheduled for completion (after acceptance testing) in early December 1997. The new system will be Year 2000 compliant and will enhance the ability of the Department to respond quickly to future change. Work has already commenced on ensuring that all other systems across the Department will be fully Year 2000 compliant within the next two years.

Relationships with other departments and agencies were fostered through the development of shared KRAs and milestones. The Department continues to work across boundaries to build a shared sense of commitment and contribution to the Government's economic and community priorities.



## *future directions*

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Building on the achievements of the 1996/97 year, the Department will be focusing on the following areas over the next one to three years.

### **Community Development**

The Department will increase its focus on community groups and organisations, by bringing together all community funding, development and information services in a single group, and improving targeting of services to build capacity and skills within communities. Community teams will continue to operate from the same cities and towns as Link Centres previously have, with a mix of funding, development advice and information which will build community capacity.

### **Local Government**

We will continue to develop a local government policy and regulatory regime that will drive improvements in the efficiency and effectiveness of the sector. Highlights will include: developing with Local Government New Zealand and the New Zealand Society of Local Government Managers a *Strategic Directions for Local Government to 2010* document; reviewing the role and functions of local authorities in the social area; reviewing the Rating Powers Act; and continuing to work on policy options for water and waste water services for local authorities.

### **Emergency Management Sector**

Over the next two to three years we will be engaged in implementing the Government's decisions on the Emergency Services Review, including the establishment of a new Ministry of Civil Defence, implementing a comprehensive all-hazard risk management approach throughout the country, managing the transition to the new regime, and preparing the necessary legislation.

### **Fire Service Commission**

The Department will be improving the monitoring of the Fire Service Commission to ensure that the Minister has timely and comprehensive information about the Commission's service efficiency and effectiveness. Improvements already made in service performance monitoring are expected to be consolidated and extended into the area of ownership monitoring.

A review of existing fire service legislation is planned. The initial impetus for the review was that borrowing provisions in the current Act are outdated.

However, the review will be an opportunity to consider whether the fire service funding, financial management and accountability framework established by legislation in 1975 can be better aligned with public sector developments since then, particularly the framework established by the Public Finance Act 1989.

### **Gaming**

At present there is a clear lack of reliable, up-to-date data on the incidence and effects of problem gambling in New Zealand. The Department is involved in the organisation of a major new research project on problem gambling. The project's draft terms of reference have been circulated widely for comment. It is expected that the successful tenderers for the research will also draw upon the work presently being undertaken on the impacts of casinos in New Zealand by the Casino Control Authority. Agreement has been obtained from the Minister of Internal Affairs to fund the research, in part from the undistributed profits of New Zealand Lotteries. The project will be managed by the Department in conjunction with the Committee on Problem Gambling Management (COPGM), the COPGM's independent purchasing agent, and independent experts as required. The information generated from the research will assist the Department in its mission of providing quality policy advice as part of **Building Strong Communities**.

### **Citizenship**

The 1977 Citizenship Act requires a review to reassess the appropriateness of New Zealand's citizenship laws as we approach the third millennium. This review will consider: the impacts of changed patterns of migration; the greater mobility of people generally; New Zealand's increasing focus on Asia and the Pacific rather than Britain and Europe; the impact of economic globalisation; the Treaty of Waitangi; and evolving perceptions of New Zealand's national identity. Planning has also commenced for the commemoration of the 50<sup>th</sup> anniversary of New Zealand citizenship in September 1998.

### **Strategic Management**

We will anchor the structural and cultural changes made in the Department, which are designed to align the Department's functions with its strategic direction and to enhance the efficiency and effectiveness of our services. Within this strategic context, we will continue to build a high-performance culture amongst the people of DIA. Key focal points will include: building capability and quality assurance for the Department's policy advice function; computerising the Births, Deaths and Marriages registry; and implementing improved financial management systems in ministers' offices.

### **Management of the Year 2000 Technology Issue**

The Department will continue with the work being done to successfully navigate its way through the Year 2000 Technology issue. We will develop strategies to effectively manage all specific Year 2000 risks, with early identification of costs. The strategies will be effectively translated into action through operational plans. Special interest will be taken from the Civil Defence perspective.





## *human resource management*

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The Department of Internal Affairs recognises that the well-being and development of its people is a key ingredient for success. Major initiatives in the Department's human resources strategy during 1996/97 were as follows.

### **Strategic Framework**

DIA produced a five-year Human Resources Strategic framework - more recently entitled Culture and People Strategy. The Framework is directed at empowering DIA managers, who, in turn, will develop, lead and support the DIA people of the future.

### **Change Management**

A major focus of change management has been planning for structural change. The Department formed a small project management team to design policies and documentation for change, and to coordinate the change process to ensure consistency across the Department with good employer obligations and good business principles.

### **Culture Change**

Almost 900 employees participated in the Focused Change workshops. These workshops had a high performance focus and centred on learning and behavioural change in relation to performance and results, teamwork, customer focus, empowerment and cross-boundary cooperation. The majority of employees have since participated in cross-boundary project work.

### **Management Development**

A new strategy for management and leadership development was prepared this year and new competencies introduced for selection and development of managers. In its first year, the strategy has also seen the implementation of a Department-wide managers' and team leaders' network with meetings at intervals to address current issues for management.

### **Training and Development**

The Department's performance management system includes a training and development plan.

Avenues of training vary. All employees have received on-the-job training. Most employees have additionally attended in-house or external courses. A few

employees were seconded to a project or an external organisation, or granted leave to take up a fellowship. Some were granted assistance to gain a tertiary qualification relevant to their work.

The Department provided training in first aid and emergency evacuation.

### **Health and Safety**

An occupational safety and health (OSH) programme is under way which will promote a safety culture within the Department. The programme meets the Department's legal requirements under the Health and Safety in Employment Act and covers the Act's interface with these associated acts: the Civil Defence Act (Emergency Procedures s4.5), the ACC Act (Rehabilitation Assistance s5.2), the Smoke Free Environments Act (Policy in Place s5.3) and the State Sector Act (Good Employer Initiatives).

The programme, which has an emphasis on prevention, provides clear guidelines and procedures for employees and managers to implement the Department's OSH policies. A committee will represent employees and management in further development of policies and procedures, and in monitoring OSH within the Department. The monitoring role will include collection of information on accidents and safety reviews such as ergonomic reviews of offices.

Many units have undertaken ergonomic assessments in order to ensure that offices and work practices are safe and that the risk of occupational overuse syndrome (OOS) is minimised.

All offices have a smoking policy in accordance with the Smoke Free Environments Act. Most offices are entirely smoke free.

### **Chaplaincy Service**

A confidential chaplaincy service is provided in Head Office. The Chaplain provides advice and support to staff members on bereavement, family problems, health, relationships, and many other areas.

### **Family Friendly Initiatives**

A subsidised school holiday programme is provided for employees based in Wellington as a family friendly initiative. The programme is for two weeks in April, July and September, and three weeks in January. Care-givers using the programme pay approximately 50% of the cost.

Employee numbers in other centres are not sufficient to enable a programme to be provided by the Department. However, subsidies of 50% of the costs of a community-based programme can be paid for care-givers (increasing to 60% if more than one of the care-giver's dependants attends).

### **Industrial Relations**

The relationship between the Department and the Public Service Association (PSA) recognises and values the mutual benefits provided by effective employee involvement. There is an established programme of meetings between the PSA delegates and the Department's senior management to discuss change issues and human resources initiatives.

## **Industrial Action**

No days were lost during the year as a result of industrial action.

## **Pay Settlements in Collective Employment Contracts**

The Department has five collective employment contracts. Three of these were renegotiated this year.

The Dictionary of New Zealand Biography collective employment contract settled with a 2.5% pay adjustment and a term of 12 months to 6 November 1997.

The Department of Internal Affairs and Ministry of Civil Defence collective employment contract settled with a 1.5% pay adjustment and a one-off payment of \$500. This contract is for a term of 12 months to 30 June 1998.

The VIP Transport Chauffeurs' collective employment contract settled with a 3.4% pay adjustment and amalgamation of allowances into the base salary. This contract is for a term of 20 months to 31 October 1998.

## **Outstanding Annual Leave**

Employees receive their entitlement to annual leave on their anniversary date. Employees are encouraged to use their annual leave prior to receiving their next entitlement. In the 1996/97 year, managers approved applications from 169 employees to carry over more than five days annual leave.

## **Uptake of Sick Leave**

Sick leave taken in the last year (including sick leave to care for dependants) averaged 5.3 days per employee. The average for female employees was 5.7 days; the average for male employees was 4.8 days.

## **Employee Turnover**

Turnover for ongoing employees decreased from 17.5% in 1995/96 to 15.4% in 1996/97.

*Note: Turnover is calculated by dividing the number of "employees who cease employment as an ongoing employee" by the number of "all ongoing employees at the start of the year".*

## **Employees on Subsidised Superannuation**

134 employees are members of the Government Superannuation Fund scheme which closed to new members in 1993. The Department contributes an employer subsidy to the scheme at the rate of 11.1% of the total salary for scheme members.

## **STATISTICAL PROFILES**

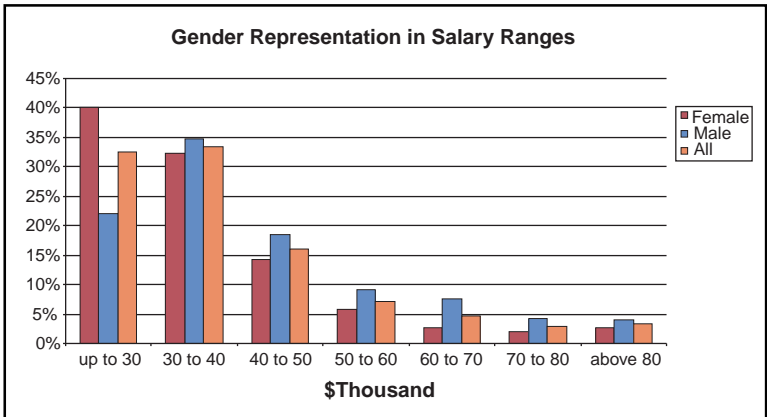
### **Employee Numbers**

The total number of employees in the Department was 1,073 as at 30 June 1997. The full-time equivalent number of employees was 1,029.73. These figures do not include casual employees, nor employees who are absent on long-term leave.

**Salary Ranges**

The department uses a job evaluation system to translate jobs into salary scales. The evaluation system was reviewed by an external consultant during the year to ensure that there was consistency in evaluations, and that the evaluations were appropriate. Overall, the system was found to be performing well.

The following chart shows the proportions of employees in \$10,000 salary ranges (the ‘All’ category). The same information is also given for each gender.

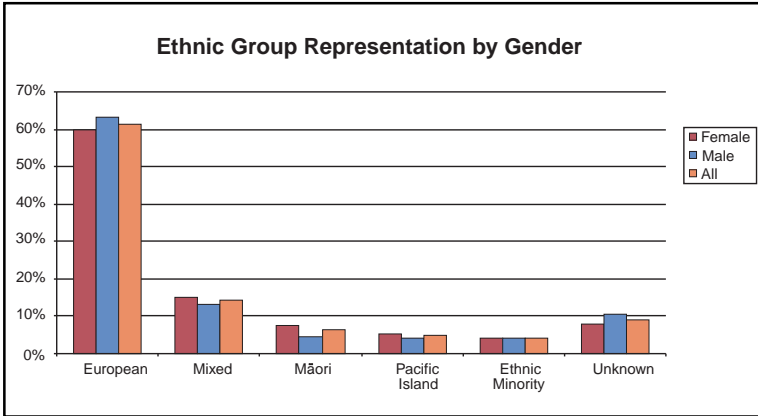


**Cultural and Gender Composition of Employee Force**

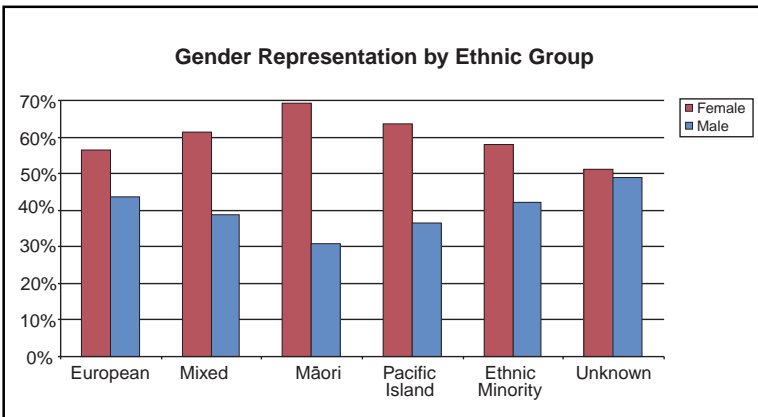
The Department values diversity and has recruitment and employee development policies which support equality of opportunity for recruitment and advancement.

The following chart shows the ethnic composition of our employee force (the ‘All’ category). The same information is also given for each gender.

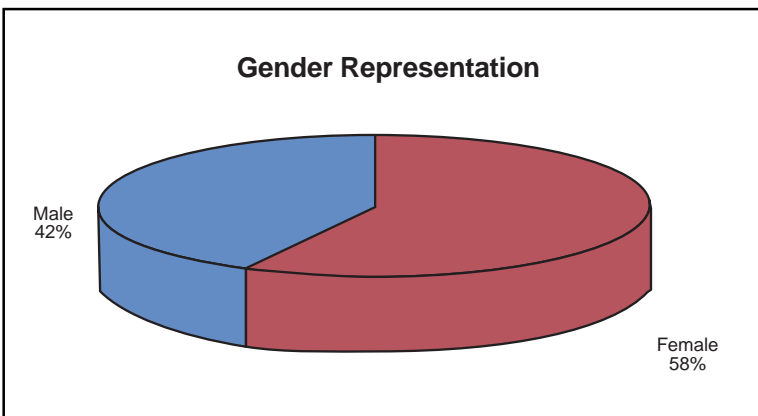
*Note: The category Mixed includes all employees who identified with more than one of the four ethnic categories, e.g. an employee who identifies with both Māori and European ethnic groups.*



The following chart shows the gender composition of each ethnic group in our employee force.



The following chart shows the gender composition of our employee force as a whole.





## *equal employment opportunities*

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Progress towards the Department's goal of integrating EEO practices fully into business management continued in 1996/97 through the following initiatives.

### **EEO Strategic Plan**

The Department's five-year EEO plan, *EEO Strategies to 2000*, was revised in April 1997. Each of the five strategies in the plan was advanced during the 1996/97 year, to the point that further specific actions have been included in the revised version.

### **Achievements through the Focused Change Process**

When the five-year EEO planning was first undertaken, the Focused Change process had not been confirmed. The organisational culture change process undertaken between June 1996 and February 1997 was not therefore part of the original plan.

The EEO principles of inclusiveness and empowerment have been integral to the process. Staff have been encouraged and coached to take responsibility for themselves (particularly in relation to their work lives), and their relationships, their learning and their futures. Focused Change has provided an opportunity for people to assess their values against the organisational values. Knowledge and attitudes around the Treaty of Waitangi, diversity, equity and fairness at work, have been aired, discussed and clarified. Staff attending workshops were involved in the formulation of a Focus project. Each project was intended to make a positive difference to the culture, the environment, communications within and outside the Department or to systems and processes. Most people were actively involved in their project team until completion of the project. The benefits have been evident, particularly in terms of increased cross-boundary collaboration and increased self-responsibility.

### **Tangata Whenua in DIA**

During the year, work began on the development of a DIA Tangata Whenua strategy as a component of the Department's strategic planning process. The strategy will be integrated with other business planning processes. Please refer to page 33 for a full report on Responsiveness to Māori in the Department.

## **EEO Networks**

### ***Māori Staff***

During the year the Wellington Māori staff network - Te Rōpu Māori met on a regular basis. The Auckland network was re-established, and the group put forward a range of recommendations to senior management relating to Treaty awareness sessions, access to publications by Māori organisations, and other issues.

### ***Pacific Peoples***

The Pacific Peoples' National Caucus has developed a strategy which focuses on regular fono, regular caucusing, networking, strategies focused on development, self-determination and recognition of the particular contribution that Pacific peoples make to the workplace and the business.

### ***Ethnic Groups***

The Ethnic Network is actively involved with the other five networks in DIA in meeting with the Chief Executive on a quarterly basis and on addressing issues for staff as they arise. The network has an excellent communication system, which enables new members to join as soon as they start working in DIA.

### ***People with Disabilities***

The Disabilities Advisory Group (the network was re-named after a shift in emphasis) has developed a useful working relationship with Support Services managers, and is regularly consulted on any building or redesign plans. The visibility of the group has increased considerably over the period. The convenors of the advisory group will participate in the OSH Committee.

### ***Women***

The Focused Change process has had a significant impact on the status of women in the Department, particularly those in the middle income brackets. Focus projects in particular have provided the impetus for women to demonstrate their leadership and their creativity. Those who worked as facilitators through the workshops had the opportunity to develop this competency to a high level.

### ***Lesbian and Gay People***

Since its establishment in 1996, the Lesbian and Gay Network has gathered strength, and along with the other networks, works to improve the organisation for its people. At the time of the ten-year commemoration of the passing of the Homosexual Law Reform Bill, the network hosted a display featuring the key events and issues of that time.

## **Guidelines for People with Family/Whānau Responsibilities**

The development of the guidelines, *Getting a Balance in Life - Work and Family/Whānau Responsibilities*, was contributed to by a wide range of managers and staff, in particular the EEO networks.



# *acts and regulations*

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**ACTS AND REGULATIONS ADMINISTERED BY THE  
DEPARTMENT AS AT 30 JUNE 1997**

**Portfolio - Internal Affairs**

Antiquities Act 1975  
 Anzac Day Act 1966  
 Archives Act 1957  
 Architects Act 1963  
 Architects Regulations 1964  
 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  
 Boxing and Wrestling Regulations 1958  
 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  
 Fire Service Act 1975  
 Fire Service Levy Order 1993  
 Fire Safety and Evacuation of Buildings Regulations 1992  
 Fire Engineers' Qualification Notice 1983  
 Flags, Emblems, and Names Protection Act 1981  
 Forest and Rural Fires Act 1977  
 Forest and Rural Fires Act Commencement Order 1979  
 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  
 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 1993  
 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 (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 1996  
 Local Government Official Information and Meetings Act 1987  
 Local Government (Petroleum Tax Exemption) Order 1980  
 Local Government Reform (Transitional Provisions) Act 1990  
 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 1992  
 Rating Powers Act 1988  
 Rating Regulations 1968  
 River Boards Act 1908

### **Portfolio - Sport, Fitness and Leisure**

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

### **Portfolio - Racing**

Racing Act 1971



*contents*

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*statement of  
responsibility*

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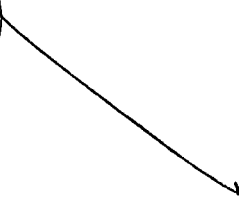
As Secretary for Internal Affairs I am responsible, under Sections 35 and 37 of the Public Finance Act 1989, for the preparation of the financial statements and the judgements made in the process of producing those statements.

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 52 to 148) fairly reflects the financial position and operations of the Department of Internal Affairs for the year ended 30 June 1997.



Roger Blakeley  
Secretary for Internal Affairs  
29 August 1997



(countersigned)  
Paul Bryant  
Chief Finance Officer  
29 August 1997



*report of the  
audit office*

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**TO THE READERS OF THE FINANCIAL STATEMENTS OF  
THE DEPARTMENT OF INTERNAL AFFAIRS  
FOR THE YEAR ENDED 30 JUNE 1997**

We have audited the financial statements on pages 52 to 148. 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 1997. This information is stated in accordance with the accounting policies set out on pages 52 to 56.

**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 1997, the results of its operations and cash flows and the service performance achievements for the year ended 30 June 1997.

**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 H C Lim, 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 in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we consider 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 and the Department of Internal Affairs' compliance with significant legislative requirements.

We have performed an assurance related assignment for the Department of Internal Affairs. Other than this assignment, 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.

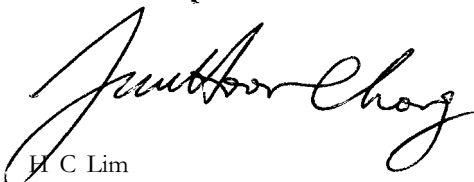
### **Unqualified Opinion**

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 52 to 148:

- comply with generally accepted accounting practice; and
- fairly reflect:
  - the financial position as at 30 June 1997;
  - 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 30 September 1997 and our unqualified opinion is expressed as at that date.



H C Lim  
 Audit New Zealand  
 On behalf of the Controller and Auditor-General

Wellington, New Zealand



*statement of  
accounting policies*

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**STATEMENT OF ACCOUNTING POLICIES  
FOR THE YEAR ENDED 30 JUNE 1997**

**STATUTORY BASIS**

The Department of Internal Affairs is defined as a government department 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.

**REPORTING ENTITY**

The reporting entity is the Department of Internal Affairs *Te Tari Taiwhenua*. The reporting entity includes:

- Those activities represented by outputs supplied by the Department and related assets, liabilities and taxpayers' funds (see pages 57 to 131).
- Non-departmental output classes, benefits and other unrequited expenses, and other expenses together with those assets and liabilities managed on behalf of the Crown (see pages 132 to 146).
- Trust money administered by the Department as agent on behalf of the Crown under Part VII of the Public Finance Act 1989 (see pages 147 to 148).

**MEASUREMENT BASE**

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

**ACCOUNTING ASSUMPTIONS**

The financial statements have been prepared based on the assumptions that:

- The Department is a going concern.
- Activities are attributable to the reporting period.
- The accrual basis of accounting has been used to record transactions.

**REPORTING PERIOD**

The reporting period for these financial statements is 1 July 1996 to 30 June 1997.

## **BUDGET FIGURES**

The Budget figures are those presented in the Main Estimates, as amended by the Supplementary Estimates, and any transfer made by Order in Council under Section 5 of the Public Finance Act 1989.

## **BASIS OF PREPARATION**

The financial statements show the operating results and financial position after eliminating all significant intra entity transactions.

## **REVENUE RECOGNITION**

Revenue is derived through the provision of outputs to the Crown, from the provision of goods and services to third parties and from interest on deposits with the New Zealand Debt Management Office. Such revenue is recognised when earned and is reported in the financial period to which it relates.

## **FINANCIAL INSTRUMENTS**

The Department is party to financial instrument arrangements as part of its daily operations. These include bank, short term deposits with the New Zealand Debt Management Office, accounts receivable, accounts payable and provisions, accrued expenses and foreign currency. Financial instruments are recognised in the Statement of Financial Position, except for foreign currency forward contracts. All revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

## **FOREIGN CURRENCY TRANSACTIONS**

Foreign exchange forward 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 transaction into New Zealand currency. No exchange gains or losses resulting from the difference between the forward exchange contract rate and the spot exchange rate on dates of settlement are recognised.

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

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

Unrealised foreign exchange gains and losses on overseas cash balances are recognised at balance date in the Statement of Financial Performance.

## **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**

Personnel costs are charged on time. Operating costs are allocated on the basis of usage. Depreciation and capital charge are charged on the basis of asset utilisation. Property and other premises costs are charged on the basis of floor area occupied.

For the year ended 30 June 1997, direct costs accounted for 75% of the Department's costs compared to 88% for the previous financial year. The costing process has changed from recording revenue and expenditure at an output level to recording at an activity level. Activities are sub categories of outputs and accumulate together to obtain output totals. The movement in direct costs is attributed to General Managers and Link Centre expenditure being recognised as an indirect activity of the businesses they contributed to in 1996/97. Previously these costs were directly attributed to outputs.

### **Basis for Assigning Indirect Costs**

The cost drivers used to allocate indirect costs to activities are a mix of assessed charges and derived personnel numbers and time.

### **ACCOUNTS RECEIVABLE**

Accounts receivable for the Department are shown at expected net realisable value after making allowance for doubtful debts as follows:

<b>Age of Debt</b>	<b>Percentage</b>
0 - 2 months	1%
2 - 3 months	5%
3 months and over	30%

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

### **LEASES**

The Department leases office equipment and accommodation. The leases are classified as operating leases. Lease costs are expensed in the period in which they are incurred. Risks and ownership are retained by the lessor.

### **INVENTORIES**

Inventories or stock holdings are stated at the lower of cost or net realisable value. Costs are attributed using the First In First Out basis.

### **NON-CURRENT ASSETS**

Land and buildings are recorded at Net Current Value or Optimised Deprival Value (ODV). 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 using benchmark valuations obtained from the Turnbull Library, through market place assessments and from other collections which are of similar nature to categories of Government archives. Items of exceptional nature are individually considered and valuations confirmed with external valuers.

Computer software which costs more than \$2,000 is capitalised. All other non-current assets costing more than \$1,000 are capitalised. These assets are recorded at cost less accumulated depreciation.

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

## DEPRECIATION

Depreciation is charged on all non-current assets except land, antiques and works of art 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 non-current assets are depreciated on their revalued amount on a straight line basis over their remaining useful life.

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

<b>Asset Category</b>	<b>Estimated Useful Life</b>
Buildings	33-50 years
Furniture and Fittings	5-10 years
Office Equipment	5-10 years
Plant and Equipment	5-20 years
Motor Vehicles	2-4 years
EDP Equipment and Software	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 non-current 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 non-current assets. Unrealised losses are first applied against the revaluation reserve for that class of non-current assets. The balance, if any, is charged to the Statement of Financial Performance.

## EMPLOYEE ENTITLEMENTS

Employee entitlements are recognised at the time of entitlement, based on current rates of pay.

## **GOODS AND SERVICES TAX (GST)**

The Statement of Unappropriated Expenditure and the Statements of Departmental and Non-Departmental Estimated Actuals, Appropriations and 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 amount of GST owing to or from the Inland Revenue Department at balance date is included in accounts receivable or payable as appropriate.

Crown payments where applicable are stated inclusive of GST.

## **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 and Goods and Services Tax. It administers Pay As You Earn (PAYE).

## **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.

## **TAXPAYERS' FUNDS**

This is the Crown's net investment in the Department.

## **STATEMENT OF CASH FLOWS**

Cash means cash balances on hand, current accounts, and short term deposits held with the New Zealand Debt Management Office.

Investments are only made with the New Zealand Debt Management Office.

Operating activities include all transactions and other events that are not investing or financing activities.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise changes in the capital structure.

## **CHANGES IN ACCOUNTING POLICIES**

There have been no changes in accounting policies since the date of the last audited financial statements.



departmental  
financial statements

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 1997**

**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 of each output class.

	NOTES	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL <sup>2</sup> 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Revenue</b>				
Crown Revenue		62,929	62,929	62,113
Revenue from Third Parties	4	56,808	54,864	49,163
Interest	5	717	840	1,119
Revaluation Gain		0	0	1,393
<b>Total Revenue</b>		<u>120,454</u>	<u>118,633</u>	<u>113,788</u>
<b>Expenses</b>				
Personnel		52,091	51,946	47,330
Operating	6	54,172	51,620	50,504
Depreciation		7,276	7,042	5,995
Capital Charge	7	4,213	4,298	4,553
Loss on Sale of Assets	8	220	353	160
Other Expenses	9, 10	0	0	51
<b>Total Operating Expenses</b>		<u>117,972</u>	<u>115,259</u>	<u>108,593</u>
<b>Net Surplus</b>		<u>2,482</u>	<u>3,374</u>	<u>5,195</u>

<sup>1</sup> Budgeted amounts are 1996/97 Supplementary Estimates. Please refer to Note 1.

<sup>2</sup> Please refer to Note 3a for a commentary on significant variances between actuals and Supplementary Estimates budgets.

(The accompanying accounting policies and notes are an integral part of these Statements.)

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 1997**

**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.

	NOTES	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL <sup>2</sup> 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Assets</b>				
<b>Current Assets</b>				
Bank		3,807	2,439	2,730
Short Term Deposits	11	2,700	11,300	8,000
Accounts Receivable	12	3,335	3,241	2,888
Inventories	13	850	1,257	917
Prepayments		790	599	795
<b>Total Current Assets</b>		11,482	<b>18,836</b>	15,330
<b>Non-Current Assets</b>	14	50,288	<b>46,517</b>	49,705
<b>Total Assets</b>		61,770	<b>65,353</b>	65,035
<b>Liabilities and Taxpayers' Funds</b>				
<b>Current Liabilities</b>				
Accounts Payable and Provisions	15	4,830	8,959	5,837
Revenue Received in Advance		2,055	1,377	2,053
Accrued Expenses	16	7,200	6,440	6,646
Provision for Payment of Surplus	17	2,482	3,374	5,246
<b>Total Current Liabilities</b>		16,567	<b>20,150</b>	19,782
<b>Taxpayers' Funds</b>				
General Funds		45,027	45,027	45,077
Revaluation Reserve		176	176	176
<b>Total Taxpayers' Funds</b>		45,203	<b>45,203</b>	45,253
<b>Total Liabilities and Taxpayers' Funds</b>		61,770	<b>65,353</b>	65,035

<sup>1</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

<sup>2</sup> Please refer to Note 3b for a commentary on significant variances between actuals and Supplementary Estimates budgets.

(The accompanying accounting policies and notes are an integral part of these Statements.)

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 1997**

**Description of Statement**

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

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL <sup>2</sup> 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Cash Flows from Operating Activities</b>			
Cash was Provided from:			
Supply of Outputs to the Crown	62,929	62,929	62,113
Supply of Outputs to Other Parties	56,323	53,673	49,384
Interest	755	879	1,123
Foreign Exchange Gain	0	36	168
	<u>120,007</u>	<u>117,517</u>	<u>112,788</u>
Cash was Disbursed to:			
Cost of Producing Outputs	(105,619)	(97,511)	(97,669)
(Payment)/Receipt of GST	0	(739)	53
Capital Charge to Crown	(4,213)	(4,298)	(4,376)
Other Expenses	0	0	(51)
	<u>(109,832)</u>	<u>(102,548)</u>	<u>(102,043)</u>
<b>Net Cash Flows from Operating Activities</b>	<u>10,175</u>	<u>14,969</u>	<u>10,745</u>
<b>Cash Flows from Investing Activities</b>			
Cash was Provided from:			
Sale of Non-Current Assets	1,049	754	1,721
Cash was Disbursed to:			
Purchase of Non-Current Assets	(9,124)	(6,391)	(8,706)
<b>Net Cash Flows from Investing Activities</b>	<u>(8,075)</u>	<u>(5,637)</u>	<u>(6,985)</u>
<b>Cash Flows from Financing Activities</b>			
Cash was Provided from:			
Capital Contribution from the Crown	0	0	1,081
	<u>0</u>	<u>0</u>	<u>1,081</u>
Cash was Disbursed to:			
Payment of Net Surplus	(5,247)	(5,247)	(7,900)
Repayment of Capital	(1,076)	(1,076)	(300)
	<u>(6,323)</u>	<u>(6,323)</u>	<u>(8,200)</u>
<b>Net Cash Flows from Financing Activities</b>	<u>(6,323)</u>	<u>(6,323)</u>	<u>(7,119)</u>
Net Increase/(Decrease) in Cash Held	(4,223)	3,009	(3,359)
Add Opening Cash Brought Forward	10,730	10,730	14,083
Add Cash Transferred with BDM	0	0	6
<b>Closing Cash Carried Forward</b>	<u>6,507</u>	<u>13,739</u>	<u>10,730</u>
Cash Consists of:			
Bank	3,807	2,439	2,730
Short Term Deposits	2,700	11,300	8,000

<sup>1</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

<sup>2</sup> Please refer to Note 3c for a commentary on significant variances between actuals and Supplementary Estimates budgets.

(The accompanying accounting policies and notes are an integral part of these Statements.)

**RECONCILIATION OF REPORTED SURPLUS  
WITH CASH GENERATED FROM OPERATING ACTIVITIES  
FOR THE YEAR ENDED 30 JUNE 1997**

	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Surplus From Statement of Financial Performance</b>	<b>3,374</b>	5,195
<b>Add/(Deduct) Non-Cash Items</b>		
Depreciation	7,042	5,995
Revaluation Gain	0	(1,393)
	<u>7,042</u>	<u>4,602</u>
<b>Add/(Deduct) Movements in Working Capital Items</b>		
(Increase)/Decrease in Accounts Receivable	(353)	195
(Increase)/Decrease in Inventories	(340)	631
(Increase)/Decrease in Prepayments	196	(395)
Increase/(Decrease) in Accounts Payable and Provisions	3,123	294
Increase/(Decrease) in Revenue Received in Advance	(676)	481
Increase/(Decrease) in Accrued Expenses	(206)	1,702
	<u>1,744</u>	<u>2,908</u>
<b>Movement in Working Capital</b>	<b>1,744</b>	<b>2,908</b>
<b>Add/(Deduct) Items Classified as Investing Activities</b>		
Loss on Sale of Assets	353	160
Increase/(Decrease) in Accounts Payable		
Non-current Assets	1,430	(1,390)
(Increase)/Decrease in Accounts Receivable		
Non-current Assets	0	241
	<u>1,783</u>	<u>(989)</u>
<b>Add/(Deduct) Items Classified as Financing Activities</b>		
Adjustment to Crown Creditor (included in Accounts Payable)	1,026	(1,026)
Adjustment to Provision for Payment of Surplus	0	55
	<u>1,026</u>	<u>(971)</u>
<b>Net Cash Flows From Operating Activities</b>	<b>14,969</b>	<b>10,745</b>

*(The accompanying accounting policies and notes are an integral part of these Statements.)*

**STATEMENT OF MOVEMENTS IN TAXPAYERS' FUNDS  
FOR THE YEAR ENDED 30 JUNE 1997**

**Description of Statement**

The Statement of Movements in Taxpayers' Funds 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.

	NOTES	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Taxpayers' Funds at the start of the year</b>		45,253	<b>45,253</b>	44,433
Net Surplus for the year		2,482	3,374	5,195
Increase in Revaluation Reserve		0	0	90
<b>Total Recognised Revenues and Expenses for the year</b>		2,482	3,374	5,285
Provision for Payment of Surplus	17	(2,482)	(3,374)	(5,246)
Capital Contributions during the year		0	0	1,081
Capital Withdrawals during the year		(50)	(50)	(300)
<b>Taxpayers' Funds at the end of the year</b>		45,203	<b>45,203</b>	45,253

<sup>1</sup>Budgeted amounts are 1996/97 Supplementary Estimates.

(The accompanying accounting policies and notes are an integral part of these Statements.)



**STATEMENT OF COMMITMENTS**  
**AS AT 30 JUNE 1997**

**Description of Statement**

The Statement of Commitments records expenditure to which the Department is contractually committed. Commitments will become liabilities if and when the terms of the contract are met.

“Other Non-Cancellable Leases” includes lease payments for telephone exchange systems, facsimile machines and photocopiers.

	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Capital Commitments</b>		
<b>Plant and Equipment</b>		
Less than one year	691	0
	<hr/>	<hr/>
Total Capital Commitments	691	0
	<hr/>	<hr/>
<b>Operating Commitments</b>		
<b>Non-Cancellable Accommodation Leases</b>		
Less than one year	4,351	5,542
One to two years	3,772	4,882
Two to five years	8,096	10,296
Over five years	10,922	11,798
	<hr/>	<hr/>
Total Accommodation Commitments	27,141	32,518
	<hr/>	<hr/>
<b>Other Non-Cancellable Leases</b>		
Less than one year	171	202
One to two years	38	91
Two to five years	25	2
	<hr/>	<hr/>
Total Other Lease Commitments	234	295
	<hr/>	<hr/>
<b>Non-Cancellable Contracts for the Supply of Goods and Services</b>		
Less than one year	2,306	581
One to two years	1,574	189
Two to five years	1,726	270
	<hr/>	<hr/>
Total Supply Commitments	5,606	1,040
	<hr/>	<hr/>
<b>Total Commitments</b>	<b>33,672</b>	<b>33,853</b>
	<hr/>	<hr/>

*(The accompanying accounting policies and notes are an integral part of these Statements.)*

**STATEMENT OF CONTINGENT LIABILITIES  
AS AT 30 JUNE 1997**

**Description of Statement**

The Statement of Contingent Liabilities discloses transactions or events which exist at 30 June 1997, the ultimate outcome of which is uncertain and can only be confirmed on occurrence of one or more future events after the date of completion of the financial statements.

Quantifiable contingent liabilities are as follows:

	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
Legal Proceedings and Disputes	86	73
Sub-lease Renewal Clause	0	115
<b>Total Contingent Liabilities</b>	<b>86</b>	<b>188</b>

The sub-lease renewal clause in 1995/96 related to the rental of a property. If the sub-lease was not renewed, there was the possibility of a refund of the rental concession that was provided.

There were no unquantifiable contingent liabilities, guarantees or indemnities for the year ended 30 June 1997 or for the previous financial year.

*(The accompanying accounting policies and notes are an integral part of these Statements.)*

**STATEMENT OF DEPARTMENTAL ESTIMATED ACTUALS,  
APPROPRIATIONS AND EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 1997  
(Figures are GST inclusive)**

	NOTES	ESTIMATED ACTUALS 1996/97 \$ 000	MAIN ESTIMATES 1996/97 \$ 000
<b>Vote Internal Affairs</b>	<b>2a, 3d</b>		
<i>Classes of Outputs to be Supplied by the Department</i>			
D1 National Archival Services		10,482	10,352
D2 Official, Legal and Historical Publications		3,099	3,453
D3 Administrative and Advisory Support Services		11,307	11,151
D4 Support Services to Ministers		27,744	24,839
D5 Computing and Datacommunications Services		1,454	1,789
D6 Management of Crown Property		1,467	1,463
D7 Administration of Grants		3,221	2,820
D8 Issuing of Licences and Administration of Regulations		7,687	6,844
D9 Issuing of Official Documents		39,746	36,834
D10 Policy Advice (Internal Affairs)		1,943	2,068
D11 Community Advisory and Information Services		6,543	6,827
D12 Records Management and Storage		821	872
D13 Transport Services		5,402	5,914
D14 Translation Services		483	473
<i>Other Expenses to be Incurred by the Department</i>			
Births, Deaths and Marriages Transition Costs	10	0	0
<b>Vote Civil Defence</b>	<b>2b</b>		
<i>Classes of Outputs to be Supplied by the Department</i>			
D1 Preparation for Emergencies		4,363	4,495
D2 Response to Emergencies		860	825
<b>Vote Local Government</b>			
<i>Classes of Outputs to be Supplied by the Department</i>			
D1 Policy Advice (Local Government)		1,647	1,647
D2 Information, Support and Regulatory Services		1,740	1,782
<b>Vote Sport, Fitness and Leisure</b>	<b>2c</b>		
<i>Classes of Outputs to be Supplied by the Department</i>			
D1 Policy Advice (Sport, Fitness and Leisure)		304	249
<b>Vote Racing</b>			
<i>Classes of Outputs to be Supplied by the Department</i>			
D1 Policy Advice (Racing)		138	138
<b>Totals</b>		<u>130,451</u>	<u>124,835</u>

(The accompanying accounting policies and notes are an integral part of these Statements.)

SUPPLEMENTARY ESTIMATES	ACTUAL	
	1996/97 \$ 000	1995/96 \$ 000
10,516	10,491	9,714
3,226	3,206	2,822
11,789	11,051	11,809
27,928	27,862	25,124
1,868	1,484	1,874
1,476	1,437	1,219
3,221	3,214	2,819
7,852	7,638	7,016
40,055	40,030	33,635
1,995	1,912	2,042
6,550	6,487	6,755
872	800	843
5,914	5,453	5,633
490	474	447
0	0	51
4,401	4,332	5,197
957	913	789
1,647	1,603	1,634
1,740	1,682	1,765
304	298	320
138	132	131
<u>132,939</u>	<u>130,499</u>	<u>121,639</u>

(The accompanying accounting policies and notes are an integral part of these Statements.)

**STATEMENT OF UNAPPROPRIATED EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 1997**

There was no unappropriated expenditure for the year ended 30 June 1997 or for the previous financial year.

**SUMMARY OF FINANCIAL RESULTS  
FOR THE FIVE YEARS ENDED 30 JUNE 1997**

	UNIT	ACTUAL 1996/97	ACTUAL 1995/96	ACTUAL 1994/95	ACTUAL 1993/94	ACTUAL 1992/93
<b>Operating Results</b>						
Revenue: Other	\$000	54,864	49,163	51,089	56,714	45,847
Revenue: Interest	\$000	840	1,119	1,446	564	641
Output Expenses	\$000	115,259	108,593	99,377	109,109	104,849
Operating Surplus before Capital Charge	\$000	7,672	9,748	11,386	10,336	8,285
Net Surplus/(Deficit)	\$000	3,374	5,195	7,695	6,050	(5,685)
<b>Working Capital</b>						
Liquid Ratio		0.91:1	0.75:1	1.03:1	1.11:1	1.06:1
Current Ratio		0.93:1	0.77:1	0.96:1	1.01:1	0.99:1
Average Debtors Outstanding days		18	19	21	17	20
Average Creditors Outstanding days		33	33	33	32	39
<b>Resource Utilisation</b>						
<i>Physical Assets:</i>						
Physical Assets as % of Total Assets	%	71.18	76.03	70.32	72.60	79.99
Additions as % of Physical Assets	%	13.74	17.52	14.69	14.50	11.05
<i>Taxpayers' Funds:</i>						
Level at year end	\$000	45,203	45,253	44,433	46,802	48,333
Taxpayers' Funds as % of Total Assets	%	69.17	69.58	69.00	72.88	79.86
<b>Net Cash Flows</b>						
Surplus/(Deficit) from Operating Activities	\$000	14,969	10,745	12,493	11,399	7,436
Surplus/(Deficit) from Investing Activities	\$000	(5,637)	(6,985)	(2,509)	(5,197)	(4,356)
Net Increase/(Decrease) in Cash Held	\$000	3,009	(3,359)	957	4,843	1,720

*(The accompanying accounting policies and notes are an integral part of these Statements.)*

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1997**

**NOTE 1 BUDGET CHANGES**

The final 1996/97 budget includes all adjustments made in the Supplementary Estimates under Section 5 of the Public Finance Act 1989.

	MAIN ESTIMATES 1996/97 \$ 000	SUPPLEMENTARY CHANGES \$ 000	SUPPLEMENTARY ESTIMATES 1996/97 \$ 000
<b>Revenue</b>			
Crown Revenue	59,868	3,061	62,929
Revenue from Third Parties	52,375	4,433	56,808
Interest	500	217	717
<b>Total Revenue</b>	<u>112,743</u>	<u>7,711</u>	<u>120,454</u>
<b>Expenses</b>			
Personnel	48,999	3,092	52,091
Operating	50,852	3,320	54,172
Depreciation	6,661	615	7,276
Capital Charge	4,293	(80)	4,213
Loss on Sale of Assets	0	220	220
<b>Total Operating Expenses</b>	<u>110,805</u>	<u>7,167</u>	<u>117,972</u>
<b>Net Surplus</b>	<u>1,938</u>	<u>544</u>	<u>2,482</u>

**NOTE 2 EXPLANATION OF SIGNIFICANT BUDGET CHANGES**

**Statement of Departmental Estimated Actuals, Appropriations and Expenditure (page 64)**

(All figures are GST inclusive)

The following notes explain the significant changes between the 1996/97 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**

***D2 Official, Legal and Historical Publications (\$227,000)***

The reduction mainly reflects a reduced level of activity for the *New Zealand Gazette* (\$461,000) which is partially offset by an increased demand for historical works (\$218,000) and a net change in resourcing (\$16,000).

**D3 Administrative and Advisory Support Services (\$638,000)**

An extension of time for the Commission of Inquiry into Certain Matters Relating to Taxation required a transfer of \$63,000 to Non-Departmental Other Expenses to cover the Commissioner's remuneration. Continuation of the Commission also required an adjustment (\$411,000) to meet costs associated with legal representation before the Commission. The total increase of \$638,000 in the output class also includes increases in demand by third parties for trust administrative services (\$235,000), and a change in resourcing (\$55,000).

**D4 Support Services to Ministers (\$3,089,000)**

An adjustment of \$3,184,000 reflects an increase in demand for ministers' office support due to the increased size and changed composition of the Executive. The difference reflects a decrease for third party revenue related to publications and rentals (\$104,000), and a net increase related to resourcing (\$9,000).

**D7 Administration of Grants (\$401,000)**

The adjustment of \$401,000 reflects an increased level of activity for 1996/97.

**D8 Issuing of Licences and Administration of Regulations (\$1,008,000)**

The adjustment reflects an increase in the provision of inspection and auditing functions (\$1,096,000 in gaming licence revenues), a reduction in the provision of information and regulatory functions (\$194,000 relating to casino employee licensing), and a net increase due to changes in resourcing (\$106,000).

**D9 Issuing of Official Documents (\$3,221,000)**

The adjustment reflects increased third party demand for citizenship services (\$598,000) and passport services (\$2,623,000).

**b) Vote Civil Defence****D2 Response to Emergencies (\$132,000)**

\$132,000 was transferred from Output Class D1: Preparation for Emergencies to meet additional demands in this output class.

**c) Vote Sport, Fitness and Leisure****D1 Policy Advice (Sport, Fitness and Leisure) (\$55,000)**

\$55,000 was transferred from Vote Local Government to increase resourcing for the delivery of policy advice.

**NOTE 3 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 57)**

(All figures are GST exclusive)

**Interest (\$123,000)**

A reassessment of capital priorities and a deferral of asset purchases provided higher cash levels for short term deposit.

***Loss on Sale of Assets (\$133,000)***

The variance in loss on sale of assets and asset write-offs is due to market fluctuations.

**b) Statement of Financial Position (page 58)*****Cash and Short Term Deposits (\$7,232,000)***

The closing balance of cash and short term deposits was higher than budgeted primarily due to reduced asset purchases (\$2,733,000) and a higher level of accounts payable (\$4,129,000).

***Inventories (\$407,000)***

Higher demand for services resulted in an earlier than anticipated delivery of passport stocks.

***Prepayments (\$191,000)***

As personnel expenses were lower than anticipated, the ACC prepayment was also lower. Computer servicing contract prepayments were also lower than anticipated due to timing of payments.

***Non-Current Assets (\$3,771,000)***

Sales and purchases of non-current assets were delayed due to a reprioritisation of capital purchases.

***Accounts Payable and Provisions (\$4,129,000)***

This variance relates to higher than expected accruals, including accounts for building maintenance, agency fees for overseas passport processing, and expenses for the Commission of Inquiry into Certain Matters Relating to Taxation.

***Revenue Received in Advance (\$678,000)***

This variance primarily relates to the Blue Pages and passports. Blue Pages received revenue in advance for their first year of production. Similar treatment was budgeted in 1996/97 but no actual revenue was invoiced. Passport variation is demand driven.

**c) Statement of Cash Flows (page 59)*****Sales and Purchases of Non-Current Assets (\$2,438,000)***

Sales (\$295,000) and purchases (\$2,733,000) of non-current assets were delayed due to a reprioritisation of capital purchases.

**d) Statement of Departmental Estimated Actuals, Appropriations and Expenditure (page 64)**

(All figures are GST inclusive)

***Vote Internal Affairs******D3 Administrative and Advisory Support Services (\$738,000)***

Costs for the Commission of Inquiry into Certain Matters Relating to Taxation were lower than forecast in Supplementary Estimates. Legal challenges delayed completion of the Commission's hearings.

***D5 Computing and Datacommunications Services (\$384,000)***

As demand by third parties was lower than anticipated, expenditure and revenue were lower than budgeted.



**D12 Records Management and Storage (\$72,000)**

A reduced demand for services resulted in a reduction in third party revenue. This was offset by an equivalent reduction in full year expenditure.

**D13 Transport Services (\$461,000)**

A lower than expected demand for services reduced both expenses and revenue in this output class.

**NOTE 4 REVENUE FROM THIRD PARTIES**

	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
Passport Fees	21,962	19,636
Citizenship Fees	5,166	3,970
Gaming Licences	3,138	2,242
Births, Deaths and Marriages	6,380	4,851
Casino Operators' Levies	1,828	1,948
VIP Transport	4,662	5,010
Recoveries from New Zealand Lotteries	6,184	5,492
<i>New Zealand Gazette</i>	1,038	1,050
Other	4,506	4,964
<b>Total Revenue from Third Parties</b>	<b>54,864</b>	<b>49,163</b>

**NOTE 5 INTEREST**

The Department invests surplus cash with the New Zealand Debt Management Office and earns interest at variable rates.

**NOTE 6 OPERATING EXPENSES****a) Audit Fees**

Audit New Zealand estimates that the fee for the full year ended 30 June 1997 will be \$157,000. The fee for the year ended 30 June 1996 was \$157,000. During 1996/97 Audit New Zealand provided services to the Department in relation to a change in the Department's cost allocation systems (\$9,000). These services were not related to the audit and had no impact on the relationship between the Department and Audit New Zealand in its capacity as auditor.

**b) Office Accommodation**

	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
Rental costs	4,617	4,247
Utility costs (energy and cleaning)	339	618
Other costs (building management, maintenance, rates)	651	544
<b>Total Accommodation Costs</b>	<b>5,607</b>	<b>5,409</b>

Total area leased (square metres)	23,919	23,972
Average cost per square metre leased	\$ 214	\$ 226
Space allocated per staff member (square metres)	29	30
Annual rental cost of vacant space	\$ 47,402	\$ 47,402
Vacant leased accommodation (square metres)	337	337
Average cost per square metre of vacant space	\$ 141	\$ 142

**c) Other Leases**

The cost of leasing assets, other than accommodation, was \$474,000 compared to \$353,000 for the previous year.

**d) Bad and Doubtful Debts**

	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
Bad Debts	18	32
Increase in Provision for Doubtful Debts	12	16
<b>Total Bad and Doubtful Debts</b>	<b>30</b>	<b>48</b>

**NOTE 7 CAPITAL CHARGE**

The Crown imposes a capital charge on taxpayers' funds. The rate in the 1996/97 year was 9.5% compared to 10.1% for the 1995/96 financial year.

**NOTE 8 LOSS ON SALE OF ASSETS AND ASSET WRITE-OFFS**

	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
Building Alterations	6	107
Office Equipment	42	18
Plant and Equipment	25	25
EDP Equipment	238	63
Furniture and Fittings	19	12
Motor Vehicles	23	(65)
<b>Total Loss on Sale of Assets and Asset Write-offs</b>	<b>353</b>	<b>160</b>

**NOTE 9 OTHER EXPENSES**

	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
Births, Deaths and Marriages Transition Costs	0	51
<b>Total Other Expenses</b>	<b>0</b>	<b>51</b>

**NOTE 10 NEW ACTIVITIES**

On 3 July 1995, in the 1995/96 financial year, Cabinet agreed to transfer the Births, Deaths and Marriages Registry to the Department of Internal Affairs from the Department of Justice. The transfer took effect from 1 October 1995.

**NOTE 11 SHORT TERM DEPOSITS**

The Department had the following short term deposits with the New Zealand Debt Management Office:

30 JUNE 1997				30 JUNE 1996			
PRINCIPAL	TERM	INTEREST	MATURITY	PRINCIPAL	TERM	INTEREST	MATURITY
4,000,000	30 days	6.75%	10/07/97	1,000,000	62 days	9.00%	01/07/96
7,300,000	31 days	6.50%	31/07/97	2,000,000	33 days	9.50%	01/07/96
				1,500,000	61 days	9.75%	28/08/96
				3,500,000	94 days	9.50%	16/09/96
<b>11,300,000</b>				<b>8,000,000</b>			

**NOTE 12 ACCOUNTS RECEIVABLE**

	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
Trade and Other Receivables	3,236	2,832
Provision for Doubtful Debts	(42)	(30)
Net Trade and Other Receivables	3,194	2,802
Accrued Interest	47	86
<b>Total Accounts Receivable</b>	<b>3,241</b>	<b>2,888</b>

**NOTE 13 INVENTORIES**

	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
Passports - Work in progress	113	164
- Blanks	772	387
Visits and Ceremonial - Liquor	172	134
<i>New Zealand Remembers</i> Book	0	63
Birth, Death and Marriage Certificates	52	37
Citizenship Certificates	11	49
Records Centres - Boxes, Labels, Books	50	45
<i>Gaming Review</i> Report	52	0
Other	35	38
<b>Total Inventories</b>	<b>1,257</b>	<b>917</b>

**NOTE 14 NON-CURRENT ASSETS****a) Non-Current Assets**

		1996/97			1995/96		
	NOTE	COST OR VALUATION \$ 000	ACCUMU- LATED DEPRECI- ATION \$ 000	CARRYING AMOUNT \$ 000	COST OR VALUATION \$ 000	ACCUMU- LATED DEPRECI- ATION \$ 000	CARRYING AMOUNT \$ 000
Land	14b	12,237	0	12,237	12,237	0	12,237
Buildings	14b	16,362	491	15,871	16,362	164	16,198
Building Alterations		5,099	3,621	1,478	4,791	2,933	1,858
Antiques and Works of Art	14b	467	0	467	453	0	453
Furniture and Fittings		2,203	1,698	505	2,059	1,699	360
Office Equipment		2,589	1,691	898	2,602	1,670	932
Motor Vehicles		6,377	1,940	4,437	6,727	1,795	4,932
Plant and Equipment		4,696	2,882	1,814	4,329	2,573	1,756
EDP Equipment		23,062	15,530	7,532	19,929	13,713	6,216
Capital Work in Progress		1,278	0	1,278	4,763	0	4,763
<b>Total Non-Current Assets</b>		<b>74,370</b>	<b>27,853</b>	<b>46,517</b>	<b>74,252</b>	<b>24,547</b>	<b>49,705</b>

**b) Revaluation basis**

Valuations were made on the basis of Net Current Value (NCV) 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. Otherwise, Optimised Deprival Value (ODV) was used for assets of a specialised nature that were unlikely to be sold. ODV 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 and Buildings

Valuation of land and buildings was conducted by Knight Frank (NZ) Ltd (ANZIV, MPLEINZ), registered independent valuer on 1 October 1995. 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 19 October 1995. Valuation of antiques and works of art is undertaken every three years.

## NOTE 15 ACCOUNTS PAYABLE AND PROVISIONS

	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
Accounts Payable	6,130	4,262
Closure of Link Centres	1,966	0
Accrued Salaries	647	431
Creditors for Non-Current Assets	58	1,488
GST Payable/(Receivable)	158	(344)
	<hr/>	<hr/>
<b>Total Accounts Payable</b>	<b>8,959</b>	<b>5,837</b>

## NOTE 16 ACCRUED EXPENSES

	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
Annual Leave	3,011	2,601
Long Service Leave	93	121
Retirement Leave	596	618
Audit Fees	92	102
Provision for Performance Pay	1,192	1,044
Other	1,456	2,160
	<hr/>	<hr/>
<b>Total Accrued Expenses</b>	<b>6,440</b>	<b>6,646</b>

### Long Service/Retirement Leave Liabilities

Employee entitlements are recognised at time of entitlement based on current rates of pay and are valued at \$0.689 million for 1996/97. Actuarial calculation of the present value of expected future entitlements for long service and retirement leave was \$1.333 million. The actuarial value has not been recognised in the financial statements and is disclosed for information purposes only.

The calculation was performed for each employee in the Department. Leave was calculated on a linear basis according to entitlement based on service to date. The Department's average attrition rate was factored into this calculation. A discount factor of 3% was used in the net present value calculation.

## NOTE 17 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 1997/98, \$3.374 million will be paid to the Crown for the surplus generated in 1996/97. In 1996/97, \$5.246 million was paid for the surplus generated in 1995/96.

## NOTE 18 FINANCIAL INSTRUMENTS

The Department is party to financial instrument arrangements as part of its daily operations. These include bank, short term deposits with the New Zealand Debt Management Office (NZDMO), accounts receivable, accounts payable and provisions, accrued expenses and foreign currency.

### a) Currency and Interest Rate Risk

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.

Interest rate risk is the risk that the Department's return on the funds invested will fluctuate due to changes in market interest rates. Under Section 46 of the Public Finance Act 1989, the Department cannot raise a loan without the approval of the Minister of Finance. No loans have been arranged.

All investments are placed with the NZDMO. All interest earned on short term deposits with the NZDMO is returned to the Crown as part of the surplus.

The Department maintains bank accounts denominated in foreign currencies. Balances are regularly cleared to minimise exposure risk. The position with respect to foreign exchange contracts is set out in part c) below.

The Department has 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 with the NZDMO.

### 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 principally of bank, trade receivables and short term investments.

Short term investments are placed with the NZDMO which is guaranteed by the New Zealand Government. The Department places its cash with Treasury approved financial institutions.

Credit evaluations are undertaken on customers requiring credit, and collateral or other security is not generally required to support financial instruments with credit risk.

Maximum exposures to credit risk as at 30 June 1997 were:

	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
Bank	2,439	2,730
Short Term Deposits	11,300	8,000
Accounts Receivable	3,241	2,888

There was no exposure to concentrations of credit risk.

### c) Fair Value

Estimated fair values of the financial assets and liabilities at 30 June 1997 were as follows:

	1996/97		1995/96	
	CARRYING VALUE \$ 000	FAIR VALUE \$ 000	CARRYING VALUE \$ 000	FAIR VALUE \$ 000
Bank	2,439	2,439	2,730	2,730
Short Term Deposits	11,300	11,300	8,000	8,000
Accounts Receivable	3,241	3,241	2,888	2,888
Accounts Payable and Provisions	8,959	8,959	5,837	5,837
Accrued Expenses	6,440	6,440	6,646	6,646

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

	1996/97		1995/96	
	CONTRACT VALUE \$ 000	FAIR VALUE \$ 000	CONTRACT VALUE \$ 000	FAIR VALUE \$ 000
Foreign Exchange Contracts	2,284	2,239	2,633	2,648

The following methods and assumptions were used to estimate the fair values of each class of financial instruments:

#### Foreign Exchange Contracts

The fair value of foreign exchange contracts was calculated as the contract value converted at closing spot rate.

#### Bank, Short Term Deposits, Accounts Receivable, Accounts Payable and Provisions and Accrued Expenses

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

**NOTE 19 FINANCIAL INFORMATION FOR OUTPUT CLASSES**

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

**NOTE 20 RELATED PARTIES**

The Department is a government department and wholly owned entity of the Crown. The Department undertakes a number of trading activities with the Crown, other departments, Crown entities and state owned enterprises.

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

**NOTE 21 EVENTS SUBSEQUENT TO BALANCE DATE****Closure of Records Centres**

The Records Centres will close on 30 November 1997. Confirmation of this decision by Cabinet occurred on 6 August 1997. The financial effect of the closure has not been recognised in these financial statements.

**NOTE 22 COMPARATIVE INFORMATION**

Some reclassification of last year's data has been made to conform to the current year classification.





## *statements of service performance*

### **Vote Internal Affairs**

#### **OUTPUT CLASS D1 - NATIONAL ARCHIVAL SERVICES**

##### **Description**

This class of outputs involves the collection, storage and treatment (remedial and preventative) of official records including written documents, film footage and other items. These services also will include the description and making available of these items to government departments, other organisations and individuals.

<b>Performance measures and standards</b>	<b>Performance achievements</b>
<p><b><i>Quantity, quality and timeliness</i></b></p> <p><b>Accessibility and Outreach for Archives</b></p> <ul style="list-style-type: none"> <li>• 10% of finding aids to archives holdings will be available through electronic access on a national basis.</li> <li>• 85% of productions of archives for readers are completed within agreed timeframe.</li> <li>• 85% of letters answered within agreed timeframe.</li> <li>• 95% of loans of archives to government departments meet agreed timeframe.</li> <li>• An estimated annual figure of 12,000<sup>1</sup> visitors to exhibitions and 81<sup>1</sup> guided group visits.</li> <li>• 90% of user satisfaction for access and outreach services measured from client survey.</li> </ul>	<ul style="list-style-type: none"> <li>6% of finding aids to archives were available through electronic access. The system is operating in Christchurch only and a national system is dependent on funding approval.</li> <li>91.9% of productions of archives were completed within agreed timeframe.</li> <li>70.5% of letters were answered within agreed timeframes. Variance due to a lack of staff resources.</li> <li>99.5% of loans of archives to government departments met agreed timeframes.</li> <li>Approximately 12,749 visitors and 125 guided group visits.</li> <li>Client survey showed 92.5% satisfaction rating.</li> </ul>

<sup>1</sup> The Minister agreed to a change in the Departmental Forecast Report estimate.

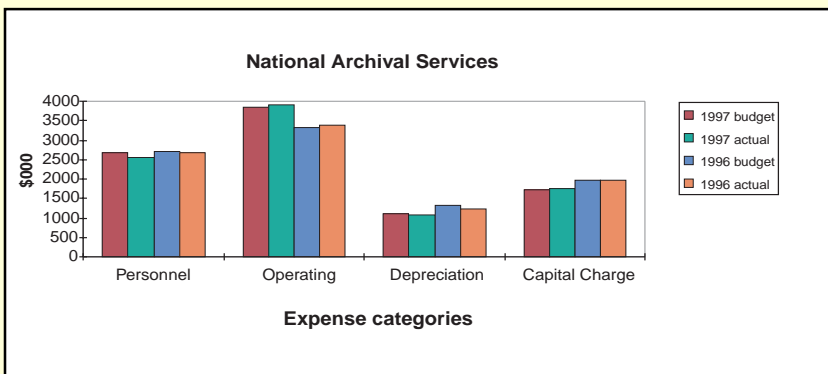
Performance measures and standards	Performance achievements
<p data-bbox="206 211 656 240"><b>Quantity, quality and timeliness - continued</b></p> <p data-bbox="206 265 598 294"><b>Selection and Preservation of Archives</b></p> <ul data-bbox="206 311 649 1288" style="list-style-type: none"> <li data-bbox="206 311 594 396">• 10 Government agencies covered by an electronic records management agreement.</li> <li data-bbox="206 456 647 542">• New disposal authorities completed and approved by the Chief Archivist during the year for 8,300 metres of public records.</li> <li data-bbox="206 657 594 769">• 80% of clients rate at 7 or better (on a 10 point scale) the preparation or monitoring of disposal authorities for public records.</li> <li data-bbox="206 775 605 911">• 3,050 metres of textual archives and 1,350 items of non-textual archives accepted for deposit are processed to standard and are therefore accessible to users.</li> <li data-bbox="206 948 647 1084">• After six months from the date of receipt no more than 10% of archives (metres of textual archives and number of non-textual archives) remain incompletely processed to standard.</li> <li data-bbox="206 1148 568 1203">• 15 nitrate public archives film titles preserved and made accessible.</li> <li data-bbox="206 1230 586 1284">• 2% of collections are covered by new condition surveys.</li> </ul>	<p data-bbox="689 311 1009 447">Although considerable time and effort was spent nurturing contacts with agencies regarding electronic records management, no agreements were completed.</p> <p data-bbox="689 456 1009 647">New disposal authorities were completed and approved by the Chief Archivist for 4,518.3 metres of public records. The loss of experienced archivists was a major factor in not achieving this measure.</p> <p data-bbox="689 657 1025 769">Due to difficulties in identifying a survey methodology no survey was undertaken. This measure has been deleted for 1997/98.</p> <p data-bbox="689 775 1009 939">2,996.8 metres of textual archives and 17,681 metres of non-textual archives were processed to standard and made accessible to users. Large swings in receipts of non-textual archives are normal.</p> <p data-bbox="689 948 1009 1139">20.3% of textual archives and 66.7% of non-textual archives remain incompletely processed to standard after six months. This was due to staff movements and absences and is being addressed in 1997/98.</p> <p data-bbox="689 1148 986 1230">15 nitrate public archives film titles were preserved and made accessible.</p> <p data-bbox="689 1239 1025 1321">2.3% of textual archives and 2% of non-textual archives are covered by new condition surveys.</p>

**Cost**

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000
Accessibility and Outreach for Archives	4,587	4,540
Selection and Preservation of Archives	4,511	4,572
Provision of Advice <sup>2</sup>	124	99
Provision of Operational Policy <sup>2</sup>	126	110
<b>Total excluding GST</b>	<b>9,348</b>	<b>9,321</b>
GST	1,168	1,170
<b>Total appropriation</b>	<b>10,516</b>	<b>10,491</b>

**FINANCIAL INFORMATION - NATIONAL ARCHIVAL SERVICES<sup>3</sup>**

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Revenue</b>			
Crown Revenue	8,755	8,755	8,076
Revenue from Third Parties	593	605	664
Revaluation Gain	0	0	636
<b>Total Revenue</b>	<b>9,348</b>	<b>9,360</b>	<b>9,376</b>
<b>Expenses</b>			
Personnel	2,680	2,559	2,668
Operating	3,834	3,922	3,384
Depreciation	1,097	1,076	1,220
Capital Charge	1,737	1,764	1,980
<b>Total Operating Expenses</b>	<b>9,348</b>	<b>9,321</b>	<b>9,252</b>
<b>Net Surplus/(Deficit)</b>	<b>0</b>	<b>39</b>	<b>124</b>



<sup>1</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

<sup>2</sup> Outputs were changed as part of the 1996/97 Supplementary Estimates.

<sup>3</sup> All amounts are GST exclusive.

## OUTPUT CLASS D2 - OFFICIAL, LEGAL AND HISTORICAL PUBLICATIONS

### Description

This class of outputs involves research, writing, translation, editing, and other work concerning the publishing of certain historical works including the *Dictionary of New Zealand Biography*. This output class also includes oral history publications, and the publication of the *New Zealand Gazette*.

Performance measures and standards	Performance achievements
<p><b>Quantity, quality and timeliness</b></p> <p><b>Dictionary of New Zealand Biography</b></p> <ul style="list-style-type: none"> <li>• Volume 3 (Māori) 1901-1920 to be completed and published by 30 June 1997.</li> <li>• Volume 4 (English) to be 80% complete by 30 June 1997.</li> <li>• Database for Volume 5 to be 70% complete by 30 June 1997.</li> <li>• All DNZB essays will be completed to factual and reference standards established in the DNZB Manuals, and endorsed by the Dictionary's Policy Committee.</li> </ul> <p><b>Historical Publications</b></p> <ul style="list-style-type: none"> <li>• 20 historical projects, which are detailed in the 1996/97 Purchase Agreement, and these will be progressed to the timetable and criteria as specified by the Historical Branch Advisory Committee.</li> <li>• 90% of New Zealand history written to criteria specified by the Historical Branch Advisory Committee.</li> </ul> <p><b>New Zealand Gazette</b></p> <ul style="list-style-type: none"> <li>• 50 Principal editions, two Special editions, 50 Customs editions, five Professional and Trade Lists, and 30 Supplements will be published.</li> </ul>	<p>Volume 3 (Māori) 1901-1920 was completed and published.</p> <p>Volume 4 (English) was 80% completed.</p> <p>Database for Volume 5 was 70% completed.</p> <p>All essays were completed to factual and reference standards as stated in the Dictionary's manuals and endorsed by the Dictionary's Policy Committee.</p> <p>20 historical projects as detailed in the Department's 1996/97 Purchase Agreement and six projects funded from other sources were progressed to the timetable and criteria specified by the Historical Branch Advisory Committee.</p> <p>96.1% of New Zealand history was written to criteria specified by the Historical Branch Advisory Committee.</p> <p>49 Principal editions, six Special editions, 47 Customs editions, five Professional and Trade Lists and 75 Supplements were published. The large number of supplements was due to the Power Company supplements being published as single editions rather than in groups as in past years.</p>

Performance measures and standards	Performance achievements
<b>Quantity, quality and timeliness - continued</b>	
<ul style="list-style-type: none"> <li>All New Zealand Gazettes published to deadlines.</li> <li>95% of New Zealand Gazettes published to specified criteria.</li> </ul>	<p>100% were published to deadlines specified in the Department's contract with GP Legislation Services.</p> <p>100% were published to criteria specified in the Department's contract with GP Legislation Services.</p>

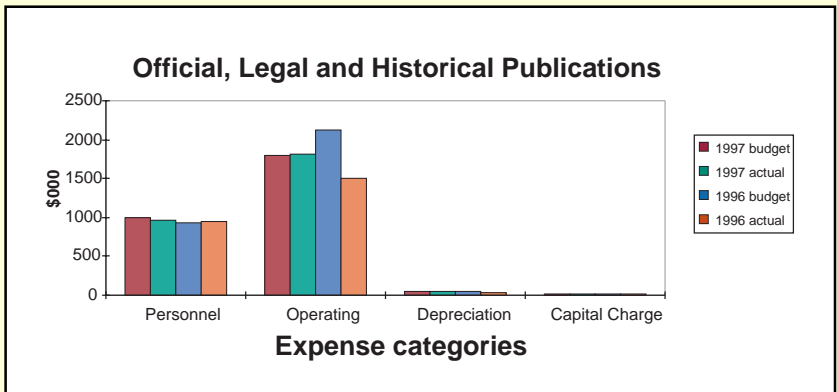
**Cost**

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000
Dictionary of New Zealand Biography	602	597
Historical Publications	1,131	1,091
New Zealand Gazette	1,134	1,170
Total excluding GST	<u>2,867</u>	<u><b>2,858</b></u>
GST	<u>359</u>	<u>348</u>
Total appropriation	<u><u>3,226</u></u>	<u><u><b>3,206</b></u></u>

<sup>1</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

FINANCIAL INFORMATION - OFFICIAL, LEGAL AND HISTORICAL PUBLICATIONS<sup>1</sup>

	BUDGET <sup>2</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Revenue</b>			
Crown Revenue	1,302	1,302	1,287
Revenue from Third Parties	1,574	1,482	1,332
<b>Total Revenue</b>	<b>2,876</b>	<b>2,784</b>	<b>2,619</b>
<b>Expenses</b>			
Personnel	993	965	943
Operating	1,794	1,820	1,507
Depreciation	57	53	27
Capital Charge	23	20	18
<b>Total Operating Expenses</b>	<b>2,867</b>	<b>2,858</b>	<b>2,495</b>
<b>Net Surplus/(Deficit)</b>	<b>9</b>	<b>(74)</b>	<b>124</b>



<sup>1</sup> All amounts are GST exclusive.

<sup>2</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

## OUTPUT CLASS D3 - ADMINISTRATIVE AND ADVISORY SUPPORT SERVICES

### Description

This class of outputs involves the provision of clerical, advisory, and accounting support services which will be provided to a range of organisations including the New Zealand Lottery Grants Board and distribution committees, and various other departments and independent and Crown trusts.

From time to time the Minister will purchase support services for Commissions of Inquiry. Services provided will vary and may include accommodation, administration and accounting services.

Performance measures and standards	Performance achievements
<p><b>Quantity, quality and timeliness</b></p> <p><b>Lottery Services</b></p> <ul style="list-style-type: none"> <li>• 6,500<sup>1</sup> grant applications will be processed.</li> <li>• 116 decision-making meetings will be serviced.</li> <li>• Annual independent surveys of Lottery Grants Board and distribution committee members, and of grant applicants, will be used to measure and report on service quality.</li> <li>• In addition these measures will also be reported on:<sup>2</sup> <ul style="list-style-type: none"> <li>- cost per application processed.</li> <li>- cost per dollar distributed.</li> <li>- percentage of total Grants Board income used in administration.</li> </ul> </li> </ul> <p><b>Crown Trusts and Fellowships and Commission of Inquiry</b></p> <ul style="list-style-type: none"> <li>• Four independent and Crown trusts (the Winston Churchill Memorial Trust, the Norman Kirk Memorial Trust, the Pacific Development and Conservation Trust, and the Peace and Disarmament Education Trust), the ANZAC Fellowship Scheme, and the Commission of Inquiry into Certain Matters Relating to Taxation serviced.</li> </ul>	<p>6,777 grant applications were processed.</p> <p>108 meetings were serviced.</p> <p>Survey of Board and distribution committee members showed an average satisfaction of 7.8 on a scale of 1 - 9, where 1 is very poor and 9 is very good. Survey of applicants showed average of 6.8 on the same scale.</p> <p>Cost of \$886 per application.</p> <p>Cost of 7.5 cents per dollar distributed.</p> <p>4.39% of total Grants Board income was used in administration costs.</p> <p>All trusts, the ANZAC Fellowship and the Commission of Inquiry into Certain Matters Relating to Taxation were serviced.</p>

<sup>1</sup>The Minister agreed to a change in the Departmental Forecast Report estimate.

<sup>2</sup>These measures are those agreed to in the 1996/97 Purchase Agreement.

Performance measures and standards	Performance achievements
<p><b>Quantity, quality and timeliness - continued</b></p> <ul style="list-style-type: none"> <li>2,000 application forms mailed out, 570<sup>1</sup> award applications processed for Trusts and Fellowships and 580<sup>1</sup> reports distributed.</li> <li>A minimum of 98% of administrative and advisory support services provided to agreed criteria, as detailed in the 1996/97 Purchase Agreement.</li> <li>All administrative and advisory support services to the Commission of Inquiry meet specified criteria.</li> </ul> <p><b>Historical Advice and Administrative Services</b></p> <ul style="list-style-type: none"> <li>170 applications processed for three grant schemes (Awards in History, Awards in Oral History, and Grants to Publishers) and these will be administered to agreed standards as detailed in the 1996/97 Purchase Agreement.</li> <li>350 historical enquiries received.</li> <li>98% of advice will be provided to agreed standards as detailed in the 1996/97 Purchase Agreement.</li> </ul>	<p>2,632 application forms were mailed out, 555 applications were processed and 700 reports were distributed.</p> <p>99.62% of administrative and advisory support services were provided to criteria specified in the 1996/97 Purchase Agreement. All administrative and advisory support services provided to the Commission of Inquiry met criteria of deadlines and quality.</p> <p>173 applications were processed and administered to agreed standards as specified in the 1996/97 Purchase Agreement.</p> <p>361 enquiries were received and answered.</p> <p>98% of advice was provided to agreed standards as specified in the 1996/97 Purchase Agreement.</p>

### Cost

	BUDGET <sup>2</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000
Lottery Services	6,254	6,185
Crown Trusts and Fellowships	167	148
Commission of Inquiry	3,795	3,154
Historical Advice and Administrative Services	244	279
Total excluding GST	10,460	<b>9,766</b>
GST	1,329	1,285
Total appropriation	11,789	<b>11,051</b>

The costs of administration of the New Zealand Lottery Grants Board and committees are recovered from the profits of New Zealand Lotteries.

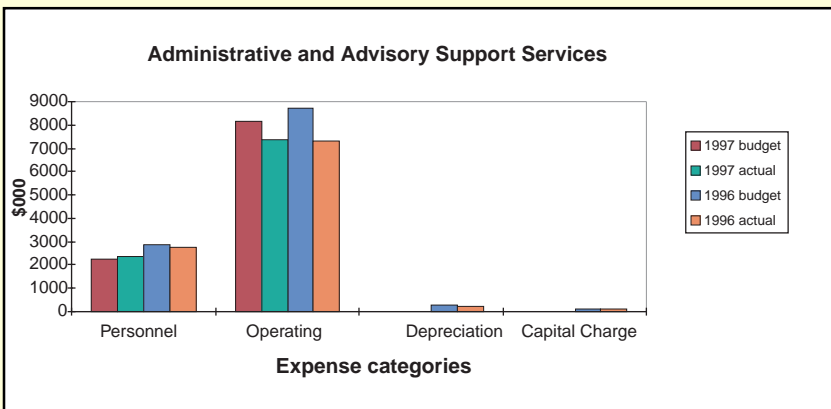
<sup>1</sup> The Minister agreed to a change in the Departmental Forecast Report estimate.

<sup>2</sup> Budgeted amounts are 1996/97 Supplementary Estimates.



FINANCIAL INFORMATION - ADMINISTRATIVE AND ADVISORY  
SUPPORT SERVICES<sup>1</sup>

	BUDGET <sup>2</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Revenue</b>			
Crown Revenue	3,983	3,983	5,789
Revenue from Third Parties	6,644	6,298	5,577
<b>Total Revenue</b>	<b>10,627</b>	<b>10,281</b>	<b>11,366</b>
<b>Expenses</b>			
Personnel	2,270	2,339	2,782
Operating	8,163	7,394	7,324
Depreciation	24	26	199
Capital Charge	4	7	85
<b>Total Operating Expenses</b>	<b>10,461</b>	<b>9,766</b>	<b>10,390</b>
<b>Net Surplus/(Deficit)</b>	<b>166</b>	<b>515</b>	<b>976</b>



<sup>1</sup> All amounts are GST exclusive.

<sup>2</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

## OUTPUT CLASS D4 - SUPPORT SERVICES TO MINISTERS

### Description

This class of outputs involves the provision of a range of support services for Ministers including residential accommodation, administration, accounting, personnel, secretarial, advisory and media services; the provision of visit programmes for Guests of Government; reception services at international airports for Ministers, the Governor-General and Guests of Government; state and ministerial functions, commemorative events and national anniversaries (including the organising of the annual Waitangi Day commemorations); and certain constitutional services and custody of emblems of national identity.

Performance measures and standards	Performance achievements
<p><i>Quantity, quality and timeliness</i></p> <p><b>Administration and Other Services, and Residential Accommodation Services for Ministers</b></p> <ul style="list-style-type: none"> <li>• Services provided to 24 Ministers and one Parliamentary Under-Secretary and approximately 200 support staff.</li> <li>• All services are provided to criteria as specified in the Ministerial Services Handbook, and are in accordance with Ministers', VIP, or Government demands and correct authorisation.</li> <li>• Advisory, property management and media services will be assessed through the achievement of at least a 95% satisfaction rating from ministers and other clients.</li> <li>• 11 Department-owned houses and 12 rented properties for Ministers administered, with the average time taken to provide specific property management services being a maximum of three working days from request.</li> </ul> <p><b>Services for Official State Visitors, Guests of Government, VIPs and Constitutional/ Commemorative Functions</b></p> <ul style="list-style-type: none"> <li>• 40 programmes for guests of Government organised.</li> </ul>	<p>Services were provided to 26 Ministers and approximately 220 support staff. Additional services were provided as a result of the change of Government.</p> <p>Services were provided within the stated parameters.</p> <p>No substantive complaints received. Ministerial satisfaction survey averaged 7 on a scale of 1 - 9, where 1 is very poor and 9 is very good.</p> <p>11 Department-owned and 12 rented properties were administered, with specific property management services being provided within three working days from request.</p> <p>49 programmes for guests of Government were organised.</p>

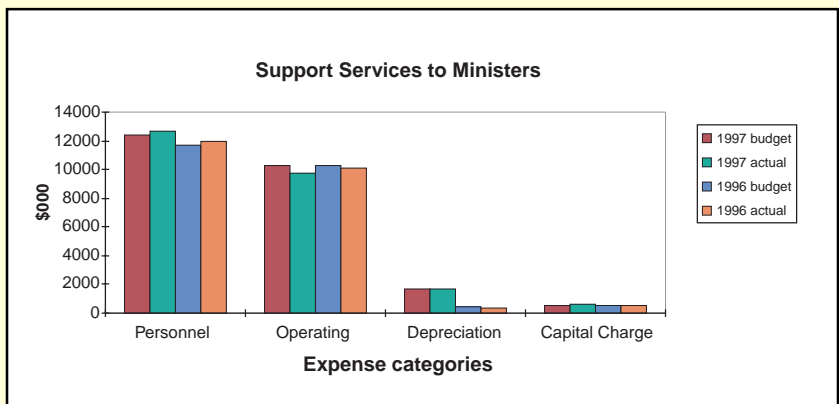
Performance measures and standards	Performance achievements
<b>Quantity, quality and timeliness - continued</b>	
<ul style="list-style-type: none"> <li>• Five state functions arranged which meet established objectives, agreed standards and no complaints.</li> </ul>	<p>Two state functions were arranged. 100% met established objectives and standards in accordance with the Visits and Ceremonial Office Manual. No complaints were received.</p>
<ul style="list-style-type: none"> <li>• 99% of visit programmes meet visit objectives, are organised to standard, and in accordance with the Distinguished Visitors Branch Manual and agreed criteria.</li> </ul>	<p>100% of visit programmes met visit objectives, were organised to standard, and in accordance with the Visits and Ceremonial Office Manual and agreed criteria.</p>
<ul style="list-style-type: none"> <li>• Facilitations at international airports provided as and when required.</li> </ul>	<p>Facilitation services were provided to 120 New Zealand and 212 overseas dignitaries.</p>
<ul style="list-style-type: none"> <li>• 16 commemorative and national anniversary events organised.</li> </ul>	<p>12 commemorative and national anniversary events were organised.</p>
<ul style="list-style-type: none"> <li>• 20,000 visitors to the National War Memorial.</li> </ul>	<p>10,314 visitors to the National War Memorial. Lower visitor numbers were due to closure of the Museum of New Zealand and closure of the Hall of Memories while structural strengthening was undertaken for the new bells for the Carillon.</p>
<ul style="list-style-type: none"> <li>• 75 constitutional documents issued (for 1996 election).</li> </ul>	<p>75 constitutional documents were issued.</p>
<ul style="list-style-type: none"> <li>• 400 congratulatory messages sent.</li> </ul>	<p>500 congratulatory messages were sent.</p>
<ul style="list-style-type: none"> <li>• 400 flags hired.</li> </ul>	<p>955 flags were hired. Increase was due to usage by Mobil street race, BT Global challenge and the Wellington dragon boat regatta.</p>
<ul style="list-style-type: none"> <li>• Seal of New Zealand affixed to 160 documents.</li> </ul>	<p>Seal of New Zealand was affixed to 377 documents. Increase was due to backlog of Commissions of Appointment for Defence personnel.</p>
<ul style="list-style-type: none"> <li>• All constitutional/commemorative services processed within agreed timeframes and standards.</li> </ul>	<p>All constitutional / commemorative services were processed within agreed timeframes and standards.</p>
<ul style="list-style-type: none"> <li>• Operational and protocol advice provided correctly in accordance with the relevant Acts or Regulations administered by the Department (see page 45).</li> </ul>	<p>All operational and protocol advice was provided correctly in accordance with the relevant Acts or Regulations administered by the Department (see page 45).</p>

**Cost**

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000
Administration and Other Services		
Provided to Ministers	20,622	21,038
Residential Accommodation		
Services for Ministers	2,188	1,739
Services for Official State Visitors, Guests of Government, VIPs and Constitutional/Commemorative Functions	2,015	1,978
<b>Total excluding GST</b>	<b>24,825</b>	<b>24,755</b>
<b>GST</b>	<b>3,103</b>	<b>3,107</b>
<b>Total appropriation</b>	<b>27,928</b>	<b>27,862</b>

**FINANCIAL INFORMATION - SUPPORT SERVICES TO MINISTERS<sup>2</sup>**

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Revenue</b>			
Crown Revenue	24,754	24,754	22,205
Revenue from Third Parties	71	103	110
Revaluation Gain	0	0	548
<b>Total Revenue</b>	<b>24,825</b>	<b>24,857</b>	<b>22,863</b>
<b>Expenses</b>			
Personnel	12,413	12,647	11,922
Operating	10,242	9,788	10,060
Depreciation	1,682	1,720	344
Capital Charge	488	600	559
<b>Total Operating Expenses</b>	<b>24,825</b>	<b>24,755</b>	<b>22,885</b>
<b>Net Surplus/(Deficit)</b>	<b>0</b>	<b>102</b>	<b>(22)</b>



<sup>1</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

<sup>2</sup> All amounts are GST exclusive.

## OUTPUT CLASS D5 - COMPUTING AND DATA COMMUNICATIONS SERVICES

### Description

This class of outputs involves the provision of a range of information technology services within the parliamentary complex. These services include the provision and support of the core network within the complex, and a variety of support and maintenance services for electronic mail and other office and data communications services. This output class also includes user support and training, database and facilities management, technical support and systems planning and development consultancy.

Performance measures and standards	Performance achievements
<b>Quantity, quality and timeliness</b>	
<b>Datacommunications Services</b>	
<ul style="list-style-type: none"> <li>Approximately 700 users will be provided with services.</li> <li>A minimum 80% satisfaction rating based on a bi-annual client survey of core network availability.</li> <li>Monthly help desk customer satisfaction surveys averaging better than 3.6 (out of a possible 5).</li> <li>Overall client satisfaction with completed project work is better than 3.75 (out of a possible 5).</li> <li>Client satisfaction with each training course averages better than 4.5 (on a scale of 1 - 6 levels of satisfaction).</li> </ul>	<p>1,000 users were provided with services. The increase was due to greater demands of the Coalition Government.</p> <p>100% satisfaction rating from annual client survey.</p> <p>Satisfaction survey showed average rating of 3.69 out of a possible 5.</p> <p>There was no project work undertaken during the year; however personnel were contracted on projects managed by outside parties.</p> <p>Overall satisfaction with training provided averaged 5.56 (on a scale of 1 - 6 where 1 is poor and 6 is excellent).</p>

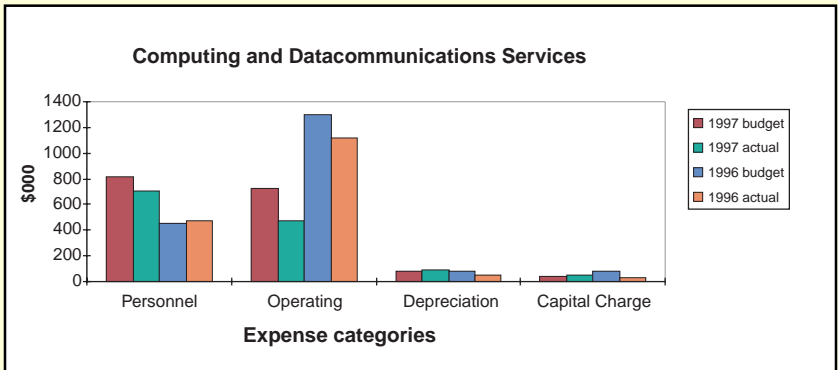
### Cost

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000
Computing and Datacommunications Services	1,669	1,330
Total excluding GST	1,669	<b>1,330</b>
GST	199	154
Total appropriation	1,868	<b>1,484</b>

<sup>1</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

FINANCIAL INFORMATION - COMPUTING AND  
 DATACOMMUNICATIONS SERVICES<sup>1</sup>

	BUDGET <sup>2</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Revenue</b>			
Crown Revenue	0	0	0
Revenue from Third Parties	1,590	1,230	1,567
<b>Total Revenue</b>	<b>1,590</b>	<b>1,230</b>	<b>1,567</b>
<b>Expenses</b>			
Personnel	815	709	478
Operating	725	477	1,121
Depreciation	84	92	46
Capital Charge	45	52	33
<b>Total Operating Expenses</b>	<b>1,669</b>	<b>1,330</b>	<b>1,678</b>
<b>Net Surplus/(Deficit)</b>	<b>(79)</b>	<b>(100)</b>	<b>(111)</b>



<sup>1</sup> All amounts are GST exclusive.

<sup>2</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

## OUTPUT CLASS D6 - MANAGEMENT OF CROWN PROPERTY

### Description

This class of outputs involves the provision of services associated with the acquisition, management and maintenance of Crown-owned ministerial residences. Services provided will include grounds maintenance, payment of utility costs, telephone rental, rates and other routine household maintenance. The output class also involves:

- The maintenance of memorials owned by the Crown and the management and upkeep of war graves, including the construction and installation of new plaques, headstones and memorials.
- Services associated with the administration of the Antiquities Act 1975.
- The disbursement of certain “single payment” payments on behalf of the Crown.

Performance measures and standards	Performance achievements
<p><b><i>Quantity, quality and timeliness</i></b></p> <p><b>Management of Residences Held in Trust by the Crown</b></p> <ul style="list-style-type: none"> <li>• Five Crown-owned ministerial residences on three titles managed.</li> <li>• Specific property management services provided within an average of two working days from request.</li> <li>• A minimum 95% satisfaction rating given by ministers.</li> </ul> <p><b>Management of National Monuments, War Graves and Antiquities</b></p> <ul style="list-style-type: none"> <li>• Maintenance of 4,188 war graves and 70 historic graves, and contribution to the maintenance of 172 services cemeteries to the agreed programme.</li> <li>• Maintenance of 16 national monuments, the National War Memorial, and five overseas war memorials according to an agreed programme.</li> </ul>	<p>Five Crown-owned ministerial residences on three titles were managed.</p> <p>All specific property management services were provided within two working days of request.</p> <p>Ministers’ survey showed an average satisfaction rating of 7 out of 9 where 1 is very poor and 9 is very good.</p> <p>4,188 war graves and 70 historic graves were maintained to the agreed programme.</p> <p>Maintenance grants were paid to local authorities for 172 services cemeteries.</p> <p>16 national monuments, the National War Memorial and five overseas war memorials were maintained to the agreed programme.</p>

Performance measures and standards	Performance achievements
<b>Quantity, quality and timeliness - continued</b>	
<ul style="list-style-type: none"> <li>• Accurate completion of 2,500 orders for ex-service memorials.</li> <li>• All national monuments, ex-service memorials, war and historic graves services provided to agreed standard, as outlined in the 1996/97 Purchase Agreement, and according to an agreed programme.</li> <li>• An estimated 50 export certificates for antiquities issued.</li> <li>• An estimated 40 determinations on the custody of newly found artefacts.</li> <li>• An estimated 40 collectors of artefacts registered.</li> <li>• A maximum of 3% of decisions made overturned by appeal.</li> </ul>	<p>2,433 orders were completed with 100% accuracy.</p> <p>All services were provided to agreed standard as outlined in the 1996/97 Purchase Agreement, and according to the agreed programme.</p> <p>24 export certificates were issued.</p> <p>57 determinations were made on custody of newly found artefacts. 34 collectors of artefacts were registered.</p> <p>No decisions were overturned.</p>

**Cost**

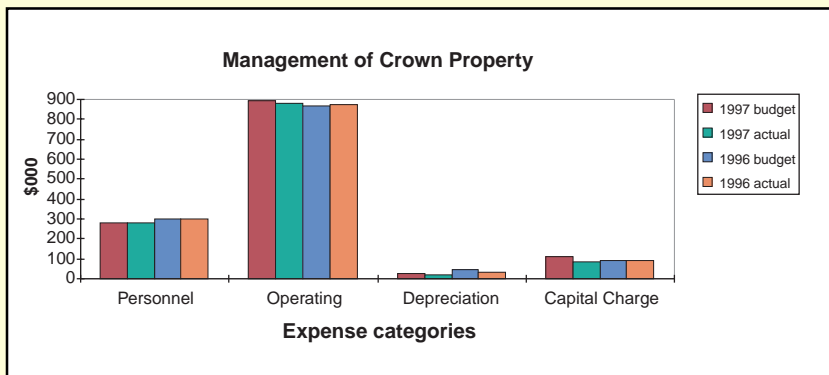
	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000
Management of Residences Held in Trust by the Crown	428	361
Management of National Monuments, War Graves and Antiquities	884	911
Total excluding GST	<u>1,312</u>	<u>1,272</u>
GST	<u>164</u>	<u>165</u>
Total appropriation	<u>1,476</u>	<u>1,437</u>

<sup>1</sup>Budgeted amounts are 1996/97 Supplementary Estimates.



FINANCIAL INFORMATION - MANAGEMENT OF CROWN  
PROPERTY<sup>1</sup>

	BUDGET <sup>2</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Revenue</b>			
Crown Revenue	999	999	779
Revenue from Third Parties	314	323	302
Revaluation Gain	0	0	209
<b>Total Revenue</b>	<u>1,313</u>	<u>1,322</u>	<u>1,290</u>
<b>Expenses</b>			
Personnel	283	283	300
Operating	895	880	871
Depreciation	25	22	34
Capital Charge	109	87	89
<b>Total Operating Expenses</b>	<u>1,312</u>	<u>1,272</u>	<u>1,294</u>
<b>Net Surplus/(Deficit)</b>	<u>1</u>	<u>50</u>	<u>(4)</u>



<sup>1</sup> All amounts are GST exclusive.

<sup>2</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

## OUTPUT CLASS D7 - ADMINISTRATION OF GRANTS

### Description

This class of outputs involves the provision of services relating to the assessment and disbursement of grants to a variety of community organisations. (In some instances these services will involve the monitoring of the use of grant payments.) These services include the provision of information and advice to prospective grant applicants (where this function makes up a small proportion of the total services provided in respect of a particular grant).

Performance measures and standards	Performance achievements
<p><b>Quantity, quality and timeliness</b></p> <p><b>Administration of Grants</b></p> <ul style="list-style-type: none"> <li>• Three community development grant schemes will be administered (Community Work Training, Youth Workers Training Scheme, and the Community Project Workers Scheme) and assessed on the basis that all grants will be administered to funding scheme criteria.</li> <li>• The Community Organisation Grants Scheme will be assessed on the basis that all grants will be administered to the funding scheme criteria.</li> <li>• 40 Local Distribution Committees serviced.</li> <li>• Between 120 and 250 public meetings organised.</li> <li>• Approximately 3,500 grant applications processed.</li> </ul>	<p>Three community development grant schemes were administered within criteria and guidelines specified in departmental manuals and public brochures.</p> <p>All Community Organisation Grants Scheme applications were administered to the funding scheme criteria specified in departmental manuals and public brochures.</p> <p>40 committees were serviced.</p> <p>163 public meetings were organised.</p> <p>3,281 grant applications were processed.</p>

### Cost

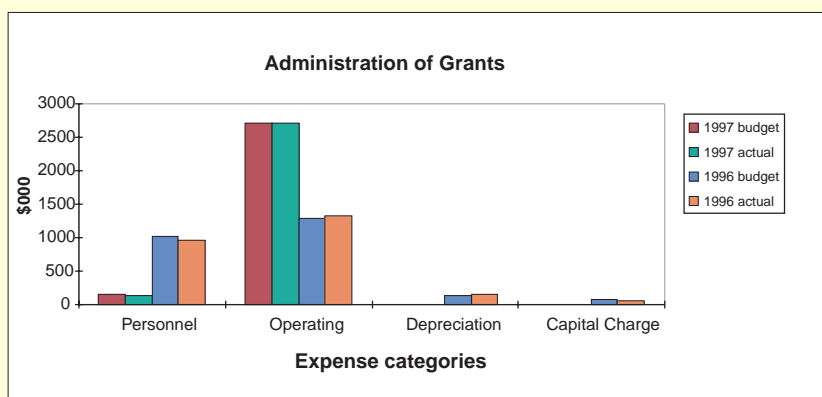
	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000
Administration of Grants	2,863	2,856
Total excluding GST	<u>2,863</u>	<u>2,856</u>
GST	358	358
Total appropriation	<u>3,221</u>	<u>3,214</u>

<sup>1</sup>Budgeted amounts are 1996/97 Supplementary Estimates.

FINANCIAL INFORMATION - ADMINISTRATION OF GRANTS<sup>1</sup>

	BUDGET <sup>2</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Revenue</b>			
Crown Revenue	2,865	2,865	2,511
Revenue from Third Parties	0	0	1
<b>Total Revenue</b>	<b>2,865</b>	<b>2,865</b>	<b>2,512</b>
<b>Expenses</b>			
Personnel	153	135	953
Operating	2,705	2,716	1,328
Depreciation	3	4	157
Capital Charge	2	1	67
<b>Total Operating Expenses</b>	<b>2,863</b>	<b>2,856</b>	<b>2,505</b>
<b>Net Surplus/(Deficit)</b>	<b>2</b>	<b>9</b>	<b>7</b>

**Note:** The movement in actual operating expenses is attributed to General Managers and Link Centre total expenditure being recognised as indirect operating costs of this output class in 1996/97. Previously these costs were directly attributed to outputs.



<sup>1</sup> All amounts are GST exclusive.

<sup>2</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

## OUTPUT CLASS D8 - ISSUING OF LICENCES AND ADMINISTRATION OF REGULATIONS

### Description

This class of outputs involves the provision of information and advisory services to the public and services associated with the issuing of licences relating to all aspects of gaming and employees of the casinos in Auckland and Christchurch. Services also include the carrying out of inspections and audits to test compliance with regulations pursuant to the Gaming and Lotteries Act 1977, the Films, Videos and Publications Classification Act 1993 and the Racing Act 1971. Prosecutions will be initiated where appropriate.

This class of outputs will also include the supervision and inspection of casinos to test compliance with the Casino Control Act 1990 and any regulations pursuant to that Act, and costs of administering that Act.

Performance measures and standards	Performance achievements
<b>Quantity, quality and timeliness</b>	
<b>Gaming Licences</b>	
<ul style="list-style-type: none"> <li>• Licensed promoter activities 10 - 15</li> <li>• Prize competitions 35 - 40<sup>1</sup></li> <li>• Housie (and Super Housie) 1,100 - 1,250<sup>1</sup></li> <li>• Lotteries 850 - 975<sup>1</sup></li> <li>• Other games of chance 250 - 300<sup>1</sup></li> <li>• Casino employee licensing 900 - 950 (Certificates of Approval)</li> <li>• Industry applications for gaming machine licences 15 - 40</li> <li>• Society Applications for gaming machine licences               <ul style="list-style-type: none"> <li>- new applications 75 - 130<sup>1</sup></li> <li>- amendments 600 - 745<sup>1</sup></li> <li>- annual relicensing 2,050 -2,130<sup>1</sup></li> </ul> </li> <li>• 99% of licences issued without error and in accordance with policy and legislation.</li> <li>• All Certificates of Approval issued without error.</li> <li>• 99% of licences issued within eight working days of receipt of complete applications.</li> </ul>	<ul style="list-style-type: none"> <li>Nil</li> <li>40</li> <li>1,030</li> <li>882</li> <li>270</li> <li>841</li> <li>76</li> <li>58</li> <li>1,035</li> <li>1,875</li> <li>97% of licences were issued without error and in accordance with policy and legislation.</li> <li>100% of Certificates of Approval were issued without error.</li> <li>100% of licences were issued within eight working days of receipt of a complete application.</li> </ul>

<sup>1</sup>The Minister agreed to a change in the Departmental Forecast Report estimate.

Performance measures and standards	Performance achievements
<b>Quantity, quality and timeliness - continued</b>	
<ul style="list-style-type: none"> <li>99% of Certificates of Approval issued within three working days of receipt of approval.</li> </ul>	100% of Certificates of Approval were issued within three working days of receipt of approval.
<b>Gaming Compliance<sup>2</sup></b>	
<ul style="list-style-type: none"> <li>Audits of gaming machines societies 350</li> <li>Audits of other gaming societies 50 (includes instant games, housie, lotteries, prize competitions, licensed promoters)</li> <li>Inspection of licensed gaming machine sites 450</li> <li>Inspection of other forms of gaming sites 75</li> <li>Complaints investigated 250 - 300</li> <li>Process cancellations, suspensions, official warnings 180 - 250</li> <li>Prosecutions 15 - 20</li> <li>95% of gaming inspections and audits will be completed in accordance with national standards. From these inspections and audits the Minister will be provided with an estimation as to the level of compliance within the total industry.</li> <li>A prima facie case will be established in respect of not less than 99% of investigations that proceed to prosecutions.</li> </ul>	<p>321</p> <p>12</p> <p>214</p> <p>47</p> <p>184</p> <p>201</p> <p>7</p> <p>95% of inspections and audits were completed in accordance with national standards. Estimated level of compliance within the total industry is 75%.</p> <p>A prima facie case was established in not less than 99% of cases that proceeded to prosecution.</p>
<b>Censorship Compliance<sup>2</sup></b>	
<ul style="list-style-type: none"> <li>Inspections of video sites 350 - 400</li> <li>Inspections of film sites 50 - 70</li> <li>Inspections of magazines/books sites 350 - 400</li> <li>Inspections of electronic media sites 350 - 400</li> <li>Inspections of other forms of publications 500 - 600</li> <li>Complaints investigated 120 - 145</li> <li>Official warnings processed 50 - 60</li> <li>Prosecutions 10 - 12</li> </ul>	<p>429</p> <p>28</p> <p>306</p> <p>456</p> <p>681</p> <p>135</p> <p>246</p> <p>27</p>

<sup>2</sup> Outputs were changed as part of the 1996/97 Supplementary Estimates and performance measures and targets developed accordingly.

Performance measures and standards	Performance achievements
<b>Quantity, quality and timeliness - continued</b>	
<ul style="list-style-type: none"> <li>95% of censorship inspections will be completed in accordance with national standards. From these inspections and audits the Minister will be provided with an estimation as to the level of compliance within the total industry.</li> <li>A prima facie case will be established in respect of not less than 99% of investigations that proceed to prosecutions.</li> </ul>	<p>95% of censorship inspections were completed in accordance with national standards. Estimated level of compliance within the total industry is 66%.</p> <p>A prima facie case was established in not less than 99% of cases that proceeded to prosecution.</p>
<b>Casino Supervision and Inspection<sup>1</sup></b>	
<ul style="list-style-type: none"> <li>Investigations into Certificate of Approval holders' continued suitability. 5 - 20</li> <li>Supervision and inspection services: <ul style="list-style-type: none"> <li>Equipment inspected 250 - 350</li> <li>Compliance audits completed 450 - 550</li> <li>Incidents investigated 500 - 700</li> <li>Offences detected 10 - 30</li> <li>Patron complaints investigated 150 - 400</li> </ul> </li> <li>Reports provided to the Casino Control Authority. 780 -800</li> <li>90% of the services will be completed as per casino inspection programmes.</li> </ul>	<p>22</p> <p>950</p> <p>3,153</p> <p>568</p> <p>115</p> <p>109</p> <p>835</p> <p>90% of services were completed as per casino inspection programmes.</p>

**Cost**

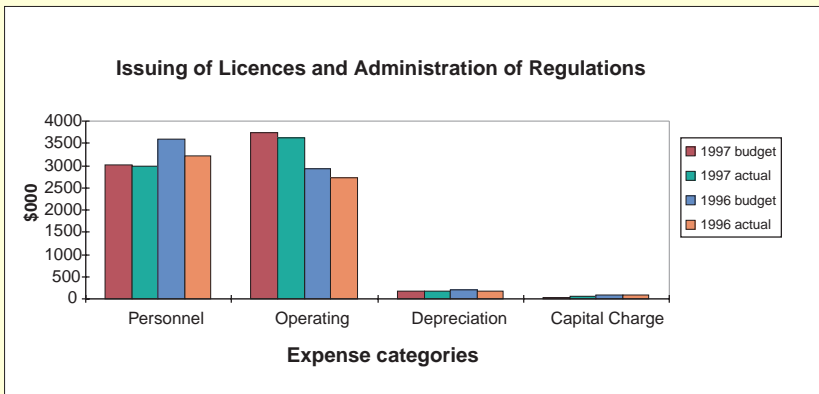
	BUDGET <sup>2</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000
Gaming Licences	2,636	2,653
Gaming Compliance <sup>1</sup>	1,659	1,565
Censorship Compliance <sup>1</sup>	805	778
Casino Supervision and Inspection <sup>1</sup>	1,848	1,797
Policy Advice <sup>1</sup>	30	18
Total excluding GST	<u>6,978</u>	<u>6,811</u>
GST	874	827
Total appropriation	<u>7,852</u>	<u>7,638</u>

<sup>1</sup> Outputs were changed as part of the 1996/97 Supplementary Estimates and performance measures and targets developed accordingly.

<sup>2</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

FINANCIAL INFORMATION - ISSUING OF LICENCES AND  
ADMINISTRATION OF REGULATIONS<sup>1</sup>

	BUDGET <sup>2</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Revenue</b>			
Crown Revenue	1,645	1,645	1,552
Revenue from Third Parties	5,349	4,967	5,009
<b>Total Revenue</b>	<b>6,994</b>	<b>6,612</b>	<b>6,561</b>
<b>Expenses</b>			
Personnel	3,016	2,978	3,217
Operating	3,750	3,610	2,721
Depreciation	172	168	185
Capital Charge	40	55	73
<b>Total Operating Expenses</b>	<b>6,978</b>	<b>6,811</b>	<b>6,196</b>
<b>Net Surplus/(Deficit)</b>	<b>16</b>	<b>(199)</b>	<b>365</b>



<sup>1</sup> All amounts are GST exclusive.

<sup>2</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

## OUTPUT CLASS D9 - ISSUING OF OFFICIAL DOCUMENTS

### Description

This class of outputs involves the assessment of applications for, and the issuing of, New Zealand passports and for grants, registrations and determinations of citizenship. Services also include maintaining the national record of citizenship and passports.

The output class also involves the registration of statutory information relating to births, deaths and marriages and the maintenance of that information; and the provision of certificates of and information relating to births, deaths, or marriages made on request to members of the public and to organisations.

Performance measures and standards	Performance achievements
<b>Quantity, quality and timeliness</b>	
<b>Citizenship and Passports</b>	
<ul style="list-style-type: none"> <li>• Citizenship grants (1977 and 1982 Acts) 13,000</li> <li>• Registration of citizenship by descent (NZ) 1,800</li> <li>• Registration of citizenship by descent (Overseas) 4,000</li> <li>• Confirmation or denial of citizenship status, Section 21 2,200<sup>1</sup></li> <li>• Replacement certificates (Descent and Grants) 400</li> <li>• Renunciations of citizenship 6</li> <li>• 99% of citizenship documents are issued without error.</li> <li>• 95% of applications for grants of citizenship are recommended to the Minister within four months of receipt of a correctly completed application.</li> <li>• 95% of applications for registration of citizenship are completed within 20 working days of receipt of a complete application except where document verification from an overseas government is required.</li> <li>• 95% of applications for a confirmation or denial are completed within 20 working days of receipt of a complete application.</li> </ul>	<ul style="list-style-type: none"> <li>17,906</li> <li>2,058</li> <li>3,512</li> <li>2,618</li> <li>451</li> <li>14</li> <li>96% of citizenship documents were issued without error.</li> <li>97.66% of applications for grants of citizenship were recommended to the Minister within four months of receipt of a correctly completed application.</li> <li>96% of applications were completed within 20 working days of receiving a complete application except where overseas verification was required.</li> <li>96% of applications for a confirmation or denial were completed within 20 working days of receipt of a completed application.</li> </ul>

<sup>1</sup>Target includes 500 non fee paying.



Performance measures and standards	Performance achievements			
<i>Quantity, quality and timeliness - continued</i>				
	NZ	Overseas	NZ	Overseas
• New passports - Adult	171,600	23,600	186,086	26,128
• New passports - Child under 16	48,400	6,600	61,028	6,298
• Urgent passports	14,000	1,500	17,815	5,135
• Extensions	8,700	1,200	4,180	1,641
• Additional visa pages	2,500	3,000	1,098	2,168
• Endorsements	8,300	400	4,107	699
• Additional passports	60	45	56	43
• Official passports	80		46	
• Tongan passport extensions	200		84	
• Refugee travel documents	150		193	
• Certificates of identity	170		243	
• 99% of passport documents issued without error.			99.99% of passports were issued without error.	
• 99.95% of urgent passports issued within three working days and non-urgent passports issued within ten working days of receipt of correctly completed applications, in accordance with the Passport Act 1992.			99.63% of urgent passports were issued within three working days and 99.96% of non-urgent passports within ten working days of receiving correctly completed applications, in accordance with the Passport Act 1992.	
• Investigations of suspected passport and citizenship fraud.	150 - 200		217 investigations of suspected passport and citizenship fraud.	
• Court orders actioned on passport database.	1,200 - 1,400		1,609 court orders were actioned on passport database.	
• Law enforcement agency requests for information.	1,000 - 1,250		1,007 law enforcement agency requests for information were actioned.	
• Deprivations of citizenship.	15 - 20		15 deprivations of citizenship.	
• Official Information requests and Ombudsman enquiries.	60 - 70		31 Official Information requests and Ombudsman enquiries were received and answered.	
• All law enforcement and other external agency requests for information are actioned in accordance with agency agreements and within five working days.			All requests for information were actioned in accordance with agency agreements and within five working days.	
• All court orders are actioned on database within two working days.			All court orders were actioned on database within two working days.	
• All Official Information requests and Ombudsman enquiries to receive initial response within 20 working days.			94% of requests received initial response within 20 working days.	

Performance measures and standards	Performance achievements
<b>Quantity, quality and timeliness - continued</b>	
<b>Registrations and Access</b>	
• Births 60,000	57,986
• Deaths 27,000	27,490
• Marriages 22,000	22,915
• Name Changes 5,000	5,770
• Marriage Celebrants 8,000	8,967
• Ratio of current financial year's clerical errors detected in data-base is 1.5 per 1,000 records.	Ratio of clerical errors detected in the database was 3.76 per 1,000 records. This measure was assessed as unrealistic and has been deleted for the 1997/98 year.
• Registrations completed within an average of: - Births: six working days - Deaths: six working days - Name Changes: ten working days - Marriage celebrants (organisations): seven working days - Marriage celebrants (individuals): 20 working days	3.85 working days. 2.61 working days. 4.50 working days. 3.98 working days. 11.31 working days
• Certificates issued 280,000	277,438
• Micrographics issued 60,000	54,051
• Other 65,000	41,800
• 100% of certificates correctly issued.	99.31% of certificates were correctly issued.
• Certificates issued within an average of : - District Office (counter): one working day. - District Office (by mail): two working days. - Central Registry (counter): three working days. - Central Registry (by mail): eight working days.	0.52 working days. 1.45 working days. 3 working days. 5.69 working days.
• Micrographic retrieval of documents completed within an average of eight working days.	6.46 working days.
• Department of Social Welfare verifications completed within an average of three working days.	1.45 working days.
• Certificates of search (Status of Children Act, 1969) completed within an average of five working days.	2.78 working days.

Performance measures and standards	Performance achievements
<p><b>Quantity, quality and timeliness - continued</b></p> <p><b>Policy Advice</b></p> <ul style="list-style-type: none"> <li>• At least 95% of policy advice items will be provided to standards outlined in the 1996/97 Purchase Agreement.</li> <li>• At least 95% of policy items provided will meet agreed deadlines.</li> <li>• At least 95% of first versions of ministerial correspondence and parliamentary questions will be accepted by the Minister.</li> <li>• Comment on the relevance and quality of advice will be sought from the Minister in the context of half-yearly reviews.</li> <li>• Departmental managers, or their equivalents, will maintain oversight of appropriate quality assurance processes by signing out all reports to the Minister.</li> <li>• Parliamentary questions, ministerial correspondence, reports to Cabinet, and Official Information requests will be responded to within agreed and statutory time frames. Based on previous years' figures, expected quantities of ministerial servicing products will be 275 - 350 draft replies to ministerial correspondence and 25 - 35 parliamentary questions.</li> </ul>	<p>100% of policy advice items were provided to standards outlined in the 1996/97 Purchase Agreement (see Appendix 2 on page 150).</p> <p>93.2% of policy items met agreed deadlines.</p> <p>100% of first versions of ministerial correspondence and parliamentary questions were accepted by the Minister.</p> <p>One review sought from the Coalition Government showed satisfaction rating of 8 on a scale of 1 - 9 where 1 is very poor and 9 is very good.</p> <p>All reports to the Minister were signed out by departmental managers.</p> <p>44 items of policy advice were provided. 356 ministerials and seven parliamentary questions were responded to within agreed and statutory time frames.</p>

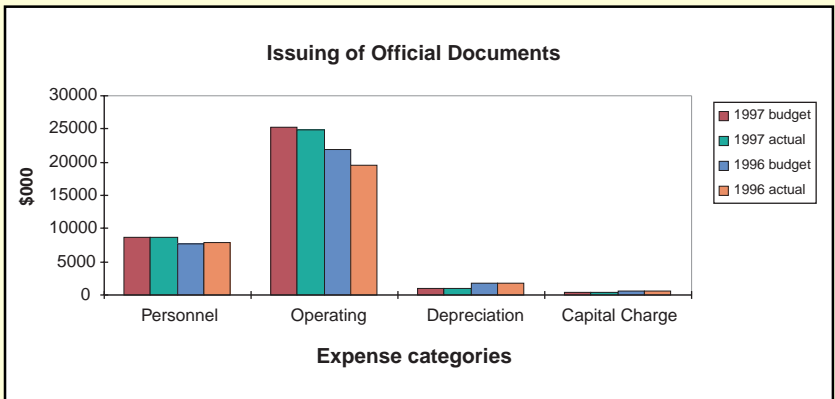
### Cost

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000
Citizenship	5,651	5,786
Passports	19,327	19,199
Registrations and Access	9,804	9,761
Policy Advice	640	609
Total excluding GST	<u>35,422</u>	<u><b>35,355</b></u>
GST	4,633	4,675
Total appropriation	<u>40,055</u>	<u><b>40,030</b></u>

<sup>1</sup>Budgeted amounts are 1996/97 Supplementary Estimates.

FINANCIAL INFORMATION - ISSUING OF OFFICIAL DOCUMENTS<sup>1</sup>

	BUDGET <sup>2</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Revenue</b>			
Crown Revenue	4,073	4,073	4,028
Revenue from Third Parties	32,991	33,327	28,457
<b>Total Revenue</b>	<u>37,064</u>	<u><b>37,400</b></u>	<u>32,485</u>
<b>Expenses</b>			
Personnel	8,738	8,996	7,892
Operating	25,244	24,966	19,627
Depreciation	969	924	1,683
Capital Charge	471	469	559
<b>Total Operating Expenses</b>	<u>35,422</u>	<u><b>35,355</b></u>	<u>29,761</u>
<b>Net Surplus/(Deficit)</b>	<u>1,642</u>	<u><b>2,045</b></u>	<u>2,724</u>



<sup>1</sup> All amounts are GST exclusive.

<sup>2</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

## OUTPUT CLASS D10 - POLICY ADVICE (INTERNAL AFFAIRS)

### Description

This class of outputs involves policy advice on film and video classification, gaming, community, building controls, fire service issues and emergency services. It also involves providing services which include the drafting of replies to ministerial correspondence, replies to parliamentary questions, Official Information Act requests, Ombudsman enquiries, and the preparation of briefing and speech notes.

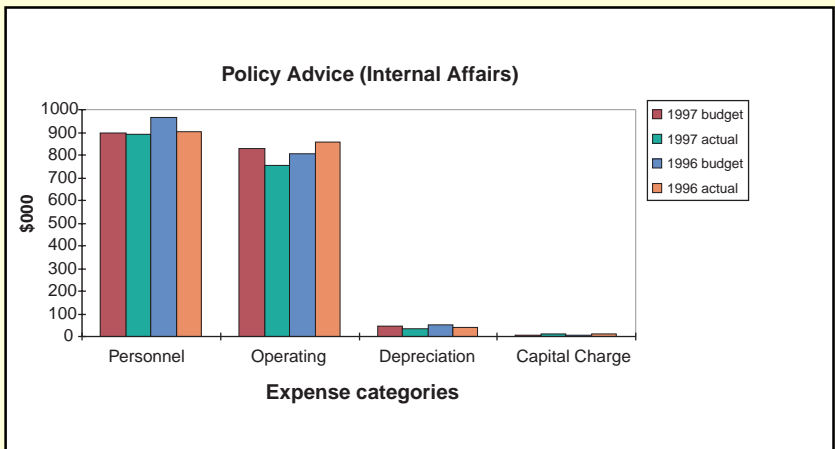
Performance measures and standards	Performance achievements
<p><i>Quantity, quality and timeliness</i></p> <p><b>Internal Affairs Policy Advice and Correspondence and Questions</b></p> <ul style="list-style-type: none"> <li>• At least 95% of policy advice items will be provided to standards outlined in the 1996/97 Purchase Agreement.</li> <li>• At least 95% of policy advice items provided will meet agreed deadlines.</li> <li>• At least 95% of first versions of ministerial correspondence and parliamentary questions will be accepted by the Minister.</li> <li>• At least 95% of policy advice recommendations made regarding community, building controls, fire service issues and emergency services will be accepted by the Minister.</li> <li>• Comment on the relevance and quality of advice will be sought from the Minister in the context of half-yearly reviews.</li> <li>• Parliamentary questions, ministerial correspondence, reports to Cabinet, and Official Information requests will be responded to within agreed and statutory time frames. Based on previous years' figures, expected quantities of ministerial servicing products will be 800 - 1,000 draft replies to ministerial correspondence and 130 - 150 parliamentary questions.</li> </ul>	<p>100% of policy advice items were provided to standards outlined in the 1996/97 Purchase Agreement (see Appendix 2 on page 150).</p> <p>98.7% of policy advice items met agreed deadlines.</p> <p>100% of first versions of ministerial correspondence and parliamentary questions were accepted by the Minister.</p> <p>97% of policy advice recommendations made regarding community, building controls, fire service issues and emergency services were accepted by the Minister.</p> <p>One review sought from the Coalition Government showed satisfaction rating of 8 on a scale of 1 - 9 where 1 is very poor and 9 is very good.</p> <p>All parliamentary questions, ministerial correspondence, reports to Cabinet and Official Information requests were responded to within agreed and statutory time frames. There were 230 items of policy advice, 1,646 ministerials and responses to 311 parliamentary questions provided.</p>

**Cost**

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000
Internal Affairs Policy Advice	1,514	1,484
Correspondence and Questions	259	204
Total excluding GST	<u>1,773</u>	<u>1,688</u>
GST	222	224
Total appropriation	<u>1,995</u>	<u>1,912</u>

**FINANCIAL INFORMATION - POLICY ADVICE (INTERNAL AFFAIRS)<sup>2</sup>**

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Revenue</b>			
Crown Revenue	1,774	1,774	1,823
Revenue from Third Parties	0	18	7
<b>Total Revenue</b>	<u>1,774</u>	<u>1,792</u>	<u>1,830</u>
<b>Expenses</b>			
Personnel	897	890	904
Operating	826	752	860
Depreciation	45	36	41
Capital Charge	5	10	9
<b>Total Operating Expenses</b>	<u>1,773</u>	<u>1,688</u>	<u>1,814</u>
<b>Net Surplus/(Deficit)</b>	<u>1</u>	<u>104</u>	<u>16</u>



<sup>1</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

<sup>2</sup> All amounts are GST exclusive.

## OUTPUT CLASS D11 - COMMUNITY ADVISORY AND INFORMATION SERVICES

### Description

This class of outputs involves making available advice and information services (which include publishing in telephone books indices relating to government services) to individuals, groups and agencies seeking information or assistance in meeting their economic, social and cultural needs. The output class also involves the provision of advice and information on services and funding available through the Department of Internal Affairs and through other organisations.

This class of outputs also involves the provision of information services and advice on the New Zealand Fire Service and Commission, the Building Industry Authority and Building Act, and information to the public on fire service and building controls. Authentication services are also provided.

Performance measures and standards	Performance achievements
<p><b><i>Quantity, quality and timeliness</i></b></p> <p><b>Advisory Services to Community Groups</b></p> <ul style="list-style-type: none"> <li>• Community surveys demonstrate 95% satisfactory or higher response in overall quality of service.</li> <li>• No more than five sustainable service complaints received from the community.</li> </ul> <p><b>Information Services to the Public</b></p> <ul style="list-style-type: none"> <li>• At least 700,000 items of published information, and 350,000 verbal requests are processed nationally.</li> <li>• A minimum of 15 government agencies supported.</li> <li>• At least 95% of advice and information provided within deadlines agreed per request.</li> </ul> <p><b>Authentication Services</b></p> <ul style="list-style-type: none"> <li>• An estimated 1,700 documents correctly authenticated and within agreed time frames.</li> <li>• At least 90% of authentications documentation costs recovered.</li> </ul>	<p>Satisfaction survey averaged 7.93 on a scale of 1 to 9, where 1 is very poor and 9 is very good.</p> <p>No sustainable service complaints were received.</p> <p>615,605 items of information were distributed and 410,464 verbal requests were processed nationally.</p> <p>16 government agencies were supported.</p> <p>100% of advice and information was provided within agreed deadlines.</p> <p>1,824 documents were correctly authenticated within agreed time frames.</p> <p>At least 90% of authentications documentation costs were recovered.</p>

Performance measures and standards	Performance achievements
<p data-bbox="203 200 658 236"><i>Quantity, quality and timeliness - continued</i></p> <p data-bbox="203 254 554 291"><b>Government Information Services</b></p> <ul data-bbox="203 300 649 937" style="list-style-type: none"> <li data-bbox="203 300 604 445">• An index to government services in the Blue Pages at the front of 18 Telecom telephone books published in accordance with the directory production timetable.</li> <li data-bbox="203 445 649 564">• Three revisions to the content of the index across 160 government agencies in preparation for the Wellington, Auckland and Christchurch directories.</li> <li data-bbox="203 564 627 627">• Expanded coverage of the index planned and implemented.</li> <li data-bbox="203 646 593 709">• Public awareness of the existence and value of the Blue Pages increased.</li> <li data-bbox="203 846 599 937">• The effect of the Blue Pages on errant phone calls to government agencies measured.</li> </ul> <p data-bbox="203 1037 599 1101"><b>Advisory and Information Services on Building Controls and Fire Service</b></p> <ul data-bbox="203 1110 621 1259" style="list-style-type: none"> <li data-bbox="203 1110 621 1259">• An estimated 110 written items assessed on the basis that at least 95% of information and advisory services will be provided to standards specified in the 1996/97 Purchase Agreement.</li> </ul>	<p data-bbox="680 300 1024 536">An index to government services in the Blue Pages at the front of 18 Telecom telephone books was published in accordance with the directory production timetable. Three revisions to the content of the index across 140 government agencies were completed.</p> <p data-bbox="680 564 1024 646">Six additional government agencies were added to the Blue Pages.</p> <p data-bbox="680 646 1024 846">A publicity campaign was run to coincide with the publication of the 18 regional phone books in New Zealand. In addition Link Centres held window displays and distributed information through their networks.</p> <p data-bbox="680 846 1024 991">Due to difficulties in developing the measurement system, no system was established during the 1996/97 year. This measure has been deleted for 1997/98.</p> <p data-bbox="680 1110 1024 1228">99% of 256 written items and requests were provided to standards specified in the 1996/97 Purchase Agreement.</p>



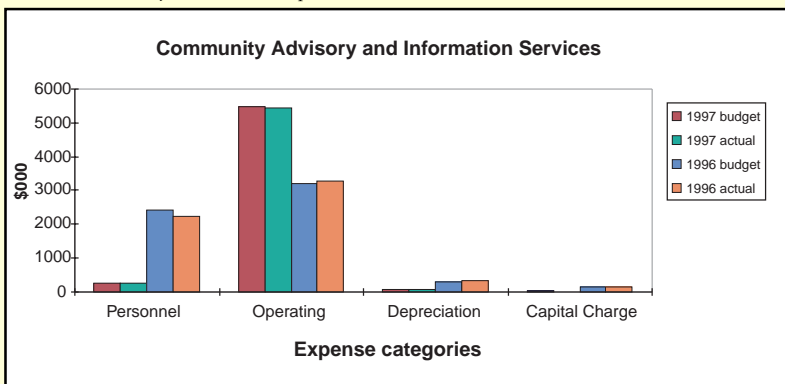
**Cost**

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000
Advisory Services to Community Groups	2,656	2,634
Information Services to the Public	2,354	2,355
Authentication Services	76	72
Government Information Services	593	593
Advisory and Information Services on Building Controls and Fire Service	143	117
<b>Total excluding GST</b>	<b>5,822</b>	<b>5,771</b>
GST	728	716
<b>Total appropriation</b>	<b>6,550</b>	<b>6,487</b>

**FINANCIAL INFORMATION - COMMUNITY ADVISORY AND  
INFORMATION SERVICES<sup>2</sup>**

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Revenue</b>			
Crown Revenue	4,858	4,858	5,396
Revenue from Third Parties	964	870	558
<b>Total Revenue</b>	<b>5,822</b>	<b>5,728</b>	<b>5,954</b>
<b>Expenses</b>			
Personnel	274	248	2,247
Operating	5,461	5,452	3,263
Depreciation	63	64	342
Capital Charge	24	7	158
<b>Total Operating Expenses</b>	<b>5,822</b>	<b>5,771</b>	<b>6,010</b>
<b>Net Surplus/(Deficit)</b>	<b>0</b>	<b>(43)</b>	<b>(56)</b>

**Note:** The movement in actual operating expenses is attributed to General Managers and Link Centre total expenditure being recognised as indirect operating costs of this output class in 1996/97. Previously these costs were directly attributed to outputs.



<sup>1</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

<sup>2</sup> All amounts are GST exclusive.

## OUTPUT CLASS D12 - RECORDS MANAGEMENT AND STORAGE

### Description

This class of outputs involves the provision of record storage services to third parties.

Performance measures and standards	Performance achievements
<p><b>Quantity, quality and timeliness</b></p> <p><b>Records Management and Storage</b></p> <ul style="list-style-type: none"> <li>An estimated 22,000 linear metres of records will be stored on the basis that storage conditions and retrievals meet client requirements.</li> <li>A yearly survey of client satisfaction survey will be carried out by the end of March.</li> </ul>	<p>19,619 linear metres of records were stored to clients storage conditions and retrieval requirements.</p> <p>No survey was completed as a Cabinet decision had been made to close the Records Management facilities.</p>

### Cost

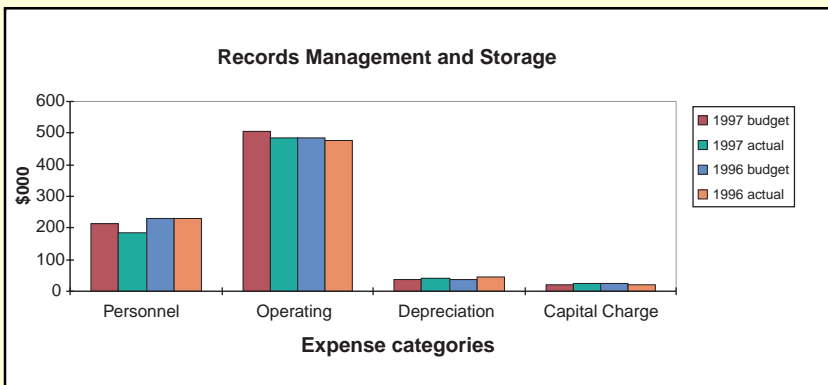
	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000
Records Management and Storage	775	733
Total excluding GST	775	733
GST	97	67
Total appropriation	872	800

**Note:** The Records Centres will close on 20 November 1997. Confirmation of this decision by Cabinet occurred on 6 August 1997. The financial effect of the closure has not been recognised in these financial statements.

<sup>1</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

## FINANCIAL INFORMATION - RECORDS MANAGEMENT AND STORAGE<sup>1</sup>

	BUDGET <sup>2</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Revenue</b>			
Crown Revenue	0	0	0
Revenue from Third Parties	775	538	546
<b>Total Revenue</b>	<u>775</u>	<u>538</u>	<u>546</u>
<b>Expenses</b>			
Personnel	213	183	231
Operating	505	485	476
Depreciation	38	40	47
Capital Charge	19	25	21
<b>Total Operating Expenses</b>	<u>775</u>	<u>733</u>	<u>775</u>
<b>Net Surplus/(Deficit)</b>	<u>0</u>	<u>(195)</u>	<u>(229)</u>



<sup>1</sup> All amounts are GST exclusive.

<sup>2</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

## OUTPUT CLASS D13 - TRANSPORT SERVICES

### Description

This class of outputs involves the provision of chauffeur-driven vehicle services for Ministers, the Leader and the Deputy Leader of the Opposition, former Prime Ministers and Governors-General, and their widows, the Judiciary, distinguished visitors, chief executives of departments and ministries and corporate clients. Services include the provision of a fleet of “self-drive” vehicles principally for Ministers.

Performance measures and standards	Performance achievements
<p><b>Quantity, quality and timeliness</b></p> <p><b>Chauffeur Vehicle Service and Self Drive Vehicles</b></p> <ul style="list-style-type: none"> <li>Services provided to 24 Ministers, 1 Parliamentary Under Secretary and 11 former Prime Ministers, Governors-General, and their widows.</li> <li>Services provided to 120 other clients.</li> <li>An estimated 32,000 vehicle hires will be provided.</li> <li>No more than 2 valid complaints on vehicle standards, timeliness and/or staff manner or conduct are to be received each month.</li> <li>Chauffeur-driven vehicle utilisation to exceed target of 44%.</li> </ul>	<p>Services were provided to 26 Ministers and 11 former Prime Ministers, Governors-General, and their widows. Services were provided to 95 other clients.</p> <p>26,937 vehicle hires were provided.</p> <p>There were three months in which more than two complaints were received.</p> <p>Chauffeur utilisation charged was 34.25% based on hours charged. As much of chauffeur work is not specifically charged this figure is misleading and alteration of the recording system to reflect this is being undertaken.</p>

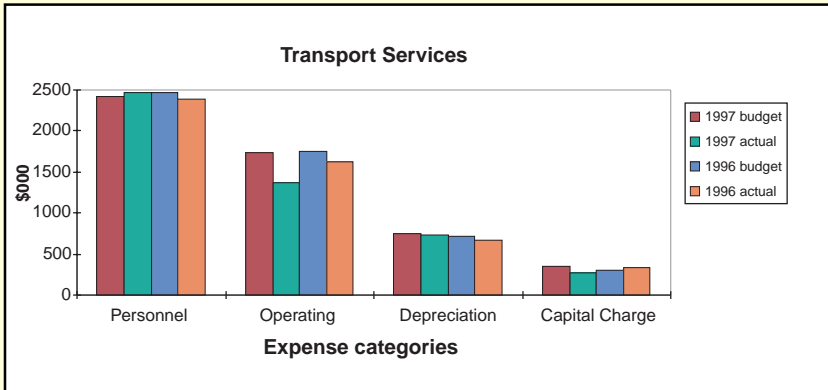
### Cost

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000
Chauffeur Vehicle Service	4,516	4,160
Self Drive Vehicles	741	685
Total excluding GST	<u>5,257</u>	<u>4,845</u>
GST	657	608
Total appropriation	<u>5,914</u>	<u>5,453</u>

<sup>1</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

FINANCIAL INFORMATION - TRANSPORT SERVICES<sup>1</sup>

	BUDGET <sup>2</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Revenue</b>			
Crown Revenue	0	0	0
Revenue from Third Parties	5,257	4,866	5,010
<b>Total Revenue</b>	<b>5,257</b>	<b>4,866</b>	<b>5,010</b>
<b>Expenses</b>			
Personnel	2,420	2,468	2,387
Operating	1,739	1,372	1,624
Depreciation	749	730	662
Capital Charge	349	275	333
<b>Total Operating Expenses</b>	<b>5,257</b>	<b>4,845</b>	<b>5,006</b>
<b>Net Surplus/(Deficit)</b>	<b>0</b>	<b>21</b>	<b>4</b>



<sup>1</sup> All amounts are GST exclusive.

<sup>2</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

## OUTPUT CLASS D14 - TRANSLATION SERVICES

### Description

This class of outputs involves the provision of translation, interpreting and other foreign language services.

Performance measures and standards	Performance achievements
<i>Quantity, quality and timeliness</i>	
<b>Translation Services</b>	
<ul style="list-style-type: none"> <li>An estimated 3,100 translation orders completed.</li> <li>All translations completed to professional standards.</li> <li>98% of (non-document) translations produced within time frames agreed with clients.</li> <li>Maintain the average time taken to complete personal document translations at one day (no panel) and at five days (panel).</li> <li>Maintain translation cost at average of \$60 per hour.</li> <li>95% satisfaction rating measured by ongoing formal client feedback.</li> </ul>	<p>3,939 translation orders were completed.</p> <p>All orders were completed to professional standards.</p> <p>99% of (non-document) translations were produced within agreed time frames.</p> <p>Average time to complete personal documents was maintained at one day (no panel) and five days (panel).</p> <p>Average cost of \$60 per hour was maintained.</p> <p>99% of client surveys showed a rating of 5 or better on a scale where 1 is very poor and 9 very good.</p> <p>Expenditure did not exceed actual revenue.</p>
<ul style="list-style-type: none"> <li>Expenditure will not exceed actual revenue.</li> </ul>	

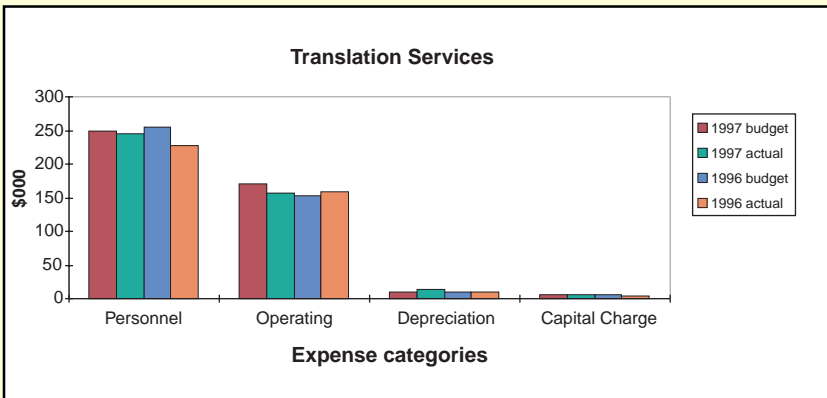
### Cost

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000
Translation Services	435	421
Total excluding GST	435	<b>421</b>
GST	53	53
Total appropriation	488	<b>474</b>

<sup>1</sup>Budgeted amounts are 1996/97 Supplementary Estimates.

FINANCIAL INFORMATION - TRANSLATION SERVICES<sup>1</sup>

	BUDGET <sup>2</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Revenue</b>			
Crown Revenue	0	0	0
Revenue from Third Parties	435	424	398
<b>Total Revenue</b>	<b>435</b>	<b>424</b>	<b>398</b>
<b>Expenses</b>			
Personnel	250	246	227
Operating	170	156	158
Depreciation	10	14	9
Capital Charge	5	5	4
<b>Total Operating Expenses</b>	<b>435</b>	<b>421</b>	<b>398</b>
<b>Net Surplus/(Deficit)</b>	<b>0</b>	<b>3</b>	<b>0</b>



<sup>1</sup> All amounts are GST exclusive.

<sup>2</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

## Vote Civil Defence

### OUTPUT CLASS D1 - PREPARATION FOR EMERGENCIES

#### Description

This output class contributes to the public safety dimension of community security: advice, assistance, coordination and when necessary direction on civil defence matters, through the areas of mitigation and preparedness. There are also reporting and servicing roles which include providing policy advice to the Minister of Civil Defence.

The output class also includes services associated with the disbursement of payments on behalf of the Crown to local authorities for civil defence preparedness.

Performance measures and standards	Performance achievements
<p><b><i>Quantity, quality and timeliness</i></b></p> <p><b>Preparation for Emergencies</b></p> <ul style="list-style-type: none"> <li>• Ministerial reporting and policy advice delivered as requested.</li> <li>• Ministerial correspondence actioned within a 15 working day time frame.</li> <li>• Urgent ministerial correspondence actioned within a ten working day timeframe.</li> <li>• Parliamentary questions for written answer actioned within a four working day time frame.</li> <li>• Parliamentary questions for oral answer actioned by 12.30pm daily.</li> <li>• Official Information requests answered within 20 days of receipt and in accordance with the provisions of the Act.</li> <li>• Demand driven requests for public education resources actioned within ten working days of receipt.</li> </ul>	<p>Policy advice was provided as requested, and appraised by the Minister in quarterly evaluations. All 22 items of ministerial correspondence were actioned within 15 working days. There were no urgent ministerial requests.</p> <p>All 44 parliamentary questions for written answer were actioned within four working days. One parliamentary question for oral reply was actioned within the required timeframe.</p> <p>All five Official Information Act requests were actioned within 20 days and in accordance with the provisions of the Act. 2,275 requests for public education were received and all were actioned within the required timeframe.</p>



Performance measures and standards	Performance achievements
<p><i>Quantity, quality and timeliness - continued</i></p> <ul style="list-style-type: none"> <li>• The National Civil Defence Plan will be maintained, with the objective of having no part of the plan being more than 36 months old and all planning proposals being adopted by the National Civil Defence Committee.</li> <li>• 15 programmed courses held.</li> <li>• A minimum of 20 days training assistance provided to clients.</li> <li>• A minimum of 10 days exercise assistance provided to clients.</li> <li>• Training events held on schedule and student evaluations complaint free 85% of the time.</li> <li>• Support hazard management projects, within the timetable and requirements established for each activity.</li> <li>• Develop national standards relevant to disaster mitigation, including the development of reference guidelines, within the timetable and requirements established for each activity.</li> <li>• Evaluate civil defence organisations in accordance with Ministry of Civil Defence programme, guidelines and policies.</li> <li>• Provide mitigation advice, to client satisfaction, to departments, state agencies, voluntary groups and local authorities.</li> </ul>	<p>For reasons beyond the control of the Ministry, three parts of the plan remain more than 36 months old. In two cases the departments responsible for the parts were unable to convene the appropriate committee. The third part has been produced but in the uncertainty of the Emergency Services Review the National Civil Defence Committee has not met.</p> <p>17 programmed courses were held. 20 days training assistance were provided to clients.</p> <p>11° days exercise assistance were provided to clients.</p> <p>All training events were held on schedule. 100% of student evaluations were complaint free.</p> <p>All eight projects were supported within timetable and established requirements.</p> <p>Contributions were made to the development of two national standards. One standard was completed and an ongoing contribution is being made to the other.</p> <p>Seven evaluations were completed within Ministry of Civil Defence programme, guidelines and policies.</p> <p>Achieved. 40 requests for mitigation advice were received and actioned. One client satisfaction report was returned indicating no major dissatisfaction.</p>

Performance measures and standards	Performance achievements
<p><b>Quantity, quality and timeliness - continued</b></p> <ul style="list-style-type: none"> <li>• Deliver advice and assistance in planning, preparation, coordination and conduct of civil defence measures on request, within an agreed timeframe to the satisfaction of: <ul style="list-style-type: none"> <li>- all regional councils and territorial authorities by means of regular visits and meetings with them, at least twice annually.</li> <li>- all other clients.</li> </ul> </li> </ul>	<p>Achieved. 568 meetings were held with Regional Councils and Territorial Authorities to deliver advice and assistance in planning, preparation, coordination and conduct of civil defence measures achieving client satisfaction in 97% of the cases.</p> <p>Achieved. Advice and assistance in planning preparation, coordination and conduct of civil defence measures were delivered to 27 other clients as requested. No client dissatisfaction responses were received.</p>

### Cost

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000
Preparation for Emergencies	3,912	3,839
Total excluding GST	3,912	<b>3,839</b>
GST	489	493
Total appropriation	4,401	<b>4,332</b>

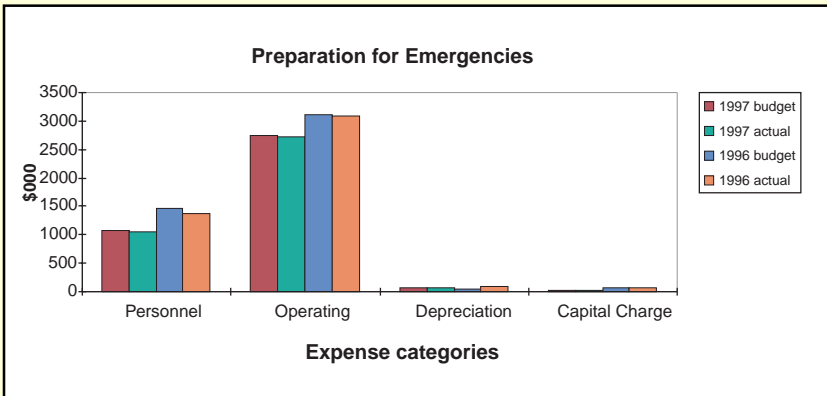
Crown expenditure to local authorities will cost an estimated \$1.048 million and will be accurately disbursed, in accordance with Cabinet directives, and to the satisfaction of clients in at least 95% of the cases.

Crown expenditure of \$1.000 million was paid out on 22 March 1997. No complaints were received. \$0.048 million in emergency expenditure was transferred from Crown to Departmental outputs to cover monitoring of Mt Ruapehu.

<sup>1</sup>Budgeted amounts are 1996/97 Supplementary Estimates.

FINANCIAL INFORMATION - PREPARATION FOR EMERGENCIES<sup>1</sup>

	BUDGET <sup>2</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Revenue</b>			
Crown Revenue	3,912	3,912	4,684
Revenue from Third Parties	0	28	33
<b>Total Revenue</b>	<b>3,912</b>	<b>3,940</b>	<b>4,717</b>
<b>Expenses</b>			
Personnel	1,077	1,044	1,365
Operating	2,744	2,711	3,082
Depreciation	68	63	96
Capital Charge	23	21	67
<b>Total Operating Expenses</b>	<b>3,912</b>	<b>3,839</b>	<b>4,610</b>
<b>Net Surplus/(Deficit)</b>	<b>0</b>	<b>101</b>	<b>107</b>



<sup>1</sup> All amounts are GST exclusive.

<sup>2</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

## OUTPUT CLASS D2 - RESPONSE TO EMERGENCIES

### Description

This output class involves the coordination, facilitation and direction of the response phase of civil defence emergencies if necessary, and operational advice, and includes the maintenance of a national operational headquarters in a state of readiness and the conducting of testing exercises.

The output class also includes the disbursement of payments on behalf of the Crown for emergency expenditure.

Performance measures and standards	Performance achievements
<p><b>Quantity, quality and timeliness</b></p> <p><b>Response to Emergencies</b></p> <ul style="list-style-type: none"> <li>• High frequency radio net tested weekly.</li> <li>• Communications systems and call out procedures tested monthly.</li> <li>• Staff and departmental liaison officers trained and exercised six monthly.</li> <li>• Operational facility maintenance programme monitored monthly.</li> <li>• Civil Defence warning system tested quarterly.</li> <li>• Civil Defence will manage resources allocated to establish linkages, coordinate and facilitate the local response phase of civil defence emergencies, contribute to the emergency management decision-making process to the satisfaction of clients as appropriate, and report monthly.</li> </ul>	<p>Four radio networks were tested weekly.</p> <p>12 monthly tests of the communications systems and call out procedures were conducted. Achieved. Two training and exercise sessions were conducted for staff and departmental liaison officers. Both were held in the first half of the year - the session in the second half had to be cancelled due to refurbishment of the National Civil Defence Headquarters.</p> <p>12 maintenance checks of the operational facilities were conducted.</p> <p>Four tests of the Civil Defence warning system were carried out. Staff were deployed to assist with four declared civil defence emergencies:</p> <p>Cyclone Fergus: Thames/Coromandel District Council (December 1996).</p> <p>Cyclone Drena: Thames/Coromandel District Council (January 1997).</p> <p>Opuha Dam: Timaru District Council (February 1997).</p> <p>Wairoa Storm: Wairoa District Council (June 1997).</p> <p>Other incidents of note were the continuation of monitoring of Mt Ruapehu (July-October) and of a Russian space craft re-entry.</p>

Performance measures and standards	Performance achievements
<b><i>Quantity, quality and timeliness - continued</i></b>	
<ul style="list-style-type: none"> <li>Sums approved for emergency expenditure are to be paid in accordance with approved criteria and reported on a quarterly and year-end basis.</li> </ul>	There was no emergency expenditure paid during the year.

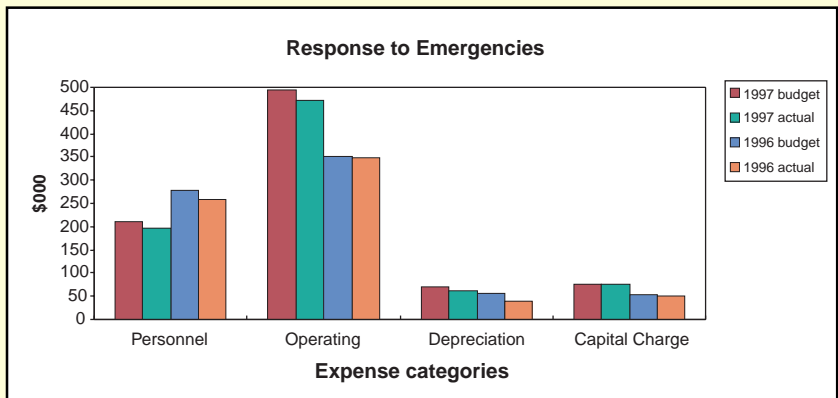
**Cost**

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000
Response to Emergencies	850	807
Total excluding GST	850	<b>807</b>
GST	107	106
Total appropriation	957	<b>913</b>

<sup>1</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

FINANCIAL INFORMATION - RESPONSE TO EMERGENCIES<sup>1</sup>

	BUDGET <sup>2</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Revenue</b>			
Crown Revenue	850	850	736
Revenue from Third Parties	0	0	0
<b>Total Revenue</b>	<b>850</b>	<b>850</b>	<b>736</b>
<b>Expenses</b>			
Personnel	212	196	259
Operating	493	472	348
Depreciation	69	63	40
Capital Charge	76	76	50
<b>Total Operating Expenses</b>	<b>850</b>	<b>807</b>	<b>697</b>
<b>Net Surplus/(Deficit)</b>	<b>0</b>	<b>43</b>	<b>39</b>



<sup>1</sup> All amounts are GST exclusive.

<sup>2</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

## Vote Local Government

### OUTPUT CLASS D1 - POLICY ADVICE (LOCAL GOVERNMENT)

#### Description

This class of outputs involve the provision of policy advice on local government issues and the functioning of the Local Government Commission. This includes the provision of policy advice to the Internal Affairs and Local Government Select Committee and other policy development bodies, and the monitoring of the local government system.

Also included in the output class are the provision of services including the drafting of replies to ministerial correspondence, Ombudsman inquiries, Official Information requests, preparing briefing papers and speech notes and answering parliamentary questions. Additionally, it involves the administration of the Rates Rebates Scheme.

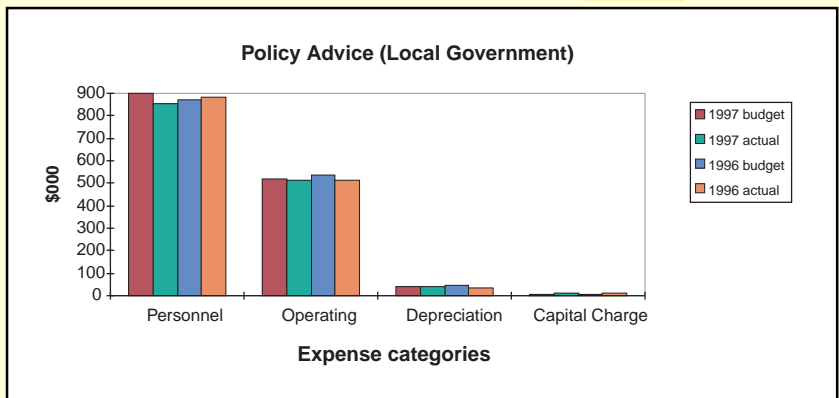
Performance measures and standards	Performance achievements
<p><b><i>Quantity, quality and timeliness</i></b></p> <p><b>Local Government Policy Advice and Correspondence and Questions</b></p> <ul style="list-style-type: none"> <li>• At least 95% of policy advice items provided to standards outlined in the Quality Criteria Schedule attached as an Appendix to the 1996/97 Purchase Agreement.</li> <li>• At least 95% of policy advice items provided meet client deadlines.</li> <li>• At least 95% of policy advice recommendations and first versions of ministerial correspondence and parliamentary questions will be accepted by the Minister.</li> <li>• Comment on the relevance and quality of advice will be sought from the Minister in the context of half-yearly reviews.</li> <li>• All parliamentary questions will be answered to prescribed deadlines and a minimum of 95% of ministerials will be answered within 15 working days. Based on previous years' figures, expected quantities of ministerial servicing products will be 570 draft replies to ministerial correspondence and 30 parliamentary questions.</li> </ul>	<p>100% of reports were provided to standards outlined in the 1996/97 Purchase Agreement (see Appendix 2 on page 150).</p> <p>100% of policy advice items met deadlines.</p> <p>100% of reports and first versions of ministerial correspondence and 94% of parliamentary questions were accepted by the Minister.</p> <p>One review sought from the Coalition Government did not receive a response.</p> <p>100% of parliamentary questions were answered to prescribed deadlines and 93% of ministerials were answered within 15 working days. 131 reports, 451 ministerials and 80 parliamentary questions were provided.</p>

**Cost**

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000
Local Government Policy Advice	1,250	1,194
Correspondence and Questions	214	226
Total excluding GST	<u>1,464</u>	<u>1,420</u>
GST	183	183
Total appropriation	<u>1,647</u>	<u>1,603</u>

**FINANCIAL INFORMATION - POLICY ADVICE (LOCAL GOVERNMENT)<sup>2</sup>**

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Revenue</b>			
Crown Revenue	1,464	1,464	1,461
Revenue from Third Parties	0	0	0
<b>Total Revenue</b>	<u>1,464</u>	<u>1,464</u>	<u>1,461</u>
<b>Expenses</b>			
Personnel	900	854	885
Operating	518	515	516
Depreciation	39	40	37
Capital Charge	7	11	13
<b>Total Operating Expenses</b>	<u>1,464</u>	<u>1,420</u>	<u>1,451</u>
<b>Net Surplus/(Deficit)</b>	<u>0</u>	<u>44</u>	<u>10</u>



<sup>1</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

<sup>2</sup> All amounts are GST exclusive.



## OUTPUT CLASS D2 - INFORMATION, SUPPORT AND REGULATORY SERVICES

### Description

This class of outputs involves the provision of information and advisory services on local government issues and on issues relating to Lake Taupo. This includes the provision of regulatory services in relation to permits and licences for the use of Lake Taupo facilities and monitoring public safety aspects of the use of Lake Taupo.

It also includes the provision of secretarial, advisory, accounting, research and administrative services to the Local Government Commission; and information to local authorities and the community generally about local government.

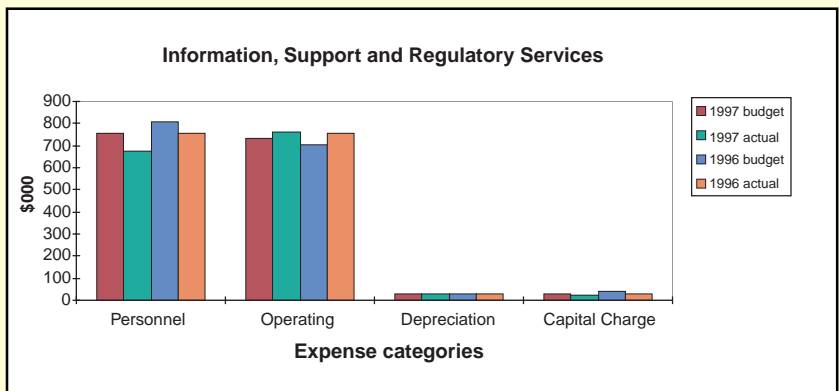
Performance measures and standards	Performance achievements
<p><b><i>Quantity, quality and timeliness</i></b></p> <p><b>Information, Support and Regulatory Services (Lake Taupo)</b></p> <ul style="list-style-type: none"> <li>• Maintenance of the following Lake Taupo facilities:               <ul style="list-style-type: none"> <li>- 17 boat ramps and 13 jetties</li> <li>- 124 moorings and 295 berths</li> <li>- 21 navigational lights and marks.</li> </ul> </li> <li>• Lake Taupo services provided to the following quality criteria:               <ul style="list-style-type: none"> <li>- a minimum of 95% boating services provided meet internal criteria and deadlines.</li> <li>- a minimum of 95% of regulatory and safety services provided meet internal criteria and deadlines.</li> </ul> </li> </ul> <p><b>Information and Advisory Services</b></p> <ul style="list-style-type: none"> <li>• An estimated 800 Local Government Commission written items provided, of which a minimum of 97% will meet the quality criteria outlined in the 1996/97 Purchase Agreement.</li> <li>• The Secretarial, advisory, accounting, research and administrative services provided to the Local Government Commission will be within timeframes agreed with the Commission and there will be no written complaints about these services.</li> </ul>	<p>The following Lake Taupo facilities were maintained:</p> <ul style="list-style-type: none"> <li>- 17 boat ramps and 15 jetties</li> <li>- 166 moorings and 293 berths</li> <li>- 21 navigational lights and marks.</li> </ul> <p>98% of boating services provided met criteria and deadlines.</p> <p>97% of regulatory and safety services provided met criteria and deadlines.</p> <p>100% of 844 written items were produced to criteria outlined in the 1996/97 Purchase Agreement.</p> <p>Secretarial, advisory, accounting, research and administrative services were provided to the Local Government Commission within agreed timeframes. No written complaints were received.</p>

**Cost**

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000
Information, Support and Regulatory Services (Lake Taupo)	180	192
Information and Advisory Services	1,366	1,297
<b>Total excluding GST</b>	<b>1,546</b>	<b>1,489</b>
GST	194	193
<b>Total appropriation</b>	<b>1,740</b>	<b>1,682</b>

**FINANCIAL INFORMATION - INFORMATION, SUPPORT AND REGULATORY SERVICES<sup>2</sup>**

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Revenue</b>			
Crown Revenue	1,302	1,302	1,363
Revenue from Third Parties	251	244	232
<b>Total Revenue</b>	<b>1,553</b>	<b>1,546</b>	<b>1,595</b>
<b>Expenses</b>			
Personnel	756	677	754
Operating	732	764	755
Depreciation	27	26	31
Capital Charge	31	22	27
<b>Total Operating Expenses</b>	<b>1,546</b>	<b>1,489</b>	<b>1,567</b>
<b>Net Surplus/(Deficit)</b>	<b>7</b>	<b>57</b>	<b>28</b>



<sup>1</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

<sup>2</sup> All amounts are GST exclusive.

## Vote Sport, Fitness and Leisure

### OUTPUT CLASS D1 - POLICY ADVICE (SPORT, FITNESS AND LEISURE)

#### Description

This class of outputs involves the provision of policy advice on sport, fitness and leisure, and services which include the administration of Acts and Regulations, the drafting of replies to ministerial correspondence, replies to parliamentary questions, Official Information requests, and Ombudsman enquiries, and the preparation of briefing papers and speech notes.

It also includes assessment and disbursement of payments on behalf of the Crown to the Hillary Commission, Sports Drug Agency, disbursements from the Ministerial discretionary fund and monitoring of performance measures of grants to the Hillary Commission and Sports Drug Agency.

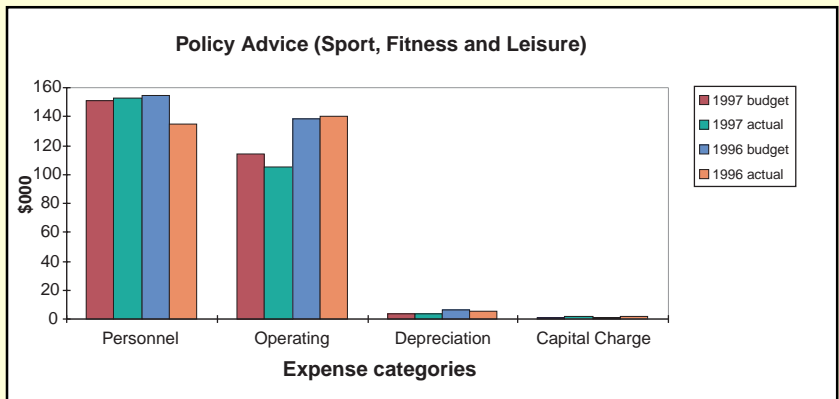
Performance measures and standards	Performance achievements
<p><i>Quantity, quality and timeliness</i></p> <p><b>Sport, Fitness and Leisure Policy Advice and Correspondence and Questions</b></p> <ul style="list-style-type: none"> <li>• At least 95% of policy advice items provided to standards in the Quality Criteria Schedule attached as an Appendix to the Purchase Agreement.</li> <li>• At least 95% of policy advice items provided meet client deadlines.</li> <li>• At least 95% of policy advice recommendations and first versions of ministerial correspondence and parliamentary questions will be accepted by the Minister.</li> <li>• Comment on the relevance and quality of advice will be sought from the Minister in the context of half-yearly reviews.</li> <li>• All parliamentary questions will be answered to prescribed deadlines and a minimum of 95% of ministerials will be answered within 15 working days. Based on previous years' figures, it is expected that there will be 80 draft replies to ministerial correspondence.</li> </ul>	<p>100% of policy advice items provided to standards as specified in the 1996/97 Purchase Agreement (see Appendix 2 on page 150).</p> <p>100% of policy advice items met client deadlines.</p> <p>96% of reports, 100% of first versions of ministerial correspondence and 97% of parliamentary questions were accepted by the Minister.</p> <p>One review sought from the Coalition Government did not receive a response.</p> <p>100% of parliamentary questions were answered to prescribed deadlines and 88% of ministerials were answered within 15 days.</p> <p>28 reports, 26 ministerials and 39 parliamentary questions were provided.</p>

**Cost**

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000
Sport, Fitness and Leisure Policy Advice	230	230
Correspondence and Questions	40	34
<b>Total excluding GST</b>	<b>270</b>	<b>264</b>
GST	34	34
<b>Total appropriation</b>	<b>304</b>	<b>298</b>

**FINANCIAL INFORMATION - POLICY ADVICE (SPORT, FITNESS AND LEISURE)<sup>2</sup>**

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Revenue</b>			
Crown Revenue	270	270	300
Revenue from Third Parties	0	0	0
<b>Total Revenue</b>	<b>270</b>	<b>270</b>	<b>300</b>
<b>Expenses</b>			
Personnel	151	153	135
Operating	114	105	140
Depreciation	4	4	5
Capital Charge	1	2	2
<b>Total Operating Expenses</b>	<b>270</b>	<b>264</b>	<b>282</b>
<b>Net Surplus/(Deficit)</b>	<b>0</b>	<b>6</b>	<b>18</b>



<sup>1</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

<sup>2</sup> All amounts are GST exclusive.

## Vote Racing

### OUTPUT CLASS D1 - POLICY ADVICE (RACING)

#### Description

The class of outputs involves the provision of policy advice on the racing industry and services which includes the drafting of replies to ministerial correspondence, parliamentary questions, Official Information requests, Ombudsman enquiries, and the preparation of briefing and speech notes.

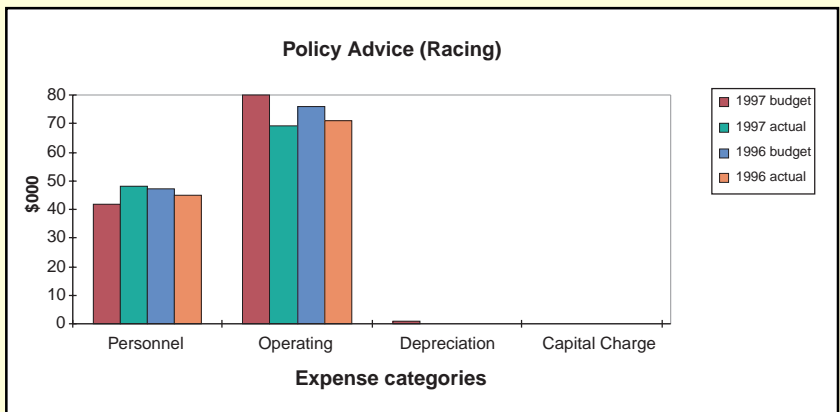
Performance measures and standards	Performance achievements
<p><b><i>Quantity, quality and timeliness</i></b></p> <p><b>Racing Policy Advice and Correspondence and Questions</b></p> <ul style="list-style-type: none"> <li>• At least 95% of policy advice items provided to standards outlined in the 1996/97 Purchase Agreement.</li> <li>• At least 95% of policy advice items provided meet client deadlines.</li> <li>• At least 95% of first versions of ministerial correspondence and parliamentary questions will be accepted by the Minister.</li> <li>• Comment on the relevance and quality of advice will be sought from the Minister in the context of half-yearly reviews.</li> <li>• All parliamentary questions, ministerial correspondence, reports to Cabinet, Ombudsman enquiries and Official Information Act requests will be responded to within agreed and statutory time frames. Based on previous years' figures, expected quantities of ministerial servicing products will be 70 - 100 draft replies to ministerial correspondence and 10 - 20 parliamentary questions.</li> </ul>	<p>100% of policy advice items provided to standards outlined in the 1996/97 Purchase Agreement (see Appendix 2 on page 150).</p> <p>100% of policy items met client deadlines.</p> <p>100% of first versions of ministerial correspondence and parliamentary questions were accepted by the Minister.</p> <p>One review sought from the Coalition Government showed a satisfaction rating of 8 on a scale of 1 to 9 where 1 is very poor and 9 is very good.</p> <p>All parliamentary questions, ministerial correspondence, Ombudsman enquiries and Official Information Act requests were responded to within agreed and statutory time frames.</p> <p>There were 37 items of policy advice, 92 ministerials and 30 responses to parliamentary questions.</p>

**Cost**

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000
Racing Policy Advice	107	103
Correspondence and Questions	16	14
Total excluding GST	<u>123</u>	<u>117</u>
GST	<u>15</u>	<u>15</u>
Total appropriation	<u>138</u>	<u>132</u>

FINANCIAL INFORMATION - POLICY ADVICE (RACING)<sup>2</sup>

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Revenue</b>			
Crown Revenue	123	123	123
Revenue from Third Parties	0	0	0
<b>Total Revenue</b>	<u>123</u>	<u>123</u>	<u>123</u>
<b>Expenses</b>			
Personnel	42	48	45
Operating	80	69	71
Depreciation	1	0	0
Capital Charge	0	0	0
<b>Total Operating Expenses</b>	<u>123</u>	<u>117</u>	<u>116</u>
<b>Net Surplus/(Deficit)</b>	<u>0</u>	<u>6</u>	<u>7</u>

<sup>1</sup> Budgeted amounts are 1996/97 Supplementary Estimates.<sup>2</sup> All amounts are GST exclusive.



*Crown*  
*financial statements*

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**CROWN STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 1997**

**Description of Statement**

The 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.

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Revenue</b>			
Crown Revenue	52,180	52,119	48,874
Operational Revenue	28	55	237
Accessions	9,603	10,980	0
<b>Total Revenue</b>	<u>61,811</u>	<u>63,154</u>	<u>49,111</u>
<b>Expenses</b>			
Personnel	3,793	3,658	3,715
Benefits and Unrequited Expenses	12,332	12,230	26,033
Outputs from Other Parties	21,427	21,426	18,134
Depreciation	446	434	1,605
Net Revaluation Loss	0	0	54,430
Other Expenses	14,567	12,751	358
<b>Total Expenses</b>	<u>52,565</u>	<u>50,499</u>	<u>104,275</u>
<b>Net Crown Operating Result</b>	<u>9,246</u>	<u>12,655</u>	<u>(55,164)</u>

<sup>1</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

*(The accompanying accounting policies and notes are an integral part of these Statements.)*

Please refer to the Financial Statements of the Government of New Zealand for the year ended 30 June 1997 for a complete presentation of the Government's financial position and the results of its operations for the year.

## CROWN STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 1997

### Description of Statement

The Statement of Financial Position reports the assets and liabilities managed by the Department of Internal Affairs on behalf of the Crown.

	NOTES	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Assets</b>				
<b>Current Assets</b>				
Bank		1,542	3,958	1,906
Accounts Receivable		165	44	6
<b>Total Current Assets</b>		<u>1,707</u>	<u>4,002</u>	<u>1,912</u>
<b>Non-Current Assets</b>				
Term Accounts Receivable		106	29	45
Non-Current Assets	23	731,158	732,547	722,001
<b>Total Non-Current Assets</b>		<u>731,264</u>	<u>732,576</u>	<u>722,046</u>
<b>Total Assets</b>		<u>732,971</u>	<u>736,578</u>	<u>723,958</u>
<b>Liabilities and Taxpayers' Funds</b>				
<b>Current Liabilities</b>				
Accounts Payable	24	854	1,117	1,059
<b>Total Current Liabilities</b>		854	<b>1,117</b>	1,059
<b>Taxpayers' Funds</b>				
Crown Balance		732,117	<b>735,461</b>	722,899
<b>Total Liabilities and Taxpayers' Funds</b>		<u>732,971</u>	<u>736,578</u>	<u>723,958</u>

<sup>1</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

*(The accompanying accounting policies and notes are an integral part of these Statements.)*

Please refer to the Financial Statements of the Government of New Zealand for the year ended 30 June 1997 for a complete presentation of the Government's financial position and the results of its operations for the year.



## CROWN STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 1997

### Description of Statement

The 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.

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Cash Flows from Operating Activities</b>			
Cash was Provided from:			
Crown Revenue	52,119	52,119	48,874
Operational Revenue	28	55	237
	52,147	52,174	49,111
Cash was Disbursed to:			
Cost of Producing Outputs	(52,483)	(50,069)	(47,875)
<b>Net Cash Flows from Operating Activities</b>	<b>(33)</b>	<b>2,105</b>	<b>123</b>
<b>Cash Flows from Investing Activities</b>			
Cash was Provided from:			
Repayment of Loans	0	40	116
<b>Net Cash Flows from Investing Activities</b>	<b>0</b>	<b>40</b>	<b>116</b>
<b>Cash Flows from Financing Activities</b>			
Cash was Disbursed to:			
Non Departmental Receipts paid to NZDMO	(28)	(93)	(326)
<b>Net Cash Flows from Financing Activities</b>	<b>(28)</b>	<b>(93)</b>	<b>(326)</b>
Net Increase/(Decrease) in Cash Held	(364)	2,052	1,026
Add Opening Cash Brought Forward	1,906	1,906	880
<b>Closing Cash Carried Forward</b>	<b>1,542</b>	<b>3,958</b>	<b>1,906</b>

<sup>1</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

*(The accompanying accounting policies and notes are an integral part of these Statements.)*

Please refer to the Financial Statements of the Government of New Zealand for the year ended 30 June 1997 for a complete presentation of the Government's financial position and the results of its operations for the year.

**CROWN RECONCILIATION OF REPORTED SURPLUS WITH CASH  
GENERATED FROM OPERATING ACTIVITIES  
FOR THE YEAR ENDED 30 JUNE 1997**

	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Net Crown Operating Result from Statement of Financial Performance</b>	<b>12,655</b>	(55,164)
<b>Add/(Deduct) Non-Cash Items</b>		
Depreciation	434	1,605
Revaluations/Accessions	(10,980)	54,430
	<u>(10,546)</u>	<u>56,035</u>
<b>Add/(Deduct) Movements in Working Capital Items</b>		
(Increase)/Decrease in Accounts Receivable	38	161
Increase/(Decrease) in Accounts Payable	(58)	204
	<u>(20)</u>	<u>365</u>
<b>Add/(Deduct) Items Classified as Investing Activities</b>		
(Increase)/Decrease in Term Accounts Receivable	16	0
	<u>16</u>	<u>0</u>
<b>Net Cash Flows From Operating Activities</b>	<b><u>2,105</u></b>	<b><u>1,236</u></b>

*(The accompanying accounting policies and notes are an integral part of these Statements.)*

Please refer to the Financial Statements of the Government of New Zealand for the year ended 30 June 1997 for a complete presentation of the Government's financial position and the results of its operations for the year.

**CROWN STATEMENT OF MOVEMENTS IN TAXPAYERS' FUNDS  
FOR THE YEAR ENDED 30 JUNE 1997**

**Description of Statement**

The Statement of Movements in Taxpayers' Funds combines information about the net surplus/(deficit) with other aspects of the Crown Statement of Financial Position. It provides information to give a degree of measure of comprehensive income.

	BUDGET <sup>1</sup> 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Crown Balance at the start of the year</b>	722,899	<b>722,899</b>	775,283
Net Crown Operating Result	9,246	12,655	(55,164)
Increase in Revaluation Reserve	0	0	3,106
<b>Total recognised revenues and expenses for the year</b>	9,246	12,655	(52,058)
Non-Departmental Receipts paid to NZDMO	(28)	(93)	(326)
<b>Crown Balance at the end of the year</b>	732,117	<b>735,461</b>	722,899

<sup>1</sup> Budgeted amounts are 1996/97 Supplementary Estimates.

*(The accompanying accounting policies and notes are an integral part of these Statements.)*

Please refer to the Financial Statements of the Government of New Zealand for the year ended 30 June 1997 for a complete presentation of the Government's financial position and the results of its operations for the year.

## CROWN STATEMENT OF COMMITMENTS AS AT 30 JUNE 1997

### Description of Statement

The Statement records expenditure to which the Crown is contractually committed or obligated by statute. Commitments will become liabilities if and when the terms of the contract or statute are met.

	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
<b>Operating Commitments</b>		
Less than one year	1,752	1,874
One to two years	1,606	1,874
Two to five years	4,817	5,620
<b>Total Operating Commitments</b>	<b>8,175</b>	<b>9,368</b>
<b>Total Commitments</b>	<b>8,175</b>	<b>9,368</b>

## CROWN STATEMENT OF CONTINGENT LIABILITIES AS AT 30 JUNE 1997

There were no contingent liabilities, guarantees or indemnities for the year ended 30 June 1997 or for the previous financial year.

*(The accompanying accounting policies and notes are an integral part of these Statements.)*

Please refer to the Financial Statements of the Government of New Zealand for the year ended 30 June 1997 for a complete presentation of the Government's financial position and the results of its operations for the year.

**STATEMENT OF NON-DEPARTMENTAL ESTIMATED ACTUALS,  
APPROPRIATIONS AND EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 1997**

(Figures are GST inclusive)

	NOTES	ESTIMATED ACTUALS 1996/97 \$ 000	MAIN ESTIMATES 1996/97 \$ 000
<b>Vote Internal Affairs</b>			
<i>Non-Departmental Output Classes</i>			
Authentication of Antiquities		21	21
Classification of Films, Videos and Publications		2,842	2,842
Fire Prevention Services	26	14,058	15,318
<i>Benefits and Other Unrequited Expenses</i>			
ANZAC Fellowship	27	58	59
Annuities to Former Prime Ministers, Governors-General and Widows	26	194	163
Community Organisation Grants Scheme		10,295	10,295
Community Project Workers Scheme		1,020	1,020
Community Work Training Fund		60	60
<i>Other Expenses to be Incurred by the Crown</i>			
Commission of Inquiry into Certain Matters Relating to Taxation	26, 27	500	608
Commission of Inquiry into the Collapse of a Viewing Platform at Cave Creek Near Punakaiki on the West Coast		0	0
Commonwealth War Graves Development and Maintenance of Service Cemeteries, War Graves, Historic Graves and Monuments		1,706	1,746
		462	462
Executive Council and Ministers - Salaries and Allowances	26	3,600	3,606
Governor-General's Pension Arrangement		17	17
Ministers' Internal and External Travel	26, 27	7,933	7,970
Miscellaneous Grants	26	6	148
Royal Life Saving Commonwealth Council		1	1
Travel for Ex Governors-General and Prime Ministers	27	240	277
Treaty Commemorations at Waitangi	26, 27	101	299
Waitangi Commemorations	26	50	25
World War II Commemorative Events		0	0
Youth Workers Training Scheme		200	200
<i>Capital Contributions to Other Persons or Organisations</i>			
Office of Film and Literature Classification		0	0
<i>Purchase or Development of Capital Assets by the Crown</i>			
ANZAC Memorial in Canberra	27	57	520
<b>Vote Civil Defence</b>			
<i>Other Expenses to be Incurred by the Crown</i>			
Emergency Expenses	26	0	48
Subsidies to Local Authorities		1,000	1,000
<b>Vote Local Government</b>			
<i>Benefits and Other Unrequited Expenses</i>			
Rates Rebate Scheme	27	630	700
<i>Other Expenses to be Incurred by the Crown</i>			
Tuwaharetoa Māori Trust Board		122	128
West Coast Regional Council	26	338	0
<i>Purchase or Development of Capital Assets by the Crown</i>			
Capital Investments - Lake Taupo		34	34
<b>Vote Sport, Fitness and Leisure</b>			
<i>Non-Departmental Output Classes</i>			
Sport, Fitness and Leisure Programmes		4,000	4,000
Drugs Testing of Sports Persons		506	506
<i>Other Expenses to be Incurred by the Crown</i>			
Miscellaneous Grants	27	30	50
<b>Totals</b>		<b>50,081</b>	<b>52,123</b>

(The accompanying accounting policies and notes are an integral part of these Statements.)

Please refer to the Financial Statements of the Government of New Zealand for the year ended 30 June 1997 for a complete presentation of the Government's financial position and the results of its operations for the year.

SUPPLEMENTARY ESTIMATES 1996/97 \$ 000	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
21	21	21
2,842	2,842	1,874
14,058	14,058	15,317
59	37	58
198	194	150
10,295	10,291	10,293
1,020	1,020	1,020
60	60	60
567	463	430
0	0	41
1,746	1,740	1,728
462	458	461
3,776	3,640	3,549
17	17	16
9,070	7,966	8,711
6	6	8
1	1	1
277	225	224
101	95	104
50	50	69
0	0	784
200	200	199
0	0	294
537	43	3
0	0	10
1,000	1,000	1,000
700	628	605
128	122	128
338	338	0
34	34	34
4,000	4,000	416
506	506	506
50	36	99
<u>52,119</u>	<u>50,091</u>	<u>48,213</u>

*(The accompanying accounting policies and notes are an integral part of these Statements.)*

Please refer to the Financial Statements of the Government of New Zealand for the year ended 30 June 1997 for a complete presentation of the Government's financial position and the results of its operations for the year.

**NOTES TO THE CROWN FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1997**

**NOTE 23 NON-CURRENT ASSETS**

**a) Non-Current Assets**

	NOTE	1996/97			1995/96		
		COST OR VALUATION \$ 000	ACCUM- ULATED DEPRE- CIATION \$ 000	CARRYING AMOUNT \$ 000	COST OR VALUATION \$ 000	ACCUM- ULATED DEPRE- CIATION \$ 000	CARRYING AMOUNT \$ 000
Land	23b	4,595	0	4,595	4,595	0	4,595
Buildings	23b	11,538	363	11,175	11,538	114	11,424
Furniture, Fittings							
Plant and Equipment	23b	2,160	1,747	413	2,160	1,560	600
National Archive Collection	23b	716,364	0	716,364	705,382	0	705,382
<b>Total Non-Current Assets</b>		<b>734,657</b>	<b>2,110</b>	<b>732,547</b>	<b>723,675</b>	<b>1,674</b>	<b>722,001</b>

**b) Revaluation basis**

Valuations were made on the basis of Net Current Value (NCV) 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. Otherwise, Optimised Deprival Value (ODV) was used for assets of a specialised nature that were unlikely to be sold. ODV 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 and Buildings**

Valuation of land and buildings was undertaken by Knight Frank (NZ) Ltd (ANZIV, MPLEINZ), registered independent valuer on 1 October 1995. Valuation of land and buildings is undertaken every three years.

The Crown has beneficial rather than legal ownership over the property at 23 Bolton Street, Wellington.

**National Archive Collection**

The National Archive Collection was valued using a methodology which divided the Collection into parts, defined by various characteristics. Benchmark valuations were obtained from the Turnbull Library, through market place assessments and from other collections which are of similar nature to categories of Government archives. Items of exceptional value, such as the Treaty of Waitangi (\$30 million), were individually considered with valuations being updated and confirmed by external valuers.

**Public Archives Held in Other Approved Repositories - update**

There are approximately 1,900 cans of film and 300 linear metres of public archives held at other approved repositories that do not form part of the National Archive Collection valuation. They are estimated to have a value of \$1.4 million.

**NOTE 24 ACCOUNTS PAYABLE**

	ACTUAL 1996/97 \$ 000	ACTUAL 1995/96 \$ 000
Accounts Payable	550	557
Other Accrued Liabilities	567	502
<b>Total Accounts Payable</b>	<b>1,117</b>	<b>1,059</b>

**NOTE 25 NON-DEPARTMENTAL EXPENDITURE****Authentication of Antiquities**

Provision of services, such as the authentication of items or artefacts as antiquities, by authorised public museums under the Antiquities Act 1975.

**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.

**Fire Prevention Services**

Provision of fire prevention and suppression services at standards which conform with the Fire Service Act 1975 and the Forest and Rural Fires Act 1977.

**ANZAC Fellowship**

Fellowships provided for Australians to carry out research in New Zealand in their particular field.

**Annuities to Former Prime Ministers, Governors-General and Widows**

Annuities to Former Prime Ministers, Governors-General and Widows, pursuant to Section 4 and 24 of the Civil List Act 1979.

**Community Organisation Grants Scheme**

To distribute funds to community organisations which provide essential social services to priority sectors of their community.

**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 coordination of training, publicity and development for community workers.

**Commission of Inquiry Into Certain Matters Relating to Taxation**

To fund the Commissioner's remuneration for the Commission of Inquiry Into Certain Matters Relating to Taxation.

**Commonwealth War Graves**

A payment for the upkeep of New Zealand service personnel war graves in overseas war cemeteries.



### **Development and Maintenance of Service Cemeteries, War Graves, Historic Graves and Monuments**

Development and maintenance of service cemeteries, war graves, historic graves and monuments.

### **Executive Council and Ministers - Salaries and Allowances**

Payments for civil purposes, Executive Council and ministers' salaries and allowances, pursuant to Section 2 of the Civil List Act 1979.

### **Governor-General's Pension Arrangement**

Payments for civil purposes, for a former Governor-General's pension arrangement, pursuant to Section 5 of the Civil List Act 1979.

### **Ministers' Internal and External Travel**

Payments for civil purposes, Executive Council and ministers' internal and external travel, pursuant to Section 2 of the Civil List Act 1979.

### **Miscellaneous Grants (Internal Affairs)**

Discretionary funding provided on application.

### **Royal Life Saving Commonwealth Council**

Enables the Royal Life Saving Society (New Zealand) to participate and benefit in international forums.

### **Travel for Ex Governors-General and Prime Ministers**

Payments for civil purposes, pursuant to Section 25 of the Civil List Act 1979.

### **Treaty Commemorations at Waitangi**

The Crown's contribution to the Treaty commemorations at Waitangi each year.

### **Waitangi Commemorations**

To fund activities that support and acknowledge the signing of the Treaty of Waitangi at places other than Waitangi.

### **Youth Workers Training Scheme**

Grants for on-the-job training for both paid and voluntary youth workers on a regional short-term basis.

### **ANZAC Memorial in Canberra**

Development and establishment of a memorial on ANZAC Parade, Canberra, to commemorate New Zealand's contribution to ANZAC esprit de corps between Australia and New Zealand.

### **Emergency Expenses**

Payments from the Crown to meet emergency expenses.

### **Subsidies to Local Authorities**

Payments from the Crown to local authorities for civil defence preparation.

### **Rates Rebate Scheme**

Rates-paying assistance for low income residential ratepayers.

**Tuwharetoa Māori Trust Board**

A grant for the use of Lake Taupo, based upon a 1926 agreement between the Crown and the Tuwharetoa iwi.

**West Coast Regional Council**

Financial assistance to the West Coast Regional Council for the repayment of debt.

**Capital Investments - Lake Taupo**

Upgrading of jetty and ramp facilities at Lake Taupo. Provision of moorings, safety lighting, and adequate warning of navigational hazards.

**Sport, Fitness and Leisure Programmes**

Provision for the purchase and implementation of a high performance sport strategy by the Hillary Commission 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.

**NOTE 26 EXPLANATION OF SIGNIFICANT BUDGET CHANGES****Statement of Non-Departmental Estimated Actuals, Appropriations and Expenditure (page 138)**

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

**Fire Prevention Services (\$1,260,000)**

The adjustment of \$1,260,000 was a reduction made in the funding to the Fire Service to reflect the agreed financial parameters for 1996/97.

**Annuities to Former Prime Ministers, Governors-General, and Widows (\$35,000)**

The increase of \$35,000 reflects the succession of the Governor-General.

**Commission of Inquiry Into Certain Matters Relating to Taxation (\$41,000)**

The decrease was the consequence of revised estimates leading to a reduction of \$146,000 then two subsequent increases (\$63,000 and \$42,000) for the remuneration of the Commissioner to cover the duration of the Commission of Inquiry Into Certain Matters Relating to Taxation.

**Executive Council and Ministers - Salaries and Allowances (\$170,000)**

The increase of \$170,000 reflects the increased size and change in composition of the Executive.

**Ministers' Internal and External Travel (\$1,100,000)**

The adjustment of \$1,100,000 reflects an anticipated increase in activity related to the increase in the size of the Executive.

**Miscellaneous Grants (Internal Affairs) (\$142,000)**

The decrease in appropriation is a transfer of funds to the Commission of Inquiry Into Certain Matters Relating to Taxation. This transfer was for the Commissioner's increased remuneration (\$42,000), and for legal costs (\$100,000) for representation before the Commission.

**Treaty Commemorations at Waitangi (\$198,000)**

The decrease reflects a transfer to cover legal costs (\$173,000) for representation before the Commission of Inquiry Into Certain Matters Relating to Taxation, and a transfer to Waitangi Commemorations (\$25,000).

**Waitangi Commemorations (\$25,000)**

An increase of \$25,000 was made to cover Treaty commemorations held at Government House.

**Emergency Expenses (\$48,000)**

A transfer of all funding of \$48,000 to cover monitoring of Ruapehu was made to Vote Civil Defence Output Class D1: Preparation for Emergencies.

**West Coast Regional Council (\$338,000)**

Government agreed to provide financial assistance of \$338,000 per annum for three years to the West Coast Regional Council for the repayment of debt.

**NOTE 27 EXPLANATION OF SIGNIFICANT ACTUAL VARIANCES**

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

**ANZAC Fellowship (\$22,000)**

The reciprocal nature of this scheme with the Australian Government has resulted in fewer fellowships being awarded for the 1996/97 financial year. The Australian Government reduced the number of fellowships awarded.

**Commission of Inquiry Into Certain Matters Relating to Taxation (\$104,000)**

The progress of the Commissioner's work was affected by legal challenges.

**Ministers' Internal and External Travel (\$1,104,000)**

Additional funding was approved based on the premise of the expanded Executive and the trend of expenditure in the previous financial year. However, the demand for travel, which had been low in the first half of the financial year prior to the coalition announcement, did not increase in the second half of the year, contrary to expectations.

**Travel for Ex Governors-General and Prime Ministers (\$52,000)**

Lower costs are a reflection of reduced demand.

**Treaty Commemorations at Waitangi (\$6,000)**

Costs incurred at Government House for Treaty commemorations were slightly lower than anticipated.

**ANZAC Memorial in Canberra (\$494,000)**

Delays with the approval process by the Australian authorities deferred the construction of the memorial. The memorial is now targeted to be completed for Remembrance Day 1998.

**Rates Rebate Scheme (\$72,000)**

This scheme is reliant on the claims made by local authorities which were lower than budgeted.

**Miscellaneous Grants (Sport, Fitness and Leisure) (\$14,000)**

Demand was lower than anticipated.

**NOTE 28 FINANCIAL INSTRUMENTS**

The Department of Internal Affairs on behalf of the Crown is party to financial instrument arrangements as part of its daily operations. These include cash at bank, accounts receivable, term accounts receivable, accounts payable and foreign currency forward contracts.

**a) Currency and Interest Rate Risk**

Foreign exchange forward contracts are used to manage foreign exchange exposures. The position with respect to foreign exchange contracts is set out in part c) below. The Crown has no significant exposure to interest rate risk on its financial instruments.

**b) Credit Risk**

Financial instruments which potentially subject the Crown to credit risk consist principally of cash and receivables.

The Crown places its cash with a Treasury approved financial institution.

Maximum exposures to credit risk as at 30 June 1997 were:

	ACTUAL 1996/1997 \$ 000	ACTUAL 1995/1996 \$ 000
Bank	3,958	1,906
Accounts Receivable	44	6
Term Accounts Receivable	29	45

**Concentrations of credit risk**

There was no exposure to concentrations of credit risk.

**c) Fair Value**

Estimated fair values of the financial assets and liabilities are as follows:

	1996/97		1995/96	
	CARRYING VALUE	FAIR VALUE	CARRYING VALUE	FAIR VALUE
	\$ 000	\$ 000	\$ 000	\$ 000
Bank	3,958	3,958	1,906	1,906
Accounts Receivable	44	44	6	6
Term Accounts Receivable	29	29	45	45
Accounts Payable	1,117	1,117	1,059	1,059

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

	1996/97		1995/96	
	CONTRACT VALUE	FAIR VALUE	CONTRACT VALUE	FAIR VALUE
	\$ 000	\$ 000	\$ 000	\$ 000
Foreign Exchange Contracts	3,023	3,139	3,286	3,028

The following methods and assumptions were used to estimate the fair values of each class of financial instruments:

**Foreign Exchange Contracts**

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

**Bank, Accounts Receivable, Term Accounts Receivable and Accounts Payable**

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

**NOTE 29 STATEMENT OF COMMITMENTS**

Operating Commitments relate to an ongoing international agreement which has no finite term. It has been recognised in this statement for a five year period.



*statement of  
trust money*

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**STATEMENT OF TRUST MONEY ADMINISTERED ON BEHALF OF  
THE CROWN FOR THE YEAR ENDED 30 JUNE 1997**

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 1996/97 \$ 000	CONTRIBU- TIONS \$ 000	DISTRIBU- TIONS \$ 000	REVENUE \$ 000	EXPENSES \$ 000	CLOSING BALANCE 1996/97 \$ 000
New Zealand Historical Atlas	100	236	0	5	340	1
New Zealand History Research	1,359	0	90	113	0	1,382
Vogel House	1	6	6	0	0	1
Māori Land Court Records	152	0	0	12	15	149
New Zealand Encyclopaedia	1	0	0	0	0	1
Australian Trust for Oral History Archives	1,264	7	57	113	6	1,321
NZ 1990 Scholarship	332	0	21	27	0	338
NZ 1990 Commission Residual	249	2	0	21	32	240
Dictionary of New Zealand Biography	1,396	481	0	155	657	1,375
Problem Gambling	0	662	595	7	74	0
<b>Total</b>	<b>4,854</b>					<b>4,808</b>

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 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 to be used for the production of a historical atlas in New Zealand.

**New Zealand History Research Trust**

This trust was established to hold New Zealand Lottery Grants Board funds. The income from these Funds is used to make awards to individuals for historic research projects.

**Vogel House Trust**

This trust was established to hold bond money received from depositors who use Vogel House and Premier House for special functions.

**Māori Land Court Records Trust**

This trust was established to hold funds from the New Zealand Lottery Grants Board to copy the Māori Land Records.

**New Zealand Encyclopaedia 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 Encyclopaedia.

**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.

**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.

**New Zealand 1990 Commission Residual Trust**

This trust was established to hold funds from the New Zealand 1990 Commission and New Zealand 1990 Promotions Limited to be used in paying liabilities, including any legal costs in defending claims.

**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.

**Problem Gambling Trust**

This trust was established to hold levies received from gaming machine societies pursuant to Section 116zt of the Gaming and Lotteries Act 1977, which are then transferred to the Committee on Problem Gambling Management.



## *historical overview*

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When New Zealand became a British colony in 1840, the Colonial Secretary's Office was the first department to be established. Although 15 separate public service agencies were created within a few months, the Colonial Secretary continued to be the Governor's chief aide, and his office was the hub of the colony's administration. Until 1848 it dealt with all correspondence between the Governor and his employees, and between officials and the public.

Among its many duties, the Colonial Secretary's Office ran prisons, supervised government printing, licensed auctioneers, registered births, deaths and marriages, and collected statistics. Its responsibilities for constitutional matters and for the naturalisation of aliens began in the 1840s.

From 1853, following the establishment of provinces which took over many government functions, the Colonial Secretary's Office became the channel for communication between the central and provincial governments. The Colonial Secretary coordinated concerns as diverse as charitable aid, mental hospitals, harbour-masters and cattle inspection.

When the provinces were abolished in 1876, many of their functions could not easily be carried out by the smaller local bodies which replaced them. Centralised departments of state developed to fill this gap, and to administer politically significant activities. The oversight of local government itself became an enduring responsibility of the Colonial Secretary's Office.

When New Zealand became a Dominion in 1907, the Colonial Secretary's Office was renamed the Department of Internal Affairs. By now it was acknowledged to be the appropriate home for new government functions which were not substantial enough to justify a separate administrative structure and did not fit conveniently into another agency. This role has continued to the present day, as new tasks have been taken on and long-established ones transferred elsewhere.

Today the Department of Internal Affairs has many responsibilities, grouped under the themes of **Building Strong Communities, Strengthening New Zealand Identity**, and **Supporting Executive Government**.

Michael Bassett's *The Mother of All Departments* (Auckland University Press, 1997) provides a full historical account of the Department of Internal Affairs.





# policy and ministerial servicing standards

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## POLICY ADVICE OUTPUTS

The Department of Internal Affairs provides policy advice to ministers in the following portfolios: Internal Affairs and Civil Defence; Local Government; Sport, Fitness and Leisure; and Racing. In fulfilling the aim to produce policy advice that meets the needs of Ministers, the Department requires that, to the extent to which time and cost-effectiveness considerations permit, the following quality parameters be met by policy advice outputs.

### Reports and Oral Advice

#### **Government Policy and Decisions. Reports and oral advice:**

- take account of current or announced Government policy
- comply with decisions of Ministers, Cabinet Committees, and Select Committees.

#### **Coverage. Reports and oral advice:**

- are provided on vital issues arising
- are provided to urgent requests for policy advice.

#### **Accuracy. Reports and oral advice:**

- contain all material facts
- are legally and factually accurate.

#### **Options. Reports and oral advice:**

- where necessary include an adequate range of options, each assessed for its benefits, costs and consequences to Government and the community.

#### **Practicality. Reports (where necessary) cover:**

- implementation problems
- technical feasibility
- timing
- consistency with other policies.

#### **Presentation. Reports are:**

- concise, logical and coherently structured
- understandable - do not require clarification
- error-free
- in the appropriate format. Cabinet papers comply with Cabinet Office requirements.

**Cultural. Where necessary reports and oral advice:**

- take into account the principles of the Treaty of Waitangi
- are sensitive to cultural and gender issues.

**Responsibility:**

- Reports are signed out by the appropriate staff person/official.

**Timeliness.** (measured separately as a performance indicator)

- Reports and oral advice are presented to clients and others by set deadlines.

**DRAFT LEGISLATION INCLUDING ORDERS IN COUNCIL****Government Policy and Decisions. Draft legislation:**

- takes into account current or announced Government policy
- complies with decisions or directions of Ministers, Cabinet Committees, and Select Committees.

**Accuracy. Draft legislation:**

- contains all material facts
- is legally and factually accurate
- takes into account submissions (where relevant)
- is workable.

**Cultural. Where necessary draft legislation:**

- takes into account the principles of the Treaty of Waitangi
- is sensitive to cultural and gender issues.

**Timeliness. Draft legislation:**

- is completed by the required date.

**MINISTERIAL SERVICING**

Parliamentary questions, ministerial correspondence, reports to Cabinet and Official Information Act requests will be responded to within agreed and statutory timeframes.

**Ministerial Correspondence**

**Description:** Drafting responses to ministerial correspondence for approval by the Minister of: Internal Affairs; Civil Defence; Local Government; Sport, Fitness and Leisure; and Racing.

**Timeframes:**

- Draft reply within ten working days for any correspondence marked “Urgent”.
- Draft reply within 15 working days of receipt in the business area for all other correspondence.

## **Parliamentary Questions**

**Description:** Drafting responses to parliamentary questions as requested by the Minister of Internal Affairs; Civil Defence; Local Government; Sport, Fitness and Leisure; and Racing.

### **Timeframes:**

- Questions for oral answers - to Minister's Office by 12.30 pm on the day the question is asked.
- Written questions - to Minister's Office on or before the due date stamped on the question.

## **Official Information Requests**

**Description:** Drafting responses to request under the provisions of the Official Information Act referred from the Minister of Internal Affairs; Civil Defence; Local Government; Sport, Fitness and Leisure; and Racing.

### **Timeframes:**

- All requests handled within the timeframes set in the Act.
- Draft replies will be with the Minister two working days before the statutory deadline for reply.

## **General Performance Indicators**

- The number of draft replies expected to be produced (given that this is demand driven).
- All replies will be complete and accurate in the information that they convey.
- Advice on, handling of, and draft replies to, Official Information Act requests will comply with the provisions of that Act.
- Draft replies to all parliamentary questions will be consistent with Standing Order 87.
- 95% of first versions of draft replies will be found acceptable by the Minister.
- All stated timelines will be met.
- The Minister will, wherever possible, be given sufficient time to give full consideration to the draft replies.