



Report of

The Department of Internal Affairs Te Tari Taiwhenua

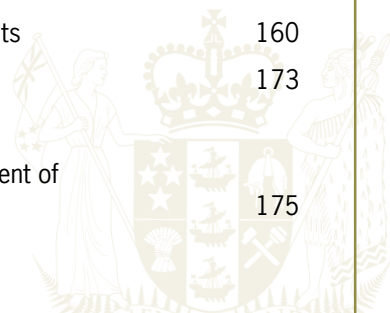
for the year ended
30 June 1999

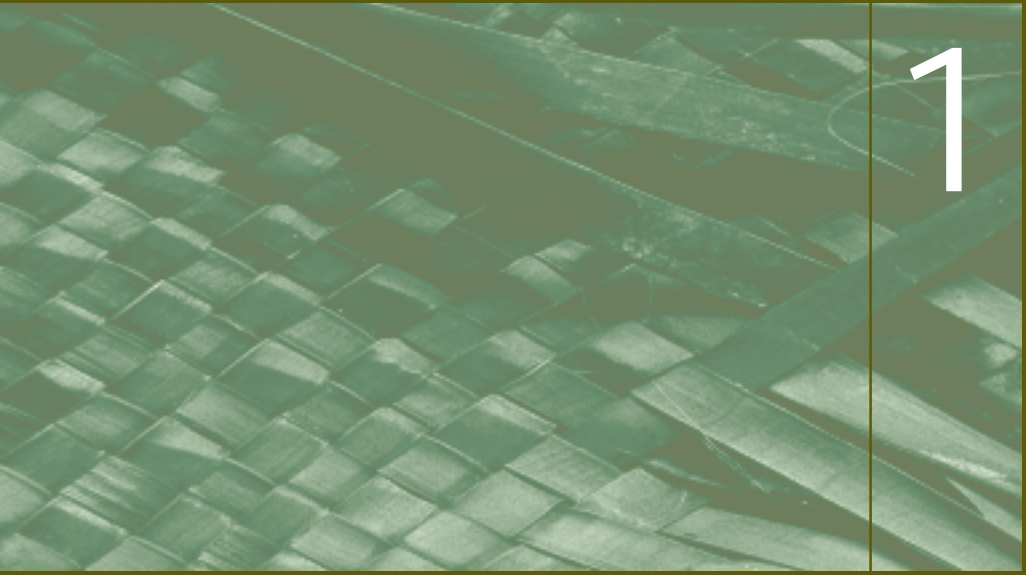
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Part One

Introduction

Foreword from the Chief Executive

It is with a great deal of satisfaction that I present this Annual Report – the last of the millennium.

The new millennium will bring new challenges and opportunities for the Department of Internal Affairs, but the organisation can look back with pride at its many notable accomplishments. And as the longest-serving government department, we've had quite a few over the years.

In 1998/99 the Department delivered 22 out of 23 applicable Key Result Area milestones (and the other one was 70% complete). These covered Local Government, Gaming and Racing, Emergency Management, Identity, Heritage and Social Participation and Organisational Capability.

Local Government policy work included the Funding Powers Review, Local Government Law Reform Bill, monitoring of the Financial Management Provisions of the Local Government Act and approval, by the Minister of Local Government, of the Watercare Services Ltd shareholders' agreement. Other policy work included the Gaming Law Reform Bill and problem gambling research, the Fire Service Funding Review and Heritage Policy.

During the year, the Office of Tourism and Sport was established under the Department's umbrella. It made significant progress in improving links between sport and tourism to maximise the economic and social benefits to New Zealand.

The Millennium Office has also been busy as it ensures the world recognises our nation's *First to the Future* place on the planet. The Official Millennium Programme of dawn events on 1 January 2000 will showcase New Zealand to a world television audience of 1 billion people.

Good progress was made during the year towards the establishment of the Ministry for Emergency Management. The new Ministry will bring a new focus on local management of emergencies, including risk reduction, preparation, response and recovery, rather than the old concepts of civil defence. The objective is "community resilience".

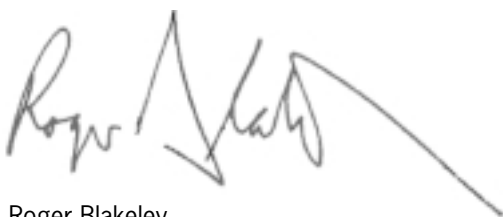
The Department hosts New Zealand Government Online, the "portal" for access to all government information and services on the Internet. The website has been redeveloped to make it faster, easier and friendlier to use. It will be a vital component of "E-Government".

Other achievements in 1998/99 included the Censorship Compliance unit taking 20 cases to court and winning convictions in all of them; urgent work being completed to upgrade the National Archives building in Wellington; a total of 6,486 Lottery Grant applications processed; a total of 303,316 standard passports and 26,526 urgent passports issued, with 99.95 percent issued without error; successful royal and heads of state visits organised by the Visits and Ceremonial Office.

The 1998/99 year has seen the Department setting a solid foundation for the long-term future. Considerable work has gone into "bedding in" the changes of

previous years – changes that ensure the Department works smarter to deliver services efficiently and effectively. It has also seen the launch of a new corporate identity for the Department. Structures are now in place that are reaping rewards in high customer satisfaction levels, high staff skill levels, and a greater capability within the Department to adapt to the increasingly dynamic worlds of commerce and government.

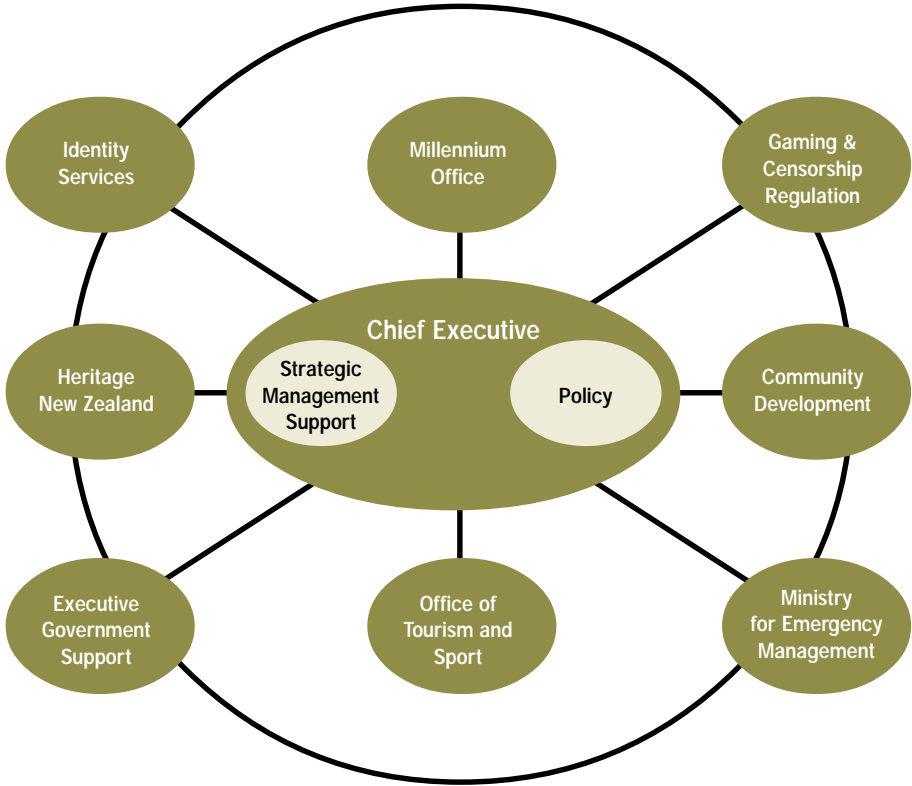
These achievements – and all those too numerous to mention in this foreword of the Annual Report – of course are never possible without the commitment, skills and enthusiasm of the Department's staff. Their efforts will carry us with confidence into the new millennium.



Roger Blakeley
Chief Executive



Organisational Structure





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Part Two

The Department of Internal Affairs' Year in Review

Chief Executive's Year in Review

The Department celebrated many achievements in 1998/99.

Policy Group

The Policy Group was formed in January 1998 to advise Ministers on local government, censorship, heritage, national identity, citizenship, ethnic affairs, community development, buildings, fire, gaming and racing. The Group worked to significantly improve its capability and output delivery in the past year, particularly with a view to ensuring several policy issues were appropriately progressed.

The quality, quantity, timeliness and overall satisfaction of policy advice provided to Ministers for the 1998/99 year was rated highly. Satisfaction was assessed by Ministerial Satisfaction Surveys which are conducted six-monthly.

Policy work during the year has included approval of the Watercare Services Ltd shareholders' agreement, Local Government Funding Powers Review, Local Government Law Reform Bill, monitoring of the Financial Management Provisions of the Local Government Act, Gaming Law Reform Bill, problem gambling research, Fire Service Funding Review, contribution to the Culture and Heritage Review, Taonga Māori Protection Bill, and Protection of Moveable Culture and Heritage Bill.

Gaming and Censorship

The Censorship Compliance unit enforces the Films, Videos and Publications Classification Act 1993. The focus is increasingly on the trade in child pornography, especially that originating in some internet relay chat-rooms.

During 1998/99 the unit took 20 cases to court and won convictions in all of them.

The Department gained international notice when 53 people in Britain and Europe were arrested on charges concerning the distribution of child pornography. These arrests resulted from a probe begun by Censorship Compliance.

Inspectors seized 49 computers, 1,144 videos, 176 CD-Roms and 2,008 computer disks under the Act and search warrant.

The Gaming Compliance unit has developed and introduced a risk-based audit for gaming machines. All gaming machine societies are assessed equally and fairly. Audit failures are now tied to licence conditions.

The Casino Supervision and Inspection unit also developed its own risk assessment audits that aim to do things better. After starting off with essentially Australian procedures, the unit came up with audit methods that have now been adopted in Australia.

The growth of casinos has resulted in more inspectors (from 24 to 31). The Chief Inspector's Office was set up during the year.

Heritage

The first stage of urgent work to upgrade the National Archives, in Wellington, was completed in June, costing nearly \$2 million. The building got a new roof and it was strengthened against earthquake damage. In April, the Cabinet approved a further \$2.9 million to provide more long-term accommodation for the National Archives.

The Cabinet approved the final design of the New Zealand Memorial, which will be built on Anzac Parade, in Canberra.

Volume V of the English and Māori versions of The Dictionary of New Zealand Biography were launched in October 1998. Volume IV of the Māori version of the Biography was completed by June 30, 1999.

The Historical Branch published 11 books during the year. The New Zealand Historical Atlas has been in the New Zealand top 10 best-seller list all year. Volume IV of the English language version of the dictionary was in the top 10 best-seller list for a month last year.

A website on New Zealand history – www.nzhistory.net.nz – was launched in March 1999. More than 100,000 visitors went to the site in its first three months.

Community Development Group

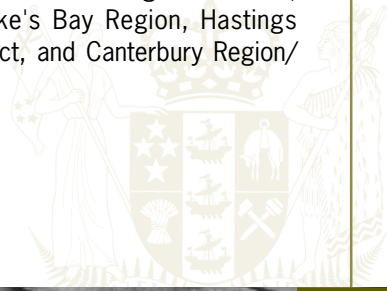
The fifth World Indigenous Youth Conference was held at Te Tii Waitangi Marae in September 1998. Community Development helped with the planning and organising.

A total of 6486 Lottery Grant applications were processed. A new millennium sub-committee was established with members from the Towards 2000 Taskforce – 500 applications were received during the year and \$3.7 million was approved for distribution.

More than 350 International Year of the Aged applications were processed.

The New Zealand Government Online website came under the Community Development Group last year. The site handles more than 100,000 pages of search material and is "hit" 1.1 million times a month.

Community Development helped the Local Government Commission with reviews, draft schemes for amalgamation, and appeals for Rangitikei District, Banks Peninsula District/Christchurch City, Hawke's Bay Region, Hastings District/Napier City, Wairoa District/Hastings District, and Canterbury Region/Otago Region.



Ministry for Emergency Management

The transition from the Ministry of Civil Defence to the Ministry for Emergency Management was completed by 30 June 1999. A pilot programme for regional emergency management groups (EMG) confirmed that the EMG structure was the best way of combining local resources for risk-based emergency management requirements. The Ministry commenced work on developing models and frameworks for establishing the EMGs. During the year, the Ministry responded to nine emergencies (eight storms, and a bushfire in Central Otago). The Ministry also worked on co-ordinating contingency planning and monitoring of lifeline utilities for disruptions that might be caused by Y2K computer problems.

Identity Services

The Births, Deaths and Marriages Records (BDM) conversion project will be completed by 30 June 2001. BDM work is gradually being transferred from the Department for Courts. A key highlight of the year was the programme of events commemorating the 50th anniversary of New Zealand citizenship. A total of 303,316 standard passports and 26,526 urgent passports were issued, and 99.95 percent of passports were issued without error. A total of 30,200 citizenship grants were made, 99.7 percent error-free, and 266,817 birth, death and marriage certificates were issued, 99.56 percent without error.

Executive Government Support

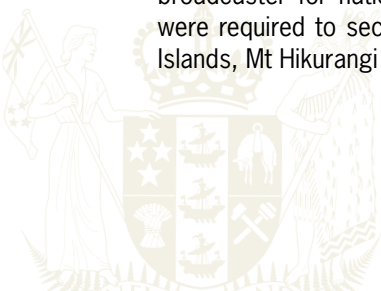
Waitangi Day 1999 was widely acknowledged to be an outstanding success. This was seen to be largely because of the leadership of the Prime Minister, the Rt Hon Jenny Shipley, Titewhai Harawira and other kaumātua, and meticulous planning by the Department.

The Translation Service is translating more – 5,915 jobs were completed, which was 46 percent up on 1997/98 and 65 percent more than translators estimated.

The Visits and Ceremonial Office organised visits by members of the Royal Family – HRH The Duke of York and HRH The Princess Royal – the President of Hungary and the Prime Ministers of Australia and Samoa.

Millennium Office

The Office developed the official New Zealand Year 2000 and Millennium celebrations programme. The office appointed a host radio and television broadcaster for national and international broadcasts. Intensive negotiations were required to secure arrangements for the “Dawn Event” sites of Chatham Islands, Mt Hikurangi and Gisborne.



Office of Tourism and Sport

The Office of Tourism and Sport provided policy advice on a more integrated approach to marketing New Zealand internationally from a whole-of-government perspective.

The Office helped the Minister of Tourism to secure \$12.5 million, enabling the Tourism Board to launch its much-anticipated Global Branding Campaign. It also helped secure \$800,000 for research projects in 1999/2000, including forecasting and Tourism Satellite Accounts.

The Office chaired the Taskforce responsible for drafting the APEC Tourism Charter. It provided leadership and advice on tourism mega events including the America's Cup, Sydney 2000 Olympics and the Millennium.

Strategic Management Support

The Strategic Management Support Group managed a large number of projects during 1998/99 which will substantially boost the capability and corporate governance of the Department. As part of the Department's financial management strategy, projects included the establishment of balance sheet reporting for business groups, modelling the impact of cost allocation on corporate overhead and looking at whether devolving balance sheets to business groups would enhance group performance.

The Department continued working on its property strategy and undertook project planning for the refurbishment of current offices.

The Department has developed and launched a new corporate identity, which with the brand values will define guidelines for the naming and identity of the Department, its divisions and services.



Key Result Areas

The Department's Strategic Context

References in the Government's Overarching Goals which are most relevant to the Department's responsibilities are:

- ... *strongly growing enterprise economy ... which generates trade, employment, income and social opportunities in which all New Zealanders can participate...*
- ... *[seek to enhance and increase] the contribution that individuals, families, communities and the private sector make to building an economically strong and socially cohesive New Zealand...[and] continue to ensure for all New Zealanders a strong foundation of safety and security from threats of harm.*
- ... *proud of our New Zealand identity and will celebrate, foster and protect our cultural, historical and environmental heritage...*

Complementing those goals are Government's set of Strategic Priorities, designed to focus departmental attention on the defining issues for New Zealand over the next three years, progress on which will help achieve the goals. Two of those priorities are particularly relevant to the Department of Internal Affairs:

- *improve the quality of our regulatory environment and*
- *encourage the contestable supply of resources and services in areas of public sector responsibilities.*

Departments, including Internal Affairs, form their goals and priorities within the Government's strategic context. They give concrete expression to their goals and priorities through the Key Result Areas (KRAs) which chief executives agree with their Responsible Minister. KRAs are the limited set of commitments which each department aims to achieve over a two to three-year period. They may focus on performance results (the purchase dimension) or on matters of capability and organisational development (the ownership dimension). Each KRA has an agreed completion date.

Progress

In 1998/99, the Department of Internal Affairs contributed to achieving these overarching goals and priorities by committing to five KRAs. These focused on Local Government, Gaming and Racing, Emergency Management, Identity, Heritage and Social Participation and Organisational Capability.

Progress against the 29 milestones within these KRAs, at 30 June 1999, is summarised in the following table:

Milestones	Number
Achieved	22
Partially Achieved	1
Not Applicable - Conditions such as additional funding or legislative priority did not apply	6
TOTAL	29

KRA 1: Local Government

The provisions of the Local Government Amendment Act for the abolition of Auckland Regional Services Trust (ARST) were implemented. Substantial progress was made on the Local Government Funding Powers Review. The Department contributed to the Water, Wastewater and Stormwater Review and developed consultation mechanisms with Local Government.

KRA 2: Gaming and Racing

The Gaming Law Reform Bill to address the licensing of casinos and a gaming machine regulatory regime was introduced in December 1998. The Bill was reported back to the House in mid-June 1999.

A report was given to Government on policy options for the racing industry.

A cost benefit analysis and report on the impact of introducing electronic monitoring of gaming machines and compliance tools was completed. The Electronic Monitoring Systems report was tabled at the Select Committee hearing submissions on the Gaming Law Reform Bill and was also circulated to the wider key stakeholders within the gaming machine industry.

A report was made to Government on 28 June 1999, on the initial findings of the problem gambling research project.

KRA 3: Emergency Management

The transition from the present Ministry of Civil Defence to the new Ministry for Emergency Management was completed by 30 June 1999. Trials of Emergency Management Groups at local government level were completed.

KRA 4: Identity, Heritage and Social Participation

The 50th anniversary of New Zealand Citizenship was successfully celebrated on 6 September 1998. A report on the review of the Citizenship Act was completed.

The official Millennium Programme has been developed.

The Department led an interdepartmental project involving 15 government agencies on models of best practice in community funding and contracting.

KRA 5: Organisational Capability

Funding of \$2.9m was provided in the 1999 Budget for development of accommodation for 20 years' storage in National Archives. A plan for computerised finding aids was also developed.

A comprehensive model of corporate governance (including definitions, goals, underpinning principles, an analysis of context and influences and a conceptual framework for governance) was adopted by the Department's Executive Management Team. The detailed specification of the systems and standards required for good practice corporate governance was completed and current arrangements in the Department now have been assessed against this good practice schema, and gaps have been identified.

A report on optimal governance arrangements for Identity Services was completed.

A suite of papers which comprises a framework for enhanced monitoring of funding and performance of Crown and other entities associated with the Department has been finalised to consultation-ready state. The papers will be finalised when key stakeholders have provided comments and government decisions about strengthening Crown entity governance have been made.



The Policy Group work programme was clustered during the year into policy advice on local government; gaming, racing and censorship; fire and building; heritage, community, constitutional and identity issues – four areas and their subsets, and other important projects formed the basis of the work.

All Key Result Areas with milestones due by the end of June, which were not contingent on funding not provided, were achieved except one. This represented a significant body of work.

Key achievements during the year were:

Local Government Policy Advice

Auckland Regional Services Trust

A Local Government Amendment Act abolished the Auckland Regional Services Trust. The Department implemented the provisions of the Amendment Act and had monitored its implementation by 30 June 1999.

The Local Government Act required the shareholders in Watercare Services Ltd to enter into an agreement by 30 September 1998, and specified that agreement (or any amendment) would not have effect until the Minister approved it. This was formally approved by the Minister of Local Government.

Local Government Funding Powers Review

The Terms of Reference and funding for this project were approved by Cabinet in September 1998. A public discussion document was released in December 1998 with submissions closing in March 1999.

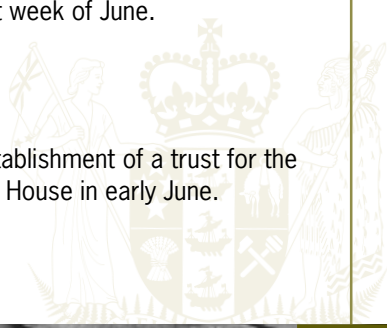
During the first quarter of 1999 the Department will consult the sector, interest groups and Māori. A draft Bill and a comprehensive suite of policy papers are to be available to Ministers in early 2000.

Local Government Law Reform Bill

An omnibus Local Government Law Reform Bill, including amendments to the Dog Control Act (phased elimination of dangerous dogs), the Local Government Act (local liquor bans) and additional amendments to various local government legislation, was introduced into the House in the last week of June.

Local Government Amendment (Auckland Regional Arts and Culture Trust) Bill

Urgent legislation to remove impediments to the establishment of a trust for the arts and culture in Auckland was introduced into the House in early June.



Water, Wastewater and Stormwater

The Department has been actively involved at all levels in the Ministry of Commerce-led Review of Water, Wastewater and Stormwater, and in giving comments on other portfolios affecting local government.

Elected Members' Remuneration

Terms of Reference for a Review of the Basis of Elected Members' Remuneration was approved in March 1999 and a draft public discussion document has been prepared and sent to interested organisations for comment. Cabinet approval for the release of the paper will be sought.

Legislation

Advice was given on eight Local and Members' Bills, six statutes on local government funding and accountability, and to other agencies on legislation which more widely affected local authorities.

Internal Affairs Policy Advice

Gaming Law Reform Bill

The Internal Affairs and Local Government Committee reported back to the House in mid-June 1999. This Bill addresses the licensing of casinos, a gaming machine regulatory regime and other issues.

The Casino Control (Poll Demand) Bill, which would have provided for a community veto on Queenstown Casino licensing decisions, did not proceed.

Casino Issues

In June, Ministers agreed to a model for casino supervision in small-scale casinos. Its application to existing larger-scale casinos will be assessed in the coming year.

New Zealand Gaming Survey

A report to Government on initial findings of the Problem Gambling Research Project was made in June.

Gaming and Censorship Policy

Work was done to determine an appropriate Problem Gambling Levy. The Minister agreed to a fee per gaming machine to meet the contribution for purchase of problem gambling services in 1999/2000. The levy will be put in place by Regulation by September 1999.

Advice was given on the New Zealand Lotteries Commission accountability, performance and budgets, the administration of censorship statutes and the Office of the Film and Literature Classification accountability, performance and budgets.

In June the Ministers of Internal Affairs and Finance approved the levy on casinos for the 1999/2000 year to fund the work of the Casino Control Authority, the Department of Internal Affairs Casino Inspectorate and the casino work of the Police.

Fire Service Funding Review

During the year, issues of the Fire Service Funding Review were analysed, and consultation occurred with key sector groups. While alternative funding proposals were reviewed in the light of the consultations, work did not progress because of urgent demands on fire policy, most notably a significant volume of work relating to the resignation of the Chairman of the Fire Service Commission, appointments to the Fire Service Commission and fire service modernisation.

No legislative slot is available to progress funding changes in 1999. Approval for a first principles review is being sought from Ministers.

Fire Service Policy

During the year, work has included advice on and administration of Fire Service Commission statutes, and on the Commission's accountability, performance and appointments.

Review of the Citizenship Act

The Department is developing a suite of six papers on the Review of the Citizenship Act. These are due to be considered by Cabinet at the end of September 1999.

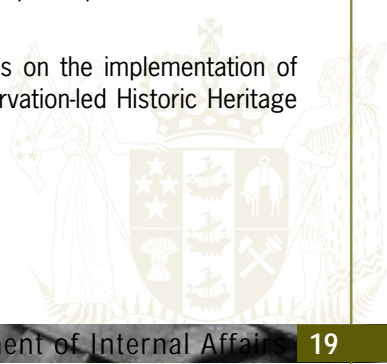
Culture and Heritage Review

During the year, the Department contributed to government considerations of the proposed high-level strategic and policy functions of an enhanced Ministry of Culture and Heritage. By the end of the year, no firm decision had been taken on the proposal to set up the new Ministry.

Heritage Policy

The Department continued to maintain an overview of the WAI 262 Treaty Claim on indigenous flora and fauna. A protocol was developed for newly found taonga with Ngāti Awa and the possibility of establishing antiquities protocols with other iwi is being explored.

The Department also had input into several papers on the implementation of the recommendations of the Department of Conservation-led Historic Heritage Management Review.



Taonga Māori Protection Bill and the Protection of Moveable Cultural Heritage Bill

The Taonga Māori Protection Bill was reported back to the House in June. The Māori Affairs Committee recommended that it be passed without amendment and then be adopted as a Government Bill because of its significant relationship with the culture and heritage sector review, review of Māori culture and heritage, and the proposed Protection of Moveable Cultural Heritage Bill. Responsibility for the Protection of Moveable Cultural Heritage Bill will be transferred to the new Ministry of Culture and Heritage.

Other Project Work of Note

Building Policy

A cost/benefit analysis on amendments to the Building Act on dam safety began during the year. The preliminary findings showed that costs outweighed benefits, and further work is to be done to justify continuation with the proposed amendments. Advice was also given on the administration of building statutes and building sector Crown Entities.

Community Policy

Scoping was done on the likely involvement of government agencies for the International Year of Volunteers 2001. Other input has been provided on ad hoc community development issues such as the Government response to the Waipareira report and the Review of the Māori Development Act.

Constitutional Policy

Advice was given to Cabinet seeking costs associated with the High Court Review of the Winebox Inquiry findings.

Work was done on amendments to legislation to provide specific protection for certain Olympic names, words and insignia to prevent ambush marketing before the Sydney Olympic Games, and to protect the New Zealand Olympic and Commonwealth Games Committees' funding.

Statutes Amendment Bill 1999

Other legislative work occurred on the 1999 Statutes Amendment Bill to cover amendments to several Acts administered by the Department, such as amendments to the Births, Deaths and Marriages Registration Act, the Citizenship Act, the Rural Fires Act and the Patriotic and Canteen Funds Act.

Hague Convention

A contribution was also made to a Ministry of Foreign Affairs and Trade paper to Cabinet proposing measures to simplify the use of public documents outside the country and conforming with the Hague Convention.

Border Control

An independent review team has been established to review New Zealand's border control. The team will report to Government by October 1999.

Crown Entity Governance

A suite of papers which comprise the best practice frameworks for Crown Entity governance and the role of the Department of Internal Affairs and its Ministers was completed. A number of related initiatives have also been undertaken, including development of an appointment database and creation of a separate output in the Vote Internal Affairs Policy Advice Output Class. The new output was created to make the Department's Crown Entity monitoring activities and funding more transparent. Work in 1999/2000 will continue, taking into account the Government's Crown Entity Initiative project.





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Part Three

Information on the Department of Internal Affairs

Ngā Mahi Tōtika Ki Te Māori – Effectiveness for Māori

The Department has strategies in place to encourage “effectiveness for Māori”. The Department will know when it is being “effective for Māori” when the following goals are met:

- Senior management demonstrate the Department’s Treaty obligations in their leadership and management of business groups;
- Business Groups have the appropriate capability in their structure, systems, strategy, staff, skills, shared values and style; and
- Māori stakeholders and customers are delighted in the Department’s service delivery and capability to be effective for Māori.

Key achievements towards achieving the goals in 1998/99 have been:

- Development of Te Reo Māori and Tikanga Māori policies
- Development and introduction of an Effectiveness for Māori Self Audit system
- Development of Nga Puna Whakamārama – a departmental Māori information data base
- Appointment of Community Development Group Pou Ārahi
- Progressing strategy development on consultation with Māori. This was a joint Policy Group and Effectiveness for Māori unit project.
- Continued senior management support provided to the Department’s Tāngata Whenua network. The group contributed to discussions on employment issues for Māori, selection procedures, use of Te reo Māori and tikanga Māori and development of the Department’s work place principles

The Effectiveness for Māori unit continues to monitor and evaluate Business Groups’ Effectiveness for Māori. A departmental virtual team has been established in order to provide Effectiveness for Māori capability within Business Groups.

Māori Advisory Council – Te Atamira Taiwhenua

The function and role of the Department’s Māori Advisory Council – Te Atamira Taiwhenua underwent a review during the year. The council is made up of individual community representatives. A proposal as to their new function is under development and will be introduced in 1999/2000.



The Department continued to implement the Culture and People Strategy developed in 1996/1997.

Business groups became responsible for their own human resource matters, and ways were developed to ensure that these conformed to the overall departmental strategy.

The Department developed ways of recognising and rewarding long-term employees. Equal Employment Opportunities (EEO) practices were integrated into business planning, policies and procedures. Existing health and safety policies and procedures were reviewed and the new workers compensation insurance arrangements were introduced. Work has begun on establishing a set of workplace principles. Several management development programmes were implemented.

Performance Management Training

The performance management system continues to be enhanced; workshops for business group managers and team leaders focused on holding effective performance conversations and managing common and difficult situations.

A competency-based framework continues to be developed to ensure policies and processes meet business objectives.

DIA Leadership Forum

From October 1998 the Department started monthly leadership forums for General Managers, third-tier and some selected fourth-tier managers. The forum aimed to: debate critical and sometimes contentious issues likely to affect the Government and/or the Department and the communities it serves; enable the Executive Management Team to test new ideas for the Department before they were implemented; explore the Department's vision, mission and values to achieve a common understanding and shared commitment to its future directions; and allow the Executive Management Team and other managers to get together and network.

Policy Group Best Practice Policy Advice Strategies

The Policy Group concentrated on improving its capability to give best policy advice. A new management team, more analysts and executive support people were recruited. Fire and building policy is now more prominent. Skills and job profiles were reviewed to enable recruitment and pay to be surveyed. Market relativities were set.

The Group initiated the Policy Leadership Programme. This aims at increasing analysts' policy skills. It is a year-long training course provided by the Graduate School, Victoria University of Wellington. Full-day seminars have covered, so far, quality policy analysis, the application of policy frameworks, and economics.

Employee Relations

The Department handles five collective and a series of individual employment contracts. All collective contracts expired in 1998/1999. Settlements were reached on four.

The remaining document is the main Department of Internal Affairs' collective employment contract. This was negotiated in the first half of the year but no settlement was reached. These negotiations were held in the hope of securing a short-term settlement while work proceeded on the longer-term strategy for employee relations, which was to move to a principles-based contract.

Workplace Principles Project

The principles-based approach aligns closely with what is seen as the desired values for the Department – i.e., one that: is based on common principles and values that underpin the Department's mission and objectives; supports a high-performing culture; acknowledges individual and business needs; recognises and rewards performance; and fosters trust and partnership in the organisation.

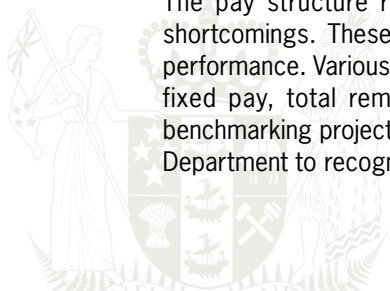
The Department has now initiated the workplace principles project. This began with the setting up of workshops, covering about 60 staff, which act as the main forum for feedback. This feedback focuses on the employment relationship and what is needed to make it the best it can be. The principles developed from this information will then be used to assess current workplace policies and practices.

Union Relationship

The working relationship with the Public Service Association (PSA) continues to be strong. In all talks clear and open communication has been maintained. The PSA has been encouraged to take part in the workplace principles project. The Chief Executive meets PSA delegates each quarter, enabling them to raise issues directly with senior management.

Remuneration Strategy

The pay structure review has started, prompted by the current system's shortcomings. These fail to recognise market alignment, individual skills and performance. Various approaches to pay have been looked at – i.e., base salary, fixed pay, total remuneration, and the various market positions. A major benchmarking project is also under way to look at job-sizing. This will enable the Department to recognise comparative market rates.



Work on this will continue into 1999/2000. This project is closely linked with the workplace principles project, which is also due to continue for the first half of the new financial year.

Health and Safety

Health and safety procedures were reviewed. The Executive Management Team approved a health and safety policy. This will be implemented. A corporate health and safety committee, consisting of business group representatives, will be set up. These representatives will ensure that methods to handle health and safety matters are decided and that reporting requirements are met.

Workers Compensation Insurance

HIH WorkAble was selected as the Department's insurance provider for work-related accidents.

Employee Support

Workplace Support continues to be used as a confidential support for people in the Wellington region. Help that is needed in the regions is dealt with through the local business unit, local networks, or Strategic Human Resources. For those areas undergoing change management, added support is usually provided by contractors.

Departmental Networks

Other support is available through the various networks. These include: Tāngata Whenua, Pacific peoples, disabilities, ethnic people, women, and gay and lesbian.

School Holiday Programme

The Department runs a school holiday programme for 5-10 year-olds during two weeks of each school break. This programme is held in Wellington and is well supported by Department staff. The Department subsidises by 50 percent, the cost of school holiday programmes run by other organisations for staff outside Wellington.

Flexible Working Conditions

The Department continues to acknowledge, and accommodate wherever possible, personal needs as part of the work and family/whānau guidelines. Flexible working arrangements have been implemented in many areas. Reduced hours, working from home, job-sharing, and changing work patterns are some options available.

Orientation and Induction

The two-day orientation programme aims to introduce new staff to the Department. It enables them to discuss and observe aspects of the Department's culture such as cross-boundary team work, encouraging innovation and creativity through small-project assignments, and sessions on the Department's values. The programme runs every two months.

Induction is conducted by business groups or business units. For example, Identity Services team leaders have been trained in how to induct staff. As well, all new Identity Services staff who have been in the organisation for more than six weeks will go on an induction course. The induction emphasises what is expected of people working for the Department.

Employee Numbers

Turnover for ongoing employees has decreased from 21% in 1997/98 to 13% this year (from 1 July 1998 to 30 June 1999). The higher turnover last year was due to major organisational changes within the Department.

Note: Turnover is a percentage based on the number of employees ceasing work with the Department in the year, divided by the average number of employees in the year. The average number of employees in the year is $\frac{1}{2}$ of the number at the start of the year plus $\frac{1}{2}$ of the number at the end of the year.

Length of Service

The average length of service for ongoing employees is 5.5 years. The average length of service for both ongoing and temporary/fixed term employees is 4.5 years.

Uptake of Sick Leave

Sick leave taken in the year (including sick leave taken to care for dependants) averaged six days per employee.

Employees on Subsidised Superannuation

104 employees are members of the Government Superannuation Fund which closed to new members in 1993. The Department contributed an employer subsidy to the fund at the rate of 7.5% of the total salary for fund members.



Employee Numbers

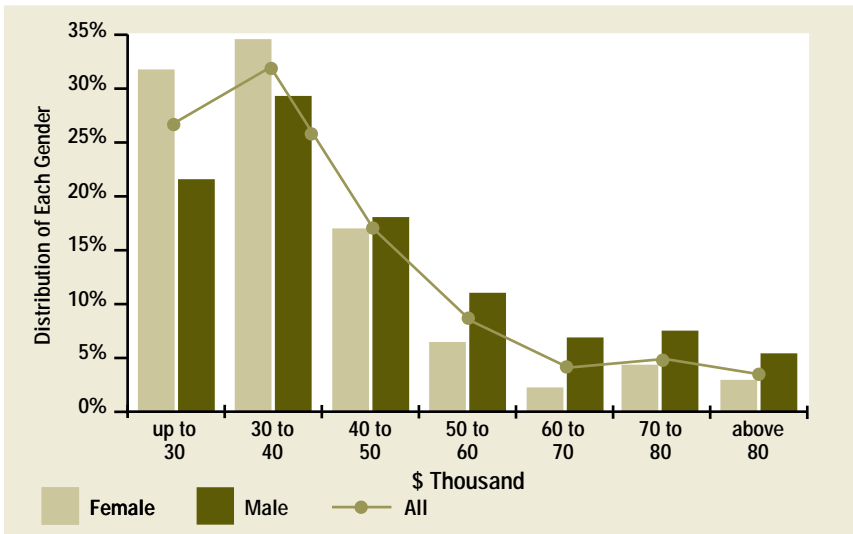
The total number of employees in the Department is 1,037, this is comprised of 589 Females and 448 Males. The full-time equivalent number of employees is 1,001. These figures do not include casual employees, employees who are absent on long term leave, and employees based overseas.

Salary Ranges

The Department uses a job evaluation system to classify jobs into salary scales. The evaluation system is reviewed regularly to ensure that there is consistency in evaluations and that the evaluations are appropriate.

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.

Gender Representation in Salary Ranges



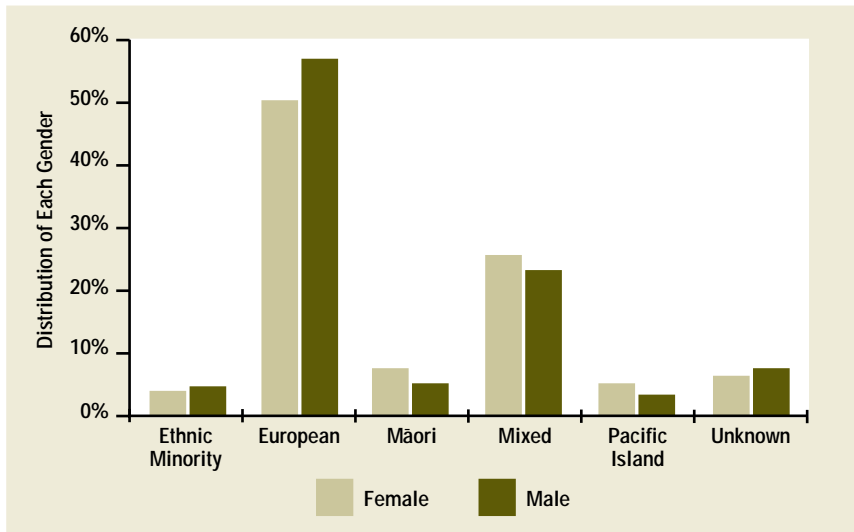
Cultural and Gender Composition of Employee Force

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

The following chart on the next page shows the ethnic composition of our employee force. The same information is also given for each gender.

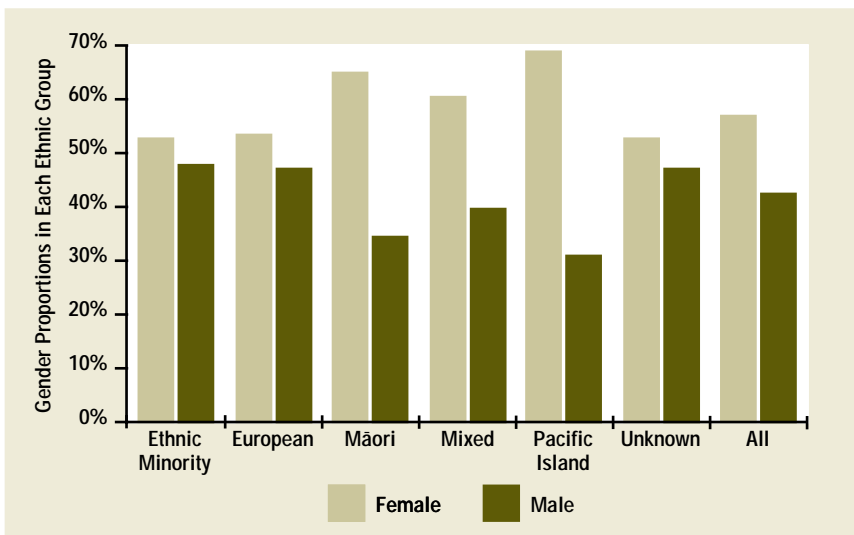
Note: The category Mixed includes all employees who identified with more than one of the four ethnic categories, e.g. an employee who identifies with both Māori and European ethnic groups.

Ethnic Group Representation by Gender



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

Gender Representation by Ethnic Group



Equal Employment Opportunities (EEO) Strategy

The Department of Internal Affairs has a five year EEO programme – *EEO Strategies to 2000*. These strategies were revised in 1997, and were aligned at that time with the principles and goals emerging in the draft *EEO Policy to 2010*. In particular, the key drivers for EEO and the overall outcome for EEO were approved for adoption by the Department’s senior managers, and incorporated into strategies. Internal Affairs’ policy on EEO has been revised to incorporate the principles flowing from the *EEO Policy to 2010* as follows:

Drivers for EEO	Outcome for EEO
<p>Social Justice Principles Government wishes to develop a society which is based on fairness, and which recognises that people in this country have a right to be free of unfair discrimination. EEO promotes fairness in employment. In the future these social justice drivers are likely to be accentuated, due to socio-economic disparities, differential access to education, skills and information, and the Public Service’s role in attending to these.</p> <p>The Treaty of Waitangi EEO recognises the status of Māori as tāngata whenua and acknowledges the need for greater responsiveness to Māori as Treaty partners.</p> <p>Business Reasons EEO contributes to effective management by attracting and drawing on a wider pool of talented people, by appointing the best people, and by encouraging the full participation of all staff. A more representative Public Service workforce will be better able to respond to an increasingly diverse and demanding public.</p>	<p>The long-term outcome for EEO is the elimination of all forms of unfair discrimination in employment. This will be achieved when three conditions prevail in organisations:</p> <ul style="list-style-type: none"> • inclusive, respectful and responsive organisational cultures which enable access to work, equitable career opportunities, and maximum participation for members of designated groups and all employees; • procedural fairness as a feature of all human resource strategies, systems and practices; and • employment of EEO groups at all levels in the workplace. <p>EEO is firmly based on the application of the merit principle. This principle requires that merit is carefully defined in job specifications to eliminate both direct and indirect bias, and that appointment to any position or selection for career opportunity is made on the basis of an objective assessment of candidates against merit criteria.</p>

Strategy 2:

Develop the Organisation so that it is Increasingly Responsive to Māori

This strategy includes actions relating to the recruitment, retention and development of Māori staff. In the reporting period, the following policies and procedures have been developed or revised and made accessible to all staff:

- *Whānau support at interviews* includes information for recruiting managers on the how, when, where and why of encouraging and managing support at interviews, particularly when Māori are being interviewed.
- *Advertising in the Māori media* outlines the options available in the print media and in Māori radio for putting the call out to Māori about positions in DIA, particularly when the position requires specific Māori knowledge and skills, or the client base includes a high number of Māori.
- *Work and family/whānau guidelines* outlines the multiplicity of ways that work can be managed to get the balance right. Each option is accompanied by a story, often focused on Māori staff, which brings to life the decisions that might be brought to bear, and their flow-on, when a staff member is faced with conflicting responsibilities at work and home.

Strategy 5:

Embed Valuing People as the Hallmark of the Department and its Management Culture

The valuing people strategy has been addressed in a number of ways:

- the commitment demonstrated towards the embedding of the enhanced performance management system, and in particular the adoption of quarterly feedback sessions with individual employees in most areas;
- the use of the Lotus Notes discussion database facility to provide staff with the opportunity to provide individualised and anonymous (if chosen) feedback on a variety of proposed strategies and change proposals e.g. the proposed merger of two units; the use of research in the Department; the draft Internal Affairs strategic framework. This process has provided for robust debate on several key issues, and has linked individuals into planning and decision-making processes;
- the Chief Executive's use of electronic "bouquets" (copied to all staff) for individuals, units and groups who have excelled in some way.



Introduction

The Department has striven to be a leader of Y2k best-practice in the Public Service and considers that it has exceeded the State Services Commission's expectations, particularly in the collective interest. The Department has ensured that the Y2k problem is understood and that managers see the problem as a business continuity issue.

To deal with Y2k the Department has:

- Assessed client impact and manages the risk according to priority.
- Established a Y2k Project and planned to ensure that remedial work or replacement is done and tested, then monitored for change.
- Ensured that Business Continuity Plans reflect effective contingency plans. Most units already had Business Continuity Plans, which have been updated to cover Y2k. These are mostly now complete.

The Y2K project (following a plan and timeline) was based on the "inventory and fix" approach. General Managers have, in many cases, decided that replacement is more cost-effective than fixing. Testing systems is part of equipment procurement, rather than the Y2k Project timeline. The current cost of the replacement/fix programme (excluding personnel costs) is estimated at \$2 million, of which \$1.2 million is assessed as being Y2k-related. This is down a little from the initial 1997 estimates.

In early 1998, as part of the 1998/99 Key Result Area process, the Department set three targets: complete the acceptance testing of changes made to business systems for Year 2000 compliance by 30 June 1999; achieve Year 2000 compliance by 31 October 1999; and, complete post-project audit for Year 2000, by 30 June 2000.

The first target has been met. The second target will be met in mid-August except for the testing of one non-critical administrative system.

High-impact Agencies

The State Services Commission has classified Ministerial Services, Civil Defence, the New Zealand Fire Service Commission (a Crown entity) as a "high public impact" agencies, and is monitoring their Y2k progress. All are making satisfactory progress.

The Department treats the following as having "high client impact": the system used by Identity Services to issue passports; and the operations system for VIP Transport. There is additional scrutiny and monitoring of these systems.

Monitoring

The Y2k project team monitors the Business Groups' progress. The Department's internal audit unit monitors the Y2k Project (run by the project team) to provide the Chief Executive and the Department's Audit Committee with independent advice and assurance on progress and risks.

Programme of Independent Assurance

The Department uses Azimuth Consulting Group to provide independent assurance on processes and Y2k status.

Two checks have been completed. The first, in February 1999, found all concerns were dealt with. The second check was completed by 30 June 1999, so the end of financial year status would be assured. The report summary says: "... the July 1999 review concludes that the Department's Year 2000 Project is now well placed to mitigate internal year 2000 date change risks and that the greatest risk to the Department, as identified in February 1999, remains external from electricity and water suppliers...."

Communications Plan

Information is carried on the Department's webpage (<http://y2k.dia.govt.nz>), which is regularly updated, and is available to staff and Crown entities, as well as the wider internet community. Extra information on Year 2000 has been sent to all staff in an in-house newsletter and a communiqué from the Executive Management Team.

Crown Entities and Semi-Autonomous Bodies

Of the Department's Crown entities and Semi-Autonomous Bodies (Office of Tourism and Sport and the Ministry of Civil Defence), the Fire Service Commission has the greatest risk. This relates to their use of the Police 111 emergency system. The Department is monitoring risks.

The Collective Interest

The Department has strongly supported wider Y2k efforts. This has included: contributing to the Year 2000 Committee, in particular, the submission to the Select Committee on Government Administration, which recommended that a task force be set up; supporting 500 Days To Go, which used the Department's web page; providing a member of the cross-industry think tank that meets weekly to discuss Y2k with the Y2k Readiness Commission; and participating in the Officials Group set up by SSC to examine the management of top-level information and advice to Ministers about Y2k issues.



Integrity

Internal Affairs is New Zealand's oldest department – for 67 years, until the country became a Dominion in 1907, it was the Colonial Secretary's Office. The Department takes seriously its obligation to display the highest possible standards of organisational and personal values and behaviour.

Staff of the Department uphold the integrity of the public service through leadership initiatives, management practices and stakeholder communications.

The Department has 10 values, which were developed in 1995. They include integrity, honesty, trust, equality of opportunity, diversity, open communication, and high-quality service.

Staff are expected to adhere to these values to fulfil their lawful obligations to the Government, respect the public's rights, and not bring the Department into disrepute through any private activities.

All staff were surveyed on their assessment of progress towards the Department's aim of becoming a high-performing organisation. Sixty-two percent replied. They were asked how well the Department matched the deeds with what were espoused. Staff ratings showed improvement in all but one of 17 attributes. The overall average rating was 6.04 out of 9 (5.92 out of 9 in 1997/98).

The induction process for new staff ensures that they all know about and accept the principles, values and obligations of employment as public servants. They receive and sign the departmental code of conduct, which is based on the generic public service code published by the State Services Commission.

The Department has an equal employment opportunity policy; managers are expected to appoint the best person for the job.

The Department continued to implement its Responsiveness to Māori Plan. A recent survey of staff revealed increased knowledge of, and interest in, learning about Māori language, customs and perspectives.

The Department maintained travel and buying policy and procedures and guidelines. This reflects public sector standards. Aspects covered includes the use of credit cards, ownership of air points, use of New Zealand suppliers, competitive tendering, and management of consultants.

Relationships

The Department conducts research each quarter that focuses on customer satisfaction and service improvement. Identity Services has an index that measures how well the Group is doing and identifies any trends. Other surveys are conducted with Community Development stakeholders, National Archives customers, and war graves stakeholders.

Internal Affairs communicates regularly with other government departments and entities and professional groups, and several business group publications provide information to specific stakeholder groups.

The department has its own website – www.dia.govt.nz – and it maintains CommunityNet Aotearoa, which is designed to help community groups find useful information for projects and activities, and promote their equitable access to information technology and the internet.

The Heritage Group's website – www.nzhistory.net.nz – serves as an internet gateway for all details about New Zealand history. It was launched in March, and was visited 100,000 times in its first three months. The Anzac display proved to be particularly popular in the last fortnight of April – with more than 22,000 "hits".

New Zealand Government Online gives easy access to government information and services. It consists of a list of government agencies online and their contact points, and an index of services, functions or responsibilities for government agencies. NZGO results from the amalgamation of two previous government sites – the Ministry of Commerce's Government Web Pages and the NZ Government Online Blue Pages started by the Internal Affairs' Government Within Reach project. NZGO handles more than 100,000 pages of search material and sustains 1.1 million "hits" a month.



Acts and Regulations Administered by the Department as at 30 June 1999

G7

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Portfolio – Internal Affairs

Antiquities Act 1975

Anzac Day Act 1966

Architects Act 1963

Architects Regulations 1964

Archives Act 1957

Births, Deaths and Marriages Registration Act 1995

Births, Deaths and Marriages Registration (Fees) Regulations 1995

Births, Deaths and Marriages Registration (Prescribed Information and Forms) Regulations 1995

Boxing and Wrestling Act 1981

Building Act 1991

Building Regulations 1992

Casino Control Act 1990

Casino Control (Applications and Hours) Regulations 1991

Casino Control (Certificates of Approval and Warrants) Regulations 1994

Citizenship Act 1977

Citizenship Regulations 1978

Citizenship (Western Samoa) Act 1982

Commercial Use of Royal Photographs Rules 1955

Commercial Use of Royal Photographs Rules 1959

Commercial Use of Royal Photographs Rules 1962

Commissions of Inquiry Act 1908

Commonwealth Games Symbol Protection Act 1974

Community Trusts Act 1999

Fire Engineers' Qualification Notice 1983

Fire Safety and Evacuation of Buildings Regulations 1992

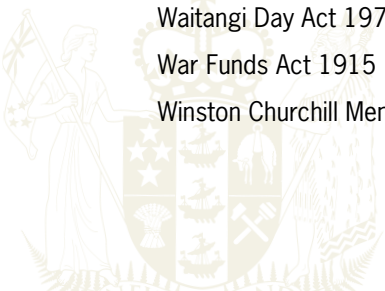
Fire Service Act 1975

Fire Service Levy Order 1993

Flags, Emblems, and Names Protection Act 1981



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



Portfolio – Civil Defence

Civil Defence Act 1983

Portfolio – Local Government

Bylaws Act 1910

Bylaws Regulations 1968

Chatham Islands Council Act 1995

Counties Insurance Empowering Act 1941

Counties Insurance Empowering Order 1973

Dog Control Act 1996

Dog Control (Prescribed Forms) Regulations 1996

Fencing of Swimming Pools Act 1987

Impounding Act 1955

Impounding Regulations 1981

Land Drainage Act 1908

Lake Taupo Regulations 1976

Libraries and Mechanics Institutes Act 1908

Litter Act 1979

Local Authorities (Members' Interests) Act 1968

Local Authorities (Members' Interests) Order 1971

Local Authorities (Members' Interests) Order 1997

Local Authorities (Petroleum Tax Refund) Regulations 1971

Local Authorities (Petroleum Tax) Regulations 1970

Local Authority Reorganisation (Property Transfers) Act 1990

Local Elections and Polls Act 1976

Local Government Act 1974

Local Government (Electoral) Regulations 1992

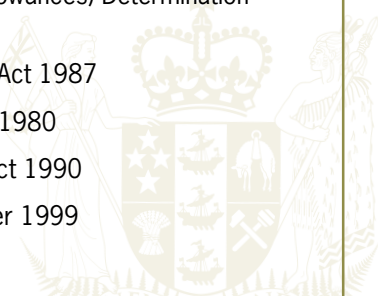
Local Government (Local Authorities Salaries and Allowances) Determination
1998

Local Government Official Information and Meetings Act 1987

Local Government (Petroleum Tax Exemption) Order 1980

Local Government Reform (Transitional Provisions) Act 1990

Local Government (Watercare Services Limited) Order 1999



Local Legislation Acts 1926-1992
Municipal Insurance Act 1960
Municipal Insurance Empowering Order 1973
Public Bodies Contracts Act 1959
Public Bodies Leases Act 1969
Rangitaiki Land Drainage Act 1956
Rates Rebate Act 1973
Rates Rebate Order 1982
Rates Rebate Order 1990
Rates Rebate (Witnessing of Declarations) Notice 1977
Rating (Fees) Regulations 1997
Rating Powers Act 1988
Rating Regulations 1968
River Boards Act 1908

Portfolio – Recreation and Sport

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

Portfolio – Racing

Racing Act 1971

Portfolio – Tourism

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





4

Part Four

Performance of the Department of Internal Affairs

Financial Statements for the Department of Internal Affairs
Te Tari Taiwhenua
for the Year Ended 30 June 1999

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Statements of Service Performance	76
Crown Financial Statements	150
Notes to the Crown Financial Statements	160
Statement of Trust Money	173

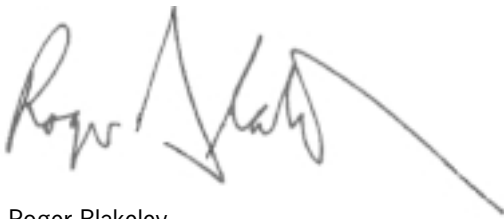


Statement of Responsibility

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 46 to 174) fairly reflects the financial position and operations of the Department of Internal Affairs for the year ended 30 June 1999.



Roger Blakeley

Secretary for Internal Affairs

31 August 1999



(countersigned)

Paul Bryant

Chief Finance Officer

31 August 1999



Report of the Audit Office to the Readers of the Financial Statements of the Department of Internal Affairs for the Year Ended 30 June 1999

We have audited the financial statements on pages 46 to 174. 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 1999. This information is stated in accordance with the accounting policies set out on pages 46 to 51.

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 1999, the results of its operations and cash flows and service performance achievements for the year ended 30 June 1999.

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, including the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that

the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than 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.

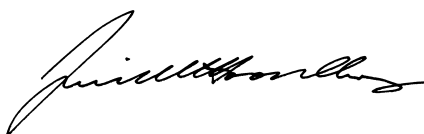
Unqualified opinion

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 46 to 174:

- comply with generally accepted accounting practice; and
- fairly reflect:
 - the financial position as at 30 June 1999;
 - 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 1999 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

Statutory Basis

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

Reporting Entity

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

- those activities represented by outputs supplied by the Department and related assets, liabilities and taxpayers' funds (see pages 52 to 149);
- non-departmental output classes, benefits and other unrequited expenses, and other expenses together with those assets and liabilities administered on behalf of the Crown (see pages 150 to 172); and
- trust money administered by the Department as agent on behalf of the Crown under Part VII of the Public Finance Act 1989 (see pages 173 to 174).

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

Measurement Base

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

Reporting Period

The reporting period for these financial statements is 1 July 1998 to 30 June 1999.

Budget Figures

The Budget figures are those presented in:-

- the Main Estimates as published in the Departmental Forecast Report and presented to the House of Representatives pursuant to section 34A of the Public Finance Act 1989; and

- the Main Estimates as amended by the Supplementary Estimates and any transfer made by Order in Council under section 5 of the Public Finance Act 1989.

Basis of Preparation

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

Foreign Currency Transactions

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

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

Direct costs are treated as follows:

- personnel costs are allocated on the basis of estimated time engaged in the delivery of a particular output;
- operating costs are allocated on the basis of usage;

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

Basis for Assigning Indirect Costs

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

Accounts Receivable

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

Age of Debt	Percentage
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.

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.

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. Investments are only made with NZDMO in accordance with Treasury Instructions. Financial instruments are recognised in the Statement of Financial Position, except for foreign currency forward contracts. The financial instruments are valued as follows:



Financial Instrument	Valuation
Accounts Receivable	Fair Value
Bank	Nominal Value
Short-Term Deposits	Nominal Value with Accrued Interest
Liabilities	Fair Value

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

Property, Plant and Equipment

Land and buildings are recorded at Net Current Value or Optimised Deprival Value, with buildings subsequently depreciated over their useful life. Valuations have been undertaken in accordance with New Zealand Institute of Valuers' standards. Antiques and Works of Art are recorded at Net Current Value. The National Archive Collection is valued based on the application of indicative benchmark values to relevant categories of archives. Benchmark valuations were obtained from an independent professional valuer, through market place assessments and from values ascribed to collections of a similar nature to categories of Government archives. Accessions since the date of valuation are valued on the basis of these benchmarks. Items of exceptional nature are individually considered and valuations supplied by an international auction house.

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

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

Forests

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

Depreciation

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

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

<u>Asset Categories</u>	<u>Estimated Useful Life</u>
Buildings	33-50 years
Furniture and Fittings	5-10 years
Office Equipment	5-10 years
Plant and Equipment	5-20 years
Motor Vehicles	2-6 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 fixed assets are recognised at balance date. To the extent gains reverse losses previously charged to the Statement of Financial Performance, the gains are credited to the Statement of Financial Performance. Otherwise, gains are credited to an asset revaluation reserve for that class of fixed assets. Unrealised losses are first applied against the revaluation reserve for that class of fixed assets. The balance, if any, is charged to the Statement of Financial Performance.

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

Employee Entitlements

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

Taxation

Government departments are exempt from the payment of income tax in terms of the Income Tax Act 1994. Accordingly, no charge for income tax has been provided. The Department is subject to Fringe Benefit Tax (FBT), Goods and Services Tax (GST). It administers Pay As You Earn tax (PAYE).

Goods and Services Tax

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

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

Commitments

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

Contingent Liabilities

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

Intangible Assets

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

Changes in Accounting Policies

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



Statement of Financial Performance for the Year Ended 30 June 1999

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	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL ^{16a} 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue					
Revenue Crown		60,408	63,581	63,581	62,364
Revenue from Third Parties	1	62,110	61,523	61,811	56,650
Interest		450	850	859	698
Revaluation Gain		0	2,872	2,873	0
Total Revenue		122,968	128,826	129,124	119,712
Expenses					
Personnel		50,390	53,093	53,178	52,037
Operating	2	53,861	56,940	53,460	48,454
Depreciation		7,630	5,525	5,532	6,176
Capital Charge	3	3,975	4,017	3,988	4,218
Other Expenses	4	0	610	610	197
Total Operating Expenses		115,856	120,185	116,768	111,082
Net Surplus		7,112	8,641	12,356	8,630



Statement of Financial Position as at 30 June 1999

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	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL ^{16b} 1998/99 \$000	ACTUAL 1997/98 \$000
Assets					
Current Assets					
Cash and Short Term Deposits	5	16,617	18,216	26,335	20,678
Accounts Receivable	6	3,182	1,980	2,936	2,581
Inventories	7	2,317	1,838	2,347	1,794
Prepayments	8	608	584	80	816
Total Current Assets		22,724	22,618	31,698	25,869
Non Current Assets					
Term Accounts Receivable		0	82	0	0
Property, Plant and Equipment	9	43,080	47,615	45,046	44,329
Total Non Current Assets		43,080	47,697	45,046	44,329
Total Assets		65,804	70,315	76,744	70,198
Liabilities and Taxpayers' Funds					
Current Liabilities					
Accounts Payable and Provisions	10	8,083	6,827	6,672	6,702
Revenue Received in Advance		3,055	2,530	4,456	4,051
Accrued Expenses	11	4,000	7,965	8,890	7,064
Provision for Payment of Surplus	12a	7,112	5,159	10,094	8,827
Total Current Liabilities		22,250	22,481	30,112	26,644
Term Liabilities					
Accrued Expenses	13	0	610	628	0
Total Term Liabilities		0	610	628	0
Total Liabilities		22,250	23,091	30,740	26,644
Taxpayers' Funds					
General Funds		43,378	46,948	45,728	43,378
Revaluation Reserve		176	276	276	176
Total Taxpayers' Funds		43,554	47,224	46,004	43,554
Total Liabilities and Taxpayers' Funds		65,804	70,315	76,744	70,198

Statement of Cash Flows for the Year Ended 30 June 1999

Description of Statement

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

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL ^{16c} 1998/99 \$000	ACTUAL 1997/98 \$000
Cash Flows from Operating Activities				
Cash was Provided from:				
Supply of Outputs to the Crown	60,408	63,581	63,581	62,364
Supply of Outputs to Third Parties	62,110	60,504	61,468	58,086
Interest	450	867	852	677
	122,968	124,952	125,901	121,127
Cash was Distributed to:				
Costs of Producing Outputs	(104,251)	(108,646)	(103,930)	(100,310)
Payment of GST	0	0	(85)	(91)
Capital Charge	(3,975)	(4,017)	(3,988)	(4,218)
Other Expenses	0	70	0	(197)
	(108,226)	(112,593)	(108,003)	(104,816)
Net Cash Flows from Operating Activities	14,742	12,359	17,898	16,311
Cash Flows from Investing Activities				
Cash was Provided from:				
Sale of Property, Plant and Equipment	2,000	1,082	1,062	859
Cash was Distributed to:				
Purchase of Property, Plant and Equipment	(7,000)	(7,132)	(4,532)	(5,389)
Net Cash Flows from Investing Activities	(5,000)	(6,050)	(3,470)	(4,530)
Cash Flows from Financing Activities				
Cash was Disbursed to:				
Payment of Net Surplus	(4,584)	(8,827)	(8,827)	(3,374)
Capital Withdrawal	0	0	0	(1,452)
Transfer of Cash from Ministry of Commerce	0	56	56	0
Net Cash Flows from Financing Activities	(4,584)	(8,771)	(8,771)	(4,826)
Net Increase/(Decrease) in Cash Held	5,158	(2,462)	5,657	6,955
Add Opening Cash	11,459	20,678	20,678	13,739
Add effect of exchange rate change on foreign currency balance	0	0	0	(16)
Closing Cash	16,617	18,216	26,335	20,678
Cash Consists of:				
Bank	3,217	1,116	3,335	3,578
Short Term Deposits	13,400	17,100	23,000	17,100
	16,617	18,216	26,335	20,678

Reconciliation of Reported Surplus with Cash Generated from Operating Activities for the Year Ended 30 June 1999

Description of Statement

The Reconciliation Statement details the difference between the surplus/(deficit) reported in the Statement of Financial Performance and the Net Cash Flows from Operating Activities reported in the Statement of Cash Flows.

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Surplus From Statement of Financial Performance	7,112	8,641	12,356	8,630
Add/(Deduct) Non Cash Items				
Depreciation	7,630	5,525	5,532	6,176
Revaluation Gain	0	(2,872)	(2,873)	0
Actuarial Leave	0	610	628	0
Net loss on foreign currency balance	0	0	0	16
Add/(Deduct) Movements in Working Capital Items				
(Increase)/Decrease in Accounts Receivable	0	601	(355)	660
(Increase)/Decrease in Inventories	(1,002)	(44)	(553)	(537)
(Increase)/Decrease in Prepayments	0	232	736	(217)
Increase/(Decrease) in Accounts Payable and Provisions	1,002	125	(30)	(2,257)
Increase/(Decrease) in Revenue Received in Advance	0	(1,521)	405	2,674
Increase/(Decrease) in Accrued Expenses	0	901	1,826	624
Movement in Working Capital	0	294	2,029	947
Add/(Deduct) Items Classified as Investing Activities				
Loss on Sale of Property, Plant and Equipment	0	0	356	720
(Increase)/Decrease in Accounts Payable for Property, Plant and Equipment	0	243	(130)	(178)
(Increase)/Decrease in Term Accounts Receivable	0	(82)	0	0
Net Cash Flows From Operating Activities	14,742	12,359	17,898	16,311

Statement of Movements in Taxpayers' Funds for the Year Ended 30 June 1999

Description of Statement

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

	NOTES	MAIN	SUPP.	ACTUAL	ACTUAL
		ESTIMATES	ESTIMATES		
		1998/99	1998/99	1998/99	1997/98
		\$000	\$000	\$000	\$000
Taxpayers' Funds at the start of the year		43,554	43,554	43,554	45,203
Net Surplus for the year		7,112	8,641	12,356	8,630
Net revaluations		0	100	100	0
Total Recognised Revenues and Expenses for the year		7,112	8,741	12,456	8,630
Asset/liability transfers between Departments		0	88	88	0
Provision for Payment of Surplus	12a	(7,112)	(8,031)	(12,966)	(8,827)
Capital Contributions	12b	0	2,872	2,872	0
Capital Withdrawals		0	0	0	(1,452)
Taxpayers' Funds at the end of the year		43,554	47,224	46,004	43,554



Statement of Commitments

as at 30 June 1999

Description of Statement

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

“Other Non-Cancellable Leases” and “Non-Cancellable Contracts for Goods and Services” include lease payments for telephone exchange systems, facsimile machines and photocopiers, marketing payments and computer support contracts.

	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
<u>Capital Commitments</u>		
Plant and Equipment		
Less than one year	1,175	1,321
One to two years	862	0
Total Capital Commitments	2,037	1,321
<u>Operating Commitments</u>		
Non-Cancellable Accommodation Leases		
Less than one year	4,915	5,079
One to two years	3,797	4,198
Two to five years	8,858	8,599
Over five years	8,131	9,298
Total Accommodation Commitments	25,701	27,174
Other Non-Cancellable Leases		
Less than one year	1,334	66
One to two years	370	23
Two to five years	50	10
Total Other Lease Commitments	1,754	99
Non-Cancellable Contracts for Goods and Services		
Less than one year	803	2,298
One to two years	63	740
Two to five years	31	1,318
Total Goods and Services Commitments	897	4,356
Total Commitments	30,389	32,950



Statement of Contingent Liabilities as at 30 June 1999

Description of Statement

The Statement of Contingent Liabilities discloses known transactions or events which exist at 30 June 1999. The ultimate outcome of these events is uncertain and can only be confirmed on occurrence of one or more future events outside the Department's control after the date of completion of the financial statements.

Quantifiable contingent liabilities are as follows:

	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Legal Proceedings and Disputes	190	90
Total Contingent Liabilities	190	90

There were no unquantifiable contingent liabilities, guarantees or indemnities for the year ended 30 June 1999.



Statement of Unappropriated Expenditure for the Year Ended 30 June 1999

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Description of Statement

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

There was no unappropriated expenditure for the year ended 30 June 1999 or for the previous financial year.

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Statement of Departmental Estimated Actuals, Appropriations and Expenditure for the Year Ended 30 June 1999

Description of Statement

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

(Figures are GST inclusive)

NOTES

Vote Internal Affairs	15a,16d
<i>Classes of Outputs to be Supplied by the Department</i>	
D1 National Archival Services	
D2 Official, Legal and Historical Publications	
D3 Administrative and Advisory Support Services	
D4 Support Services to Ministers	
D5 Property Management	
D6 Administration of Grants	
D7 Issuing of Licences and Administration of Regulations	
D8 Issuing of Official Documents	
D9 Policy Advice (Internal Affairs)	
D10 Community Advisory and Information Services	
D11 Visits and Ceremonials	
D12 Transport Services	
D13 Translation Services (Mode B Net)	
Computing and Datacommunications Services	
Records Management and Storage	
<i>Other Expenses to be Incurred by the Department</i>	
Closure of Record Centres	
Provision for Retirement and Long Service Leave	
Vote Civil Defence	15b
<i>Classes of Outputs to be Supplied by the Department</i>	
D1 Policy Advice (Civil Defence)	
D2 Support Services, Information and Education	
D3 Management of National Emergency Readiness, Response and Recovery	
Preparation for Emergencies	
Responses to Emergencies	
Vote Local Government	15c
<i>Classes of Outputs to be Supplied by the Department</i>	
D1 Policy Advice (Local Government)	
D2 Information, Support and Regulatory Services	
Vote Sport, Fitness and Leisure	16d
<i>Classes of Outputs to be Supplied by the Department</i>	
D1 Policy Advice (Sport, Fitness and Leisure)	
Vote Racing	
<i>Classes of Outputs to be Supplied by the Department</i>	
D1 Policy Advice (Racing)	
Vote Tourism	16d
<i>Classes of Outputs to be Supplied by the Department</i>	
D1 Policy Advice (Tourism)	
D2 Wairakei Tourist Park: Development and Management	
Vote Millennium	15d
<i>Classes of Outputs to be Supplied by the Department</i>	
D1 Administrative and Advisory Support Services	
D2 Year 2000 Commemorations Marketing Programme	
Total Appropriations	17

ESTIMATED ACTUALS 1998/99 \$000	MAIN ESTIMATES 1998/99 \$000	SUPPLEMENTARY ESTIMATES 1999/98 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
9,840	10,524	10,868	9,823	10,121
3,210	3,323	3,341	3,179	3,461
8,877	8,745	8,919	8,836	9,373
23,949	23,569	24,356	23,577	25,246
2,106	4,000	3,978	1,899	3,722
2,653	2,621	2,652	2,640	2,730
8,115	7,120	8,290	7,456	7,542
38,481	41,255	40,064	39,959	35,617
2,149	2,313	2,159	2,130	2,728
5,895	6,293	5,891	5,850	6,837
2,286	2,089	2,307	2,193	2,034
5,419	5,914	5,714	5,379	5,541
538	491	563	611	475
0	0	0	0	905
0	0	0	0	316
0	0	0	0	197
610	610	610	610	0
1,332	1,061	1,357	1,349	0
3,287	3,356	3,291	3,291	0
1,478	1,752	1,603	1,588	0
0	0	0	0	4,926
0	0	0	0	622
2,032	1,834	2,064	2,021	1,669
1,774	1,729	1,745	1,681	1,742
280	283	280	259	276
131	138	138	133	132
1,180	1,178	1,178	1,118	0
1,308	1,583	1,584	1,453	0
489	0	489	470	0
2,327	0	2,381	2,365	0
129,746	131,781	135,822	129,870	126,212

Notes to the Financial Statements for the Year Ended 30 June 1999

Note 1 Revenue from Third Parties

	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Passport Fees	25,177	24,176
Citizenship Fees	7,751	4,148
Gaming Licences	1,254	1,312
Births, Deaths and Marriages	7,215	6,552
Casino Operators' Levies	1,956	1,793
VIP Transport	4,655	4,874
Recoveries from New Zealand Lotteries	6,826	6,873
<i>New Zealand Gazette</i>	1,261	1,186
Other	5,716	5,736
Total Revenue from Third Parties	61,811	56,650

Note 2 Operating Expenses

a) Office Accommodation

	ACTUAL 1998/99	ACTUAL 1997/98
Total area leased (square metres)	21,874	23,102
Average total costs per square metre leased	\$227	\$217
Space allocated per staff member (square metres)	27	33
Annual rental cost of vacant space	\$142,424	\$142,424
Vacant leased accommodation (square metres)	1,014	1,014
Average cost per square metre of vacant space	\$140	\$140
	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Rental costs	3,932	4,068
Utility costs (energy)	309	317
Other costs (building management, maintenance, rates and cleaning)	729	621
Total Office Accommodation Costs	4,970	5,006

b) Other Operating Expenses

	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Audit Fees	157	157
Leases (excluding accommodation)	503	406
Bad Debts	11	7
Increase/(Decrease) in Provision for Doubtful Debts	(5)	(18)
Net Foreign Exchange Losses	0	(16)
Write-offs and Loss/(Gain) on Sale of Property, Plant and Equipment	356	720
Other Operating Expenses	1,022	1,256

c) Direct costs

For the year ended 30 June 1999, direct costs accounted for 83% of the Department's costs compared to 78% for the previous financial year. The increase is attributable to the closure of Link Centres treated as an indirect cost during the 1997/98 financial year.

Note 3 Capital Charge

The Crown imposes a capital charge on taxpayers' funds. The rate in the 1998/99 was 9.2%. (1998: 9.5%)

Note 4 Other Expenses

	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Closure of Record Centres	0	197
Provision for Retirement and Long Service Leave	610	0
Total Other Expenses	610	197

Note 5 Cash and Short Term Deposits

The Department had a New Zealand bank account balance of \$3.055 million as at 30 June 1999. (1997/98: \$3.280 million) The Department had the following short term deposits with the NZDMO:

1998/99				1997/98			
Principal \$000	Term	Interest	Maturity	Principal \$000	Term	Interest	Maturity
8,000	91 days	4.25%	30/7/99	6,800	61 days	8.50%	29/7/98
2,000	92 days	4.25%	17/8/99	3,000	61 days	8.00%	4/8/98
2,000	92 days	4.25%	31/8/99	2,300	14 days	8.13%	14/7/98
5,000	63 days	4.50%	30/8/99	5,000	92 days	8.50%	30/9/98
6,000	92 days	4.50%	30/9/99				
23,000				17,100			

The Department had the following overseas bank accounts:

	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Sydney	22	84
Washington	35	13
Los Angeles	46	26
London	177	175
Total overseas bank accounts	280	298

The above figures are shown in New Zealand dollars converted at the closing mid-point exchange rate.

Note 6 Accounts Receivable

	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Trade Receivables	2,880	2,537
Provision for Doubtful Debts	(19)	(24)
Net Trade Receivables	2,861	2,513
Accrued Interest	75	68
Total Accounts Receivable	2,936	2,581

Note 7 Inventories

	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Passports	593	498
Visits and Ceremonials – Liquor	182	194
Birth, Death and Marriage Certificates	35	41
Citizenship Certificates	1520	950
Gaming Review Reports	0	52
Other	17	59
Total Inventories	2,347	1,794

Note 8 Prepayments

	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
ACC	0	713
Trade Prepayments	80	103
Total Prepayments	80	816

Note 9 Property, Plant and Equipment

a) Property, Plant and Equipment

		1998/99		1997/98			
	NOTE	COST OR VALUATION \$000	ACCUM. DEPREC. \$000	CARRYING AMOUNT \$000	COST OR VALUATION \$000	ACCUM. DEPREC. \$000	CARRYING AMOUNT \$000
Land	9b	13,095	0	13,095	12,237	0	12,237
Buildings	9b	17,050	183	16,867	16,362	818	15,544
Lease Improvements		3,549	2,806	743	3,820	2,830	990
Antiques and Works of Art	9b	573	0	573	467	0	467
Furniture and Fittings		2,109	1,643	466	2,060	1,599	461
Office Equipment		2,188	1,741	447	2,333	1,740	593
Motor Vehicles		5,635	1,975	3,660	5,889	1,974	3,915
Plant and Equipment		5,289	3,333	1,956	5,097	3,030	2,067
EDP Equipment		23,151	18,133	5,018	22,218	15,874	6,344
Capital Work in Progress		2,221	0	2,221	1,711	0	1,711
Total		74,860	29,814	45,046	72,194	27,865	44,329

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, MREINZ), registered independent valuer on 1 January 1999. Valuation of Land and Buildings is undertaken every three years.

Antiques and Works of Art

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

Note 10 Accounts Payable and Provisions

	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Accounts Payable	5,161	4,654
Closure of Link Centres	219	695
Accrued Salaries	901	1,028
Creditors for Property, Plant and Equipment	315	243
GST Payable/(Receivable)	76	82
Total Accounts Payable	6,672	6,702

Note 11 Accrued Expenses

	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Annual Leave	3,101	2,884
Long Service Leave	104	117
Retirement Leave	633	578
Provision for Severances	160	28
Creditors for Property, Plant and Equipment	59	0
Audit Fees	77	72
Provision for Performance Pay	1,296	1,262
Other	3,460	2,123
Total Accrued Expenses	8,890	7,064

Note 12 Movements in Taxpayers Funds

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

a) Provision for Payment of Surplus

The Department is required to return to the Crown the higher of its annual net surplus (excluding Other Expenses) or interest earned. In 1999/00, \$10.094 million will be paid to the Crown for the surplus generated in 1998/99 of \$12.966 million reduced by the Capital Contribution of \$2.872 million. (1998/99: \$8.827 million)

b) Capital Contribution

The Department had a capital contribution of \$2.872 million arising from a revaluation gain on assets held by the Department of Internal Affairs which offset prior years losses.

c) Asset/liability transfers between Departments

Net Assets of \$88,000 were transferred from the Ministry of Commerce to the Department of Internal Affairs following the establishment of the Office of Tourism and Sport.

d) Net Revaluations

Revaluation reserve increased by \$100,000 with the valuation of antiques and works of art.

Note 13 Term Accrued Expenses

	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Provision for Retirement Leave	276	0
Provision for Long Service Leave	352	0
Total Term Accrued Expenses	628	0

Retirement and Long Service leave are recognised on an actuarial basis. 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 average attrition rate was taken into account. A discount factor of 3% was used to calculate the value which represents a net rate between expected rate of return and salary growth.



Note 14 Financial Instruments

The Department is party to financial instrument arrangements as part of its daily operations. These include Bank, Short Term Deposits with NZDMO, Accounts Receivable, Accounts Payable and Provisions, Accrued Expenses, Term Accrued Expenses and Foreign Currency.

a) Currency and Interest Rate Risk

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

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

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

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

b) Credit Risk

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

Financial instruments which potentially subject the Department to credit risk consist principally of bank, trade receivables and short term investments.

Short term investments are placed with NZDMO which is guaranteed by the New Zealand Government. This limits the exposure to concentrations of credit risk. The Department places its cash with Treasury approved financial institutions.

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

Maximum exposures to credit risk.

	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Bank	3,335	3,578
Short Term Deposits	23,000	17,100
Accounts Receivable	2,936	2,581

c) Fair Value

Estimated fair values of the financial assets and liabilities.

	1998/99		1997/98	
	CARRYING VALUE \$000	FAIR VALUE \$000	CARRYING VALUE \$000	FAIR VALUE \$000
Bank	3,335	3,335	3,578	3,578
Short Term Deposits	23,000	23,000	17,100	17,100
Accounts Receivable	2,936	2,936	2,581	2,581
Accounts Payable	6,672	6,672	6,702	6,702
Accrued Expenses	8,890	8,890	7,064	7,064
Term Accrued Expenses	628	628	0	0

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

	1998/99			1997/98		
	CONTRACT VALUE		FAIR VALUE \$000	CONTRACT VALUE		FAIR VALUE \$000
BUY	SELL	BUY		SELL		
	\$000	\$000	\$000	\$000	\$000	
Foreign Exchange Contracts	3,127	3,268	141	3,526	3,553	27

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 the closing spot rate.

Bank, Short Term Deposits with NZDMO, 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 15 Explanation of Significant Budget Changes

Statement of Departmental Estimated Actuals, Appropriations and Expenditure (page 60).

(All figures are GST inclusive)

The following notes explain the significant changes between the 1998/99 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

D7 Issuing of Licenses and Administration of Regulations (\$1,170,000)

The increase arises from fiscally neutral transfers to offset cost shifts between output classes and increases to third party revenue from new gaming machine license fees and the new casino in Dunedin.

D9 Policy Advice (Internal Affairs) (\$154,000)

The reduction reflects changes that arise from fiscally neutral transfers to offset cost shifts between output classes, transfers to Vote Local Government and Vote Racing to meet demands in work programmes, and a transfer from output class D10 Community Advisory and Information Services to cover the cost of an inventory write-off relating to the Gaming Review.

D10 Community Advisory and Information Services (\$402,000)

The reduction reflects changes that arise from fiscally neutral transfers to offset cost shifts between output classes, a transfer to output class D9 Policy Advice (Internal Affairs) to cover the cost of an inventory write-off relating to the Gaming Review and the 1% departmental savings. Other changes are due to an increase in third party revenue in New Zealand Government Online, the Online Safety Brochure and for Blue Pages.

D11 Visits and Ceremonial Services (\$218,000)

The increase arises from a reduction in the Government Superannuation Fund (GSF) employer contribution rate, fiscally neutral transfers to offset cost shifts between output classes, and a fiscally neutral transfer from output class D5 Property Management due to an increase in the number of guests of government visits.

D13 Translation Services (\$72,000)

Changes reflect a forecast increase in third party demand for translation services and associated costs.

Other Expenses- Provision for Retirement and Long Service Leave (\$610,000)

A one-off adjustment to recognise the liability for long service and retirement leave.

b) Vote Civil Defence

D1 Policy Advice (Civil Defence) (\$296,000)

The increase arises from fiscally neutral adjustments to offset cost shifts between output classes to meet the changed focus of the new Ministry.



D3 Management of National Emergency Readiness, Response and Recovery (\$149,000)

The decrease arises from fiscally neutral adjustments to offset cost shifts between output classes to meet the changed focus of the new Ministry and the 1% departmental savings.

c) Vote Local Government

D1 Policy Advice (Local Government) (\$230,000)

The increase arises from fiscally neutral transfers to offset cost shifts between output classes, the 1% departmental savings, and a transfer from Vote Internal Affairs to meet increased demands in the work programme. Other changes include an increase in funding for the Waste Water Review and the Rating Powers Review.

d) Vote Millennium

D1 Administrative and Advisory Support Services (\$489,000)

The establishment of the new Vote Millennium arises through a fiscally neutral transfer from Vote Internal Affairs output class D3 Administrative and Advisory Support Services.

D2 Year 2000 Commemorations Marketing Programme (\$2,381,000)

The establishment of the new Vote Millennium arises through a fiscally neutral transfer from Vote Internal Affairs non-departmental output class Year 2000 Commemoration Millennium Marketing Programme and a transfer of funding from 1999/00 to the 1998/99 year to cover expenditure to be incurred.

Note 16 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 52)

Operating (\$3,480,000)

The variance results from underexpenditure in Vote Internal Affairs and Vote Tourism. The primary output classes underspent in Vote Internal Affairs include Property Management (due to delays in property maintenance programme), Issuing of Official Documents (due to a change in input mix from operating to personnel costs), Issuing of Licenses and Administration of Regulations and Transport Services (both underspent to compensate for under-recovery of revenue). Underexpenditure in Vote Tourism related to negotiation costs over land issues not eventuating.

b) Statement of Financial Position (page 53)*Cash and Short Term Deposits (\$8,119,000)*

The closing balance of cash and short term deposits were higher than budgeted principally due to a higher than anticipated accrued expenses, a lower level of asset purchases and a higher surplus than anticipated.

Accounts Receivable (\$956,000)

The variance relates to higher accounts receivable for various business areas within the Department, in particular, higher than forecast recovery for Community Development Group expenses due from the Lottery Grants Board for services performed in June 1999.

Inventories (\$509,000)

Lower demand for passport services in June 1999 resulted in higher stock levels of passport blanks than anticipated.

Prepayments (\$504,000)

In previous financial years, a payment has been made during May for ACC covering the period from 1 April to 31 March. It was anticipated that a prepayment would be made in June to cover ACC for 1999/2000, but it will be made in the next financial year. The Accident Insurance Act 1998 provided for employers to change insurance agents with effect from 1 July 1999. An additional tail premium was paid to release prior commitments to Accident Compensation Corporation. Payments for ACC will now be made in advance in either June or July for the future July to June period.

Revenue Received in Advance (\$1,926,000)

Revenue Received in Advance was higher than anticipated in the budget for Citizenship.

Accrued Expenses (\$925,000)

The variance relates to higher than expected accruals relating to various business areas, particularly for the output classes Issuing of Official Documents and Issuing of Licenses and Administration of Regulations.

c) Statement of Cash Flows (page 54)*Purchases of Property, Plant and Equipment (\$2,600,000)*

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

d) Statement of Departmental Estimated Actuals, Appropriations and Expenditure (page 60)

(All figures are GST inclusive)

Vote Internal Affairs

D1 National Archival Services (\$1,045,000)

This is due to a gain of \$1.031 million on revaluation of assets which offset prior years losses. The \$1.031 million unrealised revaluation gain was not spent and will be used to increase taxpayers funds.

D5 Property Management (\$2,079,000)

This is due to a gain of \$1.801 million on revaluation of assets which offset prior years losses and delays in the completion of the property programme due to staff illnesses. The \$1.801 million unrealised revaluation gain was not spent and will be used to increase taxpayers funds.

D7 Issuing of Licenses and Administration of Regulations (\$834,000)

Total expenditure tracked downwards in direct proportion to total third party revenue. The main reason for the variance was changes to the opening of the Dunedin casino which affected both licensing of casino employee applications and the casino inspectorate training programme, changes to the gaming machine testing fees regime and delays in recruitment.

D12 Transport Services (\$335,000)

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

Vote Sport Fitness and Leisure

D1 Policy Advice (Sport, Fitness and Leisure) (\$21,000)

Personnel costs were lower than anticipated due to staff being involved in negotiations related to the Wairakei Tourist Park: Development and Management which reduced the personnel time available to spend on this output class.

Vote Tourism

D1 Policy Advice (Tourism) (\$60,000)

Personnel costs were lower than anticipated due to staff being involved in negotiations related to the Wairakei Tourist Park: Development and Management which reduced the personnel time available to spend on this output class.

D2 Wairakei Tourist Park: Development and Management (\$131,000)

The level of anticipated costs related to negotiations over land issues did not eventuate.

Note 17 Financial Information for Output Classes

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

	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Total Operating Expenses	116,768	111,082
Revaluation Gain	(2,873)	0
Intra entity Expenditure	268	225
GST on Crown Revenue	7,948	7,796
GST on Revenue from Third Parties	7,726	7,081
GST on Intra entity Revenue	33	28
Total Appropriations	129,870	126,212

Note 18 Related Parties

The Department is a government department and is wholly owned and controlled by the Crown. The Department undertakes a number of trading activities with the Crown, other departments, Crown Entities and State Owned Enterprises who are related parties as they are similarly related to the Crown.

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



Summary of Financial Results for the Year Ended 30 June 1999

	UNIT	ACTUAL 1998/99	ACTUAL 1997/98	ACTUAL 1996/97	ACTUAL 1995/96	ACTUAL 1994/95
Operating Results						
Revenue: Third Parties	\$000	61,811	56,650	54,864	49,163	51,089
Revenue: Interest	\$000	859	698	840	1,119	1,446
Output Expenses	\$000	116,768	111,082	115,259	108,593	99,377
Operating Surplus before Capital Charge	\$000	16,344	12,848	7,672	9,748	11,386
Net Surplus/(Deficit)	\$000	12,356	8,630	3,374	5,195	7,695
Working Capital						
Liquid Ratio		1.21:1	1.09:1	0.91:1	0.75:1	1.03:1
Current Ratio		1.05:1	0.97:1	0.93:1	0.77:1	0.96:1
Average Debtors Outstanding	days	14	16	18	19	21
Average Creditors Outstanding	days	36	38	34	33	33
Resource Utilisation						
<i>Physical Assets:</i>						
Physical Assets as % of Total Assets	%	58.70	63.15	71.18	76.03	70.32
Additions as % of Physical Assets	%	10.06	12.16	13.74	17.52	14.69
<i>Taxpayers' Funds:</i>						
Level at year-end	\$000	46,004	43,554	45,203	45,253	44,433
Taxpayers' Funds as % of Total Assets	%	59.95	62.04	69.17	69.58	69.00
Net Cash Flows						
Surplus/(Deficit) from Operating Activities	\$000	17,898	16,295	14,969	10,745	12,493
Surplus/(Deficit) from Investing Activities	\$000	(3,470)	(4,530)	(5,637)	(6,985)	(2,509)
Net Increase/(Decrease) in Cash Held	\$000	5,657	6,939	3,009	(3,359)	957

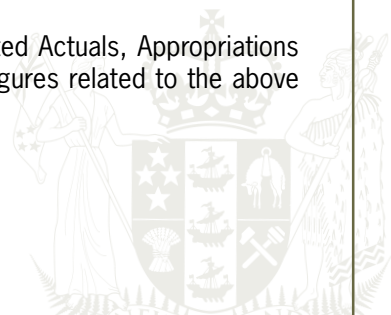


Summary of Discontinued and New Output Classes for the Year Ended 30 June 1999

G7

DISCONTINUED OUTPUT CLASSES	EFFECTIVE FROM	REASON FOR CHANGE
Vote Internal Affairs		
Computing and Datacommunication Services	28 February 1998	Cabinet decision to cease provision of services Cabinet decision to cease provision of services
Records Management and Storage	30 November 1998	
Vote Civil Defence		
Preparation for Emergencies	30 June 1998	Outputs reclassified (see new output classes below)
Responses to Emergencies	30 June 1998	Outputs reclassified (see new output classes below)
NEW OUTPUT CLASSES	EFFECTIVE FROM	REASON FOR CHANGE
Vote Civil Defence		
Policy Advice (Civil Defence)	1 July 1998	
Support Services, Information and Education	1 July 1998	
Management of National Emergency Readiness, Response and Recovery	1 July 1998	
Vote Tourism		
Policy Advice (Tourism)	1 July 1998	Transferred from the Ministry of Commerce
Wairakei Tourist Park: Development and Management	1 July 1998	Transferred from the Ministry of Commerce
Vote Millennium		
Administrative and Advisory Support Services	1 October 1998	Established for celebration of the new Millennium
Year 2000 Commemorations Marketing Programme	1 October 1998	Established for celebration of the new Millennium

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



Objective and Statement of Service Performance for the Year Ended 30 June 1999

OUTPUT CLASS D1 – Archival Services

MEASURES

ACTUAL TO 30 JUNE 1999

Reference Services

Quantity

24,000 enquiries (in person, letter/fax, e-mail, telephone, loans of archives to government agencies). ✓ ✓

Quality and Timeliness

At least 85% of reference retrieval requests meet agreed timeframes (requests are defined as productions to the reading room)¹. ✓ ✓

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

Selection and Description

Quantity

230 services (appraisals and transfers) provided to Government departments and agencies. ○ 205

3,200 linear metres of archives expected to be offered and accepted for transfer. ○ 2756.5

Quality and Timeliness

80% of departments and agencies who respond to a client satisfaction survey rate services at 7 or greater on a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”. ✗ 68%

90% of linear metres of archives transfers processed to standard (listed in the 1998/99 Purchase Agreement) after six months. ✗ 86%

¹ A “production” is defined as a single item (file, volume, loose page or box of archives, map, photograph, microfilm) requested by a client (or an archives staff member on behalf of a client). “Productions” are requested individually on the computer request system which assigns each “production” a unique number. The timeframe refers to the fact that some requests are more difficult to locate than others, so the turnaround time of 30 minutes cannot be met for all requests made.

○ = externally demand driven, ✗ = target not met, ✓ = target met, ✓✓ = target exceeded.

Physical Preservation & Storage**Quantity**

65,000 linear metres of textual archives (expected to increase this year by an additional 3,200 linear metres). ✓ ✓

1,827,000 non-textual items housed, maintained and protected. ✓ ✓

1,300 linear metres of textual archives. ✓ ✓

36,000 non-textual items covered in condition survey programme. ✗ 3,035

Quality and Timeliness

90% of treatment requests meet agreed timeframes. ✗ Activity suspended in 1998/99.

Staffing levels in Conservation were insufficient to fully carry out the standard work programme.

22 of 49 recommendations in the 1997/98 financial year condition surveys actioned to the satisfaction of the Chief Archivist (purchaser). ✓ 22 recommendations made during 1997/98, 11 have been actioned.

Archives Education**Quantity**

12,000 (the range is 10,000 to 14,000) contacts with individuals through tours, exhibitions, seminars and talks. ✓ ✓

Quality and Timeliness

80% of individuals who respond to a client satisfaction survey of tours rate the quality of the service at 7 or greater on a scale of 1 to 9, where 1 is "very poor" and 9 is "outstanding" – a sample of tour participants is surveyed. ✓ ✓

⊙ = externally demand driven, ✗ = target not met, ✓ = target met, ✓ ✓ = target exceeded.



Provision of Operational Policy and Standard Setting

Quantity

Develop policies and set standards as required, the estimated number of policies and standards being four. ✓ ✓

Quality and Timeliness

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

Provision of Archival Advice

Quantity

100 items of advice provided by telephone and in person. The estimated range is 90 to 110 items. ✓

Provision of Archival Advice: ✓ ✓

50 written advice reports, of which five are substantive reports. The estimated range is 40 to 60 reports.

Quality and Timeliness

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

95% of appraisals processed within 10 working days. ✗ 88%

⊙ = externally demand driven, ✗ = target not met, ✓ = target met, ✓ ✓ = target exceeded.

National Archival Services

G7

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Reference Services	3,162	3,230	3,198	1,237
Selection and Description	2,259	2,077	2,014	1,022
Physical Preservation and Storage	2,710	2,887	2,941	3,123
Archives Education	904	1,151	1,195	3,323
Provision of Operational Policy and Standard Setting	160	157	148	140
Provision of Archival Advice	159	158	146	134
Total excluding GST	9,354	9,660	9,642	8,979
GST	1,170	1,208	1,211	1,142
Total Appropriation	10,524	10,868	10,853	10,121

Financial Information – National Archival Services

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue				
Revenue Crown	8,532	8,863	8,863	8,434
Revenue from Third Parties	828	804	824	698
Revaluation Gain	0	1,030	1,030	0
Total Revenue	9,360	10,697	10,717	9,132
Expenses				
Personnel	2,594	2,666	2,475	2,585
Operating	4,131	4,418	4,685	3,880
Depreciation	800	779	717	754
Capital Charge	1,829	1,797	1,765	1,760
Total Operating Expenses	9,354	9,660	9,642	8,979
Net Surplus/(Deficit)	6	1,037	1,075	153



OUTPUT CLASS D2 – Official, Legal and Historical Publications

MEASURES

ACTUAL TO 30 JUNE 1999

New Zealand Gazette

Quantity

49 principal editions,	✓
2 special editions,	✓ ✓
47 Customs editions,	✓
5 professional and trade lists,	✗ Four.
70 supplements.	✓ ✓

Quality and Timeliness

All <i>New Zealand Gazettes</i> published to deadlines.	✗ One supplement late.
95% of <i>New Zealand Gazettes</i> published to specified quality criteria.	✓ ✓

Dictionary of New Zealand Biography

Quantity

Volumes I, II, III and IV (English) and Volumes I, II and III (Māori) to be kept in print.	✓
Volume IV (Māori) to be completed by 30 June 1999.	✓
Volume V English to be 70% complete by 30 June 1999.	✓ ✓
Volume V Māori to be 20% complete by 30 June 1999.	✓

Quality and Timeliness

All <i>Dictionary of New Zealand Biography</i> essays completed to factual and reference standards as endorsed by the Dictionary's Policy Committee. These standards are listed in the Department's 1998/99 Purchase Agreement.	✓
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⊙ = externally demand driven, ✗ = target not met, ✓ = target met, ✓ ✓ = target exceeded.

New Zealand Written History**Quantity**

15 historical projects, which are detailed in the Department's 1998/99 Purchase Agreement, progressed to the timetable and criteria as specified by the Historical Branch Advisory Committee. ✓

Quality and Timeliness

95% of historical publications written to time and content criteria specified by Historical Branch Advisory Committee for each project. ✓

Official, Legal and Historical Publications

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
New Zealand Gazette	1,196	1,396	1,307	1,361
Dictionary of New Zealand Biography	701	598	596	598
NZ Written History	1,055	996	924	1,130
Total excluding GST	2,952	2,990	2,827	3,089
GST	371	351	352	372
Total Appropriation	3,323	3,341	3,179	3,461

Financial Information – Official, Legal and Historical Publications

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue				
Revenue Crown	1,349	1,254	1,254	1,348
Revenue from Third Parties	1,622	1,555	1,559	1,641
Total Revenue	2,971	2,809	2,813	2,989
Expenses				
Personnel	808	830	781	958
Operating	2,086	2,104	1,990	2,063
Depreciation	42	40	38	49
Capital Charge	16	16	18	19
Total Operating Expenses	2,952	2,990	2,827	3,089
Net Surplus/(Deficit)	19	(181)	(14)	(100)

⊙ = externally demand driven, ✕ = target not met, ✓ = target met, ✓✓ = target exceeded.

OUTPUT CLASS D3 – Administrative and Advisory Support Services

MEASURES

ACTUAL TO 30 JUNE 1999

New Zealand Millennium Office

Quantity

Calendar of Official Events developed by 31 December 1998 to the satisfaction of Government. ✓

120 briefings with local government and iwi completed by 30 September 1998 to the satisfaction of attendees at briefings such that 90% of organisations briefed participate in the programme. ✗ 118

Quality and Timeliness

100% of an estimated 5,000 requests for information responded to within five working days of receipt. ✓ ✓

100% of an estimated 1,000 applications for funds processed in accordance with the published criteria, ✓ (267 funding applications received).

and within 40 working days of receipt of completed applications. ✓

Where an application is approved, payment of initial instalment made within ten working days of final approval. ✗ Payments made ten days after final agreement.

A risk assessed sample of 20% of organisations that have received funding (total maximum sample being 40), audited for correct use of funding, in accordance with specified and published criteria. N/A: No audits have been conducted, as funded activity is yet to take place.

Two tracking studies of consumer attitude and awareness completed by November 1998 and June 1999 respectively. ✗

⊙ = externally demand driven, ✗ = target not met, ✓ = target met, ✓ ✓ = target exceeded.

Historical Advice and Administrative Services**Quantity**

350 (the range is 300 to 400) historical inquiries received. ✓

Quality and Timeliness

98% of advice provided to standards as listed in the 1998/99 Purchase Agreement. ✓

98% of 160 applications processed for three grant schemes (Awards in History, Awards in Oral History, and Grants to Publishers) administered to standards as listed in the 1998/99 Purchase Agreement. ✓ ✓

Crown Trusts and Fellowships**Quantity**

The Winston Churchill Memorial Trust, the Norman Kirk Memorial Trust, the Pacific Development and Conservation Trust, the Peace and Disarmament Education Trust and the ANZAC Fellowship Scheme serviced. ✓

The Trustee Banks Restructuring Act 1988 administered. ✓

2,100 (the estimated range is 2,000 to 2,200) application forms mailed out. ✓ ✓

570 (the estimated range is 500 to 600) award applications for Trusts and Fellowships processed. ✓ ✓

580 (the estimated range is 550 to 600) report mail-outs processed. ✓

Quality and Timeliness

98% of administrative and advisory support services provided to agreed criteria, as detailed in the 1998/99 Purchase Agreement. ✗ No criteria were detailed in the Purchase Agreement.

○ = externally demand driven, ✗ = target not met, ✓ = target met, ✓ ✓ = target exceeded.



Lottery Grants**Quantity**

6,500 grant applications processed.	⊙ 6,486
100 decision making meetings serviced.	✓ ✓

Quality and Timeliness

Cost per dollar distributed to be eight cents or less.	✓ ✓
Cost per application processed to be \$1,000 or less.	✗ \$1,052
Percentage of total Lottery Grants Board income used in administration to be six percent or less.	✓ ✓
85% of respondents to the annual independent survey of a random sample of at least 400 achieved interviews of lottery grants applicants will rate the quality and timeliness of services at 7 or greater on a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding.”	✗ 53%
85% of respondents to the annual independent survey of all appointed members will rate the quality and timeliness of services at 7 or greater on a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”.	✓ ✓

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

All administrative and advisory support services meet deadlines. Accurate and appropriate information provided. Commissioner’s rating of the services provided is 7 or greater on a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”, the assessment method to be an annual survey.	N/A: There have been no Commissions of Inquiry this year. Limited services were supplied for the judicial review process.
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⊙ = externally demand driven, ✗ = target not met, ✓ = target met, ✓ ✓ = target exceeded.

Administrative and Advisory Support Services

G7

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Millennium Office	500	143	429	474
Historical Advice and Administration Services	276	217	213	233
Crown Trusts and Fellowships	251	595	270	288
Lottery Grants	6,739	6,777	6,762	6,987
Commission of Inquiry into Certain Matters Relating to Taxation	0	0	0	333
Judicial Review on the Commissioner's findings in the Commission of Inquiry Into Certain Matters Relating to Taxation	0	189	173	0
Total excluding GST	7,766	7,921	7,847	8,315
GST	979	998	989	1,058
Total Appropriation	8,745	8,919	8,836	9,373

Financial Information – Administrative and Advisory Support Services

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue				
Revenue Crown	823	904	904	1,454
Revenue from Third Parties	7,009	7,083	7,010	7,021
Total Revenue	7,832	7,987	7,914	8,475
Expenses				
Personnel	3,019	2,880	2,988	2,827
Operating	4,362	4,708	4,512	5,320
Depreciation	313	213	220	128
Capital Charge	72	120	127	40
Total Operating Expenses	7,766	7,921	7,847	8,315
Net Surplus/(Deficit)	66	66	67	160



OUTPUT CLASS D4 – Support Services To Ministers

MEASURES

ACTUAL TO 30 JUNE 1999

Support Services to Ministers

Quantity

Administrative, accounting and personnel services for all Ministers and other members of the Executive and approximately 200 support staff. ✓

Monitoring of 27 daily newspapers, 27 community, two business and two Sunday papers for clients. ✓

New Zealand Press Association wire service; and advisory service on audio/visual transcripts to Ministers. ✓

Quality and Timeliness

Metropolitan newspapers processed within an average of eight working hours of receipt of newspapers. ✓

Response times to requests for services are: personnel services one working day; administrative services two working days; and answering ministerial and parliamentary questions two working days. ✗ Not all Parliamentary Questions responded to within two days.

All services provided to criteria as specified in the Ministerial Services Handbook, and in accordance with Ministers' and Government demands and correct authorisation. ✓

Ministerial satisfaction rating for administrative and media services is 7 or greater on a scale of 1 to 9, where 1 is "very poor" and 9 is "outstanding", the assessment mechanism being an annual survey. ✗ 6.2

⊙ = externally demand driven, ✗ = target not met, ✓ = target met, ✓✓ = target exceeded.

Support Services to Ministers

G7

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Support Services to Ministers	20,950	21,650	20,868	22,310
Total excluding GST	20,950	21,650	20,868	22,310
GST	2,619	2,706	2,709	2,936
Total Appropriation	23,569	24,356	23,577	25,246

Financial Information – Support Services to Ministers

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue				
Revenue Crown	20,925	21,625	21,625	23,470
Revenue from Third Parties	25	25	47	56
Total Revenue	20,950	21,650	21,672	23,526
Expenses				
Personnel	12,983	12,827	11,733	13,076
Operating	6,172	6,853	7,146	7,350
Depreciation	1,591	1,659	1,683	1,577
Capital Charge	204	311	306	307
Total Operating Expenses	20,950	21,650	20,868	22,310
Net Surplus/(Deficit)	0	0	804	1,216



OUTPUT CLASS D5 – Property Management

MEASURES

ACTUAL TO 30 JUNE 1999

Management of Residential Property

Quantity

Properties managed to the standards as listed in the 1998/99 Purchase Agreement. ✓

Quality and Timeliness

Time taken to provide specific property management services is not more than two working days from request. ✓

Emergencies which involve health and/or safety will be attended immediately (a 24-hour and 365-day service). ✓

Ministerial satisfaction rating for property management is 7 or greater on a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”; the assessment mechanism being an annual survey. ✗ 5.9

Management of National Monuments, War Graves and Antiquities

Quantity

4,188 war graves, 70 historic graves and 16 national monuments maintained. ✓

The National War Memorial and five overseas war memorials managed and maintained in accordance with the agreed programme. ✓

Maintenance of 172 Services cemeteries contributed to. ✓

2,500 (the estimated range is 2,000 to 2,700) orders for ex-Service memorials completed. ✓

150 (the estimated range is 120 to 180) applications made under the Antiquities Act 1975 completed:

An estimated 50 export certificates for antiquities issued (estimated range being 40 to 60). ○ 30

○ = externally demand driven, ✗ = target not met, ✓ = target met, ✓✓ = target exceeded.

MEASURES	ACTUAL TO 30 JUNE 1999
An estimated 50 determinations on the custody of newly found artefacts (estimated range being 40 to 60).	⊙ 25
An estimated 50 collectors of artefacts registered (estimated range being 40 to 60).	✓
Quality and Timeliness	
All national monuments, war and historical graves managed and maintained in a good state of repair. That is the inscriptions are legible and the stonework intact.	✓
All ex-Service memorials are factually correct, meet technical specifications as contracted and correctly installed.	✘ 99.75%
Not less than 75% of plaques and headstones constructed and provided within four months, where correct documentation is supplied with the application.	✓ ✓
No more than 3% of decisions made overturned through the appeal process.	✓

⊙ = externally demand driven, ✘ = target not met, ✓ = target met, ✓✓ = target exceeded.



Property Management

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Management of Residential Property	2,494	2,336	2,020	2,154
Management of National Monuments, War Graves and Antiquities	1,061	1,200	1,238	1,108
Total excluding GST	3,555	3,536	3,258	3,262
GST	445	442	442	460
Total Appropriation	4,000	3,978	3,700	3,722

Financial Information – Property Management

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue				
Revenue Crown	3,217	3,142	3,142	3,302
Revenue from Third Parties	339	395	396	387
Revaluation Gain	0	1,801	1,801	0
Total Revenue	3,556	5,338	5,339	3,689
Expenses				
Personnel	404	402	481	482
Operating	2,781	2,769	2,406	2,401
Depreciation	107	66	83	79
Capital Charge	263	299	288	299
Total Operating Expenses	3,555	3,536	3,258	3,261
Net Surplus/(Deficit)	1	1,802	2,081	428



MEASURES

ACTUAL TO 30 JUNE 1999

Administration of Grants

Quantity

Five community development grant schemes administered: Community Organisation Grants Scheme, Youth Worker Training Scheme, Community Project Workers Scheme, Community Work Training Scheme and the Community Based Youth Development Fund. ✓ ✓

Provision of support and training to:

The Community Organisation Grants Scheme National Advisory Committee. ✓

40 Community Organisation Grants Scheme Local Distribution Committees. ✓

The Community Workers Training Forum. ✓

Five regional Youth Work Training Forums. ✓ ✓

The Youth Development Fund Distribution Committee. ✓

200 public meetings for 40 COGS local distribution committees organised (the estimated range for meeting numbers is 150 to 250). ✓

40 public accountability meetings supported (the estimated range is 35 to 45). ✓ ✓

3,700 applications for all grant schemes processed (the estimated range is 3,200 to 4,200). ✓ ✓

Quality and Timeliness

95% of applications presented for consideration to distribution committees will comply with national and local schemes eligibility criteria. ✗ 87.4%

100% of COGS Distribution Committees comply with the national checklist criteria for Committee selection. ✓

⊙ = externally demand driven, ✗ = target not met, ✓ = target met, ✓ ✓ = target exceeded.



MEASURES

ACTUAL TO 30 JUNE 1999

95% of respondents to a customer satisfaction survey of Community Organisation Grants Scheme National Advisory and Local Distribution Committees, Youth Worker Training Forum, Community Work Training members rate services at 7 or greater on a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”. **✘** 87.5%

95% of respondents to a customer satisfaction survey of grant applicants rate satisfaction with the services provided at 7 or greater on a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”. **✘** 79.5%

Administration of Grants

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Administration of Grants	2,330	2,357	2,347	2,426
Total excluding GST	2,330	2,357	2,347	2,426
GST	291	295	293	304
Total Appropriation	2,621	2,652	2,640	2,730

Financial Information – Administration of Grants

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue				
Revenue Crown	2,331	2,325	2,325	2,439
Revenue from Third Parties	0	33	21	0
Total Revenue	2,331	2,358	2,346	2,439
Expenses				
Personnel	815	613	620	413
Operating	1,352	1,687	1,670	1,857
Depreciation	127	34	33	116
Capital Charge	36	23	24	40
Total Operating Expenses	2,330	2,357	2,347	2,426
Net Surplus/(Deficit)	1	1	(1)	13

⊙ = externally demand driven, ✘ = target not met, ✓ = target met, ✓✓ = target exceeded.

OUTPUT CLASS D7 – Issuing of Licences and Administration of Regulations

G7

MEASURES **ACTUAL TO 30 JUNE 1999**

Gaming Licensing

Quantity

Gaming machine licences

New: 60 (50-70).	⊙ 25
Amendment: 822 (745-900).	⊙ 654
Renewal: 1,137 (1,100-1,170).	⊙ 899
<i>Prize competitions:</i>	
37 (30-40).	⊙ 24
<i>Housie:</i>	
1,175 (1,100-1,250).	⊙ 878
<i>Lotteries:</i>	
550 (500-600).	✓ ✓
<i>Casino employees approvals and permits:</i>	
710 (650-770).	⊙ 430
<i>Other games of chance:</i>	
275 (250-300).	⊙ 176

Quality and Timeliness

99% of licences issued without error and in accordance with policy and legislation. ✓

Gaming Compliance (Audits)

Quantity

Audits of gaming machines 250 (200-300).	✓ ✓
Audits of other gaming societies 50 (40-60).	✓ ✓

⊙ = externally demand driven, ✘ = target not met, ✓ = target met, ✓ ✓ = target exceeded.

4



MEASURES**ACTUAL TO 30 JUNE 1999****Quality and Timeliness**

Risk assessment in place.	✓
95% of audits match risk profile.	✓
20% of eligible societies audited in the year, with each eligible society audited each 5 th year.	✓ ✓
All audit reports meet specified criteria.	✓

Gaming Compliance (Investigations)**Quantity**

Gaming machines: 250 (225-275).	⊙ 127
Housie: 50 (40-60).	✓ ✓
Other: 5 (1-10).	✓ ✓

Quality and Timeliness

100% of registered complaints acted on.	✓
All investigation reports meet specified criteria.	✓

Gaming Compliance (Prosecutions)**Quantity**

Prosecutions: 5 (1-10).	✓
Cancellations, suspensions and official warnings: 150 (125-175).	✓ ✓

Quality and Timeliness

100% of prosecutions successful.	✓
No case dismissed where prima facie case not established.	✓
Maximum 5% of cases receive adverse judicial comments on prosecution case or proceeding investigation process.	✓ ✓

⊙ = externally demand driven, ✘ = target not met, ✓ = target met, ✓ ✓ = target exceeded.

Censorship Compliance (Investigations)**Quantity**

Inspections of video sites: 375 (350-400).	✓ ✓
Inspections of film sites: 37 (25-50).	✓
Inspections of magazines/book sites: 375 (350-400).	✓
Inspections of electronic media sites: 375 (350-400).	✓ ✓
Inspections of other forms of publications: 550 (500-600).	✓ ✓
Complaints investigated: 132 (120-145).	✓ ✓

Quality and timeliness

100% of complaints acted on.	✓
95% of investigation reports meet specified criteria.	✓ ✓

Censorship Compliance (Prosecutions)**Quantity**

Number of prosecutions: 15 (10-20).	✓ ✓
Number of official warnings processed: 100 (90-110).	✓ ✓

Quality and Timeliness

Minimum 90% of cases successfully prosecuted.	✓ ✓
Maximum 5% of cases dismissed where prima facie case not established.	✓ ✓
Maximum 5% of cases receive adverse judicial comments on prosecution case or proceeding investigation process.	✓ ✓

⊙ = externally demand driven, ✘ = target not met, ✓ = target met, ✓ ✓ = target exceeded.



Casino Supervision and Inspection (Audits)**Quantity**

Financial audit: 750 (700-800).	✓
Table games: 740 (730-750).	⊙ 690
Gaming machines: 895 (850-940).	✓ ✓
Cashiering: 110 (100-120).	⊙ 80
Surveillance: 750 (740-760).	✓ ✓
Security: 24 (20-28).	✓ ✓
Income control: 12 (10-14).	✓

Quality and Timeliness

Risk assessment in place.	✓
95% of audits match risk profile.	✓ ✓
All audit reports meet specified criteria.	✓

Casino Investigations**Quantity**

Investigations of patron complaints in relation to conduct of gaming: 100 (80-120).	✓ ✓
Investigations of ongoing suitability of individuals to hold certificates of approval: 15 (10-20).	✓ ✓
Investigations into operator breaches: 8 (5-10).	✓ ✓
Investigations into offences under the Casino Control Act: 70 (60-80).	✓ ✓

Quality and Timeliness

All investigation reports meet specified criteria.	✓
100% of complaints acted on within 7 days.	✓

⊙ = externally demand driven, ✘ = target not met, ✓ = target met, ✓ ✓ = target exceeded.

Issuing of Licences and Administration of Regulations

G7

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Gaming Licensing	1,799	2,367	1,915	2,276
Gaming Audits	630	739	847	0
Gaming Investigations	890	1,066	999	0
Gaming Prosecutions	16	88	47	0
Censorship Investigations	752	560	559	0
Censorship Prosecutions	370	271	258	0
Casino Audits	1,154	1,761	1,567	0
Casino Investigations	677	476	389	0
Gaming Compliance	0	0	0	1,728
Censorship Compliance	0	0	0	869
Casino Supervision and Inspection	0	0	0	1,809
Total excluding GST	6,288	7,328	6,581	6,682
GST	832	962	875	860
Total Appropriation	7,120	8,290	7,456	7,542

Financial Information – Issuing of Licences and Administration of Regulations

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue				
Revenue Crown	1,334	1,266	1,266	1,699
Revenue from Third Parties	5,323	6,431	5,733	5,186
Total Revenue	6,657	7,697	6,999	6,885
Expenses				
Personnel	2,777	3,021	2,901	3,016
Operating	3,314	4,009	3,503	3,470
Depreciation	150	257	128	143
Capital Charge	47	41	49	53
Total Operating Expenses	6,288	7,328	6,581	6,682
Net Surplus/(Deficit)	369	369	418	203



OUTPUT CLASS D8 – Issuing of Official Documents

MEASURES

ACTUAL TO 30 JUNE 1999

Citizenship

Quantity

Applications for grants of citizenship: 22,000 (20,000-24,000). ✓ ✓

Applications for registration of citizenship by descent: 5,500 (5,000-6,000). ✓

Applications for certificates of citizenship status: 2,250 (2,000-2,500). ✓ ✓

Quality and Timeliness

99% of citizenship documents issued without error. ✓ ✓

80% of applications for grants of citizenship recommended to the Minister within four months of receipt. ✗ 72.3%

95% of applications for registration of citizenship not involving adoption, completed within 20 working days of receiving a completed application. ✓

95% of applications for certificates of status processed within 20 working days of receiving a completed application. ✓

Passports

Quantity

Standard passports: 307,500 (281,000-334,000). ✓

Urgent passports: 24,000 (21,000-27,000). ✓

Other travel documents: 10,000 (8,000-12,000). ⊙ 7,664

⊙ = externally demand driven, ✗ = target not met, ✓ = target met, ✓ ✓ = target exceeded.

MEASURES	ACTUAL TO 30 JUNE 1999
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Quality and Timeliness

99% of passport documents issued without error.	✓
100% of urgent passports issued within three working days.	✗ 99.99 %
100% of non-urgent passports issued within ten working days.	✗ 99.99%

Authentication of Documents

Quantity

Authentication of Documents 1750 (1700-1800).	✓ ✓
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Quality and Timeliness

99% of documents authenticated without error.	✓
95% of documents processed within five working days.	✓ ✓

Births, Deaths and Marriages

Quantity

Births: 59,000 (56,000-62,000).	✓
Deaths: 28,500 (27,000-30,500).	✓
Marriages: 21,250 (20,000-22,500).	✓
Name changes: 4,500 (4,275-4,725).	✓ ✓
Marriage celebrants: 8,000 (7,600-8,400).	✓ ✓
Birth, death and marriage certificates issued: 280,000 (266,000-294,000).	✓
Micrographics issued: 54,000 (50,000-58,000).	✓ ✓

⊙ = externally demand driven, ✗ = target not met, ✓ = target met, ✓ ✓ = target exceeded.



Quality and Timeliness

100% of birth, death and marriage certificates issued without error. **x** 99.56%

Average of the number of working days from receipt of a properly completed notification or application form to completed registration:

Births: 4 working days. ✓ ✓

Deaths: 4 working days. ✓ ✓

Name Changes: 10 working days. ✓ ✓

Marriage celebrants (organisations): 7 working days. ✓ ✓

Marriage celebrants (individuals): 20 working days. ✓ ✓

Applications for certificates processed:

95% of applications received at district office counter. ✓ ✓

95% of applications received by *mail* at district office. ✓ ✓

95% of applications for certificates received at central registry counter. **x** 83.8%

95% of applications received by mail at central registry. **x** 80.6%

100% of applications for computer-based certificates that are received **by** 3.00pm will be processed on the same working day. ✓

100% of applications for computer-based certificates received **after** 3.00pm will be processed the next working day. ✓

Micrographic retrieval of documents completed within an average of eight working days. ✓ ✓

⊙ = externally demand driven, **x** = target not met, ✓ = target met, ✓ ✓ = target exceeded.

Performance targets for *Identity Services Policy Advice* are:

MEASURES

ACTUAL TO 30 JUNE 1999

Identity Services Policy Advice

Quantity

The policy work programme as attached at Appendix B of the 1998/99 Purchase Agreement.

The capacity to respond in an urgent and timely manner with regular evaluation of Government policy impacts on outcomes, and timely and relevant briefings on all significant Identity Services policy issues which arise during the year; providing briefings, advice, Cabinet papers and speech notes as required with particular focus on priority projects as described in Appendix B of the 1998/99 Purchase Agreement or as modified by negotiation during the year as issues arise; and support for the Minister of Internal Affairs as required in Cabinet Committees, Select Committees and in the House.

✓ The capacity was maintained.

Quality and Timeliness

All policy advice items are provided in accordance with quality criteria as detailed in Part C on page 81 of the Purchase Agreement.

✓

100% of policy advice items provided meet deadlines specified in the policy work programme, as modified by agreement in the course of the year.

✗ 97%

Ministerial satisfaction with quantity, quality and timeliness of the policy advice rated at 8 or greater on a scale of 1 to 9, where 1 is "very poor" and 9 is "outstanding", the assessment mechanism being a half yearly survey. The Ministerial Satisfaction Survey is attached as an appendix to the 1998/99 Purchase Agreement.

✓

⊙ = externally demand driven, ✗ = target not met, ✓ = target met, ✓✓ = target exceeded.



Quantity

Quantity as required; estimated at 420 to 450 draft replies to ministerial correspondence and an estimated 35 to 40 parliamentary questions (based on previous year's figures).

⊙ Ministerials 397
 ⊙ PQs 10

Quality and Timeliness

At least 95% of first version of draft replies to ministerial correspondence and parliamentary questions accepted by the Minister.

✘ Ministerials 89%
 ✓ PQs 100%

Ministerial correspondence:

- *Requiring the Minister's signature:* 95% of draft responses returned to the Minister's office for signature within 15 working days of receipt of the ministerial correspondence from the Minister's office.
- *Referred by the Minister for direct reply by the Department:* 95% of responses despatched within 15 working days of receipt from the Minister's office.

✘ 93%
 ✘ These items have not been tracked in 1998/99.

Official Information and Ombudsman's Requests:

- *Requiring the Minister's signature:* 100% of draft responses returned to the Minister's office for signature two days prior to the statutory deadline for reply.
- *For direct response by the Department:* 100% of requests responded to within the statutory timeframes.

✘ These items have not been tracked in 1998/99.
 ✘ These items have not been tracked in 1998/99.

All draft replies to parliamentary questions completed within the timeframes specified by the Minister

✓



⊙ = externally demand driven, ✘ = target not met, ✓ = target met, ✓✓ = target exceeded.

Issuing of Official Documents

G7

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Citizenship	7,440	7,740	6,738	5,492
Passports	17,969	16,217	16,486	16,299
Authentication Services	92	111	71	0
Births, Deaths and Marriages	9,995	10,496	10,970	8,755
Identity Services Policy	487	487	476	457
Total excluding GST	35,983	35,051	34,741	31,003
GST	5,272	5,013	5,218	4,614
Total Appropriation	41,255	40,064	39,959	35,617

Financial Information – Issuing of Official Documents

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue				
Revenue Crown	1,844	1,839	1,839	2,320
Revenue from Third Parties	40,329	38,268	39,907	34,736
Total Revenue	42,173	40,107	41,746	37,056
Expenses				
Personnel	9,499	10,617	11,413	9,509
Operating	24,678	22,914	22,296	20,535
Depreciation	1,230	953	495	467
Capital Charge	576	567	537	492
Total Operating Expenses	35,983	35,051	34,741	31,003
Net Surplus/(Deficit)	6,190	5,056	7,005	6,053



OUTPUT CLASS D9 – Policy Advice (Internal Affairs)

MEASURES

ACTUAL TO 30 JUNE 1999

Internal Affairs Policy Advice

Quantity

The policy work programme as attached at Appendix B of the 1998/99 Purchase Agreement.

Refer to pages 17-21 for details on the *Policy Work Programme*.

The capacity to respond in an urgent and timely manner with regular evaluation of Government policy impacts on outcomes, and timely and relevant briefings on all significant Internal Affairs policy issues which arise during the year; providing briefings, advice, Cabinet papers and speech notes as required with particular focus on priority projects as described in Appendix B of the 1998/99 Purchase Agreement or as modified by negotiation during the year as issues arise; and support for the Minister for Internal Affairs as required in Cabinet Committees, Select Committees and in the House.

✓ The capacity was maintained.

Quality and Timeliness

All policy advice items are provided in accordance with quality criteria as detailed in Part C on page 81 of the Purchase Agreement.

✓

100% of policy advice items provided meet deadlines specified in the policy work programme, as modified by agreement in the course of the year.

✗ 95%

Ministerial satisfaction with quantity, quality and timeliness of the policy advice rated at 8 or greater on a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”, the assessment mechanism being a half yearly survey. The Ministerial Satisfaction Survey is attached as an appendix to the 1998/99 Purchase Agreement.

✓

⊙ = externally demand driven, ✗ = target not met, ✓ = target met, ✓✓ = target exceeded.

Ministerial Correspondence and Questions**Quantity**

Quantity as required; estimated at 800 to 1000 draft replies to ministerial correspondence and an estimated 400 to 500 parliamentary questions (based on previous year's figures).

⊙ Ministerials 593
✓ PQs 500

Quality and Timeliness

At least 95% of first version of draft replies to ministerial correspondence and parliamentary questions accepted by the Minister.

✗ Ministerials 89%
✓ PQs 95%

Ministerial correspondence:

- *Requiring the Minister's signature:* 95% of draft responses returned to the Minister's office for signature within 15 working days of receipt of the ministerial correspondence from the Minister's office.
- *Referred by the Minister for direct reply by the Department:* 95% of responses despatched within 15 working days of receipt from the Minister's office.

✗ Ministerials 73%

✗ These items have not been tracked in 1998/99.

Official Information and Ombudsman's Requests:

- *Requiring the Minister's signature:* 100% of draft responses returned to the Minister's office for signature two days prior to the statutory deadline for reply.
- *For direct response by the Department:* 100% of requests responded to within the statutory timeframes.

✗ These items have not been tracked in 1998/99.

✗ These items have not been tracked in 1998/99.

All draft replies to parliamentary questions completed within the timeframes specified by the Minister.

✗ 95%

⊙ = externally demand driven, ✗ = target not met, ✓ = target met, ✓✓ = target exceeded.



Policy Advice (Internal Affairs)

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Internal Affairs Policy Advice	1,838	1,629	1,652	2,162
Ministerial Correspondence and Questions	218	290	238	251
Total excluding GST	2,056	1,919	1,890	2,413
GST	257	240	240	315
Total Appropriation	2,313	2,159	2,130	2,728

Financial Information – Policy Advice (Internal Affairs)

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue				
Revenue Crown	2,056	1,919	1,919	2,519
Revenue from Third Parties	0	0	2	2
Total Revenue	2,056	1,919	1,921	2,521
Expenses				
Personnel	898	880	883	1,293
Operating	1,100	977	976	1,071
Depreciation	44	51	22	36
Capital Charge	14	11	9	13
Total Operating Expenses	2,056	1,919	1,890	2,413
Net Surplus/(Deficit)	0	0	31	108



OUTPUT CLASS D10 –
Community Advisory and Information Services

MEASURES

ACTUAL TO 30 JUNE 1999

Advisory Services to Community Groups

Quantity

In depth advisory services (of more than two hours) either written, in person or by telephone, for community groups: 3,500 (the estimated range is 3,300 to 3,700). ☉ 2,805

Project management advice and support to 35 community project worker agencies. ✓ ✓

In depth advisory services with ethnic communities (either written, in person or by telephone): 125 (the estimated range is 80 to 150). ✓ ✓

Community Services training providers and Industry Training Organisations advised: ✓ ✓

85 (the estimated range is 75 to 95) Community Funding Clinics and follow up services provided. ✓ ✓

Facilitation of community processes, and co-ordination and support of community groups, central government and local government agencies:

Community planning and networking events co-ordinated: 100 (the estimated range is 80 to 120). ✓ ✓

Safer Community Councils supported: 20 (the estimated range is 15 to 25). ✓ ✓

Inter-Agency Groups supported: 20 (the estimated range is 15 to 25). ✓ ✓

Number of consultation meetings/hui facilitated for community input to government and other policy processes: 25 (the estimated range is 15 to 25). ✓ ✓

Joint Regional Funding Forums held: 5. ✓ ✓

☉ = externally demand driven, ✘ = target not met, ✓ = target met, ✓ ✓ = target exceeded.



MEASURES

ACTUAL TO 30 JUNE 1999

Community Online project advice provided to 200 community organisations (the estimated range is 150 to 250).

✘ 149 information seminars provided on use of internet services. Community Online was launched in Nov 98.

Organisational development and management training for community groups:

Training workshops and seminars delivered: 100 (the estimated range is 80 to 120).

✓ ✓

Community organisations receiving training: 400 (the estimated range is 350 to 450).

✓ ✓

Training and other resources developed for community group use:

Training and resource kits developed and distributed: 10 (the estimated range is 8 to 12).

✓

Community/youth needs assessments completed and distributed: 5.

✓ ✓

Community needs and capacity indicators completed and piloted.

✘ 5 Community capacity indicators projects initiated.

Quality and Timeliness

100% of written requests for advisory services responded to within 10 working days of receipt of request.

✘ Not able to be satisfactorily measured.

95% of respondents to an annual client satisfaction survey of a random sample of advisory contacts, rate advice and support services at 7 or greater on a scale of 1 to 9, where 1 is "very poor" and 9 is "outstanding".

✘ 85%

Fewer than 20 sustainable complaints requiring management intervention received.

✓

⊙ = externally demand driven, ✘ = target not met, ✓ = target met, ✓✓ = target exceeded.

Information Services to the Community Sector

Quantity

From Database Searches

5,000 (the estimated range is 4,500 to 5,500) searches of the Funding Information Service database provided at points of customer contact. ○ 3,600

Through Newsletters

Newsletters by local advisors: 50. ✓ ✓

Circulation of 4 Ethnic Link newsletters: 2,000 (500 each). ✓

Via Internet

1 Community Net web site developed and maintained. ✓

Community Net information seminars provided: 30 (the estimated range is 25 to 35). ✓ ✓

Community Net Email and Helpdesk enquires responded to: 500 (the estimated range is 400 to 600). ✗ 174

By telephone or in person

Information requests (either by telephone or in person) excluding ethnic communities: 50,000 (the estimated range is 45,000 to 55,000), the number determined from a yearly sample of contacts over a four week period. ○ 33,297

Information requests from ethnic communities responded to, in person or by telephone: 75 (the estimated range is 60 to 85). ✓ ✓

In writing

Written community information requests excluding ethnic communities responded to: 150 (the estimated range is 125 to 175). ✓ ✓

Written information requests from ethnic communities responded to: 50 (the estimated range is 30 to 60). ✓

○ = externally demand driven, ✗ = target not met, ✓ = target met, ✓ ✓ = target exceeded.



MEASURES**ACTUAL TO 30 JUNE 1999***Brochures:*

100,000 (the estimated range is 80,000 to 120,000) published information items distributed. ⊙ 72,855

Quality and Timeliness

90% of respondents to customer satisfaction surveys rate the timeliness and accuracy of information provided at 7 or greater on a scale of 1 to 9, where 1 is "very poor" and 9 "outstanding" A random sample of 10% of community sector information contacts over a fortnight, twice an year, will be surveyed. ✘ 84%

100% of written requests for information will be responded to within ten working days of receipt of the request. ✘ Not able to be satisfactorily measured.

*Access to information about government and local government services:***Quantity**

Blue Pages in 18 Telecom Regional Telephone Directories. ✓

New Zealand Government Online (NZGO) responses to enquiries about Government services: 1,800 e-mail responses (the estimated range is 1,500 to 2,000). ✓ ✓

NZGO web site accessed: 120,000 "hosts" (the estimated range is 100,000 to 140,000). ✓ ✓

Consultation documents referenced: 50 (the estimated range is 35 to 55). ✘ 30

New government services featured: 50 (the estimated range is 30 to 70). ✓ ✓

Quality and Timeliness

No more than one compensation claim against Blue Pages sustained. ✓

90% of respondents to an annual client satisfaction survey rate the information on Blue Pages as "useful". A random sample of the New Zealand population, aged 18 years and over, will be surveyed. ✘ 83%

⊙ = externally demand driven, ✘ = target not met, ✓ = target met, ✓ ✓ = target exceeded.

Advisory and Information Services on Building Controls and Fire Service

Quantity

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

✘ These items were not tracked in 1998/99.

Quality and Timeliness

100% of written requests for information will be responded to within ten working days of receipt of request.

✘ These items were not tracked in 1998/99.

All written items of information meet the following standards:

✘ These items were not tracked in 1998/99.

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

⊙ = externally demand driven, ✘ = target not met, ✓ = target met, ✓✓ = target exceeded.



Community Advisory and Information Services

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Advisory Services to Community Groups	2,262	2,352	2,395	2,610
Government Information Services	637	650	666	0
Information Services to the Community Sector	2,497	2,003	2,023	0
Advisory and Information Services on Building Controls and Fire Service	197	230	108	175
Authentication Services	0	0	0	90
Information Services to the Public	0	0	0	3,211
Total excluding GST	5,593	5,235	5,192	6,086
GST	700	656	658	751
Total Appropriation	6,293	5,891	5,850	6,837

Financial Information – Community Advisory and Information Services

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue				
Revenue Crown	4,911	4,417	4,417	5,172
Revenue from Third Parties	692	828	844	850
Total Revenue	5,603	5,245	5,261	6,022
Expenses				
Personnel	1,605	1,570	1,706	1,036
Operating	3,579	3,466	3,300	4,685
Depreciation	319	123	115	279
Capital Charge	90	76	71	86
Total Operating Expenses	5,593	5,235	5,192	6,086
Net Surplus/(Deficit)	10	10	69	(64)



MEASURES

ACTUAL TO 30 JUNE 1999

VIP Co-ordination

Quantity,

- 45 programmes for Guests of Government. ✓ ✓
- Four Ministerial and State functions at Parliament. ⊙ 3 (all requested).
- Reception services at international airports as required. ✓

Quality and Timeliness

- All visit programmes meet relevant visit objectives as agreed. ✗ 99%
- All visit programmes organised to standards (which are: transport on time; appropriate accommodation; programme details adhered to; suitable hospitality provided; and impeccable staff behaviour and dress). ✓
- All Ministerial and State functions arranged in accordance with the *Visits and Ceremonial Office Manual* and agreed criteria (which include: suitable food and beverage; relevant guest list; within budget; and impeccable staff behaviour and dress). ✓
- All flights met to standards as required for service at international airports (which are: lounges maintained in clean and tidy condition; and impeccable staff behaviour and dress). ✓
- No complaints received from host Ministers or Guests of Government and other guests about the visit programmes organised and the official functions arranged. ✗ One complaint.
- Ministerial satisfaction for quality and timeliness of the services rated at 7 or greater on a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”, the assessment mechanism being an annual ministerial satisfaction survey. ✓

⊙ = externally demand driven, ✗ = target not met, ✓ = target met, ✓ ✓ = target exceeded.



Commemorative and Official Events Co-ordination

Quantity

Waitangi Day commemoration at Government House in Wellington is co-ordinated in accordance with Cabinet requirements. ✓

Ten commemorative and national anniversary events coordinated. ✓

Quality and Timeliness

Not less than 95% of respondents to an annual client satisfaction survey rate the services at 7 or greater on a scale of 1 to 9, where 1 is "very poor" and 9 is "outstanding". ✗ Survey not undertaken.

Constitutional and Protocol Services

Quantity

75 constitutional documents produced (in an Election year). N/A¹

Seal of New Zealand affixed to 160 documents (the estimated range is 140 to 180). ✓ ✓

400 congratulatory messages processed (the estimated range is 350 to 450). ✓ ✓

400 flags hires transacted (the estimated range is 350 to 450). ✓ ✓

Quality and Timeliness

All congratulatory messages processed to timeframes as agreed between members of the public and the Department. ✓

All legal and protocol advice provided in accordance with relevant Acts and Regulations administered by the Department. ✓

All constitutional documents accepted by the Executive. N/A¹

Not less than 95% of respondents to a client satisfaction survey rate services at 7 or greater on a scale of 1 to 9, where 1 is "very poor" and 9 is "outstanding". ✗ Survey not undertaken.

¹ Not an election year.

○ = externally demand driven, ✗ = target not met, ✓ = target met, ✓ ✓ = target exceeded.

Visits and Ceremonial Services

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
VIP Coordination	1,516	1,674	1,628	1,385
Commemorative and Official Events Coordination	172	209	178	244
Constitutional and Protocol Services	169	168	131	166
Total excluding GST	1,857	2,051	1,937	1,795
GST	232	256	256	239
Total Appropriation	2,089	2,307	2,193	2,034

Financial Information – Visits and Ceremonial Services

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue				
Revenue Crown	1,852	2,046	2,046	1,906
Revenue from Third Parties	5	5	2	3
Total Revenue	1,857	2,051	2,048	1,909
Expenses				
Personnel	626	623	552	565
Operating	1,189	1,403	1,370	1,143
Depreciation	23	14	6	68
Capital Charge	19	11	9	19
Total Operating Expenses	1,857	2,051	1,937	1,795
Net Surplus/(Deficit)	0	0	111	114



OUTPUT CLASS D12 – Transport

MEASURES

ACTUAL TO 30 JUNE 1999

Transport Services

Quantity

Transport services to be provided to all members of the Executive and all former Governors-General and Prime Ministers and their spouses, and Guests of Government and other clients. ✓

32,000 (the estimated range is 30,000 to 34,000) vehicle hires provided. ⊙ 27,670 (All requested).

Quality and Timeliness

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

Chauffeur utilisation to exceed target of 44%. ✗ Not able to be measured.

Ministerial satisfaction rating for Transport Services is 8 or greater on a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”, the assessment mechanism being an annual Ministerial satisfaction survey. ✗ 7.53 (12 Ministers replied).

Transport Services

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Transport Services	5,257	5,057	4,780	4,919
Total excluding GST	5,257	5,057	4,780	4,919
GST	657	657	599	622
Total Appropriation	5,914	5,714	5,379	5,541

⊙ = externally demand driven, ✗ = target not met, ✓ = target met, ✓ ✓ = target exceeded.

Financial Information – Transport Services

G7

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue				
Revenue from Third Parties	5,257	5,257	4,792	4,988
Total Revenue	5,257	5,257	4,792	4,988
Expenses				
Personnel	2,543	2,543	2,458	2,468
Operating	1,795	1,731	1,608	1,463
Depreciation	688	600	485	720
Capital Charge	231	183	229	268
Total Operating Expenses	5,257	5,057	4,780	4,919
Net Surplus/(Deficit)	0	200	12	69

4



OUTPUT CLASS D13 – Translation Services

MEASURES

ACTUAL TO 30 JUNE 1999

Translation Services

Quantity

3,600 (the estimated range is 3,500 to 4,000) ✓ ✓
translation orders transacted.

Quality and Timeliness

All translations completed to professional standards. ✓

95% of (non-document) translations produced within timeframes agreed with clients. ✓

Client satisfaction rating measured by ongoing formal client feedback. Where appropriate, a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”, will be used. For this year, an average rating of 7 is expected. ✗ Survey not undertaken.

Translation Services

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Translation Services	437	500	543	422
Total excluding GST	437	500	543	422
GST	54	63	68	53
Total Appropriation	491	563	611	475

⊙ = externally demand driven, ✗ = target not met, ✓ = target met, ✓ ✓ = target exceeded.

Financial Information – Translation Services

G7

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue				
Revenue Crown	0	0	0	0
Revenue from Third Parties	437	500	546	424
Total Revenue	437	500	546	424
Expenses				
Personnel	236	273	267	233
Operating	194	220	270	178
Depreciation	2	2	2	6
Capital Charge	5	5	4	5
Total Operating Expenses	437	500	543	422
Net Surplus/(Deficit)	0	0	3	2

4



VOTE LOCAL GOVERNMENT
 OUTPUT CLASS D1 – Local Government Policy

MEASURES

ACTUAL TO 30 JUNE 1999

Local Government Advice

Quantity

The policy work programme as attached at Appendix B of the 1998/99 Purchase Agreement.

Refer to pages 17-21 for details on the *Policy Work Programme*.

The capacity to respond in an urgent and timely manner with regular evaluation of Government policy impacts on outcomes, and timely and relevant briefings on all significant Local Government policy issues which arise during the year; providing briefings, advice, Cabinet papers and speech notes as required with particular focus on priority projects as described in Appendix B of the 1998/99 Purchase Agreement or as modified by negotiation during the year as issues arise; and support for the Minister for Local Government as required in Cabinet Committees, Select Committees and in the House.

✓ The capacity was maintained.

Quality and Timeliness

All policy advice items are provided in accordance with quality criteria as detailed in Part C on page 81 of the Purchase Agreement.

✓

100% of policy advice items provided meet deadlines specified in the policy work programme, as modified by agreement in the course of the year.

✗ 98%

Ministerial satisfaction with quantity, quality and timeliness of the policy advice rated at 8 or greater on a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”, the assessment mechanism being a half yearly survey. The Ministerial Satisfaction Survey is attached as an appendix to the 1998/99 Purchase Agreement.

✗ 7

⊙ = externally demand driven, ✗ = target not met, ✓ = target met, ✓✓ = target exceeded.

Ministerial Correspondence and Questions**Quantity**

Quantity as required; estimated at 500 to 640 draft replies to ministerial correspondence and an estimated 20 to 40 parliamentary questions (based on previous year's figures).

- ⊙ Ministerials 432
- ✓ PQs

Quality and Timeliness

At least 95% of first version of draft replies to ministerial correspondence and parliamentary questions accepted by the Minister.

- ✗ Ministerials 94%
- ✓ PQs 86%

Ministerial correspondence:

- *Requiring the Minister's signature:* 95% of draft responses returned to the Minister's office for signature within 15 working days of receipt of the ministerial correspondence from the Minister's office. ✗ 81%
- *Referred by the Minister for direct reply by the Department:* 95% of responses despatched within 15 working days of receipt from the Minister's office. ✗ These items have not been tracked in 1998/99.

Official Information and Ombudsman's Requests:

- *Requiring the Minister's signature:* 100% of draft responses returned to the Minister's office for signature two days prior to the statutory deadline for reply. ✗ These items have not been tracked in 1998/99.
- *For direct response by the Department:* 100% of requests responded to within the statutory timeframes. ✗ These items have not been tracked in 1998/99

All draft replies to parliamentary questions completed within the timeframes specified by the Minister. ✓

⊙ = externally demand driven, ✗ = target not met, ✓ = target met, ✓✓ = target exceeded.



Policy Advice (Local Government)

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Local Government Policy Advice	1,471	1,665	1,624	1,291
Ministerial Correspondence and Questions	159	170	168	191
Total excluding GST	1,630	1,835	1,792	1,482
GST	204	229	229	187
Total Appropriation	1,834	2,064	2,021	1,669

Financial Information – Policy Advice (Local Government)

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue				
Revenue Crown	1,630	1,835	1,835	1,506
Total Revenue	1,630	1,835	1,835	1,506
Expenses				
Personnel	756	806	849	711
Operating	830	977	900	731
Depreciation	39	39	29	32
Capital Charge	5	13	14	7
Total Operating Expenses	1,630	1,835	1,792	1,481
Net Surplus/(Deficit)	0	0	43	25



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

G7

MEASURES

ACTUAL TO 30 JUNE 1999

Quantity, Quality, and Timeliness

Information, Advisory and Regulatory Services

- 1,300 (the estimated range is 1,200 to 1,400) written items of information. ✘ 979
- Five (the estimated range is 3 to 7) publications. ✓
- *Regulatory services on offshore islands:* ✓
 - Eight approvals of consent licensing and complaints (the estimated range is five to 10) investigated.
- Administrative services on Rates Rebates Scheme as required. ✓
- 100% of written items meet the quality criteria as detailed in the 1998/99 Purchase Agreement. ✓
- Regulatory services in regard to offshore islands provided according to statutory requirements. ✓
- No complaints received for the administrative servicing of the Rates Rebate Scheme. ✓

Information, Advisory and Support Services to the Local Government Commission

- 800 (the estimated range is 700 to 900) written pieces of information. ✓
- Support services as required by the Commission. ✓
- No justified complaints from the Local Government Commission on the advisory and administrative services received. ✓
- 100% of information, advisory and support services provided to the Local Government Commission meet deadlines and specific standards as detailed in the 1998/99 Purchase Agreement. ✓

⊙ = externally demand driven, ✘ = target not met, ✓ = target met, ✓✓ = target exceeded.

4



MEASURES

ACTUAL TO 30 JUNE 1999

Regulatory and Boating Services for Lake Taupo Operations

- Maintenance of the following Lake Taupo facilities: ✓
 - 17 boat ramps and 13 jetties.
 - 166 moorings and 295 berths.
 - 21 navigational lights and 40 navigational markers.
- The issuing of licences and permits for the use of the above facilities and for commercial and rental vessels operations. (Quantity variable. During 1997/98 the figure is 8,150). ✓
- Prosecutions taken against Lake users identified as contravening safety and other regulations. (Quantity variable. During 1997/98 the figure is 26). ✓
- Lake Taupo services provided to the following quality criteria:
 - 100% of boating services provided in accordance with Lake Taupo regulations. ✗
 - 100% of regulatory and safety services provided in accordance with Lake Taupo regulations and Harbours Act. ✓
 - A minimum 95% of prosecutions are successful. ✓

⊙ = externally demand driven, ✗ = target not met, ✓ = target met, ✓✓ = target exceeded.

Information, Support and Regulatory Services

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Information, Advisory and Regulatory Services	708	484	277	0
Information, Advisory and Support Services to the Local Government Commission	564	622	579	0
Regulatory and Boating Services for Lake Taupo Operations	264	445	670	340
Information and Advice - Local Government	0	0	0	1,205
Total excluding GST	1,536	1,551	1,526	1,545
GST	193	194	197	197
Total Appropriation	1,729	1,745	1,723	1,742

Financial Information – Information, Support and Regulatory Services

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue				
Revenue Crown	1,292	1,280	1,280	1,354
Revenue from Third Parties	244	271	293	225
Revaluation Gain	0	42	42	0
Total Revenue	1,536	1,593	1,615	1,579
Expenses				
Personnel	476	419	494	511
Operating	1,045	1,104	1,002	992
Depreciation	12	10	11	22
Capital Charge	3	18	19	20
Total Operating Expenses	1,536	1,551	1,526	1,545
Net Surplus/(Deficit)	0	42	89	34



VOTE RACING
OUTPUT CLASS D1 – Policy Advice (Racing)

MEASURES

ACTUAL TO 30 JUNE 1999

Racing Policy Advice

Quantity

The policy work programme as attached at Appendix A of the 1998/99 Purchase Agreement.

Refer to pages 17-21 for details on the *Policy Work Programme*.

The capacity to respond in an urgent and timely manner with regular evaluation of Government policy impacts on outcomes, and timely and relevant briefings on all significant Racing policy issues which arise during the year; providing briefings, advice, Cabinet papers and speech notes as required with particular focus on priority projects as described in Appendix A of the 1998/99 Purchase Agreement or as modified by negotiation during the year as issues arise; and support for the Minister for Racing as required in Cabinet Committees, Select Committees and in the House.

✓ The capacity was maintained.

Quality and Timeliness

All policy advice items are provided in accordance with quality criteria as detailed in Part C on page 81 of the Purchase Agreement.

✓

100% of policy advice items provided meet deadlines specified in the policy work programme, as modified by agreement in the course of the year.

✓

Ministerial satisfaction with quantity, quality and timeliness of the policy advice rated at 8 or greater on a scale of 1 to 9, where 1 is “very poor” and 9 is “outstanding”, the assessment mechanism being a half yearly survey. The Ministerial Satisfaction Survey is attached as an appendix to the 1998/99 Purchase Agreement.

✓ ✓

⊙ = externally demand driven, ✘ = target not met, ✓ = target met, ✓✓ = target exceeded.

Ministerial Correspondence and Questions**Quantity**

Quantity as required; estimated at 60 to 80 draft replies to ministerial correspondence and an estimated 20 to 30 parliamentary questions (based on previous year's figures).

- ✓ ✓ Ministerials
- ✓ ✓ Parliamentary Questions.

Quality and Timeliness

At least 95% of first version of draft replies to ministerial correspondence and parliamentary questions accepted by the Minister.

- ✓ ✓ Ministerials
- ✓ ✓ Parliamentary Questions.

Ministerial correspondence:

- *Requiring the Minister's signature:* 95% of draft responses returned to the Minister's office for signature within 15 working days of receipt of the ministerial correspondence from the Minister's office. ✗ 83%
- *Referred by the Minister for direct reply by the Department:* 95% of responses despatched within 15 working days of receipt from the Minister's office. ✗ These items have not been tracked in 1998/99.

Official Information and Ombudsman's Requests:

- *Requiring the Minister's signature:* 100% of draft responses returned to the Minister's office for signature two days prior to the statutory deadline for reply. ✗ These items have not been tracked in 1998/99.
- *For direct response by the Department:* 100% of requests responded to within the statutory timeframes. ✗ These items have not been tracked in 1998/99.

All draft replies to parliamentary questions completed within the timeframes specified by the Minister. ✓



Policy Advice (Racing)

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Racing Policy Advice	106	94	93	103
Ministerial Correspondence and Questions	17	29	25	14
Total excluding GST	123	123	118	117
GST	15	15	15	15
Total Appropriation	138	138	133	132

Financial Information – Policy Advice (Racing)

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue				
Revenue Crown	123	123	123	123
Total Revenue	123	123	123	123
Expenses				
Personnel	64	49	53	54
Operating	56	71	65	61
Depreciation	3	3	0	2
Total Operating Expenses	123	123	118	117
Net Surplus/(Deficit)	0	0	5	6



MEASURES

ACTUAL TO 30 JUNE 1999

Civil Defence Policy Advice

Quantity

Contingent Capability

A preliminary report which compares the response and recovery requirements arising from selected large scale emergency event with available resources, identifies shortfalls, and examines priorities and options for Government, by 30 June 1999.

⊙ *Report deferred with Ministerial approval.*

National Response and Recovery

A strategic framework report detailing the options and recommendations for Central Government response and recovery responsibilities, by 31 May 1999.

✓

Emergency Management Groups

A progress report analysing the options and responsibilities from the EMG trials and feedback from the participating local authorities as a prerequisite for the preparation of EMG guidelines for all local authorities, by 28 February 1999.

✓

Hazardscape

This was not in the final agreed policy work programme.

Sector Purchase

A draft paper on the Ministry's role of oversight of all emergency services, completed for consultation, by 30 June 1999. This paper will be presented to Cabinet for consideration by 30 November 1999.

✘ *A preliminary discussion paper has been prepared, and consultation has taken place.*

Professional Development

A scoping paper on delivery strategy and priorities for training and professional development of the sector, by 30 April 1999.

✓

⊙ = externally demand driven, ✘ = target not met, ✓ = target met, ✓✓ = target exceeded.



MEASURES

ACTUAL TO 30 JUNE 1999

Communications

This was not in the final agreed policy work programme.

Legislation

Drafting instructions for new legislation and consequential amendments to empower emergency management structures and organisations and achieve agreed outcomes, by 30 September 1999. ✘

Research

A report recommending the priorities for research in the emergency management sector, by 31 December 1998. ✘

Other policy work

As requested by the Minister. ✓

Quality and Timeliness

100% of Policy advice provided in accordance with agreed quality criteria as outlines in Part C on page 81 of the Purchase Agreement. ✓

100% of policy advice meets deadlines. ✓

Ministerial satisfaction with quantity, quality and timeliness will be 7 or greater on a scale of 1 to 9 where 1 is "very poor" and 9 is "outstanding"; the assessment mechanism being a quarterly questionnaire. ✓ ✓

Ministerial Correspondence and Questions

Quantity

30 draft replies to ministerial correspondence (including Official Information Act and Ombudsman requests) completed: the range is 25-35. ✓ ✓

Quality and Timeliness

At least 95% of first versions of ministerial correspondence and parliamentary questions will be accepted by the minister. ✓

⊙ = externally demand driven, ✘ = target not met, ✓ = target met, ✓ ✓ = target exceeded.

MEASURES

ACTUAL TO 30 JUNE 1999

G7

Correspondence requiring the minister's signature

100% of responses dispatched within 15 working days of the receipt of the ministerial correspondence from the Minister's office. ✓

Correspondence referred for direct reply

100% of responses dispatched within 15 working days of the receipt of the ministerial correspondence from the Minister's office. ☉ No correspondence was received.

Official Information and Ombudsman Requests

Requiring the Minister's signature: 100% of draft responses returned to the Minister's office for signature two days prior to the statutory deadline. ☉ No requests were received.

Referred by the Minister for direct reply: 100% of requests responded to within the statutory timeframes. ☉ Not applicable.

Parliamentary Questions

Quantity

An estimated 40 Parliamentary Questions will be answered: the range is 30-50. ☉ 20

Quality and Timeliness

All parliamentary questions completed within the timeframes specified by the Minister. ✓

☉ = externally demand driven, ✘ = target not met, ✓ = target met, ✓✓ = target exceeded.

4



Policy Advice (Civil Defence)

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Civil Defence Policy Advice	907	1,184	1,180	0
Ministerial Correspondence and Questions	36	22	18	0
Total excluding GST	943	1,206	1,198	0
GST	118	151	151	0
Total Appropriation	1,061	1,357	1,349	0

Financial Information – Policy Advice (Civil Defence)

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue				
Revenue Crown	943	1,206	1,206	0
Total Revenue	943	1,206	1,206	0
Expenses				
Personnel	641	506	349	0
Operating	300	676	823	0
Depreciation	1	18	2	0
Capital Charge	1	6	24	0
Total Operating Expenses	943	1,206	1,198	0
Net Surplus/(Deficit)	0	0	8	0



MEASURES

ACTUAL TO 30 JUNE 1999

Emergency Sector Support Services

Quantity

An estimated 500 visits, meetings, phone discussions providing advice in risk reduction planning, preparing, coordinating, and conducting emergency management and civil defence measures completed. **✘** 498

A document of Emergency Management Group (EMG) guidelines prepared and distributed. **✓**

Quality and Timeliness

At least 80% of respondents to client satisfaction surveys rate services for both quality and timeliness at 7 or greater on a scale of 1 to 9 where 1 is “very poor” and 9 is “outstanding”. **✘** Quality 64%
✘ Timeliness 64%

Community Information

Quantity

“Tephra” One issue x 5000. **✓**

Civil Defence website. Not less than 12 updates. **✓**

Six items on community information produced. **✘** 5

Quality and Timeliness

At least 80% of respondents to client satisfaction surveys rate services for both quality and timeliness at 7 or greater on a scale of 1 to 9 where 1 is “very poor” and 9 is “outstanding”. **✘** Not measured.

Development of Unit Standards

Quantity

Two unit standards developed:

– Function and operation of emergency management in New Zealand. **✓**

⊙ = externally demand driven, ✘ = target not met, ✓ = target met, ✓✓ = target exceeded.



MEASURES

ACTUAL TO 30 JUNE 1999

– Risk identification, analysis, and evaluation.

23 current unit standards maintained. ✓

Quality and Timeliness

All units developed and maintained to NZQA accreditation standards. ✓

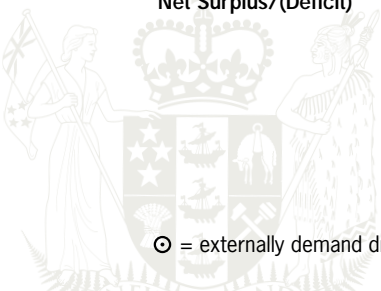
Support Services, Information and Education

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Emergency Sector Support Services	2,230	2,068	2,061	0
Community Information	520	598	642	0
Development of Unit Standards	233	259	219	0
Total excluding GST	2,983	2,925	2,922	0
GST	373	366	369	0
Total Appropriation	3,356	3,291	3,291	0

Financial Information – Support Services,
Information and Education

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue				
Revenue Crown	2,983	2,857	2,857	0
Revenue from Third Parties	0	68	96	0
Total Revenue	2,983	2,925	2,953	0
Expenses				
Personnel	964	946	854	0
Operating	1,907	1,886	2,021	0
Depreciation	59	45	18	0
Capital Charge	53	48	29	0
Total Operating Expenses	2,983	2,925	2,922	0
Net Surplus/(Deficit)	0	0	31	0

⊙ = externally demand driven, ✘ = target not met, ✓ = target met, ✓✓ = target exceeded.



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

MEASURES

ACTUAL TO 30 JUNE 1999

**Management of Readiness for
 National Emergencies**

Quantity

National response plan

A national response plan based on agreed strategy prepared and distributed for comment within the emergency management sector.

✘ An operational framework has been drafted and a national strategy based on the new Emergency Management legislation is being drafted.

Mutual agreements

Mutual agreements negotiated with 10 national lifeline organisations and emergency services organisations.

✘ 2

Systems tests

Weekly tests of alternate communications systems.

✓

Monthly tests of the call out procedures.

✓

Quarterly tests of the national warning systems.

✓

Deficiencies revealed by the tests of high frequency radio nets and communication systems fixed within seven days, and alternative communication methods used if necessary until the problems are fixed.

N/A No deficiencies revealed.

Quality and Timeliness

A client satisfaction survey to be completed after agreements are completed, and at least 80% of respondents rate services at 7 or greater on a scale of 1 to 9 where 1 is “very poor” and 9 is “outstanding”.

✓

⊙ = externally demand driven, ✘ = target not met, ✓ = target met, ✓✓ = target exceeded.

Monitoring of Emergency Events**Quantity**

220 Civil Defence incidents monitored (the range is 190 to 270). ✓

Five Civil Defence alerts & warnings to likely and pending major events will be issued (the range is 0 to 10).

N/A No civil defence alerts or warnings have been required or issued.

Quality and Timeliness

At least 80% of respondents to Ministerial and client satisfaction surveys rate services for both quality and timeliness at 7 or greater on a scale of 1 to 9 where 1 is "very poor" and 9 is "outstanding".

✗ Quality 67%
✗ Timeliness 70%

A preliminary briefing made to the Minister of Civil Defence within 24 hours of an emergency being declared. ✓ ✓

Management of Central Government Response**Quantity**

Central Government response provided as appropriate in three Civil Defence emergencies, (the range is 0 to 10). ✓

Quality and Timeliness

Responses coordinated according to guidelines. ✓

Recommendations made to Minister are within agreed timeframe. ✓

At least 80% of respondents to Ministerial and client satisfaction surveys rate services for both quality and timeliness at 7 or greater on a scale of 1 to 9 where 1 is "very poor" and 9 is "outstanding".

✗ Quality 45%
✗ Timeliness 45%

⊙ = externally demand driven, ✗ = target not met, ✓ = target met, ✓ ✓ = target exceeded.

Management of Recovery Support**Quantity**

Three emergency events evaluated (the range is 0 to 10), recovery strategies developed and implemented as appropriate on behalf of the Minister. ✓

Administration of additional funds

Additional funds disbursed for three emergency events (the range is 1 to 10). ✓

Disaster recovery coordinators

Two Disaster Recovery Coordinators appointed, (the range is 0 to 3). ✓

Quality and Timeliness

At least 80% of respondents to Ministerial and community client satisfaction surveys rate services for both quality and timeliness at 7 or greater on a scale of 1 to 9 where 1 is "very poor" and 9 is "outstanding".

✗ Quality 33%
✗ Timeliness 33%

Management of National Emergency Readiness, Response and Recovery

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Monitoring of Readiness for National Emergencies	1,211	1,003	621	0
Monitoring of Emergency Events	246	336	719	0
Management of Central Government Response	61	79	64	0
Management of Recovery Support	39	7	6	0
Total excluding GST	1,557	1,425	1,410	0
GST	195	178	178	0
Total Appropriation	1,752	1,603	1,588	0

⊙ = externally demand driven, ✗ = target not met, ✓ = target met, ✓✓ = target exceeded.

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

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue				
Revenue Crown	1,557	1,425	1,425	0
Total Revenue	1,557	1,425	1,425	0
Expenses				
Personnel	643	253	645	0
Operating	808	1,091	676	0
Depreciation	67	39	51	0
Capital Charge	39	42	38	0
Total Operating Expenses	1,557	1,425	1,410	0
Net Surplus/(Deficit)	0	0	15	0



VOTE MILLENNIUM

OUTPUT CLASS D1 – Administrative and Advisory Support Services

MEASURES

ACTUAL TO 30 JUNE 1999

The New Zealand Millennium Office

- 120 briefings with local government and iwi completed by 30 September 1998 to the satisfaction of attendees at briefings such that 90% of organisations briefed participate in the programme. ✘ 118

Quality & Timeliness

- 100% of an estimated 5,000 requests for information responded to within five working days of receipt. ✓ ✓
- 100% of an estimated 1,000 applications for funds processed in accordance with the published criteria, within 40 working days of receipt of completed applications. ✓
- Where an application is approved, payment of initial instalment made within ten working days of final approval. ✘ Payments made 10 days after final agreement.
- A risk assessed sample of 20% of organisations that have received funding (total maximum sample being 40), audited for correct use of funding, in accordance with specified and published criteria. N/A No audits have been conducted, as funded activity is yet to take place.
- Two tracking studies of consumer attitude and awareness completed by November 1998 and June 1999 respectively. ✘ One

Administrative and Advisory Services

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Administrative and Advisory Support Services	0	435	416	0
Total excluding GST	0	435	416	0
GST	0	54	54	0
Total Appropriation	0	489	470	0

⊙ = externally demand driven, ✘ = target not met, ✓ = target met, ✓✓ = target exceeded.

Financial Information – Administrative and Advisory Services

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue				
Revenue Crown	0	435	435	0
Total Revenue	0	435	435	0
Expenses				
Personnel	0	176	194	0
Operating	0	255	220	0
Depreciation	0	1	1	0
Capital Charge	0	3	1	0
Total Operating Expenses	0	435	416	0
Net Surplus/(Deficit)	0	0	19	0



VOTE MILLENNIUM
 OUTPUT CLASS D2 – Marketing Programme

MEASURES

ACTUAL TO 30 JUNE 1999

The New Zealand Millennium Office

- Television branding programme completed and launched by 30 June 1999. ✓
- Torch relay launched by 23 June 1999. ✓
- Brand/strategy adopted and implemented by 30 June 1999. ✓

Marketing Programme

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Marketing Programme	0	2,116	2,100	0
Total excluding GST	0	2,116	2,100	0
GST	0	265	265	0
Total Appropriation	0	2,381	2,365	0

Financial Information – Marketing Programme

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue				
Revenue Crown	0	2,116	2,116	0
Total Revenue	0	2,116	2,116	0
Expenses				
Operating	0	2,116	2,100	0
Total Operating Expenses	0	2,116	2,100	0
Net Surplus/(Deficit)	0	0	16	0

⊙ = externally demand driven, ✘ = target not met, ✓ = target met, ✓✓ = target exceeded.

VOTE SPORT, FITNESS AND LEISURE
OUTPUT CLASS D1 – Sport, Fitness and Leisure Policy Advice

MEASURES

ACTUAL TO 30 JUNE 1999

Sport Fitness and Leisure Policy Advice

Quantity

Assess payments on behalf of the Crown to the Hillary Commission, Sports Drug Agency, disbursements from the Ministerial discretionary fund. ✓

Undertake review of High Performance Sport funding and prepare case to support long term funding commitment for elite and participation sport. ✗

Research NZ Sports Drug Agency proposals for amendments to the NZSDA Act to determine whether the proposed amendments should be incorporated into the Act and what other activity may be required to address the issues raised by the NZSDA. ✓

Advise Minister on New Zealand Olympic Committee (NZOC) proposals for changes to the Flags, Emblems and Names Protection Act, 1991. ✓

Monitor performance measures of funding to the Hillary Commission and the Sports, Drug Agency. ✓

Coverage

Respond in an urgent and timely manner with regular evaluation of Government policy impacts on outcomes, and timely and relevant briefings on all significant Sport, Fitness and Leisure policy issues which arise during the year; providing briefings, advice, Cabinet papers and speech notes are required. ✓

○ = externally demand driven, ✗ = target not met, ✓ = target met, ✓✓ = target exceeded.

Quality and Timeliness

All policy advice items are provided in accordance with quality criteria as detailed in Part C on page 81 of the Purchase Agreement. ✘

100% of policy advice items provided meet deadlines specified in the policy work programme, as modified by agreement in the course of the year. ✘

Ministerial satisfaction with quantity, quality and timeliness of the policy advice rated at 8 or greater on a scale of 1 to 9, where 1 is "very poor" and 9 is "outstanding", the assessment mechanism being a half yearly survey. The Ministerial Satisfaction Survey is attached as an appendix to the 1998/99 Purchase Agreement. ✘

Ministerial Correspondence and Questions**Quantity**

As required; estimated at 55 to 65 draft replies to ministerial correspondence. ✓ ✓

Estimated 45 to 55 parliamentary questions (based on previous year's figures). ⊙

Quantity and Timeliness

At least 95% of first versions of draft replies to ministerial correspondence and parliamentary questions accepted by the Minister. ✘

Ministerial correspondence

Requiring the Minister's signature: 95% of draft responses returned to the Minister's office for signature within 15 working days of receipt of the ministerial correspondence from the Minister's office. ✘

Referred by the Minister for direct reply by the Department: 95% of responses dispatched within 15 working days of receipt from the Minister's Office. ✘ Not measured.

⊙ = externally demand driven, ✘ = target not met, ✓ = target met, ✓ ✓ = target exceeded.



MEASURES

ACTUAL TO 30 JUNE 1999

Official Information and Ombusman Requests:

Requiring the Minister's signature: 100% of draft responses returned to the Minister's office for signature, two days prior to the statutory deadline for reply. ✘ Not measured.

For direct response by the Department: 100% of requests responded to within the statutory timeframes. ✘ Not measured.

All draft replies to parliamentary questions completed within the timeframes specified by the Minister. ✓

Policy Advice (Sport, Fitness and Leisure)

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Sport, Fitness and Leisure Policy Advice	225	223	206	220
Ministerial Correspondence and Questions	26	26	22	25
Total excluding GST	251	249	228	245
GST	32	31	31	31
Total Appropriation	283	280	259	276

Financial Information – Policy Advice (Sport, Fitness and Leisure)

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue				
Revenue Crown	251	249	249	251
Total Revenue	251	249	249	251
Expenses				
Personnel	142	137	141	131
Operating	104	105	81	110
Depreciation	4	6	5	3
Capital Charge	1	1	1	1
Total Operating Expenses	251	249	228	245
Net Surplus/(Deficit)	0	0	21	6

⊙ = externally demand driven, ✘ = target not met, ✓ = target met, ✓✓ = target exceeded.

VOTE TOURISM
OUTPUT CLASS D1 – Policy Advice (Tourism)

G7

MEASURES

ACTUAL TO 30 JUNE 1999

Tourism Policy Advice

Quantity

Development of policy advice projects in accordance with the terms of the work programme agreed with the Minister. Policy advice will be delivered in accordance with the prioritised requirements of a work programme negotiated annually with the Minister. ✓

Coverage

Respond in an urgent and timely manner with regular evaluation of Government policy impacts on outcomes, and timely and relevant briefings on all significant Tourism policy issues which arise during the year; providing briefings, advice, Cabinet papers and speech notes as required. ✓

Quality and Timeliness

The Minister's feedback is within the range (3) "satisfactory" to (5) "fully met" in the quarterly review of the Department's performance for the coverage and quality of policy advice given to the Minister. ✗

An acceptance rate of 100% is achieved in respect of first drafts in respect of letters and parliamentary questions undertaken as required by the Minister. ✗

All reports and verbal advice to the Minister are delivered within the timeframes required by, and agreed with, the Minister. ✗

Draft Ministerial Correspondence

80% of draft ministerial correspondence is submitted to the Minister within 15 working days of receipt in the Department. ✓ ✓

⊙ = externally demand driven, ✗ = target not met, ✓ = target met, ✓ ✓ = target exceeded.

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MEASURES

ACTUAL TO 30 JUNE 1999

95% of draft ministerial correspondence is submitted to the Minister within 20 working days of receipt in the Department. ✘

Provision of a report to the Minister on the performance of the Crown entity within 15 working days of receipt of the entity's report to the Minister. ✘

Policy Advice (Tourism)

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Tourism Policy Advice	1,047	1,047	986	0
Total excluding GST	1,047	1,047	986	0
GST	131	131	132	0
Total Appropriation	1,178	1,178	1,118	0

Financial Information – Policy Advice (Tourism)

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue				
Revenue Crown	1,047	1,047	1,047	0
Revenue from Third Parties	0	0	7	0
Total Revenue	1,047	1,047	1,054	0
Expenses				
Personnel	250	255	292	0
Operating	797	780	688	0
Depreciation	0	11	5	0
Capital Charge	0	1	1	0
Total Operating Expenses	1,047	1,047	986	0
Net Surplus/(Deficit)	0	0	68	0

⊙ = externally demand driven, ✘ = target not met, ✓ = target met, ✓✓ = target exceeded.

VOTE TOURISM

OUTPUT CLASS D1 – Wairakei Tourist Park: Development and Management

MEASURES

ACTUAL TO 30 JUNE 1999

Wairakei Tourist Park (WTP): Development and Management**Quantity**

Wairakei Tourist Park (WTP) Forest – 584 hectares of pine and 92 hectares of other species. ✓ ✓

Wairakei Tourist Park Farm – 166 hectares leased out to grazing operation. ✗

13 concessionaires. ✓

An estimated 650,000 visitors to the park. ✓

Size of the Park Infrastructure Managed

One jetty, one viewing platform, one administration building (Huka Jet, Wairakei) and roads and tracks over 70 hectares of land. ✓

An annual report and a business plan are produced for the Wairakei Tourist Park Board. ✗

Quality and Timeliness

Forestry revenue is maximised on a long-term basis within the constraint of operating the Park as a tourist facility – an internal rate of return of 10% is achieved. ✗

The amenity planting programme is implemented to beautify the Park and to act as visual screens from the forestry operations – amenity planting is in accordance with the agreed programme and best practice; and an annual peer review is undertaken. ✓

Working partnerships are developed and maintained with the Department of Conservation and other stakeholders – no serious issues or concerns are raised by stakeholders. ✓

Compliance with by-laws, the Resource Management Act 1991 and other relevant legislation – full compliance is achieved. ✓

⊙ = externally demand driven, ✗ = target not met, ✓ = target met, ✓✓ = target exceeded.

MEASURES

ACTUAL TO 30 JUNE 1999

- Risks to the Crown are identified and appropriate action is taken to minimise these – hazard and risk management programmes are fully executed and current. ✓
- Development of iwi relationships – a framework of consultation is instigated between iwi and the Wairakei Tourist Park. ✗
- New and existing concessionaire developments comply with environmental policy guidelines – 100% compliance. ✗
- 100% of rentals and concession fees are collected within the timeframes specified in the individual agreements. ⊙
- The 1997/98 Annual Report will be submitted to the Secretary for Internal Affairs by 30 September 1998. ✗
- The 1998/99 Business Plan to be submitted to the Secretary for Internal Affairs by 31 May 1998. ✗

Wairakei Tourist Park: Development and Management

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Wairakei Tourist Park: Development and Management	1,408	1,408	1,277	0
Total excluding GST	1,408	1,408	1,277	0
GST	175	176	176	0
Total Appropriation	1,583	1,584	1,453	0

⊙ = externally demand driven, ✗ = target not met, ✓ = target met, ✓✓ = target exceeded.



Financial Information – Wairakei Tourist Park:
Development and Management

G7

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue				
Revenue Crown	1,408	1,408	1,408	0
Total Revenue	1,408	1,408	1,408	0
Expenses				
Personnel	107	107	165	0
Operating	1,301	1,297	1,102	0
Depreciation	0	4	8	0
Capital Charge	0	0	2	0
Total Operating Expenses	1,408	1,408	1,277	0
Net Surplus/(Deficit)	0	0	131	0

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Crown Statement of Financial Performance for the Year Ended 30 June 1999

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.

	NOTES	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL ^{26a} 1998/99 \$000	ACTUAL 1997/98 \$000
Revenue					
Revenue Crown		45,281	110,315	105,883	63,281
Operational Revenue	19	10	1,121	1,107	42
Accessions		0	0	12,886	8,717
Total Revenue		45,291	111,436	119,876	72,040
Expenses					
Personnel		4,249	4,251	3,656	3,790
Benefits and Unrequited Expenses		12,559	12,558	12,299	12,433
Outputs from Other Parties		6,821	74,747	70,241	21,531
Depreciation		446	517	429	411
Revaluation Loss	20b,21b	0	0	1,644	281,215
Other Expenses		21,652	18,759	17,206	24,610
Total Expenses		45,727	110,832	105,475	343,990
Net Crown Operating Result		(436)	604	14,401	(271,950)



Crown Statement of Financial Position as at 30 June 1999

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	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL ^{26b} 1998/99 \$000	ACTUAL 1997/98 \$000
Assets					
Current Assets					
Bank		3,958	3,864	7,218	15,996
Accounts Receivable		44	169	100	67
Total Current Assets		4,002	4,033	7,318	16,063
Non-Current Assets					
Term Accounts Receivable		29	30	32	30
Property, Plant and Equipment	20	453,302	465,041	479,355	459,638
Forests	21	0	7,540	5,896	0
Total Non-Current Assets		453,331	472,611	485,283	459,668
Total Assets		457,333	476,644	492,601	475,731
Liabilities and Taxpayers' Funds					
Current Liabilities					
Accounts Payable	22	1,117	1,047	1,726	12,297
Total Current Liabilities		1,117	1,047	1,726	12,297
Taxpayers' Funds					
General Funds		453,110	472,491	484,091	460,328
Revaluation Reserve		3,106	3,106	6,784	3,106
Total Taxpayers' Funds		456,216	475,597	490,875	463,434
Total Liabilities and Taxpayers' Funds		457,333	476,644	492,601	475,731



Crown Statement of Cash Flows for the Year Ended 30 June 1999

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.

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL ^{26c} 1998/99 \$000	ACTUAL 1997/98 \$000
Cash Flows from Operating Activities				
Cash was Provided from:				
Revenue Crown	45,281	110,315	105,883	63,281
Other Operating Receipts	10	1,121	1,224	42
	45,291	111,436	107,107	63,323
Cash was Disbursed to:				
Cost of Producing Outputs	(45,281)	(121,667)	(113,934)	(51,219)
Other Transfers	0	102	0	0
Payment of GST	0	0	(117)	0
Net Cash Flows from Operating Activities	10	(10,129)	(6,944)	12,104
Cash Flows from Investing Activities				
Cash was Provided from:				
Repayment of Advances	0	0	27	11
Net Cash Flows from Investing Activities	0	0	27	11
Cash Flows from Financing Activities				
Cash was Disbursed to:				
NZDMO Prior Year Non Departmental Expenditure returned	0	(882)	(882)	0
NZDMO for Non Departmental Receipts	(10)	(1,121)	(979)	(77)
Net Cash Flows from Financing Activities	(10)	(2,003)	(1,861)	(77)
Net Increase/(Decrease) in Cash Held	0	(12,132)	(8,778)	12,038
Add Opening Cash	3,958	15,996	15,996	3,958
Closing Cash	3,958	3,864	7,218	15,996



Crown Reconciliation of Reported Surplus with Cash Generated from Operating Activities for the Year Ended 30 June 1999

Description of Statement

The Reconciliation Statement details the difference between the net Crown Operating Result reported in the Statement of Financial Performance and the Net Cash Flows from Operating Activities reported in the Statement of Cash Flows.

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Net Crown Operating Result from Statement of Financial Performance	(436)	604	14,401	(271,950)
Add/(Deduct) Non Cash Items				
Depreciation	446	517	429	411
Revaluations and Accessions	0	0	(11,169)	272,498
Add/(Deduct) Movements in Working Capital Items				
(Increase)/Decrease in Accounts Receivable	0	0	(33)	(23)
Increase/(Decrease) in Accounts Payable	0	(11,250)	(10,570)	11,180
Movement in Working Capital	0	(11,250)	(10,603)	11,157
Add/(Deduct) Items classified as Investing Activities				
(Increase)/Decrease in Term Accounts Receivable	0	0	(2)	(1)
(Increase)/Decrease in Short Term Accounts Receivable	0	0	0	(11)
Net Cash Flows From Operating Activities	10	(10,129)	(6,944)	12,104



Crown Statement of Movements in Taxpayers' Funds for the Year Ended 30 June 1999

Description of Statement

The Statement of Movements in Taxpayers' Funds combines information about the Net Crown Operating Result with other aspects of the Crown Statement of Financial Position. It provides information to give a measure of comprehensive income.

	MAIN ESTIMATES 1998/99 \$000	SUPP. ESTIMATES 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Crown Balance at the start of the year	456,662	463,434	463,434	735,461
Net Crown Operating Result	(436)	604	14,401	(271,950)
Revaluations	0	0	1,339	0
Total Recognised Revenues and Expenses for the year	(436)	604	15,740	(271,950)
Non Departmental Receipts paid to NZDMO	(10)	(1,121)	(979)	(77)
Asset Transfers Between Departments	0	13,562	13,562	0
Prior Year Non Departmental Expenditure balance returned	0	(882)	(882)	0
Crown Balance at the end of the year	456,216	475,597	490,875	463,434



Crown Statement of Commitments as at 30 June 1999

Description of Statement

This Statement records expenditure to which the Crown is contractually committed or obligated by statute. Commitments will become liabilities when both parties have performed their obligations.

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

Non-Cancellable Contracts for Goods and Services relate primarily to Year 2000 Commemoration Millennium Events Programme grants signed by the Minister but contracts between parties are not yet agreed.

	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
<u>Operating Commitments</u>		
Other Operating Commitments		
Less than one year	1,706	1,752
One to two years	1,600	1,600
Two to five years	4,800	4,800
Total Other Operating Commitments	8,106	8,152
Non-Cancellable Contracts for Goods and Services		
Less than one year	2,502	0
Total Goods and Services Commitments	2,502	0
Total Commitments	10,608	8,152



Crown Statement of Contingent Liabilities as at 30 June 1999

Description of Statement

The Statement of Contingent Liabilities discloses known transactions or events which exist at 30 June 1999, the ultimate outcome of these events is uncertain and can only be confirmed on occurrence of one or more future events outside the Department's control after the date of completion of the financial statements.

There were no contingent liabilities, guarantees or indemnities for the year ended 30 June 1999 or for the previous year for the Crown activities managed by the Department of Internal Affairs.



Statement of Unappropriated Expenditure for the Year Ended 30 June 1999

Description of Statement

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

	UNAPPROPRIATED EXPENDITURE 1998/99 \$000	APPROPRIATION 1998/99 \$000	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Vote Internal Affairs				
Other Expenses to be Incurred by the Crown				
Chairman New Zealand Fire Service Commission	68	0	68	0
Vote Tourism				
Other Expenses to be Incurred by the Crown				
Tourism Board Directors	213	0	213	0

Cabinet approved an ex-gratia payment of \$68,000 to the past Chairman of the New Zealand Fire Service Commission and payments of \$213,000 to two New Zealand Tourism Board Directors.

Both instances of unappropriated expenditure have been approved by the Minister of Finance in terms of section 12 of the Public Finance Act 1989.



Statement of Non-Departmental Estimated Actuals, Appropriations and Expenditure for the Year Ended 30 June 1999

Description of Statement

This Statement of Non-Departmental Estimated Actuals, Appropriations and Expenditure details the appropriations for all items of Non-Departmental expenditure.

NOTES

Vote Internal Affairs	24,25, 26
Non-Departmental Output Classes	
Authentication of Antiquities	
Classification of Films, Videos and Publications	
Community-Based Youth Development Fund	
Fire Prevention Services	
Year 2000 Commemoration Millennium Marketing Programme	
Benefits and Other Unrequited Expenses	
ANZAC Fellowship	
Annuities to former Prime Ministers, Governors-General and Spouses	
Community Organisation Grants Scheme	
Community Project Workers Scheme	
Community Work Training Fund	
Norman Kirk Memorial Trust	
Diana, Princess of Wales Memorial Fund Trust	
Other Expenses to be Incurred by the Crown	
Commission of Inquiry into Certain Matters Relating to Taxation	
Cave Creek Disaster Claim	
Commonwealth War Graves	
Development and Maintenance of Service Cemeteries, War Graves, Historic Graves and Monuments	
Executive Council and Ministers - Salaries and Allowances	
Governors-General Pension Arrangement	
Ministers' Internal and External Travel	
Miscellaneous Grants (Internal Affairs)	
Royal Life Saving Commonwealth Council	
Chairman New Zealand Fire Service Commission	
Travel for Ex Governors-General and Prime Ministers	
Treaty Commemorations at Waitangi	
Waitangi Commemorations	
Year 2000 Commemorations	
Youth Workers Training Scheme	
Purchase or Development of Capital Assets of Crown	
New Zealand Memorial in Canberra	
Vote Civil Defence	
Other Expenses to be Incurred by the Crown	
Emergency Expenses	
Subsidies to Local Governments	
Vote Local Government	
Benefits and Other Unrequited Expenses	
Rates Rebate Scheme	
Other Expenses to be Incurred by the Crown	
America's Cup Grant	
Disaster Recovery Assistance - West Coast Regional Council	
Mayoral Relief Fund - Far North	
Mayoral Relief Fund - Franklin District Council	
Mayoral Relief Fund - Peria	
Otorohanga District Council	
Tuwharetoa Maori Trust Board	
West Coast Regional Council	
Whakatane District Council	
Purchase or Development of Capital Assets by the Crown	
Capital Investments - Lake Taupo	
Vote Sport, Fitness and Leisure	
Non-Departmental Output Classes	
Sport, Fitness and Leisure Programmes	
Drugs Testing of Sports Persons	
Other Expenses to be Incurred by the Crown	
Miscellaneous Grants (Sport, Fitness and Leisure)	
Vote Tourism	
Non-Departmental Output Classes	
Joint Venture Tourism Marketing	
Marketing of New Zealand as a Visitor Destination	
Other Expenses to be Incurred by the Crown	
Tourism Facilities Development Grants	
Tourism Board Directors	
Vote Millennium	
Other Expenses to be Incurred by the Crown	
Year 2000 Commemoration Millennium Events Programme	
Total Appropriations	

ESTIMATED ACTUALS		MAIN	SUPPLEMENTARY	ACTUAL	ACTUAL
1998/99	ESTIMATES	ESTIMATES	ESTIMATES	1998/99	1997/98
\$000	1998/99	1999/98	1999/98	\$000	\$000
	\$000	\$000	\$000		
21	21	21	21	21	21
2,230	2,230	2,525	2,525	2,525	2,230
473	473	473	473	470	0
0	0	0	0	0	14,058
103	0	104	104	102	0
4	59	19	19	4	0
245	218	257	257	233	217
10,295	10,295	10,295	10,295	10,290	10,294
1,227	1,227	1,227	1,227	1,227	1,227
60	60	60	60	60	60
0	0	0	0	0	50
0	0	0	0	0	50
0	0	0	0	0	38
0	0	0	0	0	30
1,746	1,746	1,492	1,492	1,394	1,402
914	914	914	914	902	577
3,668	4,232	4,232	4,232	3,638	3,774
18	17	19	19	18	17
9,168	9,008	9,168	9,168	9,156	8,999
8	148	33	33	33	11
1	1	1	1	1	1
0	0	0	0	68	0
274	277	277	277	264	247
253	324	324	324	264	240
0	0	0	0	0	0
0	6,750	0	0	0	0
200	200	200	200	199	200
0	686	0	0	0	68
48	48	48	48	40	10
1,000	1,000	1,000	1,000	1,000	1,000
518	700	700	700	485	535
0	0	0	0	0	11,250
115	0	115	115	115	0
20	0	0	0	0	15
20	0	20	20	20	0
0	0	20	20	20	15
54	54	0	0	0	0
133	54	128	128	133	133
338	338	338	338	338	338
338	0	0	0	338	338 0
34	34	34	34	34	34
3,375	3,375	3,375	3,375	3,375	4,500
722	722	722	722	722	722
50	50	50	50	50	40
12,000	20,000	12,000	12,000	12,000	0
55,527	35,027	55,527	55,527	51,026	0
600	600	600	600	559	0
0	0	0	0	213	0
3,600	0	3,600	3,600	1,938	0
109,062	100,908	110,315	110,315	103,329	62,399

Notes to the Financial Statements for the Year Ended 30 June 1999

Note 19 Operational Revenue

	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Wairakei Tourist Park	1,021	0
Forfeiture to the Crown	18	0
Rent for Crown Properties	12	13
Refund of Crown Expenditure	16	29
Other Miscellaneous Revenue	40	0
Total Operational Revenue	1,107	42

Note 20 Property, Plant and Equipment

a) Property, Plant and Equipment

		1998/99			1997/98		
	NOTE	COST OR VALUATION \$000	ACCUM. DEPREC. \$000	CARRYING AMOUNT \$000	COST OR VALUATION \$000	ACCUM. DEPREC. \$000	CARRYING AMOUNT \$000
Land	20b	10,965	0	10,965	4,595	0	4,595
Buildings	20b	11,711	127	11,584	11,538	593	10,945
Furniture, Fittings, Plant and Equipment		2,161	2,107	54	2,161	1,928	233
National Archive Collection	20b	456,752	0	456,752	443,865	0	443,865
Total		481,589	2,234	479,355	462,159	2,521	459,638

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

Valuations of land and buildings was undertaken by Knight Frank (NZ) Ltd (ANZIV, MREINZ), registered independent valuer, on 1 January 1999. The valuation of the land and improvements of the Wairakei Tourist Park was conducted later on 9 June 1999 by Knight Frank (NZ) Ltd. Valuation of land and buildings are undertaken every three years.

The Crown has beneficial rather than legal ownership over the property at 23 Bolton Street, Wellington, valued at \$1,205,000. This figure is included in the valuation of Land and Buildings for the Crown.

National Archive Collection

The National Archive Collection was revalued in December 1997 using a methodology which divided the collection into categories by format and age, to associate records that could be said to have a broad commonality of value. Benchmark valuations were obtained from an independent valuer, through market assessments and from other collections of a similar nature to Government archives. Accessions since the date of valuation are valued on the basis of these benchmarks. The values of exceptional items were based on a valuation from an international auction house.

Public Archives Held in Other Approved Repositories

There are approximately 1,900 cans of film and 300 linear metres of public archives identified in earlier valuations as being held in approved repositories. These do not form part of the National Archive Collection valuation. As they were not part of the revaluation process, no current value is available.

Note 21 Forests

a) Forests

		1998/99			1997/98		
	NOTE	COST OR VALUATION \$000	ACCUM. DEPREC. \$000	CARRYING AMOUNT \$000	COST OR VALUATION \$000	ACCUM. DEPREC. \$000	CARRYING AMOUNT \$000
Forests	21b	5,896	0	5,896	0	0	0
Total		5,896	0	5,896	0	0	0



b) Revaluation Basis

The forest was revalued on 30 June 1999 by Forest and Woodlot Consultants (NZ) Ltd (NZIF). The valuation of the forests is conducted annually.

Note 22 Accounts Payable

	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Accounts Payable	1,726	12,311
Other Accrued Liabilities	0	(14)
Total Accounts Payable	1,726	12,297

In 1997/98 \$11.250 million related to an unpaid grant at 30 June 1998 for the America's Cup.

Note 23 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 Bank, Accounts Receivable, Term Accounts Receivable, Accounts Payable and Foreign Currency Forward Contracts.

a) Credit Risk

Maximum exposures to credit risk.

	ACTUAL 1998/99 \$000	ACTUAL 1997/98 \$000
Bank	7,218	15,996
Accounts Receivable	100	67
Term Accounts Receivable	32	30

Concentrations of credit risk

There was no exposure to concentrations of credit risk.



b) Fair Value

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

	1998/99		1997/98	
	CARRYING VALUE \$000	FAIR VALUE \$000	CARRYING VALUE \$000	FAIR VALUE \$000
Bank	7,218	7,218	15,996	15,996
Accounts Receivable	100	100	67	67
Term Accounts Receivable	32	32	30	30
Accounts Payable	1,726	1,726	12,297	12,297

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

	1998/99			1997/98		
	CONTRACT VALUE		FAIR VALUE \$000	CONTRACT VALUE		FAIR VALUE \$000
BUY	SELL	BUY		SELL		
	\$000	\$000	\$000	\$000	\$000	\$000
Foreign Exchange Contracts	2,040	1,897	143	1,600	2,158	558

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 Receivables 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 24 Non-Departmental Revenue and Expenditure

The following notes explain the meaning of each of the items of Non-Departmental Revenue and Expenditure.

Non-Departmental Revenue

Wairakei Tourist Park

Revenue received for forest harvest rights and concessionaire payments.



Non-Departmental Expenditure

Authentication of Antiquities

Provision of services, such as the authentication of items or artifacts 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.

Community Based Youth Development Fund

Funding for community-based youth development projects aimed at youth suicide prevention.

Year 2000 Commemoration Millennium Marketing Programme

Funding for marketing activities and branding of the Government's official Millennium celebrations.

ANZAC Fellowship

Fellowships provided for New Zealanders to carry out research in Australia in their particular field. It was introduced in 1967 to reciprocate an offer from the Australian Government.

Annuities to former Prime Ministers, Governors-General and Spouses

Annuities to former Prime Ministers, Governors-General and their spouses, pursuant of sections 4 and 24 of the Civil List Act 1979.

Community Organisation Grants Scheme

This scheme provides discretionary funding to community organisations which provide essential social services to priority sectors of their communities.

Community Project Workers Scheme

Grants to community organisations to meet community project workers salaries for up to three years.

Community Work Training Fund

A grant for national co-ordination of training, publicity and development for community workers.

Commonwealth War Graves

A payment for the upkeep of New Zealand Service personnel war graves in war cemeteries overseas administered by the Commonwealth War Graves Commission.

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

Development and maintenance of Service Cemeteries, War Graves, Historic Graves within New Zealand and Monuments and Memorials in New Zealand and overseas.

Executive Council and Ministers – Salaries and Allowances

Payments for civil purposes pursuant to section 2 of the Civil List Act 1979.

Governors-General Pension Arrangements

Payments for former Governor-General's pension arrangements pursuant to section 2 of the Civil List Act 1979.

Ministers' Internal and External Travel

Payments for civil purposes, for Ministers internal and external travel, pursuant to section 2 of the Civil List Act 1979.

Miscellaneous Grants (Internal Affairs)

Discretionary funding provided on application.

Royal Life Saving Commonwealth Council

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

Chairman New Zealand Fire Service Commission

A payment to the past Chairman of the New Zealand Fire Service Commission.

Travel for Ex Governors-General and Prime Ministers

Payments for civil purposes, pursuant to section 2 of the Civil List Act 1979.

Treaty Commemorations at Waitangi

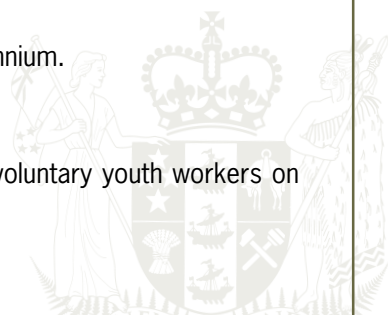
The Crown's contribution to the cost of Treaty Commemorations.

Year 2000 Commemorations

Funding for the commemoration of the new Millennium.

Youth Workers Training Scheme

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



New Zealand Memorial in Canberra

Work relating to the design and construction of the New Zealand Memorial in Canberra, Australia.

Emergency Expenses

Payments from the Crown to meet emergency expenses.

Subsidies to Local Governments

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

Rates Rebates Scheme

Assistance with rates for low income residential ratepayers.

Disaster Recovery Assistance – West Coast Regional Council

Disaster Recovery Assistance to the West Coast Regional Council for the rehabilitation of flood damage to rivers in the Buller District.

Mayoral Relief Fund – Far North

Contribution to the Far North Mayoral Relief Fund in response to the flooding in Northland.

Mayoral Relief Fund – Franklin District Council

Contribution to the Franklin District Council Mayoral Relief Fund for community assistance following the Pukekohe flooding.

Otorohanga District Council

Disaster Recovery Assistance to the Otorohanga District Council to repair flood damage that presents a risk to the town water supply.

Tuwharetoa Māori Trust Board

A grant for the use of Lake Taupo, based on 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.

Whakatane District Council

Disaster Recovery Assistance to the Whakatane District Council to repair flood damage to the Whakatane sewerage disposal system, the Taneatua water supply, and other water supply systems.

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

For the implementation of a high-performance sport strategy to achieve greater excellence in New Zealand high-performance sport.

Drugs Testing of Sports Persons

Provision of drugs testing of sports persons by the New Zealand Sports Drug Agency.

Miscellaneous Grants (Sport, Fitness and Leisure)

Discretionary funding provided, on application, to groups and individuals who otherwise are unable to obtain support through organisations such as the Hillary Commission, local government and the New Zealand Lottery Grants Board, to participate in sport, fitness and leisure activity.

Joint Venture Tourism Marketing

New and additional specific marketing projects carried out jointly with the private sector.

Marketing of New Zealand as a Visitor Destination

Developing and implementing cost-effective strategies in selected overseas markets while maximising the benefit to New Zealand, and administering the Joint Venture Tourism Marketing Fund.

Tourism Facilities Development Grants

Government grants for non-commercial, nationally significant tourism facilities.

Tourism Board Directors

Payments to two former New Zealand Tourism Board Directors.

Year 2000 Commemoration Millennium Events Programme

Funding for the commemoration of the new millennium.



Note 25 Explanation of Significant Budget Changes

Statement of Non-Departmental Estimated Actuals, Appropriations and Expenditure (page 158).

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

Classification of Films, Videos and Publications (\$295,000)

The change results from additional funding for the ongoing operations of the Classification Office.

Year 2000 Commemoration Millennium Marketing Programme (\$104,000)

The new appropriation reflects expenses incurred for marketing activities before the establishment of Vote Millennium.

ANZAC Fellowship (\$40,000)

Decrease arises from fiscally neutral transfers to Vote Local Government, Mayoral Relief Fund – Far North and Franklin District Councils.

Annuities to former Prime Ministers, Governors-General, and Spouses (\$39,000)

The increase reflects forecasting adjustments for annuities.

Commonwealth War Graves (\$254,000)

The decrease reflects a transfer to 1999/00 to offset a shortfall arising from the large drop in the value of the New Zealand dollar.

Governors-General Pension Arrangements (\$2,000)

The increase reflects movements in the Consumer Price Index.

Miscellaneous Grants (Internal Affairs) (\$115,000)

The decrease reflects transfers to Vote Local Government for Disaster Recovery Assistance - West Coast Regional Council.

Year 2000 Commemorations (\$6,750,000)

Funding for the commemoration of the new Millennium. The decrease reflects the transfer of funding arrangements to Vote Millennium.

New Zealand Memorial in Canberra (\$686,000)

The decrease relates to an expense transfer to the 1999/00 financial year following a delay in obtaining the necessary approvals.

Disaster Recovery Assistance – West Coast Regional Council (\$115,000)

Establishment of a contribution to the West Coast Regional Council for the rehabilitation of flood damage to rivers in the Buller District.

Mayoral Relief Fund - Far North (\$20,000)

Establishment of a contribution to the Far North Mayoral Relief Fund in response to the flooding in Northland met by a transfer of funding from Vote Internal Affairs – ANZAC Fellowship.

Mayoral Relief Fund- Franklin District Council (\$20,000)

Establishment of a contribution to the Franklin District Council Mayoral Relief Fund for community assistance following the Pukekohe flooding met by a transfer from Vote Internal Affairs – ANZAC Fellowship.

Otorohanga District Council (\$54,000)

Disaster Recovery Assistance established to the Otorohanga District Council to repair flood damage that presents a risk to the town water supply.

Whakatane District Council (\$338,000)

Disaster Recovery Assistance established to the Whakatane District Council to repair flood damage to the Whakatane sewerage disposal system, the Taneatua water supply, and other water supply systems.

Joint Venture Tourism Marketing (\$8,000,000)

The decrease to this appropriation reflects the amalgamation of this output class with the non-departmental output class Marketing of New Zealand as a Visitor Destination and the transfer of the remaining funding.

Marketing of New Zealand as a Visitor Destination (\$20,500,000)

The change is due to an increase in funding for overseas marketing and the amalgamation of this output class with the non-departmental output class with Joint Venture Tourism Marketing.

Year 2000 Commemoration Millennium Events Programme (\$3,600,000)

Fiscally neutral transfer from Vote Internal Affairs non-departmental output class other expense Year 2000 Commemorations – Millennium Events Programme on the establishment of the new Vote Millennium. Includes a transfer from 1999/00 to 1998/99 to cover expenditure to be incurred.

Note 26 Explanation of Significant Actual Variances

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

a) Statement of Financial Performance (page 150)

Personnel (\$595,000)

The variance solely relates to underexpenditure in Executive Council and Ministers – Salaries and Allowances due to reduced size of the Executive.

Outputs from Other Parties (\$4,506,000)

This variance solely relates to Marketing of New Zealand as a Visitor Destination due to timing differences in the Global Marketing Campaign.

Depreciation (\$88,000)

Depreciation on Wairakei Buildings was less than anticipated.

Accessions (\$12,886,000) and Revaluation Losses (\$1,644,000)

Accessions and Revaluation Losses are not forecast.

Other Expenses (\$1,553,000)

This variance was primarily attributable to Year 2000 Commemoration Millennium Events Programme grants being delayed.

b) Statement of Financial Position (page 151)

Bank (\$3,354,000)

The closing balance of bank was higher than budgeted principally due to under expenditure in various non departmental payments, in particular, Marketing of New Zealand as a Visitor Destination.

Accounts Receivable (\$69,000)

In previous financial years, a payment has been made during May for ACC covering the period from 1 April to 31 March. It was anticipated that a prepayment would be made in June to cover ACC for 1999/2000, but it will be made in the next financial year. The Accident Insurance Act 1998 provided for employers to alter insurance agents with effect from 1 July 1999. An additional tail premium was paid to release prior commitments to Accident Compensation Corporation. Payments for ACC will now be made in advance in either June or July for the future July to June period.

Term Accounts Receivable (\$2,000)

A lower level of scope loan recoveries occurred in the last quarter of the financial year.

Property, Plant and Equipment and Forests (\$12,670,000)

Variance reflects accessions in the National Archive Collection and the revaluation of forests which is not forecast.

Accounts Payable (\$679,000)

The variance is due to lower than anticipated accruals for grants related to the Office of Tourism and Sport and the Millennium Office.

c) Statement of Cash Flows (page 152)*Repayment of Loans (\$27,000)*

Recovery of scope loans was not forecast.

d) Statement of Departmental Estimated Actuals, Appropriations and Expenditure (page 158)*ANZAC Fellowship (\$15,000)*

The ANZAC fellowship was closed down in 1996 after Australia's financial support was withdrawn.

Annuities to former Prime Ministers, Governors-General and Spouses (\$24,000)

Additional funding was obtained in the February Baseline Update that was not required.

Commonwealth War Graves (\$98,000)

This variance is due to a favourable exchange rate at the time cover was taken for the August 1998 payment.

Executive Council and Ministers – Salaries and Allowances (\$594,000)

This variance is due to the reduced size of the Executive.

Chairman New Zealand Fire Service Commission (\$68,000)

A payment to the past Chairman of the New Zealand Fire Service Commission.

Treaty Commemorations at Waitangi (\$60,000)

Costs incurred for Treaty commemorations were slightly lower than anticipated.

Emergency Expenses (\$8,000)

Six claims from nine declared emergencies were processed. This item is demand driven.

Rates Rebate Scheme (\$215,000)

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

Marketing of New Zealand as a Visitor Destination (\$4,501,000)

Due to timing differences relating to the Global Marketing Campaign, it was agreed that \$4.5 million would be carried forward into 1999/2000.

Tourism Facilities Development Grants (\$41,000)

This variance is due to two proposals in late June being declined by the Minister.

Tourism Board Directors (\$213,000)

Payments to two former New Zealand Tourism Board Directors.

Year 2000 Commemoration Millennium Events Programme (\$1,662,000)

Many contracts for grants were in the process of negotiation at 30 June. Cabinet has approved for all under expenditure to be carried into 1999/2000.



Statement of Trust Money Administered on Behalf of the Crown for the Year Ended 30 June 1999

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 1998/99 \$000	CONTRIBUTIONS \$000	DISTRIBUTIONS \$000	REVENUE \$000	EXPENSES \$000	CLOSING BALANCE 1998/99 \$000
New Zealand						
Historical Atlas	4	61	0	1	28	38
New Zealand						
History Research	1,407	3	90	97	3	1,414
Vogel House	0	6	6	0	0	0
Māori Land						
Court Records	100	7	0	2	109	0
New Zealand						
Encyclopaedia	1	0	0	0	0	1
Australian Trust for Oral History						
Archives	1,351	6	94	93	5	1,351
NZ 1990 Scholarship	350	0	20	30	0	360
NZ 1990 Commission						
Residual	101	1	102	0	0	0
Dictionary of New Zealand Biography	1,194	479	0	93	784	982
Problem Gambling	0	902	906	4	0	0
Total	4,508					4,146

Under the Public Finance Act 1989 and by delegation from the Secretary to The Treasury, trust money can only be invested on deposit with New Zealand registered banks or in New Zealand government stock. Trust money is also managed so there is no significant concentration of credit risk. Interest rate risk is managed by investing across a wide range of maturity dates, but subject to liquidity requirements.

New Zealand Historical Atlas Trust

This trust was established to hold New Zealand Lottery Grants Board funds, donations and royalties from sales to be used for the production of the historical atlas of New Zealand.

New Zealand History Research Trust

This trust was established to hold New Zealand Lottery Grants Board funds to make awards to individuals for historic research projects.

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. This trust was closed in June 1999.

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. This trust was closed in July 1998.

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.

Explanation on Achievement of Statements of Service Performance (SSPs)

Policy Group

The responses of Ministers to the Ministerial Satisfaction Surveys for Racing and Internal Affairs were pleasing. The response from the Minister of Local Government showed a large jump in the approval rating from the first half of the year. Good results were achieved on the quality and timeliness performance targets, particularly given the volume of unplanned ad-hoc work generated during the year.

For some policy areas more Ministerial correspondence and Parliamentary Questions were completed than estimated. In other areas, the estimates were not reached.

For racing policy, numbers of Ministerial correspondence and Parliamentary Questions were well over the estimates and timeliness was below target for the Ministerial correspondence. Some deadlines were missed in October 1998 because of the time committed to the Racing Ministers' Conference hosted by New Zealand. For identity policy, numbers drafted were well below the estimates but timeliness was satisfactory.

For local government policy more Parliamentary Questions were answered than estimated, but fewer Ministerials. Timeliness was below target for Ministerial correspondence, but not for Parliamentary Questions.

For Internal Affairs policy, fewer Ministerials were answered than estimated and timeliness was an issue. Parliamentary Questions were drafted in numbers at the upper limit of the estimates but met the timeliness target. The Internal Affairs results show that fire policy issues generated high volumes of Ministerial correspondence, Parliamentary Questions and Official Information Act requests. The fire policy team drafted 362 items of Ministerial correspondence out of the total of 593 handled by Internal Affairs Policy, and 488 of the total number of Parliamentary Questions. Most OIA requests received during the year were complex and sensitive and, given this, most fire-related OIA requests in the first half of the year did not meet deadlines. This has reduced the overall timeliness rating for Internal Affairs Ministerials.

For information on Statements of Service Performance please refer to pages 76-149.

Heritage Group

The performance of the National Archives in 1998/99 was greatly affected by the building programme in the National Archives in Wellington. A major upgrade of the building resulted in the disruption of storage facilities and an inability to

receive all records which would otherwise have been appraised and transferred. In addition the performance in the area of preservation was affected by the responsibility taken on by the Head of Conservation in steering the building programme and by the absence of a conservator for the majority of the year. Despite these difficulties the National Archives greatly exceeded targets with respect to reference services to the public and was able to keep public services open and accessible throughout the refurbishment.

For information on Statements of Service Performance please refer to pages 76-149.

