1907
2007

1840
1907
2007

building
a strong,
safe nation

The Department of Internal Affairs (formerly the Colonial Secretary's Office) is the oldest government department. Virtually all existing government departments can trace their origins to activities once undertaken within the Department.

1840 When Captain Hobson arrived to sign the Treaty of Waitangi in 1840, he was accompanied by four officials who constituted the whole of the New Zealand civil service. Of these four, Lieutenant Willoughby Shortland was formally appointed Colonial Secretary (the senior government official) on 7 March 1840. The Colonial Secretary's office had been unofficially in existence since before Hobson left Sydney for New Zealand.

1907 At the London Colonial Conference in 1907, Prime Ministers made a decision to rename the colonies "Dominions". On 26 September 1907, the Governor and the Prime Minister formally proclaimed New Zealand a Dominion. The Colonial Secretary's Office was re-named the Department of Internal Affairs.

2007 This year, we celebrate 100 years as the Department of Internal Affairs. This Annual Report explains the current scope of our work and the achievements for 2006/07.

Parliament Buildings on Dominion Day, 1907
Courtesy of Alexander Turnbull Library, Wellington, New Zealand
Reference: F080522$^{1}/_{2}$

Passport Office, 1948
Courtesy of Archives New Zealand/
Te Rua Mahara o te Kawanatanga
Wellington Office
[Alexander Turnbull Library,
F27793/(AAQT 6401 A7462)]

Opening Ceremony of the Lottery-funded
Oturei Marae in Dargaville, Northland

New Zealand
e-Passports are
among the world's
most secure and
technologically
advanced

Civil Defence exercise

Monitoring Blackjack at Auckland Casino

our vision

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

our purpose

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

outcomes we contribute to

Strong Sustainable
Communities/Hapū/Iwi

Safer Communities

Trusted Records of
New Zealand Identity

**We also have a key
Departmental objective**

Executive Government
is Well Supported

our workplace principles

We value people

We act with integrity

We provide outstanding
service

TE TARI TAIWHENUA
THE DEPARTMENT OF INTERNAL AFFAIRS »

annual report

Pūrongo ā Tau

2006–07

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Chief Executive's Overview

For 167 years, since the signing of the Treaty of Waitangi and the establishment of Crown authority in New Zealand, the Department of Internal Affairs has been part of the fabric of New Zealand. This is symbolised in our logo. In November 2007, it will be exactly a hundred years since we began using the name "The Department of Internal Affairs", given in Māori as "Te Tari Taiwhenua".

This Annual Report highlights the progress we have made in the past year as one organisation in our purpose of serving and connecting citizens, communities and government to build a strong, safe nation.

Our purpose supports the Government priorities set out in the three themes of economic transformation, families – young and old, and national identity. Our outcomes describe the ultimate result of our work. These outcomes – strong, sustainable communities/hapū/iwi, safer communities and trusted records of New Zealand identity, as well as our objective to support Executive Government – align with and support the Government themes.

Working to progress economic transformation

The Department has a leadership role in managing the central government/local government interface. A key focus during 2006/07 has been working cooperatively with Auckland councils to strengthen regional governance in Auckland, as part of the ongoing development of Auckland into a world class city. The Department led the Government's engagement with Auckland local authorities, building strong working relationships and co-chairing the Joint Chief Executives' Forum. In July 2007 the Government endorsed the Final Report of the Strengthening Auckland's Regional Governance Project as a positive first step for strengthening Auckland's regional governance. The Government also announced that it would establish a Royal Commission of Inquiry into Auckland Governance to examine and report on what local and regional governance arrangements are required for the Auckland region over the foreseeable future. The Department will be helping to implement the proposals in the Final Report and supporting the work of the Commission.

At the national level, the Department is promoting the opportunity to vote in the 2007 local elections, and an understanding of the single transferable vote system.

In March 2007 we successfully hosted the fourth Commonwealth Local Government Conference in Auckland with a theme of "delivering development through local leadership". Six hundred delegates from more than 40 nations discussed common topical issues in local government, and examined New Zealand's local government initiatives, and how central and local government work together. The Commonwealth Local Government Conference was the first planned 'carbon neutral' event to be staged in New Zealand.

Our work with local government, and in community development and grant funding, contributes to local economic development: building social capital, infrastructural services, environmental management, facilities development and heritage protection. This local infrastructure is needed to achieve effective economic transformation.

The Significant Community-Based Projects Fund was established in 2005 to distribute $32 million to regional or national major community-based projects that could not get sufficient funding from existing sources to complete their capital works. The Prime Minister and the Minister of Internal Affairs announced Cabinet decisions on six successful applications this year, and the fund is now fully committed. The projects are spread throughout the country and are in the designated outcome areas of arts, culture and heritage, sport and recreation, tourism, conservation and the environment, and economic development.

The New Zealand passport continues to be one of the most highly regarded in the world, providing visa-free access to more than 50 countries. In 2006/07, the Department issued over 390,000 passports and travel documents. To improve security and stay ahead of fraudsters, in 2005 we introduced the e-passport and moved to a five-year passport. During 2006/07 we began work on a Passport Redevelopment Programme. The Programme will enable the Department to further improve the security of the New Zealand passport and the integrity of the processes used to issue passports and other travel documents, ensuring that the New Zealand passport retains its reputation as a trusted travel document and record of identity.

Supporting families – young and old

Families, in their various forms, are the basis of community. The Department's involvement with families starts with the registration of births, and continues through the registration of marriages, civil unions and deaths. Families are also supported directly by our community development work, our support for volunteering and our work to protect New Zealanders from objectionable material. Families are indirectly supported by the local government and community work of the Department and by the respect for family cultural traditions supported by the Office of Ethnic Affairs.

Communities are also supported by our regulatory work to ensure that gambling is lawful, fair and honest and that it benefits the community. In our censorship and gambling work we continued to implement new legislation and enhance our public education, monitoring and enforcement role.

A key milestone was achieved in March 2007 when about 20,000 gaming machines at more than 1,600 pubs and clubs were connected to a new electronic monitoring system. This was achieved 10 days ahead of the deadline set by statute. This new monitoring system enables the Department to track and monitor gaming machine operations, ensuring the integrity of games and limiting opportunities for dishonesty. We have continued our work with the Ministry of Health to reduce problem gambling, and families throughout New Zealand benefit from the New Zealand practice of returning gambling proceeds to the community.

The Department continues to find New Zealanders involved in the trading of images of the abuse of children and other objectionable material. We have continued to urge the imposition of appropriate penalties under the law, which, under recently strengthened provisions, will mean jail sentences in many cases. We have further enhanced the tools we have available to detect offenders. The censorship area has been very successful with all 37 cases undertaken in 2006/07 resulting in a conviction.

To minimise the impact of disasters, the Ministry of Civil Defence and Emergency Management is urging people to "have a plan for you and your family". This has been actively promoted through two progammes – a programme for schools "What's the Plan Stan?" and a public awareness programme, "Get Ready Get Thru". During 2006/07 this work included a mail drop to every household in New Zealand aimed at getting New Zealanders better prepared for disasters.

The Rates Rebate Scheme, administered by the Department of Internal Affairs, was enhanced in 2005/06 by increasing the income threshold for rebate entitlement and the amount of subsidy available to low-income homeowners on the cost of their rates. Under the enhanced scheme, rebates were received by 112,000 ratepayers in 2006/07, compared with 4000 applicants who received rebates the previous year. The total value of rebates paid out by the Department in 2006/07 was $49 million (GST inclusive).

Our telephone interpreting service, Language Line, has been extended to yet more service providers, working to ensure equity of access to government services for people with little or no English. Use of the service in the health sector can reduce communication barriers, which might prevent families from seeking treatment. To help young people and their families, we have also begun introducing Language Line in schools and this will continue in 2007/08.

Building national identity

We take pride in being the oldest government department, and continue to make an ongoing contribution to the development of New Zealanders' sense of national identity.

Our Visits and Ceremonial Office worked with others to foster international relationships and an understanding of New Zealand culture and heritage. For example, the team helped to organise the ceremony to honour the gallantry of Lance Sergeant Haane Manahi. It has been a busy year with a total of 61 guest-of-Government visits and 23 commemorative events arranged and supported, including three Royal, seven Presidential and three Prime Ministerial visits.

In our stewardship role for birth, death, marriage, civil union and citizenship information we are, quite literally, the custodians of New Zealanders' records of national identity. This year 29,979 people became New Zealanders at citizenship ceremonies conducted by local authorities and supported by the Department.

We need to recognise and enjoy the benefits of diversity. The Department, particularly through the Office of Ethnic Affairs, acts as a point of contact between government and ethnic people, and provides information and advice about and for ethnic communities. We have continued to support ethnic groups through a variety of forums and events. We have also provided ongoing input to cross-government initiatives, in particular the Connecting Diverse Communities initiative and the New Zealand Settlement Strategy.

We have also run a series of projects aimed at increasing the visibility of ethnic communities and worked with the media, who play a role in shaping public opinion towards ethnic communities. Awareness of the existence of ethnic communities and positive images of those communities is important for community acceptance.

Contributing to the Development Goals for the State Services

We have actively sought to take a leadership role in the State sector with projects that contribute to advancing the Development Goals for the State Services. These include:

» supporting the Digital Strategy, by helping to improve skills in the community through initiatives such as the Connecting Communities Programme, Community Partnership Fund and CommunityNet Aotearoa. During 2006/07 we successfully implemented the second and final round of the Community Partnership Fund (providing funding for community information and ICT projects), and completed the UPLIFT programme to take ICT skills into the community.

» developing identity authentication solutions for New Zealanders, through our stewardship of the Evidence of Identity Standard and our work to develop a whole-of-government Identity Verification Service (IVS). Detailed design work for the IVS has been substantially completed with samples developed to demonstrate how it will work.

» improving responsiveness to ethnic diversity in policy and service delivery, by providing training and advisory services to State sector agencies. The Office of Ethnic Affairs has reviewed the Ethnic Perspective in Policy framework across government and provided training to support this, and on intercultural awareness.

Part Two provides many examples of where we contributed to shared outcomes, working with a wide range of agencies. The objective *Executive Government is Well Supported* has involved us in working closely with the Parliamentary Services towards achieving common systems and processes in the parliamentary complex. I chaired a sub-committee with membership from the State sector, business and local government that provides support to goals three to five of the Development Goals for the State Services.

Enhancing the capability and capacity of the Department

In recent years we have benefited from the Government investing in the capability and capacity of the Department. Our focus for 2006/07 was on strengthening the capability for Vote Emergency Management. Twenty-four new staff have been recruited and inducted into the organisation during 2006/07. This major exercise – a significant expansion – is complete and the Department is now much better positioned to undertake a wide range of tasks across the sector, and manage emergency events well. The Department's reputation and relationships with the civil defence and emergency management sector and key central government agencies have improved with the changes, and this has resulted in improved levels of trust.

Towards the end of the year we took on a new responsibility with the establishment in the Department of a compliance unit to give effect to the Unsolicited Electronic Messages Act 2007, which came into effect in September 2007.

Over the past five years the Department has focused on building "one organisation", where the whole is more than the sum of the parts. The Department's Executive Management Team has sought to more clearly define what "one organisation" means in practice, reviewing the key drivers for departmental change and developing a vision for the Department to 2010, with some initial priorities. This will provide the focus for capability development in 2007/08.

A successful example of working as "one organisation" was the achievement for the Department in 2006/07 of tertiary level status in the ACC Workplace Safety Management Practices Programme. This was a significant achievement for a large organisation, where many of our staff are not confined to offices.

The development of more integrated corporate services with stronger support from the centre is also providing value. For example, we have put significant effort into improving the management of projects through the recently established Project Office. The Office provides valuable information and guidance for project managers, and management assurance for the Department's portfolio of projects.

Conclusion

In October 2007 I will be leaving the Department of Internal Affairs to take up a position as Chief Executive of the Department of Labour. I want to place on record my thanks to all those who have helped the Department to perform so well over the last five years. When I started as Chief Executive in 2002, I found that the organisation was defined – both inside and outside the Department – by the diversity of its tasks. Five years on, I believe the dedication of staff in all parts of the Department has led to a change in that perception. Working together as one organisation, staff and managers now better understand the coherence of the group of tasks given to them by government, and their links and alignment to the Government's themes and priorities. I am confident the organisation will continue to play a vital role in serving and meeting the needs of citizens, communities and government, and helping to build a strong, safe nation. It has been a privilege to be part of an organisation that is such an integral, and enduring, part of the fabric of New Zealand.

Nei rā te poroporoaki atu, māna anō te runga rawa koutou e manaaki e tiaki.

Christopher Blake
Chief Executive

Vision for the Department in 2010

By 2010 the Department of Internal Affairs (DIA) will be one organisation as demonstrated by:

» the trust and respect of all stakeholders for our high performance and ability to deliver across our breadth of responsibilities

» our accessible, responsive services to the public that reflect integration across the Department and coordination with our fellow agencies

» leadership of the strategic thinking and policy development in our areas of expertise

» our efficient use of resources and ability to respond flexibly to changing demands

» leveraging the diversity inherent in our Department so that the whole delivers more than the sum of the parts.

our outcome contribution

Managing for Outcomes

The Department has a strong commitment to managing for outcomes. This involves a sustained and critical focus on what we do, why, how well and with what results.

We have identified three outcomes that we believe contribute to themes and priorities for the Government and the community. These are key outcomes for the Minister of Internal Affairs and Vote Ministers. They are:

» Strong, sustainable communities/hapū/iwi

» Safer communities (this outcome has three parts: hazards to the community, gambling and objectionable material)

» Trusted records of New Zealand identity.

We also contribute to the objective:

» Executive Government is well supported.

The following section outlines how we have made progress on the outcomes and delivered on the priorities identified in the Department's 2006 Statement of Intent. Our Statement of Intent 2007–10 sets out how we will build on the achievements reported here in order to continue to progress these outcomes for the community.

Strong, Sustainable Communities/Hapū/Iwi

Introduction

Strong, sustainable communities, hapū and iwi are an important building block for achieving positive social, economic, cultural and environmental outcomes. Both central and local government have key roles in ensuring that communities are able to define and work toward their own needs and aspirations as part of a forward-looking New Zealand.

The Department of Internal Affairs has particular responsibilities for:

» supporting the system of local government (through administration of aspects of the statutory framework and the provision of information and advice)

» enhancing community development (by providing advice on community and voluntary sector issues, community advisory and information services, and administration of grants)

» acting as a point of contact between government and ethnic people (by providing information and advice about and for ethnic communities).

The Department, through our work with communities, makes a positive contribution across all of the Government's themes in areas such as:

» economic transformation – community access to digital networks; the role of local government, especially through the provision of infrastructure and good governance

» families – young and old – communities identifying, and being able to provide for, enhanced social outcomes

» national identity – local communities and their councils defining and promoting their own positive features, diversity and futures through local decision-making, the development of support for volunteers, and supporting the Government's Digital Strategy.

Areas where the Department makes a contribution to strong, sustainable communities are outlined below, together with some of the core activities and key initiatives progressed during 2006/07.

People engage with and participate in their communities

Our progress

Communities are networks of people, groups or organisations, linked together on the basis of shared identity, location, ancestry or interest. To create a strong and sustainable community, the members of new and existing communities should be able to participate in and support local groups, organisations and activities which enhance the quality of life across the various types of communities.

Supporting community participation

Strong, sustainable communities will be populated by individuals who have a sense of belonging to that community. This means that both new and existing members participate in and support their local groups and organisations. Members are also more likely to undertake some kind of voluntary activity and to get involved in local decision-making.

These aspects of communities are recognised by the Government as critical to our national well-being. "Community participation and the value of volunteering", "Participation in the institutions of civil society" and "Building a cohesive society" are all important aspects of the Government's National Identity theme. Our work to encourage greater public engagement and participation in communities included:

» providing information, including websites such as www.community.net.nz and www.localcouncils.govt.nz, to promote opportunities for participation in communities

» providing advisory services and some funding schemes that help communities to benefit from wider public awareness, participation and input

» supporting voluntary agencies and volunteers to be able to play a key role in community wellbeing. This includes providing funding to Volunteering New Zealand, volunteer centres and community groups and organisations to promote and support volunteering.

» promoting wider understanding and participation in local government to aid decision-making.

We have continued to build strong links with local communities, ethnic communities and hapū/iwi, and to develop relationships with central and local government and with community and voluntary groups. For instance, the Department has continued to support voluntary agencies and volunteers, who are vital to communities.

Encouraging participation in local government

In June 2006, the Department commissioned a survey of public knowledge about local government. Among other things, the results indicated reasonable levels of understanding about local government across the country, and the majority of people surveyed also felt they had a duty to take an interest in what their council does.

Participation in local elections is a key way in which individuals can participate in their community. The next round of local government elections will occur in October 2007. The Department has worked on voter education programmes to ensure that electors have greater awareness of the opportunity to vote at the 2007 local elections and understand the single transferable vote (STV) system. We have updated public information sheets on local government, produced other support materials and redesigned election-related material on the Department's website, as part of a wider programme to increase participation in local government. This complements the www.localcouncils.govt.nz website, which continues to have a steady number of visitors. The local council website was updated in 2006/07 to ensure it continues to be a one-stop shop for information on local government. Updates included:

» a set of five information sheets on local government – developed to address a gap in people's understanding of the role of councils – that are easy to read and answer lots of top-of-the mind questions that people have

» new 2006 Census community profiles, so that each council page has updated population statistics

» income and expenditure for each council, updated for the 2006 financial year

» maps showing council boundaries, with click-through links to individual council websites.

The Office of Ethnic Affairs has delivered workshops on civic participation and how to influence the policy-making process in order to encourage ethnic communities to participate in local government.

Language Line

The Department has continued to promote the use of Language Line, a telephone interpreting service, to ensure equity of access to government services for people with little or no English. During the 2006/07 year the number of District Health Boards and Primary Health Organisations joining the Language Line service grew steadily. This has brought the benefits of privacy and clarity to health consumers, who may have been avoiding treatment because of communication barriers. Language Line has also been rolled out to all of Inland Revenue. Work to introduce Language Line in schools has begun and will continue in 2007/08.

The Department has produced DVD resources to help government agencies and ethnic communities understand how Language Line works and how it can improve access to services. It also provides training on the use of Language Line to the State sector. In conjunction with the Office for Disability Issues and the Health and Disability Commissioner, the Department has identified a need for agreed national standards to be set for those working in the interpreting and translation industry, including interpreters of New Zealand Sign Language. Work has begun to identify options for addressing this need in order to raise the standard of professionalism in the industry.

LANGUAGE LINE – CALL VOLUMES

	2006/07	2005/06	2004/05	2003/04
Total Calls	27,157	23,491	20,761	11,812

THE TOP TEN LANGUAGES SINCE APRIL 2003:

Language	Calls
Mandarin	30,077
Korean	11,106
Samoan	9,007
Cantonese	7,117
Tongan	3,324
Hindi	2,352
Arabic	2,270
Spanish	1,912
Farsi	1,634
Japanese	1,543
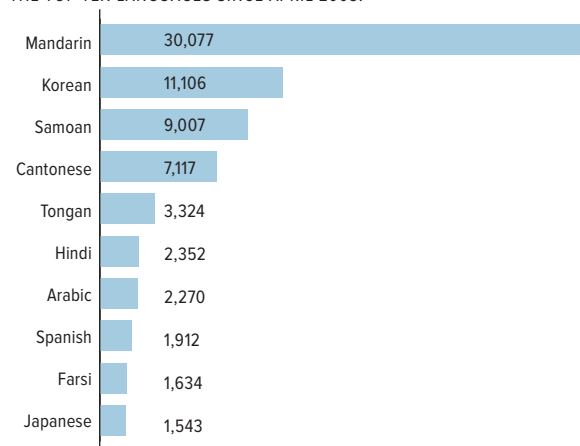
Encouraging recognition of the worth of citizenship

New Zealand citizenship came into being on 1 January 1949, symbolising New Zealand's independence from the United Kingdom and our own identity. However, despite the importance of their legal status as citizens, it appears that most people, especially those born here, have little understanding about the rights and responsibilities that attach to citizenship. The Department is planning to address this knowledge gap in the context of celebrations of the 60th anniversary of New Zealand citizenship. A project team has been established and is developing a range of celebratory activities to be undertaken during 2008 and 2009.

Challenges and priorities for the future

There are a number of challenges and opportunities ahead as set out in the Statement of Intent 2007–10, which determine our priorities for the future. Over the next three years the Department will:

» encourage participation in the 2007 local authority elections and in wider civic activities by promoting the elections and an understanding of STV. We will also collect and analyse election statistics and monitor implementation of the local authority elections by local authorities

» work to improve public understanding of, and participation in, local government through our website and through a range of information and promotional activities

» work to improve understanding of civic participation among young people through the Kids Voting programme

» continue to promote volunteering through our community advisory services and to support volunteering through Crown-funded schemes

» provide speakers of other languages with the same rights of access to services as other New Zealanders by continuing to expand the use of Language Line and reviewing the scope and effectiveness of the service in 2008/09.

Communities are empowered and able to help themselves

Our progress

During the year much of the work of the Department combined to strengthen the identity, leadership, organisation capabilities, decision-making and assets of communities. A strong and sustainable community is able to build on its inherent strengths, and is better able to plan for its future economic, social, environmental and cultural well-being. It has access to the information (and resources) it needs for success and operates in an atmosphere of confidence. Providing advice, facilitation, information and funding to enable communities to achieve this is an important element of the Department's responsibilities.

Access to information

Through our staff, particularly community and ethnic advisors, the Department helps community groups and voluntary organisations to access essential advice, information and resources. In 2006/07 the Department

continued to provide advice, information and support to community organisations and networks, including assisting them to develop effective leadership, governance and management systems. The Department also continued to advance the National Digital Strategy.

The Digital Strategy

The Government's Digital Strategy is about unlocking our potential as a nation, using Information and Communications Technology (ICT) to help achieve New Zealand's economic, social and cultural aspirations. The Strategy focuses on three 'C's:

» Content – information we can access that enriches the quality of our lives

» Connection – access to and use of ICT

» Confidence – the skills to use ICT and a safe on-line environment.

As part of the Digital Strategy, the Department is developing its role to improve access for communities to information and communications technologies as a tool for community development. During 2006/07 the Department worked to ensure the programmes it administered were aligned to the Digital Strategy and remained effective in supporting community groups. This involved:

» successfully implementing the second and final round of the Community Partnership Fund with more than 60 projects. This Fund has provided $17.4 million of seed funding to assist innovative and sustainable ICT projects that support communities in achieving their social, cultural, economic and environmental goals. The Community Partnership Fund supports local, regional and national initiatives to unlock the potential of communities through the use of ICT. The Department has assessed approximately 400 applications over two years and has ultimately supported 119 ICT projects that involve community, business and government partnerships in developing community-based ICT initiatives. The Fund is now fully allocated.

» completing the UPLIFT project. UPLIFT is a partnership between Microsoft and the Government to take ICT skills into the community. It is a programme to 'train the trainers', to enable under-served communities to build their capacity through gaining ICT skills. It was funded by a grant of $350,000 from Microsoft. Over a two-year

Bringing communities together for a safer world

Hector's World is an innovative project that uses digital animation to promote the safe use of information technology to young persons. Hector's World was one of 55 projects funded last year from the Community Partnership Fund.

The Internet Safety Group is recognised internationally for its educational work in the area of cyber safety and online security. The Group received $438,000 from the Community Partnership Fund to produce four episodes of 'Hector's World', aimed at 2 to 10 year olds. The episodes were launched during this year.

"Today, New Zealanders are being born digital. In many ways, children are our leaders in becoming a digitally literate society. As we support and encourage them on their digital explorations, it is important that we equip our children with the skills to keep themselves safe, much as we would on any other journey" Hon Luamanuvao Winnie Laban, Minister of Community and Voluntary Sector.

period, to May 2007, the programme trained 117 people. Participants who have trained are required to train one other trainer and to assist community trainers. The fund is now fully allocated.

» continuing improvement (based on research results) of the CommunityNet Aotearoa website, which supports and links community organisations. This has included the production of online 'how to' guides for community groups, contribution to the Community Resource Kit (which is accessed online through CommunityNet), and maintenance of ongoing community news and exchange of information via the website. Visitor statistics for the CommunityNet Aotearoa website for the year ending 30 June 2007 showed an increase of 20% when compared with the same period last year.

These initiatives, and the projects funded through them, are working to ensure that no New Zealander is denied access to the skills and knowledge that ICT can provide.

We have also continued to provide digital information to the public through other Department programmes, such as information about local government through www.localcouncils.govt.nz. This website was updated in 2006/07.

Access to resourcing

The Department administers and evaluates a range of community grant or funding schemes, and provides ongoing administration of special trust funds and support for associated committees. This work includes:

» administering the Community Organisation Grants Scheme (COGS)

» supporting the Lottery Grants Board

» the direct administration of a number of other grant schemes.

Our community and funding advisors in 16 regional offices support capacity and relationship building, local initiatives, community services and community-based youth development. The development of multi-agency partnerships is a key aspect of the work of our community advisors. They work with a range of community groups, local authorities and communities to facilitate community solutions to local issues. As part of the Department's joint work with other agencies during 2006/07, a report on strategic partnership approaches to community funding was prepared by the Ministry of Social Development in consultation with the Department and other agencies. The Department proposes to continue this work in collaboration with other government and non-government agencies in 2007/08.

Improving grant administration

A key role of the Department is provision of administrative support to the Lottery Grants Board and COGS. This has been enhanced in 2006/07 through the completion of the Grants Online project, a single web-based system. Grants Online has delivered significant benefits to communities and to the Department, including the integration and alignment of the Lottery Grants Board and COGS funding processes, enhancing the accountability process and improving payments functionality.

In 2006/07 we have worked to promote the use of a "managing for outcomes" approach to ensure community development programmes and grant funding provide the best results for the community. The Department's Better Funding Practice project, completed in 2006, identified a funding administration practice framework based on accepted best practice guidelines in grant funding. This framework has been translated into operational policies and business processes that have been implemented across all Departmental funding schemes, through the development of online databases and training for staff.

Aligned and consistent accountability processes for grant recipients are an integral part of the Department's Better Funding Practice policies and processes. They are now reflected in the Grants Online processes and reporting requirements for applicants. Not only does this methodology improve consistency, it also enables a clear focus on outcomes.

Our regular survey of clients (applicants for funding, whether successful or not) for Lottery Grants Board funding, indicates that they continue to be satisfied with the services provided by the Department. 98% of respondents indicated they were satisfied or better in 2006/07. We also survey all members of the Lottery distribution committees on their satisfaction with the administrative support and advisory services they are provided by the Department. The 2006/07 results indicated that 98% of members were satisfied or better with the quality of administration and advisory services provided.

Enabling communities to help themselves

The distributions of the Lottery Grants Board in support of the community are well known to New Zealanders, but this is not the only area where the Department makes a vital contribution to the well-being of our communities.

We are also responsible for a series of key funds, whose grants, distributed to more than 3,000 community groups, support a wealth of activities that help people to be involved in, and take pride in, their communities.

» Government support of more than $11 million is administered each year by the Department of Internal Affairs through the *Community Organisation Grants Scheme* (COGS). Thirty-seven local distribution committees (themselves run by volunteers) make decisions on grant applications from their local communities.

» The *Community Partnership Fund* ($17.4 million) is a Digital Strategy initiative which supports local, regional and national initiatives, through partnerships, to realise community aspirations through ICT.

» The *Community Development Scheme* (approximately $2.0 million) provides salaries for community development workers to build capacity.

» The *Community Internship Programme* ($0.268 million) provides for the placement of interns in community organisations.

» The *Māori Community Development Workers Fund* ($0.178 million) funds community development workers in Māori communities.

» The *Support for Volunteering Fund* ($0.402 million) finances projects to support local volunteer centres.

In total, eleven Crown funded and six non-Crown funded schemes fund a range of activities across the community sector.

WE ADMINISTER THESE GRANT
FUNDING BODIES:

Digital Strategy Community
Partnership Fund

Significant Community-Based
Projects Fund

Community Organisation Grants
Scheme (COGS)

Community Development Scheme

Community-Based Youth
Development Fund

Youth Worker Training Scheme

Community Project Worker Scheme:
Crime Prevention

Community Internship Programme

Support for Volunteering Fund

WE SUPPORT THE
LOTTERY GRANTS BOARD:

1 national community committee

2 national subcommittees

Individuals with Disabilities Subcommittee

Pacific Provider Development Fund
Subcommittee

11 regional community committees

5 other national committees supporting
specialist areas:

- Outdoor Safety Committee
- Environment and Heritage Committee
- Marae Facilities and Heritage
  Committee
- Community Facilities Fund
- Health Research
- Minister's Discretionary Fund

THE LOTTERY GRANTS BOARD ALSO
ADMINISTERS AND ALLOCATES
FUNDING FOR STATUTORY BODIES
INCLUDING:

SPARC (Sport and Recreation
New Zealand)

Creative New Zealand

New Zealand Film Commission

New Zealand Film Archive (via the
New Zealand Film Commission)

WE ADMINISTER THE FOLLOWING
TRUSTS AND FELLOWSHIPS:

Chinese Poll Tax Heritage Trust

New Zealand Winston Churchill
Memorial Trust

Norman Kirk Memorial Trust

Pacific Development and
Conservation Trust

Peace and Disarmament Education Trust

Disarmament Education UN
Implementation Fund

Providing capital investment for community projects

Funding to support communities was enhanced in 2006/07. Following an increase in New Zealand Lotteries' profits over the last few years, the Lottery Grants Board was able to restore the Lottery Community Facilities Fund. This Fund will provide grants to organisations for capital works projects to build or improve community facilities which will support community activities and social interaction, to foster cohesion and strengthen communities. More than $13 million has been set aside for the Fund in 2007/08.

The second and final round of the Significant Community-Based Project Fund was successfully administered by the Department in 2006/07, adding to the Department's experience of administering grant funding to the community. The Significant Community-Based Projects Fund was established in 2005 to distribute $32 million to regional or national major community-based projects

that could not get sufficient funding from existing sources to complete their capital works. Originally intended to be a four-year programme, it was reduced to two years to maximise benefits and minimise delays for communities. The Fund has particular outcome areas in arts, culture and heritage, sport and recreation, conservation and environment, tourism, and economic development. The Prime Minister and the Minister of Internal Affairs announced Cabinet decisions on six successful applications this year, and the fund is now fully committed.

Significant Community-Based Projects Fund

Many large projects have been enabled by the Significant Community-Based Projects Fund. These are geographically spread throughout the country and are in the designated outcome areas of arts, culture and heritage, sport and recreation, tourism, conservation and the environment, and economic development.

Stadium Southland Velodrome

Hawke's Bay Opera House

2006 Projects	Funding
Dunedin: Authentic Chinese Gardens The creation of an authentic Chinese Garden reflecting the strong Chinese community ties with the Otago Region and enhancing New Zealand's Chinese identity both here and overseas. The project is in collaboration with the Shanghai Museum.	$3.75m
West Coast: Oparara Valley Eco-Tourism The Oparara Valley Trust will upgrade and develop a network of tracks and visitor attractions in one of the country's most scenic areas.	$1.68m
Waikato: Maungatautari Ecological Island A 47-kilometre predator-proof fence will be built around a mainland island sanctuary.	$5.504m
Southland: Stadium Southland Velodrome A new velodrome will extend the existing multi-purpose stadium and will become the base for New Zealand's indoor track cycling programme.	$1.0m
Auckland: ASB Showgrounds A new exhibition hall for the showgrounds will secure the showground's capacity to host large shows and attract high profile events.	$4.7m
Hawke's Bay: Hawke's Bay Opera House Transforming the historic Hastings Municipal Theatre and Council Chambers into a world-class cultural centre.	$2.5m

Rotokare Wildlife Sanctuary

Riverton Heritage and Tourist Centre

2007 Projects	Funding
Hawke's Bay: McLean Park, Napier Upgrade lighting and facilities to secure the future of the park as a world-class venue.	$2.9m
Taranaki: Rotokare Wildlife Sanctuary Construction of a predator-proof fence around a 230 hectare forested catchment, wetland and lake, and upgrades to tracks.	$0.628m
Southland: Riverton Heritage and Tourist Centre Fit-out of the new Heritage and Tourist Centre, including a multi-function educational theatre and tourist information centre.	$0.172m
Wellington: Karori Wildlife Sanctuary Construction and fit-out of an all-weather Visitor and Education Centre, to provide visitors with a world-class inter-active experience in wildlife conservation.	$6.5m
Bay of Plenty: Tauranga Art Gallery A grant towards the completion of the first public art gallery in the Bay of Plenty.	$0.650m
Nelson: Nelson Theatre Royal Restoration of the historic aspects of the Nelson Theatre Royal which will enable its continued use as a functional theatre.	$2.9m

Challenges and priorities for the future

There are a number of challenges and opportunities ahead, as set out in the Statement of Intent 2007–10, which determine our priorities for the future. Over the next three years the Department will:

» continue to improve the administration of Crown-funded schemes, including implementing the Better Funding Practice Programme, to achieve greater alignment and consistency of practice, and reviewing particular funding schemes

» continue to help communities to access, participate in and benefit from the use of information and communications technology, by continuing to administer the CPF and undertaking an assessment of its outcomes

» continue to deliver community advisory services through our 16 regional offices, to help community and voluntary groups access skills and resources

» maintain and improve information platforms such as CommunityNet Aotearoa

» participate in the Ministry of Social Development review of strategic approaches to community funding, and provide advice on the role of gambling in this.

Communities are supported by fair and responsive local government and other local groups and organisations

Our progress

Local government plays an important role in delivering essential facilities and services and promoting community well-being. Effective local government provides communities with a greater say over their resources and the decisions that affect them. The ability of councils and organisations to work with communities makes a positive contribution to all of the Government's themes. Councils need to act in a clear and accountable manner, showing consideration for sustainable management and the diversity of communities. In most cases the Department provides tools and advice to help make a difference.

Ensuring an effective legislation framework for local government

The Government has made it a priority to provide a robust and effective framework within which local councils and communities can operate. The Department continues to ensure that the legislative framework surrounding local government is working effectively. This includes promoting frameworks to guide the activities of institutions, and monitoring those institutions against national policies and legislation, and international conventions and agreements.

The Local Government Commission is progressing work on the review of the operational effectiveness of the Local Government Act 2002 and the Local Electoral Act 2001 (as required by the Local Government Act). Collection of data, research and analysis is ongoing and the Commission's website has been updated to include more information about the review.

2006/07 saw the completion of the Department's review of the initial rollout of the Local Government Legislation (2001–2004). The review concluded that the joint central/local government approach to the rollout was effectively delivered, in a timely and well-organised manner. Lessons for future rollouts were identified. The Department will make this report available on its website early in 2007/08. Related work focused on developing a framework for the wider evaluation of the legislation, which will cover the period 2003–13. The Department will use independent research and consultation with the local government sector to identify priority areas for evaluation. The priorities will address the needs of the Local Government Commission and the Department's obligation to respond to the Commission's own review of the legislation in 2008.

Reviewing funding and governance arrangements

During 2006 the Department completed phase one of a study examining the ability of local authorities to fund their activities, looking at rating levels and affordability. Following the announcement of an Independent Inquiry into Local Government Rates in November 2006, work on a number of issues was put on hold. The Department has contributed to work on the Regional Fuel Tax, as this has implications for the Local Authority Petroleum Tax. The full report of the Independent Inquiry into local Government Rates was provided to the Minister of Local Government in August 2007. A cross-government work programme to respond to the report's recommendations is now underway, and the Department will provide advice to the Government on the findings of the Inquiry in 2007/08.

The Department also advised Ministers on the role of central government in regional strategic planning and how this might be best managed to ensure effective and coordinated engagement by government in key regional issues.

Auckland governance issues

The Government is working cooperatively with Auckland councils on a project to strengthen regional governance in Auckland, as part of the ongoing development of the Auckland region into a world class city/region. During the year the Department led the Government's engagement with Auckland local authorities, co-chairing the Joint Chief Executives' Forum, and building strong working relationships to support the joint policy work.

The Department provided advice to the Government on the initial governance proposals that were developed by the Auckland councils in December 2006, and on the results of the subsequent joint policy work. In addition, active support was provided to the Minister of Local Government for his engagement with Auckland local politicians on regional governance issues.

In July 2007, the Government endorsed the Final Report of the Strengthening Auckland's Regional Governance Project as a positive first step for strengthening Auckland's regional governance. Major elements of the proposals in the Final Report were:

» a strengthened regional council (possibly called Greater Auckland) with all the functions of the current Auckland Regional Council plus some additional responsibilities, such as tourism promotion, regional economic development, and regionally significant events management

» One Plan for Auckland that will promote social, economic, cultural and environmental wellbeing through prioritised action plans

» a Regional Sustainable Development Forum, to develop and recommend the One Plan for adoption. The Forum will be a standing committee of the strengthened regional council.

The Government also announced that it would establish a Royal Commission of Inquiry into Auckland Governance. The Royal Commission will examine and report on what local and regional governance arrangements are required for the Auckland region over the foreseeable future. The Department will help to implement the proposals in the report and will support the work of the Royal Commission, which is due to report on 1 December 2008.

Helping central and local government to work together

The Department has a Cabinet-mandated responsibility to manage the interface between central and local government. In 2006/07, the Department conducted a review of its local/central government interface function. It indicated that the Department has successfully implemented a range of necessary initiatives, including:

» establishing a directory for local and central government information (www.localcentral.govt.nz), providing access to information from more than 60 government agencies

» providing relationship managers as a contact for local government to indicate problems or opportunities with central government engagement in community outcomes

» establishing mechanisms for central government to share good practice on interacting with local government, including convening a range of workshops.

In 2006/07, the Department's Local/Central Government Interface Team continued to facilitate contact between local authorities and central government agencies involved in the community outcomes and implementation processes. Examples of this work include:

» developing resources, such as *Putting Pen to Paper Profiles*, "Creating Partnering Agreements that Work". This responded to requests for practical examples of how to undertake partnering agreements. The publication is a collection of case study examples and represent a range of sectors, scales, styles and degrees of collaborative work

» organising the annual workshop held in May 2007: "Collaborative Solutions for Community Outcomes at Your Place". More than 140 representatives from central and local government participated in interactive forums, strengthening networks and generating new ideas.

The Department supported the Minister at the 12th and 13th Central and Local Government Forums. The Forum continues to provide an important opportunity for Ministers and Local Government New Zealand's National Council to discuss some of the key issues for the local government sector, in a free and frank manner. The purpose of the Forum is for the two spheres of government to identify key issues of significance to either or both parties; agree on priorities for addressing those issues; and monitor progress towards their resolution.

Strengthening New Zealanders' trust in the charitable sector

The Minister for the Community and Voluntary Sector, Hon Luamanuvao Winnie Laban, launched the Charities Register on 1 February 2007, marking the beginning of a new era for charities in New Zealand.

Ms Laban said, *"The new Charities Register will lead to the increased transparency of charitable organisations and will help to strengthen the public's trust and confidence in the charitable sector."*

The Charities Register will also improve the quality and accessibility of information about the charitable sector.

The fourth Commonwealth Local Government Conference was held in Auckland in March 2007. This was a unique event for New Zealand – attracting around 600 delegates from more than 40 nations across the Commonwealth to discuss topical issues in local government. The theme of the Conference was delivering development through local leadership. The occasion provided an opportunity to showcase New Zealand's local government initiatives, and how central and local government work together. The conference, a significant organisational and logistic challenge, was delivered on time and on budget by the Department.

Moving towards sustainability

The Commonwealth Local Government Conference was the first planned 'carbon neutral' event to be staged in New Zealand. To mitigate the carbon emission associated with domestic air travel, accommodation, venues and events for the conference, a payment was made to Landcare Research towards certified indigenous planting programmes.

Supporting local government activity

The Rates Rebate Scheme administered by the Department was enhanced with effect from 1 July 2006, by increasing the threshold for rebate entitlement and increasing the subsidy available to low-income homeowners on the cost of their rates. The annual income level above which rebates are abated was raised from $7,400 to $20,000. The maximum rebate available has increased from $200 to $500 per year. The changes to the scheme have substantially increased the number of eligible ratepayers. Under the enhanced scheme, rebates were received by 112,000 ratepayers. (This compares with 4000 applicants who received rebates in 2005/06). The total value of rebates paid out by the Department in 2006/07 was $49 million (GST inclusive). A major part of the implementation was the development of the electronic Rebates Management System (eRMS) which enables territorial authorities to send application data electronically to the Department, replacing the former paper-based system.

The National Dog Database, which holds information on dogs and their owners, went live on 1 July 2006. It is part of the measures introduced by amendments to the 1996 Dog Control Act to improve public safety through the use of stronger deterrents, preventive measures, more extensive powers of enforcement, better information about dogs and dog safety education. The Department was responsible for the development and implementation of the database. We have now begun work to review the operation of the new regime.

Building trusted local groups and organisations

The Department manages the process of ministerial appointments to community trusts, which distribute over $60 million per annum to support community initiatives and developments. In 2006/07 there were 16 reappointments and 16 new appointments across the 12 community trusts.

The Charities Commission was established in 2005 to register, educate, report on and monitor charities that wish to retain or obtain exemptions from income tax. The Department has continued to provide policy advice and to support the development of the charities register. We also monitor the performance of the Charities Commission. Registration of charities under the new system opened on 1 February 2007. The initial registration period is through to 1 July 2008.

Challenges and priorities for the future

There are a number of challenges and opportunities ahead, as set out in the Statement of Intent 2007–10, which determine our priorities for the future. Over the next three years the Department will:

» respond to the findings of the Local Government Rates Inquiry

» coordinate Auckland and other regional governance issues and look at broader issues of regional/local governance nationwide

» respond to the Local Government Commission's post-2007 local election review of the local government legislation under the Local Government Act 2002

» evaluate the local government legislation, following the implementation of this major legislative change. (The evaluation, to be undertaken in conjunction with the local government sector, is expected to continue until 2013)

» continue to administer the Rates Rebate Scheme and identify any issues that need to be reviewed

» review the fees paid to Trust board members

» review the charitable sector following completion of the new registration process.

Communities recognise and enjoy the economic, social and cultural benefits of diversity

Our progress

New Zealand is becoming an increasingly diverse country and we want to capture the benefits of that diversity. Diversity has a wide context that includes ethnicity, age, sexuality, disability, lifestyle and a host of other factors. Although the Department has a particular role in relation to ethnic people, we also contribute to numerous Government strategies which seek to ensure that the needs of diverse groups are recognised and that disadvantaged groups are able to identify, plan for and realise their futures.

Supporting diverse groups

Through the Departmental outcome of Strong, Sustainable Communities/Hapū/Iwi, we help disadvantaged communities to identify, plan for and realise their futures. This involves us contributing to

Government programmes and strategies, including reducing inequalities, effectiveness for Māori, Pacific peoples, positive ageing, ethnic responsiveness and the New Zealand Disability Strategy, to ensure that the needs of diverse groups are recognised. We administer and support the Lottery Grants Board, Community Organisation Grants Scheme (COGS) and other schemes which do a great deal to reduce inequalities and support disadvantaged groups. During 2006/07 initiatives in these areas included:

» implementing the Department's Effectiveness for Māori Strategic Plan, including continuing work on the Te Whakamotuhaketanga Hapū Strategy

» administering the modified and improved Pacific Provider Development Fund, which received 55 eligible applications

» developing a training package on Pacific Cultural Awareness for Lottery and COGS Committee members and operational staff, which will be implemented in 2007/08

» delivering key actions for the Positive Ageing Strategy including Lottery and COGS funding, implementing the revised rates rebate scheme, and raising awareness of the needs of older ethnic people

» providing information about the needs of older people from ethnic communities to inform the development of a revised set of goals for the Positive Ageing Strategy

» providing an ethnic perspective to the review of the State Services Commission "EEO to 2010" policy.

Supporting ethnic diversity

The Department, through the Office of Ethnic Affairs, continues to provide leadership in diversity across government agencies and acts as a point of contact between government and ethnic communities. The Office also provides information and advice to and about ethnic communities and supports capacity and capability building in those communities.

The Department takes a leadership role with organisations (including government agencies) to develop and promote ways in which they can improve their responsiveness and effectiveness for ethnic communities when developing policies and initiatives. In 2006 the Department evaluated the use of the Ethnic Perspectives in Policy framework across 38 government agencies. As a result of this evaluation, the Department is identifying further opportunities to support agencies, including reviewing the framework itself to make it more user-friendly. Ethnic Perspectives in Policy training was delivered to staff from

six government agencies. In addition, ten Intercultural Awareness and Communication Training (IAC) sessions were delivered and a further 30 IAC presentations and forums took place.

The Department continued to play an important part in cross-government initiatives. The Office of Ethnic Affairs has co-led the Connecting Diverse Communities initiative with the Ministry of Social Development and contributed to the further development and implementation of the New Zealand Settlement Strategy and Settlement National Action Plan, the Auckland Regional Settlement Strategy, and the Auckland Settlement Action Plan. Work by the Office of Ethnic Affairs on the settlement strategy included:

» Strengthening Refugee Voices. Under the Auckland Settlement Action Plan the Office has done some preliminary work on how to coordinate and strengthen the input of refugees into developing services for the Auckland area.

» Review of Refugee Resettlement. The Office is part of a cross government group developing a common direction to support ongoing collaboration by government, regional, non-government and communities in refugee resettlement. This will guide selection, resettlement and integration of refugees in New Zealand.

» Settlement Knowledge Base. The Office is on the steering group of a project to build improved understanding of the settlement outcomes for newcomers to New Zealand.

Around the World in 30 Lounges

The Office of Ethnic Affairs, in conjunction with the Canterbury Museum and City Art Gallery, ran a three month long exhibition displaying the traditional living rooms of 30 different cultures and ethnicities living in Christchurch. The exhibition "Around the World in 30 Lounges", was designed around the themes of multiculturalism and diversity. The exhibits were designed jointly by ethnic groups and the Canterbury museum. Accompanying the exhibition was a programme of panel discussions around issues such as multiculturalism and national identity. A spin-off radio series of 30 programmes focused on the domestic life of each community and aimed to promote understanding of diversity and its benefits.

Programmes that encourage communities to recognise the benefits of diversity

Awareness of the existence of ethnic groups is the first step towards community acceptance of them. During the 2006/07 year the Department ran six projects aimed at increasing the visibility of ethnic communities. These included the Diversity Stage at the ASB Polyfest, redesigning the Office's website to make it more user-friendly and interactive, and supporting the annual ethnic soccer festival in Christchurch. Of particular note was the "Around the World in 30 Lounges" exhibition.

Meetings organised by the Department with ethnic media, and between mainstream media and ethnic communities held in Auckland, Wellington and Christchurch have identified the role the media play in shaping public opinion towards ethnic communities. Ethnic media representatives at these meetings have identified ways they can promote positive images of ethnic communities. The Department also organised a number of community forums and networks to:

» encourage communities to communicate and recognise the value of diversity

» encourage dialogue across a wide range of communities.

During the 2006/07 year, the Department ran 28 community forums on a range of issues. At the Auckland Employment Symposium in June 2007 the Office brought together representatives from the private and public sectors to discuss with ethnic sector representatives a range of employment issues and to develop collaborative solutions.

The Wellington Regional Ethnic Women's Network is a network of ethnic (migrants and refugees) women's groups and individuals in the Wellington Region. It aims at bringing together ethnic women to share information, experiences and provide support to each other, raise awareness of issues affecting them and to advocate for government services that meet the needs of ethnic women. Three meetings of the network were held during 2006/07. A Latin American women's network that is now running independently of the Department was also established.

Challenges and priorities for the future

There are a number of challenges and opportunities ahead as set out in the Statement of Intent 2007–10, which determine our priorities for the future. Over the next three years the Department will:

» continue to refine capacity-building initiatives for ethnic communities, by focusing on civic participation and visibility initiatives

» develop a proactive, strategic approach for dealing with diversity, including focusing on helping communities positively value diversity and the use of tools such as Language Line

» improve responsiveness to ethnic diversity in the State sector, through extension of cultural awareness training, and extension and implementation of evaluation findings of the EPP framework

» prepare a proactive research and evaluation strategy focusing on ethnic diversity, which will be finalised in 2007/08

» lead a joint research project with Statistics New Zealand aimed at improving the quality and quantity of policy-relevant research data on ethnic communities

» jointly lead the Connecting Communities work programme with the Ministry of Social Development

» provide Pacific cultural awareness training to lottery and other funding committees.

Capability development

We continued to build our capability through a number of new and ongoing projects in 2006/07.

To increase skill levels of our community advisory staff in the field, we have commenced a professional development framework project. This framework was completed during 2006/07 and training is now provided covering key knowledge and skill areas identified as essential for these roles. It is delivered in a range of ways including internal and external training courses and workshops over a 3-year period. This professional development forms part of the core training for community advisory staff and they have all commenced training, and have completed some component of it.

To improve the responsiveness of our service delivery to Māori, we will continue to implement the Te Whakamotuhaketanga Hapū Strategy. This strategy is a community development initiative aimed at supporting Māori moves towards sustainable development, by developing effective staff who can demonstrate high-quality practice in working directly with whānau, hapū, iwi and Māori in their diverse communities. This includes training in areas such as tribal social structures, and Māori customary lore and its impact on community development. A specialist advisor "Kaiarataki" role has been implemented to provide a regional and dedicated source of leadership, mentoring and expertise to other advisors where interaction with hapū is occurring. There are now Kaiarataki in every region.

During 2006/07 additional staff have allowed us to continue to build strong links with local communities, including ethnic communities and hapū/iwi, and to develop relationships with central and local government. The Office of Ethnic Affairs has formed a number of new relationships during 2006/07 that increase its capability to link with local communities. Capability has been enhanced by engaging with:

» representatives from ethnic media to increase their awareness of the need to portray positive images of ethnic communities

» the Chinese business community to explore opportunities to enhance relationships with the government, particularly economic development agencies, and enhance understanding of how to build business relationships in China

» access radio to develop communication, networking and broadcasting skills of ethnic women.

In the *Strong, sustainable communities/hāpu/iwi* outcome area, we have developed regional level 5-year strategies, linked to outcomes, which will guide longer-term work programmes for regional staff. Having revised our intermediate outcomes during 2005/06, we have further developed our evaluation strategy to improve monitoring of our performance.

Safer Communities
Communities are more resilient to hazards and their risks

Introduction

A fundamental responsibility of the Government is to protect the people of New Zealand. New Zealand's dynamic physical environment exposes us to a wide variety of hazards.

The Department, through the Ministry of Civil Defence and Emergency Management (MCDEM), has a leadership role in developing structures and processes to support individuals and communities in reducing the risk of, managing, and then recovering from civil defence emergencies. Our overall vision is for communities to be more resilient to hazards and their risks.

The importance of this work was emphasised during the 2006/07 financial year with events such as the flooding in Wellington and the Lower North Island in July 2006, the Ruapehu Lahar in March 2007, the floods in Northland in March 2007, and an initial alert over a possible tsunami in April 2007. The financial year was also bracketed by the heavy snowfall in Canterbury in June 2006, and the tornadoes in Taranaki and floods in Northland, Coromandel, Hawke's Bay, and Otago in July 2007. These emergencies highlight the need for communities to be prepared for and able to recover from such events.

Under the Civil Defence Emergency Management (CDEM) Act 2002, the National CDEM Strategy, *Resilient New Zealand, A Aotearoa manahau*, sets out the Government's vision for CDEM in New Zealand. The vision is that New Zealanders will understand and act routinely to reduce and avoid the adverse effects of hazards because they value the enduring social, economic, cultural, and environmental benefits of doing so. This is encapsulated as "Resilient New Zealand – communities understanding and managing their hazards." Realising this vision requires action from all areas of society.

To make communities more resilient to hazards and their risks, the Department is working towards four intermediate outcomes:

» the overall risk from hazardous events has been reduced to a level acceptable to the community

» individuals and communities are informed of hazards, their consequences, and how to best manage and prepare for them

» CDEM stakeholders are prepared for emergencies and can respond effectively

» communities can recover faster from emergencies, minimising negative long-term impacts.

Our progress

Continuing to improve New Zealand's national CDEM arrangements

The Department has worked to ensure the continued development and improvement of the CDEM Framework, consisting of the CDEM Act 2002, the National Strategy, the National CDEM Plan, and the Guide to the Plan. A progress report on the National CDEM Strategy 2003–06, *Resilient New Zealand, A Aotearoa manahau*, was completed in November 2006. A review of the Strategy has subsequently been undertaken with a revised version released for public consultation in July 2007. The new Strategy is likely to come into force early in 2008.

The National CDEM Plan sets out how government will manage a national emergency and how it will support CDEM groups in the management of local events. Both the National CDEM Plan and the Guide to the Plan came into effect on 1 July 2006. During the past year, the Department has consulted widely to identify the areas in the Guide that require updating, amendment, and development. An update to the Guide is on schedule for final release in November 2007. In July 2007 the Department commenced work on the development of a Civil Defence Emergency Management Amendment Bill. This review of the CDEM Act 2002 will focus on the potential for operational efficiencies.

During 2006/07, the Department reviewed the policy basis of the Government's role in recovery from disasters, examining the effectiveness of current recovery funding policies against the decisions that arose from the 2004 flood events. Recommendations for changes to the recovery funding policies have been accepted by Government. Work is now underway to develop a concise guide to financial assistance for use by Cabinet.

The Department is also now developing a formal programme of monitoring and evaluating the progress achieved against the CDEM Act 2002. A Monitoring and Evaluation Framework will be rolled out progressively over the next three years. It will:

» assess compliance with the requirements of the CDEM Act and key strategic documents

» monitor and evaluate the capacity and capability of CDEM organisations

» measure progress towards the achievement of higher level outcomes.

This work will provide vital information to assess MCDEM's leadership and support for the sector, and the extent to which the CDEM sector is reducing vulnerabilities and building resilience to hazards.

MCDEM is responsible for coordinating the CDEM response necessary during states of national emergency and supporting disaster management at the local level. MCDEM's capability to undertake this role has been enhanced significantly over the financial year. A 70% increase in staff has allowed better staffing of the National Crisis Management Centre (NCMC) in an emergency. Improvement of practices and procedures is ongoing. Moves are also underway to strengthen MCDEM's information management capabilities. Recent reviews recommended improvements to MCDEM's backup facilities, communications, and information management systems. MCDEM received additional funding in the 2007 Budget to undertake these improvements. As a result, a study was commenced on the capability for a virtual alternative emergency operations facility and a management information system to support information and decision-making within the NCMC.

Developing the CDEM sector

MCDEM provides a leadership role for the CDEM sector by assisting communities, local government, the private sector, and central agencies in developing resilience against civil defence emergencies. During 2006/07, the focus has been on building capability and providing support and assistance through a range of mechanisms, including facilitation of CDEM processes, workshops, exercises, and meetings. During the year, MCDEM provided or supported a number of professional development opportunities, including courses, conferences, and workshops.

In January 2007, the Ministry began a review of CDEM professional development in consultation with CDEM stakeholders. This review included an assessment of the current professional development framework and a detailed analysis of the courses and packages offered by the Ministry. The findings from these studies will form the basis of professional development initiatives being undertaken over the next year. This process will ensure the strategic direction for professional development, and the activities identified, are better able to support the CDEM sector.

MCDEM has emphasised the development of "CDEM Clusters"' to assist in the coordination of planning efforts at a national level. Clusters are groupings of organisations or agencies within a sector that work together to improve disaster hazard identification, risk mitigation, readiness, response, and recovery through greater communication and coordination. National

clusters include emergency services, lifeline utilities, Gas Association of New Zealand, welfare, health, and transport. A science cluster is currently being established to provide scientific assessments of events and plans.

MCDEM participated in and/or evaluated ten local government civil defence readiness and response exercises, including Exercise Cruickshank that tested the response to a pandemic. A total of 25 education or training events were delivered or sponsored. Guidelines were produced on the management of donated goods, declarations, and public information.

Learning from CDEM exercises

In November 2006 MCDEM and the Wellington CDEM group led the biggest civil defence exercise ever undertaken in New Zealand. Exercise Capital Quake was based on a 7.6 magnitude earthquake on the Wellington fault, and was designed to test New Zealand's all-of-nation arrangements for responding to a major civil defence emergency. Over 50 agencies and nearly 1,000 people were involved in the exercise. A review of the exercise, completed in early 2007, identified important operational lessons. These lessons included issues such as the sheer scale of such an emergency, the logistical challenges involved, and the need for greater clarity in the roles and responsibilities at the interface between government and the private sector. The lessons identified are being incorporated into future planning and operational activities. MCDEM is supporting the planning and preparation for other major exercises planned for the next financial year, including scenarios centred on an alpine fault earthquake in the South Island and a volcanic eruption in Auckland.

Increasing public awareness

Following the Government's commitment in 2005 to an ongoing programme to educate the public about disaster awareness over the next four years, two programmes were launched in 2006 – the schools' programme "What's the Plan Stan?" and the public awareness programme "Get Ready, Get Thru".

The launch of the teacher resource package "What's the Plan Stan?" was followed up by a series of workshops for teachers and CDEM staff. In response to requests from teachers, the programme has been extended with a story book and audio CD suitable for children aged five to eight added in late July 2007.

"What's the Plan Stan?" has been received enthusiastically by primary and intermediate schools throughout New Zealand. Follow-up workshops with teachers were well attended. Feedback from teachers has led to an extension of the programme to include 5 to 8 year-olds. A storybook and audio CD for use by younger children has been developed. The stories are about how the dog Stan and his friends cope with earthquakes, volcanic eruptions, tsunami, floods, and storms. Each story is followed by a checklist of what to do before, during, and after a disaster. The first update of the "What's the Plan Stan?" includes the latest information about disasters and recovery. Every primary and intermediate school has been sent the updates that can be loaded on the school intranet, and are also available to all on this website: http://www.whatstheplanstan.govt.nz/index.html.

"Get Ready, Get Thru" is a publicity campaign in print, television, radio, and a mail-drop to every household in New Zealand. The mass media campaign has been supported by information on the www.getthru.govt.nz website that will soon include information in multiple languages. The campaign aims to build awareness and preparedness among individuals, families, businesses, and communities in New Zealand. A recent survey by Colmar Brunton determined that the programme is creating a higher level of awareness amongst New Zealanders of the need to prepare. The survey showed that, in six months, preparedness at home has increased from 21% to 29%. Preparedness at work and home has increased from 2% to 9% and, of those who had seen the material, 75% said they were motivated to take some action. The programme is now shifting from developing general awareness towards the generation of higher preparedness.

Identifying and responding to potential threats

Identification and communication of potential threats is essential to enable appropriate preparedness to be undertaken in terms of risk reduction, readiness, response, and recovery planning.

National Hazardscape Report

MCDEM has coordinated the preparation of a National Hazardscape Report (NHR) aimed at further increasing community understanding of hazards and risks. Cabinet subsequently approved the report for release through the Officials' Committee for Domestic and External Security Coordination (ODESC), which is expected to occur later this year. The NHR is intended to assist national and local decision-makers and emergency management stakeholders in understanding the range and nature of New Zealand's hazards, what their impacts may be in any given locality, and how they can best be managed. The report identifies 17 of our most significant hazards, along with their impacts, distribution, frequency, and how they are currently managed.

Pandemic planning

The emergence of the H5N1 virus in large parts of Asia in 2004 highlighted the risk of an influenza pandemic. MCDEM is supporting the Ministry of Health in its all-of-government approach to pandemic planning. Together, MCDEM and the CDEM sector are leading planning work to manage potential community impacts arising from a pandemic. This has included the completion of a consolidated National CDEM Contingency Plan, the development of Reporting and Information Management standard operating procedures, and provision of a communication plan in late 2006. MCDEM also participated in Exercise Cruikshank, the first all-of-government pandemic influenza exercise held in May 2007 under Ministry of Health leadership. A wide range of government agencies were involved in the exercise including local authorities, and lifeline utilities. The exercise generated a wide range of lessons that are now being reviewed.

Ruapehu Lahar

Comprehensive civil defence planning and preparation ensured that the March 2007 Mount Ruapehu Lahar occurred with minimal disruption. A lahar is a flash flood of rock debris from a volcano as a result of either an eruption or the collapse of a rim of a crater lake. On 18 March 2007 a dam wall of ash created by the 1995 and 1996 Ruapehu eruptions gave way, releasing 1.3 million cubic metres of water from the crater lake in a wave up to four metres high at some points down the Whangaehu River.

The response to the lahar demonstrated the benefits of robust preparation by the local authorities and close coordination with emergency services, transport infrastructure, lifelines, and central government agencies. A well-established risk management programme ensured the impact was minimised. A $10 million alerting system established in 2003 ensured that sufficient warning was provided to officials, rail and road authorities, and some infrastructure owners. The warning enabled the Department of Conservation, the Manawatu-Wanganui CDEM Group, MCDEM, New Zealand Police, Horizons Regional Council and the Ruapehu District Council to set in motion their plans.

Picture courtesy of Graham Leonard, GNS Science

Tsunami Working Group

In 2006 the Government decided to improve arrangements for managing New Zealand's tsunami risk. A Tsunami Working Group was established to assist local efforts to enhance preparedness and develop national responses, including the development of a national contingency plan which the group is presently working on. The Tsunami Working Group has identified areas of work to:

» enhance the awareness of this hazard

» assist planning for tsunami events

» improve community awareness through public education

» develop public alerting systems.

Additional funding in the 2007 Budget will lead to enhancements of the National Warning System and the ability to distribute messages and warnings rapidly to the CDEM sector.

Reviewing fire and rescue services

The Department has commenced work on developing a new Act to replace the Fire Services Act 1975 and the Forest and Rural Fires Act 1977 and establishing a new Crown Entity, the Fire and Rescue Service. In April 2007, the Minister of Internal Affairs, Hon Rick Barker, released the discussion document *"New Fire Legislation – A framework for New Zealand's fire and rescue services and their funding"*. The Minister spoke at a series of stakeholder meetings across New Zealand during April and May 2007 to explain the new proposal and to encourage stakeholders to make submissions on the document. Public submissions on the discussion document are presently being considered. A key priority for the Department during 2007/08 will be to finalise the detailed policy content of the new legislation and work with the Parliamentary Counsel Office to develop a Bill.

Maintaining and developing capability

MCDEM capability has been expanded significantly over the last year as a direct result of the Government's commitment of funding in the 2005 Budget to address shortcomings identified following the 2004 floods in the Manawatu region.

The Government approved an increase in staffing levels to support Vote Emergency Management. A recruitment programme has seen current staff numbers in the Department committed to CDEM increase from 28 to 47.5 over the 2006/07 financial year. Staffing levels are now at 96% of established positions. The increase in permanent staff has:

» provided additional resources in the regions and increased support to CDEM groups and their professional development

» enhanced capacity for operational planning and support services

» provided more focused CDEM policy resources, supported by Departmental policy resources.

Closer integration with other parts of the Department is providing enhanced support for MCDEM operations. In addition, there is an ongoing need to be able to supplement resources within MCDEM during emergency events. The Department's "one organisation" strategy is intended to facilitate such a flow of knowledge and resources to areas of need.

Challenges and priorities for the future

There are a number of challenges and opportunities ahead as set out in the Statement of Intent 2007–10, which determine our priorities for the future. Over the next three years the Department will:

» strengthen the CDEM framework by:

- streamlining the development processes for key framework documents

- updating the National CDEM Strategy

- developing and implementing a framework for monitoring and evaluation of the CDEM sector

» enhance CDEM stakeholders' capability, by:

- assisting agencies to take a comprehensive "all hazards"-based approach to CDEM

- managing a national exercise programme of events

- developing a CDEM strategy for international engagement

» develop CDEM initiatives for hazard risk reduction, including:

- completing consultation and then implementation of the National Hazardscape Report

- strengthening the focus on hazard management and hazard and risk reduction

- implementing the recommendations of the review of the Tsunami Working Group, with a focus on improving warning systems

» raise public awareness, through:

- roll-out of the four-year national public education programme

- undertaking strategic long-term national programmes

» develop the proposed Fire and Rescue Bill.

Safer Communities

Gambling activities are fair and lawful, the growth of gambling has been controlled and harm has been prevented or minimised

Introduction

Gambling can be a harmless entertainment activity and can have positive social effects. The proceeds from non-commercial gambling provide significant funding for a wide variety of community purposes. If well-directed, these funds can enhance empowerment, participation and the quality of life across all types of communities. "Commercial" gambling also, arguably, provides general economic benefits such as employment.

However, gambling also has adverse effects on many people, their families and their communities. The substantial growth experienced within the gambling sector over the last twenty years, coupled with some recent high-profile media coverage, has heightened community interest in gambling's negative social and economic impacts. The potential for gambling-related crime and the sophisticated nature of some gambling products also mean that consumers and the wider community are subject to significant risk unless there is effective regulation and enforcement.

The Department advises the Government on gambling policy and administers the Gambling Act 2003 and the Racing Act 2003. We also monitor and enforce compliance of gambling activities with the Gambling Act.

Our progress

Promoting voluntary compliance

Our interventions focus on ensuring the gambling sector achieves a significant level of voluntary compliance – meaning that gambling operators understand the rules and recognise the benefits of complying and the risks of not complying. Voluntary compliance needs to be underpinned by a strong and effective auditing, investigation and enforcement function to detect, and take appropriate action against, those in the sector who are determined not to comply.

A number of recent high profile cases have highlighted the presence of crime and criminality in New Zealand casinos. This is a significant issue that impacts on the safety of casinos. Casinos and other gambling venues should be safe places. They should not be frequented by people whose aim is to launder money, extort, intimidate, or conduct organised crime. They should also be places where players do not feel pressured to spend more than they can afford, and where staff have the confidence and support to identify and look after people who might have a gambling problem. It is the responsibility of operators to ensure this happens. However, in the interests of public safety, the Government also has a responsibility to ensure that operators are acting responsibly.

The Department works with the New Zealand Police and other agencies to address gambling-related crime, particularly (but not exclusively) within the casino environment. Our focus is on ensuring that relevant government agencies work proactively with casino operators to help resolve safety issues in and around New Zealand casinos, and considering the development of policy and legislation to address these issues. This work complements the Government's focus on anti-money laundering and organised crime.

Inspectors also work directly with casinos to ensure that their procedures support voluntary compliance. For example, following the suspension of Dunedin Casino's licence for failing to deal with a convicted thief and problem gambler in accordance with its host responsibility policy, the Casino Compliance Unit worked with the Casino, which voluntarily improved its procedures.

As many of the requirements of the Gambling Act and associated Regulations are still relatively new, the Department has provided operational guidelines, information, advice and education about how to ensure compliance with the Act. A number of gaming machine venues, particularly pubs, were not fully aware of the statutory requirements relating to identifying potential problem gamblers and issuing exclusion orders. During the 2006/07 year, we provided all venues with comprehensive information on the requirements.

Over this past year, during the audit process, we have worked more extensively with the boards of gaming machine operators to ensure they understand their responsibilities in fully complying with the Gambling Act. This has resulted in some operators changing their practices without the need for us to consider sanctions to ensure compliance.

Operation Manu – interagency cooperation on gambling investigations

Since the Gambling Act came into force, the Department has focused on developing specialised intelligence, investigation and compliance units. These units work closely with the New Zealand Police and other law enforcement agencies, sharing information and cooperating on enforcement actions. The Department's initiatives in this area have on occasion resulted in significant prosecutions. For example, several key money laundering suspects that the Department identified in SkyCity Auckland Casino are currently facing drugs charges.

In another example, an investigation into an illegal gambling operation involving the Department's gambling inspectors, the Police, and the Immigration Service resulted in successful prosecutions for illegal gambling. Information gathered at the time also assisted the New Zealand Police in investigating a wider drug dealing operation. This resulted in 17 arrests and the seizure of methamphetamine with a street value of more than $1 million, cash totalling close to $0.8 million, and miscellaneous weapons, ammunition and explosives.

Performance audit report on non-casino gaming machines

During 2006/07 the Office of the Auditor-General completed a performance audit report about control of non-casino gaming machines – *Department of Internal Affairs: Effectiveness of Controls on Non-casino Gaming Machines.* The report concluded that, although the Department's strategic approach to compliance is still emerging, the fundamental elements were in place. However, the Office of the Auditor-General noted that the systematic monitoring of compliance outcomes being achieved requires some improvement.

The Department had already identified many of the issues raised in the report and commenced action on a number of them. Key actions already commenced during 2006/07 include:

» further developing outcome measures relating to compliance levels and clearly linking these to compliance activity

» continuing to investigate differences in activity figures reported at different times, correcting any previous errors if these are identified, and taking action to avoid future inconsistencies. The Department has developed a standard set of definitions for future reports and revised its activity figures using those definitions.

» reviewing licensing checks and addressing other licensing issues raised by the Office of the Auditor-General, while continuing to take a risk-based approach, balancing the requirement for checking against compliance costs

» reviewing the audit risk profile, the risk assessment process, and other policy and process documentation associated with audits.

Strengthening stakeholder relationships

The Department communicates on an ongoing basis with stakeholders to obtain high-level feedback on aspects of the new regulatory framework. Strengthening relationships with our stakeholders is important for implementing our voluntary compliance strategy and for maintaining a whole-of-government approach to crime prevention and enforcement as set out in the Gambling Act.

In keeping with a whole-of-government approach, the Department has embarked on a series of cooperative initiatives with other enforcement agencies. We also continue to build our intelligence capability and networks in partnership with other agencies.

The Act mandates a broad public health approach to harm prevention and minimisation. This means looking at factors influencing harm that are broader than the affected individual (e.g. family, community, gambling environments and products) and involves the Department in extensive dialogue with community representatives, service providers, government agencies (particularly the Ministry of Health) and the gambling sector about how harm can be prevented and minimised. Examples include:

» working closely with Australian and other international jurisdictions, to enhance understanding of the requirements of effective regulation in an international context, so as to improve the quality of the Department's regulatory practices including enforcement, intelligence and policy tools

» a joint sector/community/government project being initiated through the Expert Advisory Group on Preventing and Minimising Gambling Harm to look at ways to prevent or minimise harm arising from or exacerbated by the marketing of gambling

» initiating contact with Māori problem gambling service providers, through the National Service Provider Hui in May 2007, to discuss effective ways to engage with Māori to inform decision making on problem gambling issues

» working with the Hospitality Standards Institute to develop NZQA unit standards for problem gambling awareness training alongside other key stakeholders including gambling providers and problem gambling treatment providers

» providing information and advice to city and district councils reviewing their gambling venue policies

» holding regular forums with gambling operators across the sector to ensure they know their responsibilities under the Act. By promoting an understanding of the Department's expectations, and discussing concerns within these forums, it has been easier to introduce initiatives that help improve overall compliance in the sector.

Preventing and minimising harm

The Department is working closely with the Ministry of Health (which is responsible for the Government's problem gambling strategy), to help develop a problem gambling outcomes framework. Officials from the Department and the problem gambling team of the Ministry of Health have also met regularly to discuss harm prevention and minimisation issues.

One of the key initiatives arising from our work with the Ministry of Health has been the formation of an Expert Advisory Group on Preventing and Minimising Gambling Harm, including representatives from the gambling sector, problem gambling service providers, research organisations, and other interested community sectors. The Group continued to meet during 2006/07. The two agencies also worked together to develop proposals for the problem gambling levy for the period 2007–10. The levy came into effect on 1 July 2007.

As part of its compliance role, the Department also routinely monitors levels of operator compliance with harm prevention and minimisation requirements. Gambling operators have started voicing a degree of commitment to harm prevention, and many workers in the sector have had problem gambling awareness training.

Cooperating to support problem gamblers

The Gambling Act provides for a person who recognises that he or she has a gambling problem to self-exclude from any venue. The problem is that there are usually several venues in one area. It can be difficult and often embarrassing for problem gamblers to visit or write to each individual venue to request exclusion.

In Queenstown there are two competing casinos and four pub/club gaming machine venues. The Department worked with these six venues to initiate a cooperative multi-venue self-exclusion process.

The venue first contacted by the person wanting to self-exclude initiates the process, first by issuing a normal exclusion order, and then by offering the person the option of filling out one more form, on which they can select any other venues in the area they want to be excluded from. The person specifies the period of exclusion, signs the form, and has a photo taken. The 'initiating' venue then sets the multi-venue exclusion process in motion by sending out the letter to all the venues specified by the patron. Other nominated venues issue their own exclusion orders to the patron.

The pilot has received full cooperation from all the gambling venues and problem gambling service providers in the area, and has been a good opportunity to educate gambling providers in their role of preventing and minimising harm. Between November 2006 and June 2007 about 30 people used the process to exclude themselves from more than one venue. The Department hopes to extend this model to other areas in New Zealand.

Electronic monitoring for non-casino gaming machines

The Gambling Act introduced a more rigorous licensing regime and stricter limits on machines allowed in non-casino venues. Largely as a result of this, non-casino gaming machine numbers dropped from their peak of about 25,000 in June 2003 to about 20,500 in December 2006. We are forecasting machine numbers to remain constant at approximately 20,000 in 2007/08 and beyond. This means that the base upon which costs can be recovered has decreased, while the cost of regulating the sector has not.

The relationships between machine numbers, gaming machine profits, and funding for community purposes are complex. The past year is the second period in the past five years during which gaming machine numbers declined but gaming machine profits increased. However, whatever the level of gaming machine profits, our regulatory strategy of voluntary compliance underpinned by effective auditing, investigation and enforcement is designed to ensure that the maximum sustainable percentage of those profits is allocated to community purposes.

Under the Gambling Act, there was a requirement to connect all non-casino gaming machines to an electronic monitoring system (EMS) by 19 March 2007. The rollout was successfully completed ten days ahead of the statutory deadline with about 20,000 gaming machines at more than 1600 non-casino licensed gambling venues connected to the new system across the country – to our knowledge, the most gaming machines to be connected to a single system anywhere, and the largest "private" cellular-technology based network in New Zealand. This significant and complex project was nominated for three Computerworld Excellence Awards.

Electronic Monitoring System

The Electronic Monitoring System (EMS) enables the Department to track and monitor gaming machine operations, ensuring the integrity of games and limiting opportunities for dishonesty. It is used in 1600 pubs and clubs around the country on 20,000 non-casino gambling machines (or "pokies") to monitor:

» how much money is gambled on each machine

» what each machine pays out in prizes to gamblers

» how much money should be banked

» the number and location of gaming machines

» the potential of gaming machines for problem gambling

» machine faults

» tampering.

The complex $35 million project to implement EMS was completed 10 days ahead of schedule with the last machines connected on 9 March 2007. The system controls the operation of every gaming machine and collects, stores and publishes information for the Department and gaming machine operators, instead of having to rely on time-consuming and potentially inaccurate manual collection of data.

The first set of figures from the EMS was for the quarter ended 30 June 2007 and figures will be made available quarterly. These provide the first fully accurate, detailed, and timely information on pokie expenditure. The information indicates that spending on pokies has increased by just under 5% between 2005/06 and 2006/07. Non-casino gaming machine expenditure for the quarter was $238 million and, if spending in the other three quarters of 2006/07 was comparable, then the annual total was about $950 million compared with $906 million in 2005/06.

Strengthening our evidence base

We are moving towards an evidence-based approach to be able to improve our understanding of how our interventions influence our outcomes. The evidence base will be enhanced by the development of methods for gathering information and by ongoing research and evaluation from our partners and stakeholders.

The implementation of electronic monitoring of gaming machines significantly enhances our information resources. The system generates accurate and timely data on money flows through gaming machines, helping to ensure the integrity of gambling operations and providing important statistical information.

As is common with complex new legislation, a number of issues have been identified in the course of implementing the Gambling Act. Throughout the year we developed, and advised the Government on, a substantial Gambling Amendment Bill that includes several small policy amendments and many technical amendments to allow the Act to operate as originally intended. On 18 June 2007, Cabinet approved the Bill for introduction.

We continue to work closely with:

» community and industry groups, considering the impact and cost-effectiveness of our interventions

» international regulators to compare trends within the New Zealand gambling sector against those abroad.

Racing

The focus in the Racing portfolio was establishing the Racing Safety Development Fund. Announced in Budget 2007, the Fund offers $1 million in dollar-for-dollar support for projects that improve the safety, and therefore the quality, of racecourse facilities around New Zealand. The Department will administer the Fund and support an industry working group that will decide, based on the Fund's objective, priorities and criteria, which projects receive funding. The Fund opens for applications from racing clubs on 1 August 2007.

During 2006/07 we also:

» provided policy advice and support to the Minister for Racing on a range of issues impacting upon the racing industry, including an amendment to the Racing Act that addressed the consequences of the removal of the 5-cent coin from circulation

» worked with the Inland Revenue Department to ensure the appropriate legislative and administrative arrangements were in place by 1 August 2006 for a reduction in Gaming Duty for racing and an accelerated write-down regime for bloodstock contained in the 2006 Budget.

Maintaining and developing capability

The high level of public, commercial, government and media interest around gambling leads to high stakeholder expectations that the Department will be a sophisticated and competent regulator. The level of investment in policy and support functions such as intelligence, investigations and stakeholder management, required to operate effectively within the gambling environment, has significantly grown. Examples of capability projects completed or initiated in 2006/07 include:

» development and roll-out of an Intelligence Education Programme to ensure that staff have an up-to-date knowledge of intelligence methodology and their role in the intelligence gathering process

» a project to develop and implement best practice guidelines for gambling investigations that has resulted in a proposed comprehensive development programme to ensure that all staff involved in investigations have the skills, tools, systems and support they need, and that the Department takes a consistent approach to investigations

» beginning a review of licensing and compliance auditing processes, procedures and performance measures. This review will increase our effectiveness in the area of non-casino gambling and is one part of our approach to address issues raised in the Office of the Auditor-General's report *Department of Internal Affairs: Effectiveness of Controls on Non-casino Gaming Machines*

» initiation of a project to address deficiencies in the information gathered from non-casino gaming machine societies on problem gambler exclusion orders and allocations to community and charitable purposes. The project will ultimately result in the collection of comprehensive statistics on these matters, for policy development and to inform stakeholders such as territorial authorities and problem gambling service providers.

The Department needs to position itself to respond to such issues as online gambling and increasingly sophisticated gaming machine technologies. We are also responsible for administering the 5 year operational contract for the electronic monitoring of gaming machines nationwide. We have initiated a review of our technology strategies and information and technical capabilities to ensure that we are well positioned for the future.

Challenges and priorities for the future

There are a number of challenges and opportunities ahead as set out in the Statement of Intent 2007–10, which determine our priorities for the future. Over the next three years the Department will:

» use the introduction of the electronic monitoring system to improve our outcome measurement, policy development and regulatory strategies, including continuing to assess where gaming machine profits are spent and ensuring that the benefit to the community is maximised

» continue to build our intelligence capability and networks to identify the risks and trends associated with crime, and the extent to which crime impacts on the gambling community

» continue to maintain a leadership role in the prevention and detection of illegal gambling, with a particular focus on preventing organised and other crime associated with gambling

» complete a review of fees for gaming regulation, to ensure that fees are at a sufficient level to sustain our regulatory activity while offering value for money to the gambling sector

» continue to strengthen relationships with stakeholders and other enforcement agencies and international regulators

» address the issues identified in the recent performance audit of the Department by the Office of the Auditor-General and improve our measurement framework.

Safer Communities

Harm from restricted and objectionable material has been minimised

Introduction

Censorship regulation has to balance the need to preserve freedom of speech and expression against minimising harm to the community from restricted and objectionable material.

The Films, Videos, and Publications Classification Act 1993 (the Act) defines an objectionable publication as one that "describes, depicts, expresses, or otherwise deals with matters such as sex, horror, crime, cruelty, or violence in such a manner that the availability of the publication is likely to be injurious to the public good". Objectionable material is intrinsically harmful both because of the likely effects of viewing such material, and because the material may be derived from situations in which harm is intended or actually caused to the subject, e.g. images of child sexual abuse. Restricted material is likely to be harmful to specific audiences, particularly young people.

The *Safer communities* outcome contributes to the Government's priority "families – young and old". Ensuring that harm from restricted and objectionable material has been minimised, through effective regulation and enforcement, contributes directly to a safer community.

Our interventions focus on helping the New Zealand public understand what is meant by "objectionable material" and why it is important to protect people (especially young people) from objectionable and restricted material. This enables us to achieve a significant level of voluntary compliance, supported by targeted investigation and enforcement activity.

During 2006/07 the Department carried out investigations and prosecutions involving the making, distribution and possession of objectionable material, and continued to ensure that the publications industry complies with the Office of Film and Literature Classification's (OFLC) classification decisions. We also provided administrative support to the Film and Literature Board of Review and monitored the performance of OFLC on behalf of the Minister of Internal Affairs. Other activities included working extensively and proactively with international and local enforcement agencies and other stakeholders, on prevention and enforcement initiatives.

Our progress

Increasing public awareness

The Department is proactively shaping community opinion on censorship, through a number of interventions that focus on helping the New Zealand public understand what is meant by "objectionable material", and why it is important that young people are protected from objectionable and restricted material.

In 2006/07 we informed the public about Internet and censorship offending through media releases relating to court cases and national and international investigations. The Department also held meetings on Internet safety with various organisations. This included regular meetings with Netsafe (New Zealand's Internet Safety Group) and the Ministry of Education to prepare for Internet safety DVDs to be promoted in schools. An Internet safety instruction course was piloted at a Wellington secondary school and a trial package was sent to a number of schools. The response has been very positive and schools have asked for further information.

Encouraging voluntary compliance

We measure the effectiveness of our regulatory approach by assessing the level of voluntary compliance within the publications industry. Our aim is to maintain the number of instances of non-compliance with censorship laws to within 15% of all inspections, and we continued to achieve this target in 2006/07. This is consistent with increasing voluntary compliance.

	2006/07	2005/06	2004/05
% Industry non-compliance	9%	6%	10%
Number of inspections	1,601	1,209	914

To ensure all outlets that sell publications such as DVDs, magazines or films are aware of their responsibilities, information leaflets outlining legal requirements under the Act are provided to outlets at the time of inspection and are also available from the Department's website. We have continued to provide these in 2006/07, as well as requiring all cinemas and outlets to display a poster outlining the different forms of classification.

DVDs and computer games are now sold through non-traditional outlets such as supermarkets, which are not always aware of the poster requirement. Censorship inspectors provide posters free of charge whenever they find an outlet that is not complying with the requirement.

In response to media coverage of magazine outlets selling restricted material to minors, the Department and the OFLC sent a joint letter to all known magazine outlets in May 2007 outlining their responsibilities under the Act.

Enforcement

Targeted investigations and enforcement activity are used where voluntary compliance and cooperation are not forthcoming. We have continued to investigate breaches of censorship legislation and undertake enforcement action against censorship offenders during 2006/07.

The Department has successfully achieved increased sentences for prosecutions under the Act. Prosecution of censorship offenders resulted in 37 cases being undertaken in 2006/07, mostly related to the making, distribution and or possession of objectionable publications. All cases resolved to date have resulted in a conviction. Seventeen of the people convicted received a term of imprisonment.

We continue to cooperate with local and international enforcement agencies on major investigations and intelligence projects. This year we worked with New Zealand Police and New Zealand Customs on six international operations. The Department regularly forwards intelligence reports to agencies overseas, in particular Australia, United States of America and Interpol.

Working with others to target potential offenders

The Internet is blurring distinctions between offences managed by different agencies. For instance, censorship, importation and soliciting offences can all now be committed online. This type of combined offending requires a joint enforcement approach, engaging with a range of other parties including local and international enforcement agencies, internet service providers, and other stakeholders such as schools and Internet safety organisations.

In 2006/07 we continued to use national and international inter-agency cooperation channels to further enhance sharing of information and intelligence.

» With the assistance of either New Zealand Police or Customs, we executed 59 search warrants on suspect addresses and assisted the Police and Customs with six of their warrants.

» We responded to a number of requests to assist Probation Officers from the Ministry of Justice with their assessment of censorship offenders.

» We held regular Cyber Offender Research and Management (CORAM) meetings with the New Zealand Police, New Zealand Customs Service, Crown solicitors, and psychologists. CORAM was set up to share ideas, programmes and intelligence between psychological supervision agencies with input from relevant government agencies. One meeting was centred on a United Kingdom model that takes a multi-agency approach to protecting communities from child sexual offenders.

» We provided presentations at international and New Zealand conferences on our detection methods and forensic initiatives, such as a presentation on detection methods of offenders operating on the Internet by one of the Department's censorship inspectors at the Annual Asia-Pacific Internet Conference for the Motion Picture Association.

Harnessing technology advances

New Zealanders have one of the highest rates of computer usage in the world. As a result, we experience relatively high availability of, and exposure to, objectionable material. Increasing speed of access (e.g. through broadband) also increases potential exposure to harmful material.

Rapid development of technology creates risks and opportunities in the censorship area and underlines the need for us to maintain strong international networks. We predict that the level of censorship crime will continue to increase, with offenders taking advantage of the relative anonymity and security that the Internet and new technology offer. The most recent significant development in Internet offending is the ability to share large numbers of publications through peer-to-peer applications. This creates challenges due to the volume of material and the fact that the identities of the users are not readily detectable.

The Department's technology strategy is intended to mitigate the effects of Internet offending. We will continue to invest in resources to ensure inspectors receive up-to-date training and have access to the latest software. We expect to take a leadership role in training and developing partner agencies in relation to forensic computer analysis. The technology strategy has included development of in-house techniques and software including:

» techniques for searching computer files

» software that assists in the detection of offenders operating on the Internet

» promoting the use of this software to enforcement agencies internationally.

We are also working with international enforcement agencies, New Zealand stakeholders and local Internet service providers to institute a website blocking system of known child abuse sites to reduce the potential for exposure to this material.

Research and profiling

Our research and profiling activity allows us to refine our intervention activities and contribute to better-informed policy advice. This also provides critical information about the age of offenders, the relationship between viewing child pornography and sexual offending, and the number of offenders who have access to the subjects of their collections of objectionable material. The Department was involved with the following three key pieces of research and profiling in 2006/07:

» research on penalties for censorship offenders. This showed that the introduction of more severe penalties in 2005 has resulted in a marked increase in the severity of penalties actually imposed by the courts.

» publishing the latest statistical data on profiling Internet offenders in New Zealand. The study reinforces previous findings that offenders come from all walks of life. The average age of offenders has increased, with a corresponding dramatic decrease in the frequency of youth offending.

» supporting the OFLC in publishing the research document *Public Understanding of Censorship* in June 2007, which examined adult New Zealanders' understanding of the classification system.

Maintaining and developing capability

The most critical capability issue facing the Department is continuing investment in our people and our systems to ensure they have the skills to do the job. International developments that highlighted the global and widespread nature of the trade in objectionable material (particularly images of child sexual abuse) has led to the Department continuing to be actively engaged with local and international enforcement agencies in information exchange, training and enforcement initiatives. In 2006/07 these included:

» a number of joint training opportunities being undertaken with New Zealand Customs Service and New Zealand Police about computer forensic training and Internet investigation methods

» establishing a number of training links with overseas enforcement agencies, in particular with the United States FBI

» working with Interpol International Headquarters based in Lyon, France, regarding a "Child Victim Identification Database"

» establishment of training links with the United States Department of Homeland Security, the Dallas Children Advocacy Center and the Dallas Police

» attendance by one of the Department's legal staff at the training course "Prosecuting On-Line Crimes Against Children" and "Trial Advocacy" in the United States, to assist in taking court action against censorship offenders.

We also need to take a risk-based approach to case selection and continue to monitor our staff numbers and locations, to ensure that resources are deployed appropriately as the workload of our inspectors has increased due to higher volumes of offending, increased technological sophistication of offenders, and increased involvement in international enforcement operations.

Challenges and priorities for the future

There are a number of challenges and opportunities ahead as set out in the Statement of Intent 2007-10, which determine our priorities for the future. Over the next three years, the Department will continue to:

» increase public awareness through the provision of education resources and information

» encourage voluntary compliance within the New Zealand publications industry through education and information programmes and effective inspectorate activity

» proactively detect and prosecute those individuals who would possess, make and/or distribute objectionable publications, with a focus on child sexual abuse images

» work with other State sector agencies in New Zealand and internationally to target potential offenders

» harness technology advances, including trialling website blocking, to assist in preventing New Zealanders from gaining access to websites containing objectionable material.

We are also giving consideration to the impact of the higher penalties introduced in 2005, which has resulted in an increased number of defended hearings and greater prosecution costs.

Anti-Spam Manager Joe Stewart, hosting a seminar on the Act's requirements

Anti-Spam Unit

Spam (electronic "junk mail") is a significant problem. Recent estimates indicate that spam constitutes well over 50% of email traffic. While spam filters and firewalls can block a lot of spam from the recipient, dealing with spam has significant costs for businesses and individuals. It is also associated with criminal and harmful activity – including hacking, fraud and misleading advertising.

The Department has the task of enforcing the Unsolicited Electronic Messages Act 2007. The Act enhances previous legislation by specifically prohibiting spam and enabling legal action to be taken against New Zealand-based spammers. The establishment of a dedicated anti-spam agency is also important for enhancing New Zealand's international reputation as an effective regulator.

The Anti-Spam Unit came into being in June 2007 with the appointment of a manager. Its first job was to be up and running by the time the Act came into effect on 5 September 2007. The Unit will:

» enforce a civil penalty regime, and deliver an education programme aimed at promoting responsible conduct by New Zealand businesses, Internet service providers and telecommunications carriers

» cooperate with international enforcement agencies on spam and related e-crime initiatives.

Trusted Records of New Zealand Identity

Introduction

Records of identity are important to New Zealanders. They provide the basis for determining individual entitlements, facilitate economic activity, ease international travel, and help individuals to trace their lineage and establish their identity.

As trusted steward of core identity records for New Zealand, the Department provides advice and leadership to promote the integrity and security of identity management across the State sector. Birth, death, marriage, civil union and citizenship information provides important input to official statistics and to social services planning and research. Trusted records also allow New Zealanders to travel overseas with a maximum of ease. Many government agencies use the information to verify customers' identity and/or their entitlements to a service or benefit.

We also facilitate the appropriate and safe use of identity information by acting as the custodian of the Evidence of Identity Standard for the State sector and working with the State Services Commission-led All-of-government Authentication Programme to develop the Identity Verification Service.

Our progress

Leading identity management in the State sector

The Department provides leadership in identity management projects and initiatives across the State sector. During 2006/07, we have continued to promote a more consistent and robust approach to identity management across all government agencies. Our ongoing custodianship of the Evidence of Identity (EOI) Standard is expected to lead to greater consistency in identity verification processes for New Zealanders dealing with government agencies.

The EOI Standard was launched in August 2006 as part of a suite of authentication standards, and provides a good practice guide for government services that have an identity-related risk (for example, an individual seeking to obtain a driver's licence, or obtain citizenship). The EOI Standard is being progressively piloted with government agencies over the next one to two years, before being implemented across government, as part of the E-government Interoperability Framework.

During 2006/07, progress on the EOI Standard by the Department has included:

» providing advice and assistance to enable its implementation across government agencies

» establishing a governance group for ongoing management of the EOI Standard

» establishing initial web and guidance material to support agencies with its implementation

» agreeing for the Department of Internal Affairs (Citizenship), and gaining the agreement of the Inland Revenue and Land Transport New Zealand, to participate in pilots.

Over time, the EOI Standard will lead to an improved experience for New Zealanders accessing government services, as common practices are developed among government agencies, and a raised awareness within the State sector of identity fraud. This initiative is one of many being led by the Department that will help protect New Zealanders from identity fraud, and build trust in the State sector.

A cross-government working group on identity assurance, led by the Department, was established in late 2006 to address increasing concern that identity crime presents a growing threat to the public, and to the New Zealand government's ability to manage identity processes and information effectively. The working group developed:

» a comprehensive report which outlined its findings, identified immediate interventions to improve identity assurance across government, and made recommendations for progressing identity assurance initiatives

» a draft Identity Assurance Strategy to ensure a coordinated government approach to achieving sustained improvements in identity assurance. This strategy is designed to provide assurance to the Government and the public that identity is being managed appropriately and effectively within government while privacy is maintained. We will consult government agencies in 2007/08 over the draft Strategy.

Collaboration in identity management

The Department worked with other State sector agencies during 2006/07 on initiatives that provide a coordinated approach to managing identity information, enabling agencies to confidently verify New Zealanders' identities. This included collaborating with other agencies to develop the Identity Verification Service (IVS), as part of the All-of-government Authentication Programme, led by the State Services Commission.

The IVS is likely to be progressively implemented from 2008/09 once development work has been completed. Once completed, the IVS will:

» provide people with a way to access a wide range of government services online, that require online verification of identity

» reduce compliance costs and time for users of services and improve customer convenience

» reduce identity fraud, especially in relation to government services

» transform government services by allowing completely new services to be delivered online

» improve efficiency by allowing more powerful services to be explored without repeating investment in identity verification processes.

Development work was progressed during 2006/07 with the detailed design of the IVS substantially completed, samples developed to demonstrate aspects of how IVS will work for users, and preparation for public consultation. Four major stakeholder agencies have been engaged in the governance of design work and the Department will continue to liaise around future uptake with a broader range of agencies.

Supporting other agencies with identity management

We worked closely with many agencies on identity management and assurance issues in 2006/07.

Ministry of Social Development	The Department supported a range of initiatives, including commencing work to develop a specific data verification service, to assist the Ministry of Social Development with fraud prevention.
Department of Labour	We continued work on identity security issues, including helping the Department of Labour's (DoL's) Auckland-based Advanced Passenger Processing Support Office to implement a web application. This application provides Advanced Passenger Processing with a look-up service of relevant travel document information from Identity Services and streamlined support. We also assisted DoL's Immigration Business Transformation programme through membership of the external steering committee.
New Zealand Customs Service	The Department participated in New Zealand Customs' Border Sector Governance Review project. Work streams included reviewing IT and operations in relation to passports at the border.
Ministry of Foreign Affairs and Trade (MFAT)	Discussions were held about the Department's potential role in Pacific identity security. The Department also has a shared service delivery arrangement with MFAT to assist with issuing Emergency Travel Documents to New Zealanders overseas in situations of urgent need.
Inland Revenue, Ministry of Social Development, Land Transport New Zealand, Ministry of Education, Māori Land Court, Ministry of Justice	Data matching programmes are provided by the Department to enhance integrity and service delivery for these agencies.
Crime prevention and security sector	The Department has seconded staff to the New Zealand Police Identity Intelligence Unit, and participated in the Combined Law Agency Group and the Officials' Committee for Domestic and External Security Coordination.

The international community also values the work we do, and seeks our advice in the international forums in which we work. Maintaining relationships with groups overseas continued to be an important focus for 2006/07. This included relationships with:

» the Australian Department of Immigration and Citizenship and Australian Customs Service, with which information is shared to ease travel to Australia for New Zealanders, by facilitating swift processing of travel documents at the border

» the Department of Homeland Security, which performs a regular audit, as it does with all nations in the United States Visa Waiver Programme, to ensure compliance with its requirements

» the International Civil Aviation Organisation, where we chair the Technical Advisory Group on Machine Readable Travel Documents, and participate in the New Technologies Working Group

» Five Nations Groups, which include a Passport Group and a Citizenship Group. Both groups involve New Zealand, Australia, the United States, Canada and the United Kingdom. They provide a forum for sharing of information and collaboration on key issues. The Passport Group has associated working groups focused on fraud, and training and development.

» the Conference of Australasian Registrars, which provides opportunities for Birth, Death and Marriage registrars from Australasia (including Norfolk Island and Fiji) to discuss matters of mutual interest

» APEC, particularly in providing practical assistance for nations that have not yet introduced an e-passport, and working with Australia and the United States through the Regional Movement Alert System, which facilitates the sharing of information about lost and stolen passports.

In April 2007 it was the turn of New Zealand to host the Five Nations Passport Group conference. The conference, held in Queenstown, provided member nations – Australia, Canada, United Kingdom, United States and New Zealand – an opportunity to discuss current and emerging passport issues. New Zealand's membership of the Group ensures that we continue to meet and maintain international standards of passport security. This in turn eases international travel for New Zealanders and assists in our visa-free status with more than 50 countries.

"The five-day meeting had a full programme of discussion," says Identity Services General Manager Annette Offenberger. *"The main focus was on passports strategy and operations, but we increasingly talked about identity management, particularly mainly relating to fraud prevention."*

The conference focused on four themes.

» Convergence of identity management and passport strategy and operations, looking at various developments in the Five Nations countries, including New Zealand's identity management initiatives and Identity Verification Service.

» Security, integrity, borders and the e-passport, including the common sampling and counter-fraud strategy and the application of biometrics in the United Kingdom.

» Production quality and customer services, examining, among others, the United States standard performance elements and Australia's benchmarking and passport appointment system.

» Transformational change, reviewing the management of change involved in the New Zealand passport redevelopment programme and transformational change in the United Kingdom Identity and Passport Service.

The conference *"contributes to enhancing New Zealand's international reputation, maintaining links with countries where New Zealanders enjoy visa waiver access and ensures we are at the forefront of passport security and integrity,"* says Annette Offenberger.

> ## Customer Satisfaction
>
> The June 2007 customer satisfaction survey report showed:
>
> » 86% of customers felt that they could trust us to keep their personal details secure and confidential
>
> » 83% of customers are pleased with the overall service they received
>
> » 89% of customers felt that forms are easy to understand and complete
>
> » 90% of customers felt that finding information about services is easy.

Redeveloping the New Zealand passport system

The New Zealand passport continues to be one of the most highly regarded in the world. In November 2005 we introduced the e-passport to improve security and stay ahead of fraudsters. We began work on a Passport Redevelopment Programme in 2006/07. This Programme will replace ageing technology, and implement new and robust systems and processes, to handle the progressive increase in passport application volumes resulting from the April 2005 move to a five-year passport. The Programme will enable the Department to further improve the security of the New Zealand passport and the integrity of the processes used to issue passports and other travel documents, ensuring that the passport retains its reputation as a trusted travel document and record of identity. As a result there will be:

» a brand new passport with new artwork and further security features

» new technology to personalise the book

» a new computer system to process applications

» simpler, tighter and more efficient processes that include more checks, as well as consistent application of checks.

The planning phase of the Programme began in February 2007. The State Services Commission is monitoring this Programme as part of its practice of monitoring large IT projects.

A preferred vendor was selected to complete the passport personalisation (including artwork and printing) following a comprehensive vendor evaluation process. The Department and stakeholders considered artwork for use in the passport, and this will be further progressed in 2007/08.

Managing the impacts of legislative change

The Department has continued to develop a legislative and regulatory environment that supports our role as stewards of New Zealanders' records of identity, taking into account identity and security concerns as well as technological and social developments.

Preparation for online access for historic Birth, Death and Marriage records continued, but introduction of this work is dependent on the enactment of the Births, Deaths, Marriages and Relationships Registration Amendment Bill. The Bill was introduced to Parliament in February 2007 and referred to the Government Administration Committee, which is expected to report back to the House by the end of October 2007.

The Bill, if enacted in its current form, is expected to:

» improve the ability of the Registrar-General of Births, Deaths and Marriages to collect and verify information and regulate access to that information, protecting individual privacy and reducing the likelihood of identity fraud

» allow us to provide new services to take advantage of social and technological developments that impact on our work including Internet access to information

» enhance our operational efficiency.

As a result of changes to citizenship legislation in April 2005, and the consequent greater demand for the grant of citizenship, we have implemented a range of measures to reduce the number of citizenship applications awaiting processing. This will reduce waiting times and improve turnaround, while maintaining efficiency, effectiveness and integrity during a period of extreme demand fluctuation.

Improving customer services

We continued to work towards offering online birth and death registration services during 2006/07, with an ongoing uptake of the death registration services throughout the year by funeral directors. Discussions were held with health providers to identify the best options for online birth notification by hospitals and midwives. Plans for online access to historic Births, Deaths and Marriages records are on hold pending the enactment of enabling legislation, as discussed above. Online registration of marriages and civil unions was reprioritised to commence late in 2007/08, with implementation beginning in 2008/09.

To complement our twice-yearly Customer Satisfaction Survey we introduced a 'Mystery Shopping' service to measure service through the eyes of the customer, that will provide valuable research for planning and growth. We also finished in the top three in the "CRM Customer Service Awards" for mid-sized government contact centres. These awards measure the quality of services delivered by contact centres over the telephone and Internet.

Maintaining the integrity of products and services

The Department, as custodian of New Zealand's identity records, must ensure that high standards of data integrity are in place. In managing the personal information of New Zealanders, we give high priority to the privacy and protection of personal information, and to the integrity of our people and services. The Identity Services Branch of

the Department has an integrity policy that is integrated into induction and training for all staff. This was reviewed and updated in 2006/07 to consider relevance and appropriateness, and all staff received refresher training. The Public Service Code of Conduct also forms part of staff induction and training.

The integrity policy is reinforced by an active programme of auditing and internal controls. Confidence in our integrity is monitored through the twice-yearly customer satisfaction survey, which is conducted by a major independent company and has a high level of statistical confidence.

Progress on moderating historic death data against birth records has seen some 310,000 deaths matched out of 2.2 million deaths. This was achieved using specialist software to run custom-built algorithms that identified exact and potential matches. Results of the exact matches were then quality checked by staff against parameters that have been applied to the Births, Deaths and Marriages database. Further funding was obtained through Budget 2007 to enable this project to be completed over the next two years.

Maintaining and developing capability

We undertook a number of initiatives in 2006/07 to maintain and develop our capability in the area of identity management. A number of projects related to identity services are delivered through a Programme Office where we have continued to implement new Department-wide project methodology and associated processes to improve our delivery and monitoring of major projects, and management of their attendant risks. Greater use is now made of internal quality assurance audits and project steering groups with the participation of external experts and peers to provide a different perspective.

Significant progress was made to provide for full replication of business IT systems at the Department's Auckland Identity Services site. This continued to build on infrastructural changes to provide for full Disaster Recovery capability from Auckland in the event of major disruption to services in Wellington. To accompany those infrastructural enhancements, team arrangements are in place in Auckland to pick up essential work following any major disruption to services in Wellington.

We continued to assist in the capability development of other government agencies in terms of the safe and secure management of identity information in the State sector. This included the promotion of the EOI Standard across government and working with the State Services Commission to develop the Identity Verification Service.

Our focus on "managing for outcomes" for identity services has been on reviewing the appropriateness of output and outcome measures within its evaluation framework, and analysis of cost efficiency and cost effectiveness measures. This included examination of all the existing Identity Services outputs and outcomes contained in the Statement of Service Performance with a view to better aligning them to an intervention logic (showing how services contribute to outcomes) and filling any resulting gaps in the overall framework.

Challenges and priorities for the future

There are a number of challenges and opportunities ahead as set out in the Statement of Intent 2007–10, which determine our priorities for the future. Over the next three years the Department will:

» replace ageing technology and implement a new passport system to handle the increase in application volumes that will result from the move to a five-year passport. We expect to go live with the new system prototype in 2008/09.

» reduce our work inventory and turnaround times for citizenship applications, to manage significant changes in demand resulting from the legislative changes made in 2005

» enhance identity management for New Zealand by providing leadership and expertise in this area across the State sector, in collaboration with partner agencies

» enhance identity assurance for the Government through custodianship of the Evidence of Identity Standard, implementation of the Identity Verification Service and continued development of the draft Identity Assurance Strategy

» balance identity management and privacy protection issues to help manage the ways identity information is shared so that personal privacy is appropriately protected

» seek out opportunities to provide online identity-based services with real-time solutions, such as development of online services for the notification of births by hospitals and the registration of marriages and civil unions

» use improvements in information communication technologies to help meet expectations around increasing integration and efficiency, and provide appropriate levels of integrity and security for the information we protect.

Executive Government is Well Supported

Introduction

"Good government" depends on the effective functioning of Executive Government processes. The Department provides the Executive Government with the environment and support to carry out its duties.

Executive support services include staffing, transportation, media, information and communications technology, housing and logistical support to enable the Executive to work effectively. We also undertake a range of administrative services for the Executive, such as publishing the New Zealand Gazette, management of the Congratulatory Message Service and providing translation and authentication services. We also support the Executive with commissions of inquiry and other ad hoc bodies, arranging official visits to New Zealand by representatives of foreign governments, and managing ceremonial and commemorative events for government.

Our progress
Support to the Executive

In seeking to continuously improve our services to our customers, we have progressed a number of initiatives to enhance delivery of our services during 2006/07. Our success in supporting Ministers was seen in the results of the 2006/07 Ministerial satisfaction survey which showed improved ratings for the timeliness and quality of services provided to Ministers by the Department. The rating is based on a 1 (very poor) to 5 (very good) system and the ratings achieved in 2006/07 were, for:

» timeliness of services provided to Ministers 4.25 (compared to 3.95 in 2005/06)

» quality of services provided 4.31 (compared to 3.93 in 2005/06).

We work closely with other agencies represented on the Parliamentary campus to explore new ways of providing services. In 2006/07 this has focused on the human resources, and information and communications technology (ICT) areas.

Work has been completed to align human resource policies applying to staff working at the Parliamentary campus, whether they are from the Department or the Parliamentary Service. This was led by a working group

containing representatives from both agencies, with agreement reached and changes implemented during 2006/07. The revised policies enhance our ability to staff Ministerial offices effectively, and contribute to a smooth process for any future changes of Executive. The changes include ratification of a collective agreement by the unions and signing of this by staff from the Department and the Parliamentary Service.

As part of improving strategic information, and ICT management in the Parliamentary campus, we have worked with the other agencies at Parliament to:

» sign a memorandum of understanding between the Department and Parliamentary Services for the joint delivery and management of ICT services to our respective clients on the Parliamentary campus

» improve coordination of mobile phone services, and rationalise mobile phone billing services

» start work on moving Ministerial offices to technology that is compatible with the other agencies operating on the Parliamentary campus, in particular with the Parliamentary Service, to streamline processes.

These initiatives improve our capacity to meet future demand, particularly during any future changes of Executive.

A property management strategy for ministerial residences has been developed in 2006/07 to meet the security and accommodation needs of Ministers into the future. Final decisions on the strategy have yet to be made by key stakeholders.

VIP Transport service standards have been enhanced with New Zealand Qualifications Authority accreditation being received in December 2006 for our driver assessment and training programme. This programme aims to provide drivers with:

» a broad knowledge and range of special skills relating to chauffeuring VIPs, such as driving in a motorcade

» advanced driving skills required to respond safely to emergency security risk situations that could arise.

By 30 June 2007, 70% of all permanent chauffeurs were enrolled in the National Certificate of Specialist Knowledge and Skills (VIP Chauffeuring), a three stage certificate which will take on average three years to complete.

Dame Margaret Bazley presenting her report to the Governor-General, Anand Satyanand at Government House on 26 March 2007.

Commission of Inquiry into Police Conduct completes its work

The Report of the Commission of Inquiry into Police Conduct (CIPC) was released by the Government on 3 April 2007. As with all commissions of inquiry, the Department provided administrative support to the CIPC, as part of our responsibility for administering the Commissions of Inquiry Act 1908. Commissions themselves function independently, although they are staffed by employees of the Department.

The CIPC was established in February 2004 to inquire into police conduct, standards and procedures when receiving and investigating allegations of sexual assault and abuse made against the Police. It also investigated police standards and codes relating to police personal behaviour, including sexual conduct. Justice Bruce Robertson and Dame Margaret Bazley were appointed Commissioners.

The original reporting date for the Commission was 1 November 2005. However, on 21 April 2005, the Attorney-General announced that the mandate for the CIPC would be altered so that it could complete its work without prejudicing criminal prosecutions. At the same time Dame Margaret Bazley also became the sole Commissioner and the reporting date was extended to 31 March 2006.

Dame Margaret Bazley presented her report to the Governor-General on 26 March 2007. Upon the release of the report Police Minister Hon Annette King stated, *"I am impressed with the scope, depth and thoroughness of the investigation, and with the common sense approach demonstrated in the recommendations."*

The Ministry of Transport carried out a review on the Departments behalf of our chauffeur driven fleet vehicles. The aim of the review was to identify opportunities to improve fleet sustainability, safety and cost effectiveness in line with the Govt[3] programme. As a result of this we commenced a trial of the vehicles recommended by the review in an attempt to reduce the carbon footprint of the chauffeur driven fleet. Further work on whole-of-life costs will be undertaken in 2007/08.

Work planned for 2006/07 on our business continuity planning, and refining the risk management strategy, has been delayed. In view of the common issues across the Parliamentary campus, we will be working with other agencies in both of these areas.

Commissions of inquiry and other ad hoc bodies

During 2006/07, we have worked to ensure that the Department is able to establish any new commissions of inquiry and other bodies we have responsibility for as effectively and efficiently as possible, given that the time frames for setting these up are often tight.

The Department continued to provide support for the Confidential Forum for Former In-Patients of Psychiatric Hospitals and the Commission of Inquiry into Police Conduct. Both bodies completed their work and reported to the Government during the year. We also established the Local Government Rates Inquiry and supported it while it operated. The report was released in August 2007.

As a result of this activity we have continued to refine and improve our knowledge base, particularly with regard to protocols and procedures relating to the final production, delivery and eventual distribution of reports, and ensuring compliance with record keeping legislation.

Iona Wassilieff, Congratulatory Message Officer with samples of the Queen's message and the Service's brochure.

A message worth celebrating

In addition to the major ceremonial events that we mark as a nation, there are a number of events of a more personal nature which it is customary to mark with official recognition.

Turning 100 years old or celebrating your Golden Wedding anniversary are events to be cherished. Getting an individual message from the Queen, the Governor-General or the Prime Minister is equally special. The Congratulatory Message Service processed 1009 Congratulatory Messages in 2006/07.

This service, which is available to all New Zealand citizens and permanent residents, is a way to recognise special achievements including 50th wedding anniversaries and every five years thereafter, and birthdays of 100 years and over.

Congratulatory Message Officer Iona Wassilieff says that she receives a lot of positive feedback on the Service and she often hears that the messages were a happy, and frequently unexpected, addition to the celebrations.

Congratulatory messages are sent by Her Majesty The Queen, His Excellency the Governor-General, the Prime Minister, the Minister of Internal Affairs, the Minister of Senior Citizens and the local Member of Parliament.

Guest-of-Government visits and ceremonial events

During 2006/07 a total of 61 guest-of-Government visits and 23 commemorative events were arranged and supported, including three royal, seven Presidential and three Prime Ministerial visits. Commemorative events included the swearing-in of the new Governor-General and the ceremony to honour the gallantry of Lance Sergeant Haane Manahi.

There has been growing public interest in formal recognition of important events that contribute to New Zealanders' sense of national identity, and an increase in the number of significant visits to New Zealand by representatives of foreign governments. To improve our ability to meet the strategic objectives of visits we have completed a capability building exercise commenced in 2005/06 with the recruitment of additional staff, and have begun work on a comprehensive update of our policies and practices. We have also continued to enhance liaison with external stakeholders, including signing protocols with the Ministry of Foreign Affairs and Trade and the Office of the Clerk for the management of guest-of-Government visits.

Picture courtesy of the Ministry of Defence.

The President of the Philippines, Her Excellency Gloria Macapagal-Arroyo and delegation at the ceremony of welcome.

"Behind the scenes" – Visits and Ceremonial Office

In May 2007, the Department's Visits and Ceremonial Office (VCO) managed the visit of the President of the Philippines, Her Excellency Gloria Macapagal-Arroyo, and her 150 strong delegation of Ministers, legislators, business people, officials and staff. We take an inside look at the role of the VCO.

The primary objective for guest-of-Government visits is to enhance bilateral relationships between countries. In this instance, the opportunity to initiate a visit was prompted by the Philippines Government co-sponsoring the 3rd Regional Interfaith Dialogue with New Zealand, held at Waitangi from 29–31 May.

Once the Prime Minister agreed to the President having "Guest-of-Government" status, an official invitation signed by the Governor-General of New Zealand was sent, and the VCO went to work on official arrangements.

A Visit Director from VCO was appointed and a detailed programme developed to cover the President's entire visit. This was particularly complex, given the size of the delegation, and required liaison with many agencies including the Diplomatic Protection Squad (New Zealand Police), the Office of the Prime Minister, Ministry of Foreign Affairs and Trade, and Ministry of Culture and Heritage.

Staff from the President's office, the Foreign Ministry and security came to New Zealand a month in advance to review all potential engagements and procedures. The Visit Director took the group on site visits so they could envisage what would happen from the time the President stepped out of the car at a site, to the time she got back in. The group questioned who would meet her, the media positioning (for good photographs), security implications, what she and everyone else would do while there and who was to talk when. Every detail had to be considered, including information about Māori protocol for welcome ceremonies.

In the week before the visit, the Visit Director and other VCO staff worked long hours to finalise and print a visit book, which provides everyone involved in the visit with details about protocols, delegation lists for New Zealand and the Philippines, the programme for the President and bi-lateral programmes for her delegation, procedures, an accommodation schedule, transport schedule, hospitality schedule and a telephone contact list.

VCO also worked with the New Zealand Customs Service and the Ministry of Agriculture and Forestry border control unit to ensure the President's entry into New Zealand was as smooth as possible. A New Zealand customs service officer and an agriculture and forestry officer went to Manila so that luggage could be checked as it was loaded on the plane, and then travelled with the plane to assist with documentation and passports for Customs on arrival and to check hand luggage. All flights into New Zealand are normally sprayed and certified for biosecurity prior to an aircraft departing for New Zealand, but as this was impossible for the President's aircraft, spraying occurred enroute. The Visit Director also assisted in facilitating work permits for the media travelling with the delegation.

VCO staff were at the airport from 5.30am on Day One to ensure arrangements were in place before the plane landed at 7.40am. They met the President on the plane, and arranged for media to set up before the President was officially welcomed. Then it was into the official programme, which ended at around 11.40pm.

For the entire visit, the Visit Director accompanied the President everywhere and was in constant contact with all New Zealand and Philippines staff involved. VCO staff worked long days, making early morning preparations before they met the President for the day's official start, and late finishes as they waited for official functions to end. The visit concluded without a hitch!

Maintaining and developing capability

A comprehensive programme of training and development has been implemented to enhance the capability of staff who provide support to the Executive. Initiatives include:

» increased training and mentoring of staff employed to support Ministers including two training days for Senior Private Secretaries. These days provide Senior Private Secretaries with an opportunity to interact as a group and explore the challenges facing their roles and the operation of Ministerial offices. Topics discussed have included political issues facing Ministers and their offices within the MMP environment, constitutional issues and the impact of the MMP environment

» further developing and maintaining the institutional knowledge base required to provide ongoing Executive support including enhanced training and succession planning for Ministerial office staff

» implementation of a comprehensive driver training, assessment, and qualification programme for VIP Transport chauffeurs

» a mentoring and induction programme for new Visits and Ceremonial Office staff, including development and implementation of standard operating procedures and systems.

We have continued to develop our ICT arrangements at the Parliamentary campus. As well as the initiatives detailed to provide support to the Executive, we have renewed the contract for IT support to Ministerial offices and included enhanced service level requirements, and increased management of ICT through the appointment of a Service Delivery Manager.

Capacity building has continued with a review commenced of our internal systems and processes for the Visits and Ceremonial Office, to ensure that these are current. By the end of June 2006 the recruitment of the full-time team of Visits and Ceremonial Office staff was completed. In 2006/07 we have continued to build a pool of on-call people with appropriate skills to provide additional resourcing at times of peak demand, and to arrange for their induction into the Office's operating environment. This ensures that the Department has the capability to meet significant guest-of-Government programmes with restricted timeframes, for example APEC 2007.

Challenges and priorities for the future

A number of environmental factors have the potential to impact on future expectations and requirements for delivery of services to members of the Executive. These include:

» the potential for MMP to bring complex coalition arrangements and greater diversity to the composition of Parliament

» heightened security and business continuity concerns

» expectations for greater efficiency across the public service.

As set out in the Department's Statement of Intent 2007–10, our priorities for the next three years include:

» continuing to work collaboratively with other agencies in relation to human resource policies and ICT management in the Parliamentary campus

» developing the VIP Transport fleet so that it complies with Govt[3] initiatives and moving to a whole-of-life costing model

» reviewing the procedures used for handling official information in Ministerial offices and implementing standardised processes where possible, to ensure compliance with the Public Records Act 2005 and address security issues for Ministerial records

» continuing to enhance collaboration with other agencies in the organisation of visits and ceremonial events to ensure they meet government objectives

» reviewing the Translation Service, Authentication Unit and New Zealand Gazette processes to deliver, where possible, a "one face of government" approach.

We will also continue our programme of reviewing our policies and procedures to ensure that we are in a constant state of readiness for any future changes in the Executive, as the continuity of Executive Government is particularly important at times of transition. New Ministers and new administrations rely in large part on the institutional knowledge of the public service to facilitate the smooth transition of power and responsibility from their predecessors. Our aim is to ensure that new Ministers have access, when and where required, to training and staff expertise to guide them through unfamiliar systems and protocols, and to manage the changes to travel, residential and office accommodation, staffing, communications and remuneration arrangements for new and departing members of the Executive.

part three »

managing the department

Capability Development

Over the past year we have further developed our capability to ensure we are a high-performing, trusted organisation working as one to maximise our outcome contribution for citizens, communities and government.

The development of our capability is a continual process that supports the Department's strategic direction and aligns with the Development Goals for the State Services. During the year we have developed our *Vision for DIA in 2010* as set out in the Introduction on page 8 and our capability development work has and will continue to move us towards this vision.

Improving the business services we provide

To deliver results for government and the community we need to continually improve the services we provide. Over the last year a number of key themes have been progressed across the Department.

Improving our policy capability

Following a review of our policy functions in 2003/04, a number of initiatives were undertaken to improve the Department's policy capability. We formally evaluated the outcomes of these initiatives in mid-2006. The evaluation showed that the quality and timeliness of policy advice has improved markedly. There has been a clear shift away from reactive policy advice, and a number of well regarded examples of policy leadership by the Department were noted.

During 2006/07, we have embedded changes and undertaken a further re-design exercise to enhance the Department's local government and community policy and capability. A new structure is now in place and future emphasis will be on developing a shared culture and standards, an integrated work programme, and an improved focus on strategic policy issues. We have also commenced a staff training programme for policy staff. In the Local Government and Community Branch of the Department this involves regular two hour training sessions that all staff are required to attend. Sessions are presented by senior staff and cover a wide range of topics including local government legislation and the sector.

Maximising the benefits from technology

Technology is transforming how we provide advice and services and we are committed to capturing the benefits of this change. The Department's achievements were recognised with two of our projects selected as finalists in the Computerworld Excellence Awards. These awards recognise successfully applied information technology to meet the needs of users. The two projects were:

» the Electronic Monitoring System (for gaming machines) which was a finalist in three categories – Most Successful Project Implementation of the Year, Excellence in the Use of ICT in Government, and Overall Excellence in the Use of ICT (more information on this System is in Part Two on page 33.)

» the National Dogs Database which was a finalist in the Excellence in the Use of ICT in Government category.

The Department played a key role in enhancing information and technology capability across the State sector with the development and maintenance of the Evidence of Identity Standard, and work with the State Services Commission on a proposed Identity Verification Service (further detail about these projects is in Part Two on page 40-41). We have also continued to update our websites, with a full list of the websites managed by the Department available on page 145.

Working cooperatively with others

Part Two provides many examples of where the Department contributed to shared outcomes, working with a wide range of agencies. We have provided leadership in the State sector with three flagship projects that contribute to advancing the Development Goals for the State Services. These include:

» supporting the Digital Strategy, by helping to improve skills in the community through initiatives such as the Connecting Communities Programme, Community Partnership Fund and CommunityNet Aotearoa

» developing identity authentication solutions for New Zealanders, through our stewardship of the Evidence of Identity Standard and our work to develop a whole-of-government Identity Verification Service

» improving responsiveness to ethnic diversity in policy and service delivery by providing training and advisory services to State sector agencies.

The Objective *Executive Government is Well Supported* has involved us in working closely with the Parliamentary Services towards achieving common systems and processes in the parliamentary complex. The Chief Executive has also chaired a sub-committee with membership from the State sector, business and local government that provides support to goals three to five of the Development Goals for the State Services.

The Department has continued to focus activity on maintaining effective relationships with our unusually wide range of interested stakeholders. Our success in this area is demonstrated by the feedback from stakeholder satisfaction surveys completed across many of the Department's areas of business (see Statement of Forecast Service Performance pages 71 to 102).

Other areas where we have been working with others include participation in the State Services Commission Accessible State Services Rotorua Research Pilot and, along with other government agencies, as part of the Government Urban and Economic Development Office (GUEDO) in Auckland.

Providing responsive services

The Department continues to be responsive to the diverse communities we service, and supportive of the various population-based government strategies such as reducing inequalities, effectiveness for Māori, Pacific people, positive ageing, ethnic responsiveness and the *New Zealand Disability Strategy*. In 2006/07 the Department undertook a number of significant activities, including:

» implementation of our Effectiveness for Māori strategy which looks out to 2009. A range of initiatives were undertaken. Some directly supported achievement of outcomes (such as the Te Whakamotuhaketanga Hapū Strategy and evaluation). Others explored issues relevant to our services (including papers on the citizenship rights for Māori born overseas and the use of iwi registers as evidence of identification), and building capability with staff training in te reo and Treaty of Waitangi issues

» continuing to support these groups through our grant funding and advisory services. This included administration of a modified and improved Pacific Provider Development Fund, which received 55 eligible applications

» as the home of the Office of Ethnic Affairs, taking a leadership role in supporting ethnic communities in New Zealand and helping communities to recognise and enjoy the economic, social and cultural benefits of diversity, initiatives undertaken include:

- updating our ethnic responsiveness plan for two years starting 1 July 2007 to focus on the use of Language Line within the Department, intercultural awareness and consideration of ethnic perspectives in policy

- continued use and further development of Language Line, an interpreting service for clients

- providing Ethnic Perspectives in Policy training both internally, and to other government agencies

- providing training to staff on Intercultural Awareness to ensure that the Department is responsive to the needs of ethnic people. 213 staff had completed this training by 30 June 2007.

Managing organisational change

During 2006/07 we have focused on implementing and consolidating changes to enhance the capability and capacity of the Department with funding gained through Budget 2005 and Budget 2006, and ensuring changes deliver the benefits envisaged.

A major review exercise started in 2005 has been completed resulting in an investment of significant new additional resources to strengthen the delivery of Vote Emergency Management work. This has seen progress in three areas for the Department:

» building capacity

» strengthening leadership in the civil defence and emergency management sector

» managing the response in civil defence emergencies.

This major exercise is now completed and the Department is now much better positioned to undertake a wide range of tasks across the sector, and to manage emergency events well. The reputation and relationships of the Department with the civil defence and emergency management sector and key central government agencies has improved with the changes, and has resulted in greater levels of trust.

Capability and capacity have been enhanced in the Visits and Ceremonial Office following a review in 2005/06. In the Office of Ethnic Affairs, additional funding has enabled us to provide more dedicated resources in regional centres to strengthen regional support for ethnic communities. As noted earlier, a new structure was put in place in the Local Government and Community Branch during 2006/07, and a service delivery review is underway of our gambling compliance activity. Development of more integrated corporate services has continued and work is underway in 2007/08 to provide better integrated Information and Technology (I&T) and Finance functions.

The Department has been pursuing a strategy of "one organisation", where the whole is more than the sum of the parts. During 2006/07, the Executive Management Team has worked to more clearly define what "one organisation" means in practice. This involved reviewing the key drivers for departmental change and developing a high-level pathway to 2010, with some initial priorities. The *Vision for 2010* can be seen in the Introduction section on page 8. The priority areas for change include:

» strengthening our shared vision and values

» building a shared culture

» establishing a strong, well-functioning and cohesive centre for the Department

» strengthening our I&T capability across the Department

» providing more integrated corporate and financial services.

As outlined below, a number of initiatives are already underway to address these issues.

Developing our people

During 2006/07 our People Strategy was revised to ensure we are recruiting, retaining and developing the people we need to deliver on our outcomes and strategic priorities to 2010 and beyond. Initiatives in this area also support the Development Goals for the State Services by developing excellent State servants and establishing the Department as an employer of choice. The four areas of focus in our revised People Strategy are:

» building a "one organisation" culture

» developing leaders

» building our people capability

» creating a high-performing, inclusive work environment.

Building a "one organisation" culture

This is a new area of focus in the revised People Strategy, recognising that a sense of shared vision and values can provide a sense of common purpose for staff and help build a single, high-performing organisation. We need staff to identify with the Department and understand how their work contributes to outcomes for the organisation. Our aim in adding this focus is to ensure staff across all business groups identify with, and see themselves as employees of, the Department of Internal Affairs.

The "one organisation" culture has been promoted across the organisation along with the workplace principles through induction, planning and reporting documents and communication of departmental activities and achievements to all staff via the Intranet and Chief Executive's weekly newsletter. Managers are also expected to actively promote these messages with their staff.

Workplace principles

WE VALUE PEOPLE

WE ACT WITH INTEGRITY

WE PROVIDE OUTSTANDING SERVICE

To assess the overall health of the organisation, a staff engagement survey was undertaken in March 2007 using the unlimited/JRA "Best Places to Work" survey. We are using this information to better understand the levels of engagement of staff with the Department and to identify areas for improvement. 76% of staff responded to the survey.

The Executive Management team (EMT) has reviewed the results and looked at the key drivers behind these to identify initiatives that can help improve staff engagement. Managers are now communicating the engagement survey results to their teams and developing with their teams action plans for improvement. The Department has already chosen to focus on a number of initiatives that should help improve staff engagement, as reported elsewhere in this section.

Developing leaders

In August 2006 a Management and Leadership Development Framework was introduced. The framework identifies four key groups – aspiring, new, existing and senior managers – and the development activities that will be made available to these groups. During 2006/07 we have developed and introduced training for new

Staff Turnover

Date	Turnover
30 June **2007**	27.0%
30 June **2006**	15.1%
30 June **2005**	14%
30 June **2004**	15%
30 June **2003**	17%
30 June **2002**	17.6%

Average Length of Service

Date	Length
30 June **2007**	5.16 YEARS
30 June **2006**	6.07 YEARS
30 June **2005**	6.13 YEARS
30 June **2004**	5.21 YEARS
30 June **2003**	5.43 YEARS
30 June **2002**	5.1 YEARS
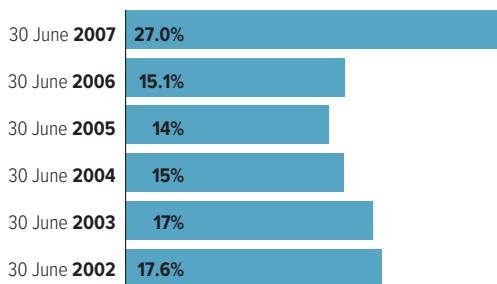
managers. This will be extended to provide development activities for senior and existing managers in 2007/08.

We continued to hold a series of regular in-house leadership forums for senior managers, where invited guests addressed issues such as sustainability, internal communications and the characteristics of New Zealand's Workforce 2020.

Building our people capability

An in-house recruitment team is now well established following changes made in 2005/06. Standardised recruitment processes have been introduced, a Department employer branding statement developed and new advertising implemented. These changes have helped to build a strong presence for the Department in the employment market, enabling us to continue to attract candidates for vacancies.

Going forward the Department will be reviewing how we can be more innovative in recruiting staff and retaining our existing staff. This will include reviewing working arrangements (working hours and leave arrangements, for example) and exploring options for attracting more young people and attracting older people. To enable us to retain staff, a career progression policy was developed in 2005/06 and this will be reviewed later in 2007.

A strategic workforce planning framework has been developed for the Department and was rolled out across business group management teams. This framework will enable us to forecast capability and capacity requirements in both the medium and long term.

We have agreed a Department-wide Training and Development Strategy during 2006/07 to provide a coordinated approach across the Department. A Training and Development Network was set up, along with a Training and Development Calendar, to support the Strategy. A Learning Management System, including a one-stop-shop for viewing training that is offered and a staff Record of Learning, is being piloted with Identity Services and will be considered for implementation across the Department.

Staff numbers have increased, reflecting increased demand for services and the Government's investment in the capability of the Department. During 2006/07 we have largely completed recruitment for the Ministry of Civil Defence and Emergency Management (MCDEM).
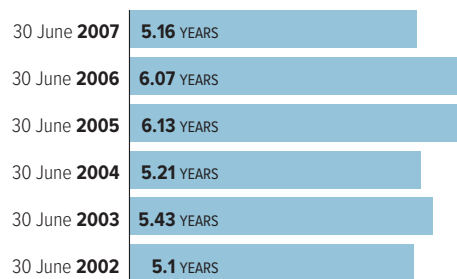
Key measures we monitor are staff turnover and average length of service. At 30 June 2007 our overall turnover was 27.0%, which is higher than desirable, but reflects current labour market conditions.

Average length of service for permanent and fixed term staff has reduced (5.16 years at 30 June 2007). This largely reflects the recruitment of new capability into the Department.

Creating a high-performing, inclusive work environment

Our aim is to provide a work environment that attracts the capability needed, that supports people to contribute their best and that recognises and makes best use of a diverse range of skills, knowledge and talents. To achieve this, as well as focusing on leaders and staff individually, we also focus on the broader work environment.

During 2005/06, we developed changes to our remuneration system to better enable us to retain competent staff. These changes were implemented from 1 July 2007 and reinforce our focus on developing a high-performing organisation by improving our ability to recognise superior performance.

We implemented a Pay and Employment Equity audit during 2006/07, with the results to be considered by the Executive Management Team in September 2007. A Pay and Employment Equity Review committee undertook focus group discussions with female staff in early 2007 and prepared a report for discussion. Overall findings were that the Department has no major gender equity issues.

As part of being a good employer we continue to promote diversity and equal employment opportunities (EEO). Our staff are reasonably representative of the New Zealand population as illustrated in the following graph. However, progress towards employment of the EEO target groups is mixed. Our Diversity/EEO Plan to 2010 aims to increase and support a diverse workforce so that we can meet the needs of the people we service. During 2006/07 we have:

» continued to support five EEO network groups

» identified barriers to recruitment and retention of Pacific people, and agreed to actions to resolve those barriers

EEO Group Representation

Legend:
- DIA Senior Management
- DIA
- New Zealand Population (% 2001 Statistics New Zealand)

Y-axis: % STAFF AS AT 30 JUNE 2007

X-axis categories: FEMALE, MAORI, PACIFIC PEOPLES, ASIAN, DISABLED STAFF
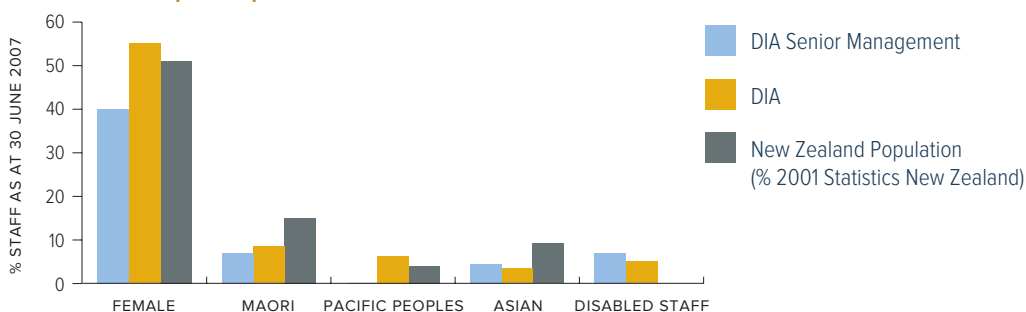
» held a Pacific peoples' career development workshop in February 2007, a Maori peoples career development workshop in April and an Ethnic career development workshop in June 2007

» continued building our staff capability in te reo, tikanga and the Treaty of Waitangi, with refresher training courses developed to help staff keep their skills up-to-date

» introduced intercultural awareness training to support our work with ethnic communities and staff.

We will be reviewing our EEO targets, to be consistent with the outcome of a review being undertaken by the States Services Commission. We have continued to invest in Health and Safety in 2006/07, with high levels of staff and senior management engagement. A significant milestone was reached in 2007 with the Department achieving our goal of tertiary level status in the ACC Workplace Safety Management Practices Programme.

In 2006/07 we commenced development of a medium-term property strategy to support our vision of "one organisation" and provide us with accommodation options to meet our current and anticipated business needs. The overall guidelines for the strategy were agreed by the Executive Management Team during 2006/07, and when completed it will look out 10 years. The focus is on making more efficient use of office space, particularly in Wellington. A review and analysis of the current status of the Department's property portfolio and staff locations has recently been undertaken. This is being used to form the basis for prioritisation of property requirements, by identifying synergies between business groups, to enable co-location and economies of scale to be realised. The Strategy will also consider "Green Building" issues, in line with the Government's focus on sustainability.

With the increased focus by Government on sustainability, the Department will be working towards ensuring that goods and services purchased are more water and energy efficient, emit less carbon, produce less waste and are accredited or environmentally certified. We have work planned for 2007/08 to ensure our procurement of goods and services align with the Govt[3] sustainability practices.

Enhancing our information and technology capability

Information and technology (I&T) is integral to the Department's operations. We are in the process of implementing an Information Systems Strategic Plan (ISSP) to upgrade I&T infrastructure over 2-3 years and give departmental staff access to enhanced systems. This major work programme, known as Programme Diamond, is a multi-year programme involving 12 project streams. During 2006/07 significant progress included:

» centralised, resilient, data storage has been established for the Department and business data migrated to this environment

» a core network upgrade has been completed to add resilience, increase security and help improve performance

» a roll-out of a new standard desktop with upgraded operating systems and software installed has been completed for nearly half of the Department's computers

» significantly increased disaster recovery capability, with all critical corporate systems now having full disaster recovery capability with on-line data replication. A disaster scenario, with complete loss of the Wellington site, will be tested in 2007/08.

» the design for a new email system and a move to a single directory service are being finalised, and will be implemented in 2007/08

» the HR Management Information System was upgraded to the latest version, ensuring compatibility with KiwiSaver changes

» a new enterprise reporting platform was implemented, offering a centralised platform and toolsets for reporting for the Department.

Toward the end of 2006 the Department reviewed the ISSP. It defined the model of I&T services as a hybrid organisational model based on a differentiation between business applications and other I&T. This model has proved inefficient and a decision has been made to implement a more centralised model. Centralisation is expected to be accomplished through realignment of staff and budgets, with the change to be completed by early 2008. The desired outcome is the achievement of full and comprehensive centralised management and oversight of I&T. The aim is to reduce fragmentation, make better use of resources, improve skill levels and overall critical mass, and help create a stronger and more resilient Department.

Health and Safety Representatives receive a debrief on the results and celebrate achievement of tertiary status

Health and Safety recognition

The success of the Department's Health and Safety policies and practices was recognised with achievement of tertiary status of the ACC Workplace Safety Management Practices programme. The Department is one of only four core government departments currently at the tertiary level.

The CEO of ACC, Dr Jan White, said she has been impressed by the commitment and passion the Department demonstrated in reaching this tertiary status, reflected in a drastic reduction of claims to ACC in the past five years.

Achievement of tertiary status was a result of two years of hard work from management and the staff Health and Safety Representatives around the country, who volunteer for this role on top of their normal duties. These Health & Safety Representatives live the role day in day out, knowing the hazards and thinking of ways to resolve them, attending regular meetings and monitoring compliance for their group. They also assist in induction of new staff on health and safety policies and procedures. For National Health and Safety Coordinator, Mary Ruffell, it was a challenging task to lead the project, bringing together a large organisation under the one Health and Safety banner.

Achieving tertiary status is a significant achievement for a large organisation such as the Department of Internal Affairs that isn't confined to offices. VIP transport drivers are always on the road and civil defence and emergency management staff can be called out to serious incidents at any time. For VIP Chauffeurs, Health and Safety Representative Roger Calkin, it required monthly inspections and monitoring due to the potentially hazardous workshop environment. For office-based staff inspections were quarterly. Chriss Hamilton, and other Health and Safety Representatives in the 16 regional offices of the Local Government and Community business group, were required to electronically scan all health and safety documents to ensure their compliance is visible. The PSA was also involved through their PSA Health and Safety Representative Mark McGuire.

Achievement of tertiary status is part of being a good employer, but will also bring cost savings for the Department with lower ACC premiums.

Managing for outcomes

The Department of Internal Affairs 2006 Annual Report was one of five finalists in the Government agency section of the Institute of Chartered Accountants Annual Report Awards. To be a finalist in these Awards recognises the excellence of the Department's annual reporting – presenting a true and fair account of the year's activities.

During 2006/07 we have continued our strong commitment to managing for outcomes. We have progressed a number of initiatives to make sure staff understand the importance of managing for outcomes and that our business processes are well integrated with this approach. Examples of these initiatives are:

» getting better clarity for our intermediate outcomes and deepening our frameworks to better link them to our front-line activity. Staff in our 16 regional offices have been involved directly in discussions about how they can maximise their contribution to the *Strong, sustainable, communities* outcome.

» better integrating our planning processes by outcome focused joint planning sessions across business groups

» presenting all of our Vote Ministers with proposed work priorities for the coming three years and using this to clarify their expectations of the Department and shape the planned outcome contribution sections in the 2007–10 Statement of Intent

» creating a cost-effectiveness framework to help staff assess cost-effectiveness when setting priorities. This framework will form an integral part of our project management methodology.

» development of measurement frameworks for most of our outcome areas, which are being tested internally to agree improved measures for our 2008–11 Statement of Intent.

Strengthening project and risk management

The Department implements risk management policies and provides guidance material across the Department to help business groups identify and manage operational risks. All business areas report regularly on key risks to the Executive Management Team who review the effectiveness of mitigation strategies and actions.

To manage our significant capital investment in the I&T area we have strengthened risk management with the establishment of an I&T Governance Committee and I&T Project Office. The I&T Governance Committee is led by the Chief Executive and takes a cross-departmental view, providing further assurance that risks and uncertainties arising in the strategic, operational and project areas of I&T are recognised and responded to in a timely and effective manner.

The Project Office has undertaken a cross-departmental role to support and advise business groups on standards and methodologies for best-practice I&T project management. The Project Office has also extended the use of standards and methodologies to other projects, and maintained oversight of all capital projects and business cases in the Department.

As part of strengthening our focus on risk management and improving governance arrangements we have also reviewed the terms of reference for a departmental Audit Advisory Committee and invited two external members to be a part of the Committee which meets on a quarterly basis to give additional consideration and comment on:

» the appropriateness and effectiveness of departmental risk management policies and practices

» the effectiveness of departmental controls and supporting systems

» the content of the internal and external audit programmes

» the adequacy of the Department's response to any audit issue raised.

The Department was involved in the government-wide pandemic planning exercise, which went a long way towards strengthening our preparedness. Our plans to identify the essential services we will need to keep going during a pandemic were reviewed against a realistic scenario. This gave the Executive Management Team the opportunity to discuss the impact of such as event on our ability to not only produce these essential services, but also think about the issues associated with bringing the Department back to a business-as-usual state. An added bonus is that we are able to apply these lessons to other emergency events such as earthquake or fire. The Department is considering running a further exercise with a different emergency scenario. While for most of the Department this was a 'desktop' exercise, the Ministry of Civil Defence and Emergency Management branch of the Department was involved in an operational capacity.

The Project Office

The Project Office was formed with the aim of developing an industry standard methodology and providing for a "stock take" and audit of IT projects within the Department. Although the focus of the Office was initially on IT projects, significant improvement in the management of projects has led to the incremental application of the standardised methodology into other areas.

The latest release of the methodology, called the Project Delivery Toolkit, includes dynamic links to the Department's:

» capital planning process

» cost effectiveness framework

» cost benefit analysis guidelines

» Solution Development Lifecycle

» procurement processes.

This provides a "one stop shop" for project managers when seeking information and guidance.

Project managers and sponsors are provided induction training on the Project Delivery Toolkit during a project's initiation phase. To date the Project Office has run inductions and successful delivery workshops, training 294 staff in topics such as "roles and responsibilities" and "methodology induction". PRINCE2 Foundation or Practitioner has also been completed by 14 staff.

In order to have influence over the full range of programmes and projects in the Department the Office has been positioned in the Office of the Chief Executive.

This has ensured:

» it is able to positively influence all the business areas in the Department

» it has the full support and authority of the Chief Executive and Executive Management Team

» it is not buried within an area with a restricted view of, and inability to influence, the complete programme and project community.

The central positioning of the Office within the corporate group has led to significant improvement in overall project management and governance understanding and disciplines within the Department.

Perhaps the most significant aspect of the Office that differentiates it from a typical programme or project support office is the relationship it has with the Department's Executive Management Team. The Office provides the Executive and the I&T Governance Committee with strategic oversight of the Department's portfolio of programmes and projects. This "helicopter view" has brought greater visibility to the interrelationships and interdependencies across the organisational portfolio and supports the Executive in its judgements and decision-making on strategic priorities and commitments.

With an established portfolio management process and a clear path for improvement imbedded at the organisational level, the focus for the Office is now on understanding and assessing capability at an individual level. To achieve this, the Project Office will introduce Successful Delivery Skills and Career Progression Frameworks that target key programme and project roles.

Our Organisation

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

The Department is a diverse organisation, with around 1,300 staff providing a range of services supporting citizens, communities and government. We deliver services from 17 locations throughout New Zealand, plus small offices in Sydney and London.

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

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

Staff Numbers by Business Group
Full-time Equivalents as at 30 June 2007

Business Group	Total FTEs
Identity Services	440
Executive Government Support	280
Local Government and Community	164
Regulation and Compliance	162
Business Services	132
Office of the Chief Executive	36
Ministry of Civil Defence and Emergency Management	35
Office of Ethnic Affairs	18

Identity Services

General Manager: Annette Offenberger

The Identity Services Group is a trusted steward of New Zealanders' identity information. It provides leadership in identity management and is responsible for the creation, stewardship and integrity of records of, or relating to, New Zealanders' identity. It registers birth, death, civil union and marriage details, issues passports and manages citizenship applications. Identity Services is also the custodian of the Evidence of Identity Standard for the State sector, and is working with the State Services Commission-led All-of-government Authentication Programme to develop the Identity Verification Service.

Executive Government Support

General Manager: Janice Calvert

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

Local Government and Community

Deputy Secretary: Anne Carter

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

Regulation and Compliance

Deputy Secretary: Keith Manch

The Regulation and Compliance Branch integrates regulatory policy and operational activities that help to ensure safer communities; contribute to building strong, sustainable communities/hapū/iwi; and promote trust in the integrity of New Zealand's records of identity. Key areas of focus include providing policy advice on gambling, racing, censorship, civil defence and emergency management, fire, identity, public inquiries and daylight saving. The Branch also monitors the performance of three Crown entities on behalf of Ministers. It licenses gambling activities, inspects and monitors gambling, and regulates the sending of unsolicited electronic messages (spam), the possession and supply of objectionable material and the public display of publications. It also provides administrative support for the Local Government Commission, and is responsible for the Rates Rebate Scheme and the Department's local government regulatory responsibilities.

Ministry of Civil Defence and Emergency Management

Director: John Hamilton

The Ministry of Civil Defence and Emergency Management (MCDEM) provides operational advice to the Government on civil defence and emergency management (CDEM). It provides leadership on the strategic direction for CDEM in New Zealand through the development of an integrated, risk-based approach. This includes working with stakeholders, including CDEM groups and government agencies, to address the "4R's" of reduction, readiness, response and recovery. MCDEM also supports, coordinates and manages local and national civil defence emergencies.

Office of Ethnic Affairs

Director: Mervin Singham

The Office of Ethnic Affairs is the Government's primary advisor on ethnic diversity and intercultural matters. It provides a point of contact between ethnic communities and the New Zealand Government. The Office supports ethnic communities to participate in civil society through providing information and advice and facilitating forums where issues can be raised and solutions discussed. The Office also provides policy advice and training to government agencies on diversity and intercultural matters, and manages the telephone interpreting service Language Line.

Business Services

Director: Norah Familton

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

Office of the Chief Executive

Director: Jared Mullen

The Office of the Chief Executive provides advisory and project support to the Chief Executive, the Executive Management Team and operational business groups. The range of services includes strategic development and planning, Ministerial advice and support, risk and audit, project management, legal services and effectiveness for Māori.

Executive Management Team

LEFT TO RIGHT: Janice Calvert, Mervin Singham, Anne Carter, Norah Familton, Jared Mullen, John Hamilton, Annette Offenberger, Keith Manch, Christopher Blake.

Governance

The Department is responsible to seven Ministers administering six Votes. The Minister of Internal Affairs is the Minister Responsible for the Department. The Department monitors the performance of two Crown entities under the Internal Affairs portfolio, and one Crown entity under the Community and Voluntary Sector portfolio.

Hon Rick Barker

VOTES	INTERNAL AFFAIRS; EMERGENCY MANAGEMENT
PORTFOLIOS	Minister of Internal Affairs
	Minister of Civil Defence
	Minister Responsible for the Department of Internal Affairs
CROWN ENTITIES	New Zealand Fire Service Commission
	Office of Film and Literature Classification

Rt Hon Helen Clark

VOTE	MINISTERIAL SERVICES
PORTFOLIO	Minister Responsible for Ministerial Services

Hon Mark Burton

VOTE	LOCAL GOVERNMENT
PORTFOLIO	Minister of Local Government

Hon Chris Carter

PORTFOLIO	Minister for Ethnic Affairs

Hon Nanaia Mahuta

PORTFOLIO	Associate Minister of Local Government

Hon Luamanuvao Winnie Laban

VOTE	COMMUNITY AND VOLUNTARY SECTOR
PORTFOLIO	Minister for the Community and Voluntary Sector
CROWN ENTITY	Charities Commission

Rt Hon Winston Peters

VOTE	RACING
PORTFOLIO	Minister for Racing

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

Legislation We Administer

As at 30 June 2007, the following is a list of legislation that we administer, classified by Vote.

Internal Affairs

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

Citizenship Act 1977

Citizenship Regulations 2002

Citizenship (Western Samoa) Act 1982

Civil Union (Prescribed Information, Fees, and Forms) Regulations 2005*

Commercial Use of Royal Photographs Rules 1962

Commissions of Inquiry Act 1908

Commonwealth Games Symbol Protection Act 1974

Films, Videos, and Publications Classification (Fees) Regulations 1994*

Films, Videos, and Publications Classification Regulations 1994*

Fire Safety and Evacuation of Buildings Regulations 2006

Fire Service Act 1975

Fire Service Levy Order 1993

Fire Service Regulations 2003

Forest and Rural Fires Act 1977

Forest and Rural Fires Regulations 2005

Gambling Act 2003

Gambling (Class 4 Banking) Regulations 2006

Gambling (Class 4 Net Proceeds) Regulations 2004

Gambling (Electronic Monitoring Fees) Regulations 2006

Gambling (Fees and Revocations) Regulations 2004

Gambling (Forms) Regulations 2004

Gambling (Harm Prevention and Minimisation) Regulations 2004

Gambling (Infringement Notices) Regulations 2004

Gambling (Licensed Promoters) Regulations 2005

Gambling (Problem Gambling Levy) Regulations 2004

Gambling (Prohibited Property) Regulations 2005

Human Assisted Reproductive Technology (Fees) Regulations 2005*

Marriage (Fees) Regulations 1995*

Marriage (Forms) Regulations 1995*

New Zealand Daylight Time Order 1990

New Zealand Fire Brigades Long Service and Good Conduct Medal (1976) (Royal Warrant)

Official Appointments and Documents Act 1919

Passport (Fees) Regulations 1996

Passports Act 1992

Queen's Fire Service Medal Regulations 1955 (Royal Warrant)

Royal Titles Act 1974

Rural Fire Fighting Fund Regulations 1992

Seal of New Zealand Act 1977

Seal of New Zealand Proclamation 1977

Time Act 1974

Emergency Management

Civil Defence Emergency Management Act 2002

Civil Defence Emergency Management Regulations 2003

National Civil Defence Emergency Management Plan Order 2005

Local Government

Bylaws Act 1910

Bylaws Regulations 1968

Chatham Islands Council Act 1995

Counties Insurance Empowering Act 1941

Dog Control Act 1996

Dog Control (Microchip Transponder) Regulations 2005

Dog Control (National Dog Control Information Database Levy) Order 2006

Dog Control (Prescribed Forms) Regulations 1996

Impounding Act 1955

Impounding Regulations 1981

Lake Taupo (Crown Facilities, Permits and Fees) Regulations 2004

Land Drainage Act 1908

Libraries and Mechanics' Institutes Act 1908

Litter Act 1979

Local Authorities (Members' Interests) Act 1968

Local Authority Reorganisation (Property Transfers) Act 1990

Local Electoral Act 2001

Local Electoral Regulations 2001

Local Government Act 1974

Local Government Act 2002

Local Government Official Information and Meetings Act 1987

Local Government (Rating) Act 2002

Local Government (Watercare Services Limited) Order 2007

Local Legislation Acts 1926-1992

Municipal Insurance Act 1960

Public Authorities (Party Wall) Empowering Act 1919

Public Bodies Contracts Act 1959

Public Bodies Leases Act 1969

Rangitaiki Land Drainage Act 1956

Rates Rebate Act 1973

Rates Rebates Order 1982

Rates Rebates Order 1985

Rates Rebates Order 2006

Rating (Fees) Regulations 1997

River Boards Act 1908

Waimakariri-Ashley Water Supply Act 1961

Community and Voluntary Sector

Charities Act 2005

Charities (Fees, Forms, and Other Matters) Regulations 2006

Community Trusts Act 1999

Community Trusts (Fees) Regulations 2000

Trustee Banks Restructuring Act Repeal Act 1999

Winston Churchill Memorial Trust Act 1965

Racing

Racing Act 2003

Racing (Harm Prevention and Minimisation) Regulations 2004

Ministerial Services

Executive Travel, Accommodation, Attendance, and Communications Services Determination 2003**

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* Regulations made under legislation administered by the Ministry of Justice.

** Regulations made under legislation administered by the Department of the Prime Minister and Cabinet.

part four »

statement of service performance

Statement of Responsibility

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

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

In my opinion the financial information presented in the Statements and Notes to the Financial Statements fairly reflects the financial position and operations of the Department of Internal Affairs for the year ended 30 June 2007.

CHRISTOPHER BLAKE
CHIEF EXECUTIVE

SHIRLEY SMITH
CHIEF FINANCIAL OFFICER

Date: 27 September 2007   Date: 27 September 2007

Audit Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of the Department of Internal Affairs' Financial Statements and performance information for the year ended 30 June 2007

The Auditor-General is the auditor of the Department of Internal Affairs (the Department). The Auditor-General has appointed me, J R Smaill, using the staff and resources of Audit New Zealand, to carry out the audit on his behalf. The audit covers the financial statements, and statement of service performance and schedules of non-departmental activities included in the annual report of the Department for the year ended 30 June 2007.

Unqualified opinion

In our opinion:

» The financial statements of the Department on pages 104 to 129:

  • comply with generally accepted accounting practice in New Zealand; and

  • fairly reflect:

    – the Department's financial position as at 30 June 2007; and

    – the results of its operations and cash flows for the year ended on that date.

» The statement of service performance of the Department on pages 71 to 102:

  • complies with generally accepted accounting practice in New Zealand; and

  • fairly reflects for each class of outputs:

    – its standards of delivery performance achieved, as compared with the forecast standards outlined in the statement of forecast service performance adopted at the start of the financial year; and

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

» The schedules of non-departmental activities on pages 132 to 144 fairly reflect the assets, liabilities, revenues, expenses, contingencies, commitments and trust monies managed by the Department on behalf of the Crown for the year ended 30 June 2007.

The audit was completed on 27 September 2007, and is the date at which our opinion is expressed.

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

Basis of opinion

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

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

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

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

Audit procedures generally include:

» determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;

» verifying samples of transactions and account balances;

» performing analyses to identify anomalies in the reported data;

» reviewing significant estimates and judgements made by the Chief Executive;

» confirming year-end balances;

» determining whether accounting policies are appropriate and consistently applied; and

» determining whether all financial statement and statement of service performance disclosures are adequate.

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

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

Responsibilities of the Chief Executive and the Auditor

The Chief Executive is responsible for preparing financial statements and a statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Department as at 30 June 2007 and the results of its operations and cash flows for the year ended on that date. The statement of service performance must fairly reflect, for each class of outputs, the Department's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year. In addition, the schedules of non-departmental activities must fairly reflect the assets, liabilities, revenues, expenses, contingencies, commitments and trust monies managed by the Department on behalf of the Crown for the year ended 30 June 2007. The Chief Executive's responsibilities arise from sections 45A, and 45B and 45(1)(f) of the Public Finance Act 1989.

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

Independence

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

Other than the audit, we have no relationship with or interests in the Department.

J R Smaill
Audit New Zealand

On behalf of the Auditor-General
Wellington, New Zealand

Matters relating to the electronic presentation of the audited financial statements and Statement of Service Performance

This audit report relates to the financial statements and statement of service performance of Department of Internal Affairs for the year ended 30 June 2007 included on the Department of Internal Affairs' website. The Department of Internal Affairs' Chief Executive is responsible for the maintenance and integrity of the Department of Internal Affairs' website. We have not been engaged to report on the integrity of the Department of Internal Affairs' website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance as well as the related audit report dated 27 September 2007 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

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

Quick Guide to Outputs

Administration of Grants

description

This output covers:

» providing information and assistance to prospective grant applicants

» processing, assessing and monitoring grant applications

» providing recommendations to Ministers on appointments to boards, committees and trusts

» providing administration, training and support services to boards and grant distribution committees.

Grant services cover the following schemes:

» Lottery grants

» Community Organisation Grants Scheme

» Crown trusts and fellowships.

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

performance information[1]

Lottery Grants

RESULTS INFORMATION	PERFORMANCE STANDARD	2006/07 ACTUAL	2005/06 ACTUAL	COMMENT
Percentage of grant disbursements completed accurately is no less than:	95%	99%	Revised measure	Achieved
Percentage of complete and eligible applications received before the advertised closing date that are presented to the next decision-making meeting is no less than:	95%	100%	Revised measure	Achieved
On receipt of committee approval and correctly completed client documentation, the percentage of payments made to grant recipients within 20 working days is no less than:	95%	98.9%	Revised measure	Achieved
Percentage of respondents to a survey of Lottery grant applicants who rate their satisfaction with the quality of services provided at 3 or above on a scale of 1 to 5 is no less than:	85%	98%	Revised measure	Achieved
Percentage of respondents to a survey of Lottery committee members who rate their satisfaction with the quality of advisory services provided to the committee at 3 or above on a scale of 1 to 5 is no less than:	85%	98%	Revised measure	Achieved
Percentage of respondents to a survey of Lottery committee members who rate their satisfaction with the quality of administration services provided to the committee at 3 or above on a scale of 1 to 5 is no less than:	85%	98%	Revised measure	Achieved

ACTIVITY INFORMATION	ESTIMATED VOLUME	2006/07 ACTUAL	2005/06 ACTUAL
Number of applications received	3,800–4,700	4,572	Revised measure
Number of grants disbursed	2,500–4,000	2,997	Revised measure

1   To provide greater transparency, from 2006/07 grant information has been disaggregated for various grant schemes (Lottery Grants, Community Organisation Grants Scheme, Crown trusts and fellowships).

Community Organisation Grants Scheme

RESULTS INFORMATION	PERFORMANCE STANDARD	2006/07 ACTUAL	2005/06 ACTUAL	COMMENT
Percentage of grant disbursements completed accurately is no less than:	95%	99.9%	Revised measure	Achieved
Percentage of complete and eligible applications received before the advertised closing date that are presented to the next decision-making meeting is no less than:	95%	100%	Revised measure	Achieved
On receipt of committee approval and correctly completed client documentation, the percentage of payments made to grant recipients within 20 working days is no less than:	95%	99.6%	Revised measure	Achieved

ACTIVITY INFORMATION	ESTIMATED VOLUME	2006/07 ACTUAL	2005/06 ACTUAL
Number of applications received	4,000–5,200	4,416	Revised measure
Number of grants disbursed	3,500–4,500	3,533	Revised measure

Crown Trusts and Fellowships

RESULTS INFORMATION	PERFORMANCE STANDARD	2006/07 ACTUAL	2005/06 ACTUAL	COMMENT
Percentage of grant disbursements completed accurately is no less than:	95%	100%	Revised measure	Achieved
Percentage of complete and eligible applications received before the advertised closing date that are presented to the next decision-making meeting is no less than:	95%	100%	Revised measure	Achieved
On receipt of committee approval and correctly completed client documentation, the percentage of payments made to grant recipients within 20 working days is no less than:	95%	100%	Revised measure	Achieved

ACTIVITY INFORMATION	ESTIMATED VOLUME	2006/07 ACTUAL	2005/06 ACTUAL
Number of applications received	200–300	445	Revised measure
Number of grants disbursed	50–70	106	Revised measure

revenue and output expenses

APPROPRIATION	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Revenue				
Revenue Crown	4,368	4,340	4,368	4,219
Revenue Other	7,729	7,567	7,988	7,295
Total Revenue	**12,097**	**11,907**	**12,356**	**11,514**
Expenses	**12,013**	**11,905**	**12,382**	**11,304**
Net Surplus/(Deficit)	84	2	(26)	210

The change in budget between Main Estimates and Supp. Estimates was mainly due to an increase in funding for services provided to the Lottery Grants Board ($0.418 million) and an expense transfer from 2005/06 to 2006/07 for the Upgrade of the Information and Technology Infrastructure ($0.056 million).

part four statement of service performance

Community Advisory Services

description

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

performance information

RESULTS INFORMATION	PERFORMANCE STANDARD	2006/07 ACTUAL	2005/06 ACTUAL	COMMENT
Percentage of respondents to a customer survey who rate their satisfaction with the quality of advice provided at 3 or above on a scale of 1 to 5 is no less than:	85%	99%	99%	Achieved
Percentage of respondents to a customer survey who rate their satisfaction with the quality of information resources provided at 3 or above on a scale of 1 to 5 is no less than:	85%	99%	98%	Achieved
Percentage of respondents to a customer survey who rate their satisfaction with the timeliness of advice provided at 3 or above on a scale of 1 to 5 is no less than:	85%	99%	99%	Achieved

revenue and output expenses

The change in budget between Main Estimates and Supp. Estimates was mainly due to expense transfers from 2005/06 to 2006/07 for the Sustainable Communities project ($0.100 million), and the Upgrade of the Information and Technology Infrastructure ($0.021 million).

An in-principle expense transfer of $0.060 million from 2006/07 to 2007/08 was approved for the Sustainable Communities project.

APPROPRIATION	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Revenue				
Revenue Crown	5,523	5,402	5,523	5,147
Revenue Other	73	123	126	63
Total Revenue	**5,596**	**5,525**	**5,649**	**5,210**
Expenses	**5,392**	**5,526**	**5,650**	**5,039**
Net Surplus/(Deficit)	204	(1)	(1)	171

Policy Advice – Community

performance information

RESULTS INFORMATION	PERFORMANCE STANDARD	2006/07 ACTUAL	2005/06 ACTUAL	COMMENT
Policy advice is delivered according to the policy work programme (and any subsequent amendments) as negotiated between the Minister for the Community and Voluntary Sector and the Chief Executive.	100%	100%	100%	Achieved
Policy advice is delivered in accordance with agreed policy quality criteria as listed on page 102.	100%	100%	100%	Achieved
The Minister is requested to indicate his/her level of satisfaction with the quality of policy advice.	Satisfied or better	Very good	Very good	Achieved
Policy advice is delivered according to the timeframes agreed.	100%	100%	100%	Achieved
Percentage of first versions of replies to ministerial correspondence, Official Information Act 1982 requests, Ombudsman's inquiries and parliamentary questions accepted by the Minister.	95%	100%	100%	Achieved
Percentage of draft responses to ministerial correspondence returned to the Minister's office for signature within 15 working days of receipt from the Minister's office or such other deadlines as may be specifically agreed.	95%	94.1%	100%	1 out of 17 did not meet deadlines as the reply was assumed to have been covered in another ministerial response
Percentage of draft responses to Official Information Act 1982 requests and Ombudsman's inquiries returned to the Minister's office for signature five days prior to the statutory deadline for reply.	100%	91.7%	N/A (No Official Information Act or Ombudsman enquiries received from the Minister's Office.)	1 out of 12 did not meet deadlines due to the complexity of the issue and level of consultation required
Percentage of draft replies to parliamentary questions completed within the timeframes specified by the Minister.	100%	100%	100%	Achieved

ACTIVITY INFORMATION	ESTIMATED VOLUME	2006/07 ACTUAL	2005/06 ACTUAL
Number of replies to ministerial correspondence, Official Information Act 1982 requests and Ombudsman's inquiries, and answers to parliamentary questions.	40–100	92	27

description

This output covers:

» policy advice with a community/whānau/hapū/iwi development perspective. Policy advice also involves preparing ministerial briefings and speech notes, and providing support for the Minister for the Community and Voluntary Sector, as required, in Cabinet committees, select committees and Parliament

» policy advice and information on matters relating to the performance of and appointments to the Charities Commission

» draft replies to ministerial correspondence, Official Information Act 1982 requests, Ombudsman's inquiries and parliamentary questions addressed to the Minister for the Community and Voluntary Sector or referred from other Ministers.

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

Policy Advice – Community CONTINUED

revenue and output expenses

APPROPRIATION	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Revenue				
Revenue Crown	1,796	1,660	1,796	1,698
Revenue Other	20	24	24	12
Total Revenue	**1,816**	**1,684**	**1,820**	**1,710**
Expenses	**1,768**	**1,685**	**1,821**	**1,512**
Net Surplus/(Deficit)	48	(1)	(1)	198

The change in budget between Main Estimates and Supp. Estimates was mainly due to an expense transfer from 2005/06 to 2006/07 with the delay in opening of the Charities Register ($0.128 million).

Management of National Emergency Readiness, Response and Recovery

performance information

RESULTS INFORMATION	PERFORMANCE STANDARD	2006/07 ACTUAL	2005/06 ACTUAL	COMMENT
Percentage of local authorities who are satisfied with the quality of information provided for monitoring events and incidents, as measured by stakeholder surveys.	80%	81%	64%	Achieved
Percentage of national warnings issued within 60 minutes after the identification of a pending event is:	100%	No alerts	No alerts	No alerts
Percentage of preliminary briefings provided to the Minister within 24 hours after the declaration of a civil defence emergency is:	100%	100%	No alerts	Achieved
Percentage of declared emergencies that are reviewed in accordance with the *National Civil Defence Emergency Management Plan.*	100%	0%	No alerts	A few individuals would not evacuate with Rangitikei District Flooding. Mechanical usage of the legislation for this one declared emergency, to enforce evacuation. Nothing of national interest to justify a review in terms of the Plan.

ACTIVITY INFORMATION	ESTIMATED VOLUME	2006/07 ACTUAL	2005/06 ACTUAL
Number of instances advice is provided to local authorities/CDEM groups of events and incidents that have the potential to lead to civil defence emergencies.	0–50	40	77
Number of national warnings issued.	0–5	0	New measure
Carry out a minimum of 10 tests of NCMC systems during the year.	10	13	12
Number of declared civil defence emergencies requiring coordination and/or management of central government response.	0–5	1	0
Number of non-declared civil defence emergencies requiring coordination and/or management of central government response.	0–10	2	0

description

This output covers:

» monitoring, responding to and managing the recovery from events outside the capability of local CDEM organisations

» maintaining the National Crisis Management Centre (NCMC) in a state of readiness

» ensuring a dedicated level of national event management training within the Ministry of Civil Defence and Emergency Management.

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

Management of National Emergency Readiness, Response and Recovery CONTINUED

ACTIVITY INFORMATION	ESTIMATED VOLUME	2006/07 ACTUAL	2005/06 ACTUAL
Number of emergency events requiring management of central government activity in regard to recovery support.	0–10	2 (North Island storm, July 2006 and Northland floods, March 2007)	1
Provide a minimum of 10 NCMC Development Programme education or training sessions.	10	17	New measure
Update the Standard Operating Procedures a minimum of twice a year.	2	2	New measure

revenue and output expenses

APPROPRIATION	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Revenue				
Revenue Crown	3,301	3,312	3,301	2,985
Revenue Other	31	24	24	20
Total Revenue	**3,332**	**3,336**	**3,325**	**3,005**
Expenses	**2,953**	**3,336**	**3,325**	**2,983**
Net Surplus/(Deficit)	379	0	0	22

The variance between Supp. Estimates and Actual was mainly the result of receiving $0.500 million new initiative funding for the implementation of a back up emergency operations centre capability that could not be utilized in 2006/07. An in-principle expense transfer of $0.500 million from 2006/07 to 2007/08 was approved.

Policy Advice – Emergency Management

performance information

RESULTS INFORMATION	PERFORMANCE STANDARD	2006/07 ACTUAL	2005/06 ACTUAL	COMMENT
Policy advice is delivered according to the policy work programme (and any subsequent amendments) as negotiated between the Minister of Civil Defence and the Chief Executive.	100%	100%	50%	Achieved
Policy advice is delivered in accordance with agreed policy quality criteria as listed on page 102.	100%	100%	50%	Achieved
The Minister is requested to indicate his/her level of satisfaction with the quality of policy advice.	Satisfied or better	Good	Satisfactory	Achieved
Policy advice is delivered according to the timeframes agreed.	100%	100%	50%	Achieved
Percentage of first versions of replies to ministerial correspondence, Official Information Act 1982 requests, Ombudsman's inquiries and parliamentary questions accepted by the Minister.	95%	93.5%	81.5%	7 out of 108 replies were revised in light of feedback from the Minister's Office
Percentage of draft responses to ministerial correspondence returned to the Minister's office for signature within 15 working days of receipt from the Minister's office or such other deadlines as may be specifically agreed.	95%	97.1%	77%	Achieved
Percentage of draft responses to Official Information Act 1982 requests and Ombudsman's inquiries returned to the Minister's office for signature five days prior to the statutory deadline for reply.	100%	100%	100%	Achieved
Percentage of draft replies to parliamentary questions completed within the timeframes specified by the Minister.	100%	100%	100%	Achieved

ACTIVITY INFORMATION	ESTIMATED VOLUME	2006/07 ACTUAL	2005/06 ACTUAL
Number of replies to ministerial correspondence, Official Information Act 1982 requests and Ombudsman's inquiries, and answers to parliamentary questions.	0–65	108	157

description

This output covers:

» strategic policy development and policy advice on risk management, and on civil defence and emergency management frameworks, procedures and operations. Policy advice also involves preparing ministerial briefings and speech notes, and providing support for the Minister of Civil Defence, as required, in Cabinet committees, select committees and Parliament

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

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

Policy Advice – Emergency Management CONTINUED

revenue and output expenses

The change in budget between Main Estimates and Supp. Estimates was mainly due to a reallocation of funding to Support Services, Information and Education (-$0.920 million).

APPROPRIATION	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Revenue				
Revenue Crown	872	1,766	872	1,591
Revenue Other	13	14	0	11
Total Revenue	**885**	**1,780**	**872**	**1,602**
Expenses	**850**	**1,780**	**872**	**1,579**
Net Surplus/(Deficit)	35	0	0	23

Support Services, Information and Education

performance information

RESULTS INFORMATION	PERFORMANCE STANDARD	2006/07 ACTUAL	2005/06 ACTUAL	COMMENT
Percentage of stakeholders who are satisfied with the level of support provided and that their needs and expectations have, where possible, been incorporated into the Ministry's work programme, as measured by stakeholder surveys.	80%	88%	71%	Achieved
Percentage of stakeholders who are satisfied with the quality of public education resources and support provided, as measured by stakeholder surveys.	80%	88%	96%	Achieved
Percentage of attendees who are satisfied with the education or training interventions attended, as measured by stakeholder surveys.	80%	89%	97.1%	Achieved

ACTIVITY INFORMATION	ESTIMATED VOLUME	2006/07 ACTUAL	2005/06 ACTUAL
Participate in and/or evaluate no less than eight local government civil defence readiness and response exercises.	8	10	13
Deliver or sponsor no less than six education or training interventions in consultation with the emergency management sector and other relevant agencies or organisations.	6–10	25	New measure
Provide to the CDEM sector no less than 10 newsletters/updates.	10–20	19	New measure
Develop a minimum of three guidelines, codes, technical standards or other CDEM sector information publications.	3–10	4	New measure

revenue and output expenses

APPROPRIATION	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Revenue				
Revenue Crown	6,974	5,509	6,974	6,298
Revenue Other	54	28	44	31
Total Revenue	**7,028**	**5,537**	**7,018**	**6,329**
Expenses	**6,937**	**5,539**	**7,020**	**6,291**
Net Surplus/(Deficit)	91	(2)	(2)	38

description

This output covers:

» developing and implementing policies and projects that will assist with information services, preparedness and education within the civil defence emergency management (CDEM) sector

» providing support, monitoring, information, frameworks, guidelines and professional development for the CDEM sector.

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

The change in budget between Main Estimates and Supp. Estimates was mainly due to a reallocation of funding from Policy Advice – Emergency Management ($0.920 million) and Management of National Emergency Readiness, Response and Recovery ($0.533 million) to Support Services, Information and Education.

Gaming and Censorship Regulatory Services

description

This output covers:

» issuing licences to, and analysing data from, operators involved in the higher-risk forms of gambling

» auditing and monitoring casinos, and gaming sector organisations containing gaming machines, to assess compliance, with an emphasis on high-risk organisations, operators and activities

» investigations, inspections, information gathering and intelligence dissemination regarding possible breaches of the gaming and censorship legislation, and taking enforcement action against those who breach the legislation

» responding to public inquiries and providing targeted education, advice and information regarding gambling and censorship laws, to minimise harm to the community and encourage voluntary compliance

» providing policy advice on the gaming licensing regulatory regime and associated fees

» providing services to the Gambling Commission (these functions are carried out entirely separately to the Department's gambling-related policy and operational functions, to underpin the independence of the Gambling Commission).

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

performance information

Increase Compliance in the Gaming Sector

RESULTS INFORMATION	PERFORMANCE STANDARD	2006/07 ACTUAL	2005/06 ACTUAL	COMMENT
Number of instances of non-compliance with gambling laws that are detected during audits and investigations that result in a formal warning or sanction.	As required	404	New measure	210 Casino 194 Non-Casino
Number of non-compliant activities that have resulted in a prosecution, an infringement notice or application to the Gambling Commission.	As required	41	New measure	
All breaches found in audits and investigations are followed up and result in rectification or further compliance action, in accordance with the timeframes set out in the relevant follow-up process.	100%	100%	New measure	Achieved
Percentage of respondents to a survey of gaming sector organisations and operators who rate their satisfaction with how information services provided by the Department support their ability to comply with relevant laws, conditions and rules is no less than:	85%	95%	94%	Achieved
The Gambling Commission and courts will make no adverse comment on the Department's regulatory activities.	No adverse comment	2 adverse comments from the Gambling Commission	1	One adverse comment was critical of a technical procedural matter not affecting the outcome of the case. The second adverse comments was critical of one management issue, while agreeing with the decision.
The Gambling Commission's satisfaction with the services provided by the secretariat is 3 or above on a scale of 1 to 5.	3 or above	4.8	5	Achieved

Increase Compliance with Censorship Laws

RESULTS INFORMATION	PERFORMANCE STANDARD	2006/07 ACTUAL	2005/06 ACTUAL	COMMENT
Number of instances of non-compliance (excluding Internet-related non-compliance) with censorship laws is no greater than:	15%	9%	6%	Achieved
All non-compliant practices identified during inspection processes or as a result of complaints are dealt with during the inspection, or within three months (75%) or 12 months (25%) of the completion of the inspection.	3 months (75%) 12 months (25%)	89% within 3 months 11% within 12 months	87% within 3 months 13% within 12 months	Achieved
Number of censorship prosecution cases dismissed where prima facie case is not established is no more than:	2	0	0	Achieved
Number of censorship prosecution cases that receive adverse judicial comment on the investigation process is no more than:	2	0	0	Achieved

Increase the Return to the Community from Non-casino Gaming Machine Operations

RESULTS INFORMATION	PERFORMANCE STANDARD	2006/07 ACTUAL	2005/06 ACTUAL	COMMENT
All gaming machine operators' return to the community is no less than:	37.12% (GST exclusive)	99% of gaming machine operators returned a minimum of 37.12% (GST exclusive)	Revised measure (The average return was no less than 33% (GST exclusive))	Six gaming machine operators out of 439 operators had returns less than 37.12% (GST exclusive). Returns less than 37.12% have generally been due to one-off unexpected expenses incurred by the society.

ACTIVITY INFORMATION	ESTIMATED VOLUME	2006/07 ACTUAL	2005/06 ACTUAL
Complete at least 80% of audits of all gaming machine societies, and other gambling activities identified as high risk, in accordance with their risk profile, within three months and the balance within six months.	3 months (80%) 6 months (20%)	3 months (86%) 6 months (12%) Over 6 months (2%)	New measure
Undertake audits of casino operator activities identified as high risk, in accordance with their risk profile.	As required	72	72 audits completed
Undertake investigations of all licensed gambling outside of casinos, where serious non-compliance is identified through audit, intelligence or complaints.	As required	357	Revised measure
Undertake investigations of all casino operators where serious non-compliance is identified through audit, intelligence or complaints.	As required	73	6 investigations completed
Undertake investigations of suspected illegal gambling.	As required	27	2 investigations completed

Gaming and Censorship Regulatory Services CONTINUED

ACTIVITY INFORMATION	ESTIMATED VOLUME	2006/07 ACTUAL	2005/06 ACTUAL
Undertake investigations into offences against the Act, and crimes involving dishonesty that relate to or involve gambling, committed by persons other than holders of a casino operator's licence on casino premises.	As required	407	New measure
Number of formal presentations and compliance educative visits to the gaming sector.	20 formal 300 compliance educative visits	23 formal 398 compliance educative visits	693
Number of inspections at outlets for publications/videos/films undertaken.	1,500	1,601	1,691
Number of censorship complaints and proactive investigations for publications/videos/films and on the Internet responded to.	700	807	700
Number of censorship prosecutions undertaken.	20–40	37	35
Percentage of licence renewal applications processed within two months of receipt.	80%	80%	New measure
Percentage of all other licence applications processed within one month of receipt.	90%	97%	New measure

revenue and output expenses

The change in budget between Main Estimates and Supp. Estimates was mainly due to an expense transfer from 2005/06 to 2006/07 for the Upgrade of Information and Technology Infrastructure ($0.249 million) and the establishment and operation of an enforcement unit to ensure compliance with the Unsolicited Electronic Messages Act 2007 ($0.450 million).

An in-principle expense transfer of $0.350 million from 2006/07 to 2007/08 was approved for the Anti-Spam Enforcement Unit.

The actual Net Surplus/(Deficit) was favourable to budget – refer Memorandum Accounts page 114 for an explanation.

APPROPRIATION	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Revenue				
Revenue Crown	2,397	1,916	2,397	1,893
Revenue Other	18,489	18,496	18,516	11,973
Total Revenue	**20,886**	**20,412**	**20,913**	**13,866**
Expenses	**22,361**	**22,340**	**23,059**	**17,867**
Net Surplus/(Deficit)	(1,475)	(1,928)	(2,146)	(4,001)

Identity Services

performance information

RESULTS INFORMATION	PERFORMANCE STANDARD	2006/07 ACTUAL	2005/06 ACTUAL	COMMENT
Percentage of applications for grant of citizenship recommended to the Minister within eight months of receipt of a completed application.	80%	93.2%	86.45%	Achieved
Percentage of applications for registration of citizenship, not involving adoption, processed within 20 working days of receipt of a completed application.	95%	99.2%	98.4%	Achieved
Percentage of certificates of citizenship status issued within 20 working days of receipt of a completed application.	95%	99.7%	99.8%	Achieved
Percentage of passports, certificates and other identity documents issued without error.	99%	99.9%	99.8%	Achieved
Percentage of passports issued within 10 working days for standard passports, and three working days for urgent passports, of receipt of a completed application.	99%	99.9%	99.6% (Standard) 99.9% (Urgent)	Achieved
Percentage of birth, death, marriage and civil union information registered without error.	99%	99.7%	99.69%	Achieved
Percentage of birth, death, marriage and civil union certificates issued without error.	99%	99.7%	99.77%	Achieved
Percentage of deaths registered within three working days of receipt of a completed notification.	96%	100%	99.55%	Achieved
Percentage of births, marriages and civil unions registered within four working days of receipt of a completed notification or application.	96%	99.9%	99.89%	Achieved
Percentage of certificates from fully computerised registrations issued within one working day of receipt of a completed application.	99%	99.6%	99.42%	Achieved
Percentage of certificates from partially computerised registrations issued within eight working days of receipt of a completed application.	96%	99.7%	99.95%	Achieved
Percentage of birth, death, marriage and civil union printouts issued within eight working days of request.	95%	96.2%	99.78%	Achieved

description

This output covers:

» assessing applications for and issuing New Zealand passports and other travel documents

» assessing applications for grant of citizenship

» registering and confirming citizenship

» registering births, deaths, marriages and civil unions

» issuing certificates and providing information and services relating to births, deaths, marriages and civil unions

» maintaining national records relating to passports, citizenship, births, deaths, marriages and civil unions

» developing authorised information-matching programmes with specified government agencies

» providing data to international government agencies, to enhance border security and facilitate travel

» advising Government about authentication of identity and evidence of identity standards.

This work contributes to the development of the following outcomes:

» *Trusted records of New Zealand identity*

» *Strong, sustainable communities/ hapū/iwi.*

part four statement of service performance

Identity Services CONTINUED

ACTIVITY INFORMATION	ESTIMATED VOLUME	2006/07 ACTUAL	2005/06 ACTUAL
Number of applications for grant of citizenship to foreign nationals recommended to the Minister.	26,000–30,000	29,979	27,780
Number of registrations of citizenship by descent for New Zealanders born abroad.	5,000–6,000	7,202	6,483
Number of certificates of citizenship status issued.	3,500–4,000	5,077	5,487
Number of passports and travel documents issued.	390,000–460,000	398,040	385,966
Number of birth, death, marriage and civil union registrations.	102,000–116,000	116,207	110,999
Number of birth, death, marriage and civil union certificates and printouts issued.	200,000–250,000	249,882	228,874

revenue and output expenses

The change in budget between Main Estimates and Supp. Estimates was mainly due to:

» expense transfers from 2005/06 to 2006/07 for the Upgrade of Information and Technology Infrastructure ($0.536 million) and the Moderation of Birth and Death Data ($0.328 million)

» additional funding for the Identity Verification Service ($3.301 million)

» additional resources to reduce the volume of citizenship work in progress ($1.021 million)

» an increase in demand for Identity products ($1.563 million).

The variance between Supp. Estimates and Actual mainly relates to the contingency in this appropriation to meet fluctuating demand and the slower start up phase to passports redevelopment.

An in-principle expense transfer of $0.400 million from 2006/07 to 2007/08 was approved for the Identity Verification Service.

APPROPRIATION	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Revenue				
Revenue Crown	12,079	8,416	12,079	7,625
Revenue Other	78,078	78,637	76,607	63,358
Total Revenue	**90,157**	**87,053**	**88,686**	**70,983**
Expenses	**84,497**	**83,175**	**89,935**	**70,485**
Net Surplus/(Deficit)	5,660	3,878	(1,249)	498

Information and Advisory Services

performance information

RESULTS INFORMATION	PERFORMANCE STANDARD	2006/07 ACTUAL	2005/06 ACTUAL	COMMENT
Number of complaints concerning typesetting errors where published text is inconsistent with text supplied by client is, on average, no more than:	1 per month	0.2 per month	0	Achieved 2 in total for the financial year
Percentage of *Principal* and *Customs* editions of the *New Zealand Gazette* available at retail outlets by the applicable deadline.	100%	100%	100%	Achieved
Commissioners' rating of the quality of services provided is 3 or above on a scale of 1 to 5.	3 or above	4.7	4.25	Achieved
Commissioners' rating of the timeliness of services provided is 3 or above on a scale of 1 to 5.	3 or above	4.7	4	Achieved

ACTIVITY INFORMATION	ESTIMATED VOLUME	2006/07 ACTUAL	2005/06 ACTUAL
Number of editions of the *New Zealand Gazette* published.	100	125	106

revenue and output expenses

APPROPRIATION	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Revenue				
Revenue Crown	3,759	498	3,758	4,519
Revenue Other	1,387	1,236	1,238	1,143
Total Revenue	**5,146**	**1,734**	**4,996**	**5,663**
Expenses	**4,389**	**1,733**	**5,007**	**4,300**
Net Surplus/(Deficit)	757	1	(11)	1,362

description

This output covers:

» publishing the *New Zealand Gazette*

» authenticating official documents

» providing information, advisory and support services to commissions of inquiry and similar bodies, as required.

This work is an administrative service for Government.

The change in budget between Main Estimates and Supp. Estimates was mainly due to:

» expense transfers from 2005/06 to 2006/07 for the:
  • Commission of Inquiry into Police Conduct ($0.375 million)
  • Confidential Forum for Former-In-Patients of Psychiatric Hospitals ($0.375 million)

» additional funding for the:
  • Commission of Inquiry into Police Conduct ($0.726 million)
  • Local Government Rating Inquiry ($1.284 million)
  • implementation of work of the Expert Panel on War Disablement Pensions ($0.500 million).

The variance between Supp. Estimates and Actual mainly relates to the Expert Panel on War Disablement Pensions for which an in-principle expense transfer from 2006/07 to 2007/08 of $0.500 million was approved.

Policy Advice – Internal Affairs

description

This output covers:

» policy advice and information on matters relating to:

  • gaming, censorship, fire and identity

  • the performance of and appointments to Crown entities

  • appointments to statutory bodies

  • the Significant Community-Based Project Fund.

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

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

This work contributes to the development of the following outcomes:

» *Strong, sustainable communities/ hapū/iwi*

» *Safer communities*

» *Trusted records of New Zealand identity.*

performance information

RESULTS INFORMATION	PERFORMANCE STANDARD	2006/07 ACTUAL	2005/06 ACTUAL	COMMENT
Policy advice is delivered according to the policy work programme (and any subsequent amendments) as negotiated between the Minister of Internal Affairs and the Chief Executive.	100%	100%	100%	Achieved
Policy advice is delivered in accordance with agreed policy quality criteria as listed on page 102.	100%	100%	100%	Achieved
The Minister is requested to indicate his/her level of satisfaction with the quality of policy advice.	Satisfied or better	Satisfactory	No formal rating provided	The Minister's response indicated that this was "Achieved".
Policy advice is delivered according to the timeframes agreed.	100%	100%	100%	Achieved
Percentage of first versions of replies to ministerial correspondence, Official Information Act 1982 requests, Ombudsman's inquiries and parliamentary questions accepted by the Minister.	95%	98.9%	98.6%	Achieved
Percentage of draft responses to ministerial correspondence returned to the Minister's office for signature within 15 working days of receipt from the Minister's office or such other deadlines as may be specifically agreed.	95%	99.4%	99%	Achieved
Percentage of draft responses to Official Information Act 1982 requests and Ombudsman's inquiries returned to the Minister's office for signature five days prior to the statutory deadline for reply.	100%	97.0%	100%	One response was late in August.
Percentage of draft replies to parliamentary questions completed within the timeframes specified by the Minister.	100%	100%	100%	Achieved

ACTIVITY INFORMATION	ESTIMATED VOLUME	2006/07 ACTUAL	2005/06 ACTUAL
Number of replies to ministerial correspondence, Official Information Act 1982 requests and Ombudsman's inquiries, and answers to parliamentary questions.	430–630	1,071	718

revenue and output expenses

APPROPRIATION	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Revenue				
Revenue Crown	4,887	4,811	4,887	4,759
Revenue Other	60	90	90	65
Total Revenue	**4,947**	**4,901**	**4,977**	**4,824**
Expenses	**4,551**	**4,901**	**4,977**	**4,371**
Net Surplus/(Deficit)	396	0	0	453

The change in budget between Main Estimates and Supp. Estimates was due to an expense transfer from 2005/06 to 2006/07 for the Upgrade of Information and Technology Infrastructure ($0.076 million).

The variance between Supp. Estimates and Actual mainly relates to delayed expenditure for the publishing of two surveys in the Gaming and Censorship area. An in-principle expense transfer from 2006/07 to 2007/08 of $0.100 million has been approved for these surveys.

Services for Ethnic Affairs

description

This output covers:

» providing policy advice and information on matters relating to ethnic affairs. This also involves:

- arranging meetings for the Minister to facilitate contact with ethnic communities

- preparing ministerial briefings and speech notes, and providing support for the Minister for Ethnic Affairs, as required, in Cabinet committees, select committees and Parliament

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

» providing advisory and information services to ethnic communities, and information to the public to raise the level of knowledge about ethnic communities and their contribution to New Zealand

» managing the contract for the telephone interpreting service (Language Line).

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

performance information

RESULTS INFORMATION	PERFORMANCE STANDARD	2006/07 ACTUAL	2005/06 ACTUAL	COMMENT
Policy advice is delivered according to the policy work programme (and any subsequent amendments) as negotiated between the Minister for Ethnic Affairs and the Chief Executive.	100%	100%	100%	Achieved
Policy advice is delivered in accordance with agreed policy quality criteria as listed on page 102.	100%	100%	100%	Achieved
The Minister is requested to indicate his/her level of satisfaction with the quality of policy advice.	Satisfied or better	Satisfied	Good	Achieved
Policy advice is delivered according to the timeframes agreed.	100%	100%	100%	Achieved
Percentage of first versions of replies to ministerial correspondence, Official Information Act 1982 requests, Ombudsman's inquiries and parliamentary questions accepted by the Minister.	95%	97%	94.4%	Achieved
Percentage of draft responses to ministerial correspondence returned to the Minister's office for signature within 15 working days of receipt from the Minister's office or such other deadlines as may be specifically agreed.	95%	100%	100%	Achieved
Percentage of draft responses to Official Information Act 1982 requests and Ombudsman's inquiries returned to the Minister's office for signature five days prior to the statutory deadline for reply.	100%	100%	100%	Achieved
Percentage of draft replies to parliamentary questions completed within the timeframes specified by the Minister.	100%	100%	100%	Achieved
Percentage of requests for written advice answered within 10 working days or according to the timeframes agreed with the correspondent.	95%	99%	99%	Achieved
Percentage of key stakeholders who rate the quality and effectiveness of the advisory services provided to ethnic communities at 3 or above on a scale of 1 to 5, as measured by stakeholder surveys.	85%	100%	96% Quality 89% Effectiveness	Achieved

RESULTS INFORMATION	PERFORMANCE STANDARD	2006/07 ACTUAL	2005/06 ACTUAL	COMMENT
The contract with the supplier of the telephone interpreting service (Language Line) will specify the nature and level of services to be provided, price, duration, monitoring arrangements, scope for variation and mechanisms for dispute resolution.	–	Present contract with Language Line provider specifies standard	Present contract with Language Line provider specifies standard	Achieved
Reports will be provided regularly to the Minister on the Language Line provider's performance against service standards.	Monthly	Fortnightly report provided to the Minister for Ethnic Affairs	Fortnightly report provided to the Minister for Ethnic Affairs	Achieved

ACTIVITY INFORMATION	ESTIMATED VOLUME	2006/07 ACTUAL	2005/06 ACTUAL
Number of replies to ministerial correspondence, Official Information Act 1982 requests and Ombudsman's inquiries, and answers to parliamentary questions.	120–240	40	52
Number of requests from ethnic communities for information or advice responded to.	3,000–3,500	5,215	4,954

revenue and output expenses

APPROPRIATION	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Revenue				
Revenue Crown	2,690	2,660	2,690	2,799
Revenue Other	640	518	704	472
Total Revenue	**3,330**	**3,178**	**3,394**	**3,271**
Expenses	**3,293**	**3,179**	**3,395**	**3,283**
Net Surplus/(Deficit)	37	(1)	(1)	(12)

The change in budget between Main Estimates and Supp. Estimates was due to an increase in demand for Language Line ($0.186 million) and an expense transfer from 2005/06 to 2006/07 for the Upgrade of Information and Technology Infrastructure ($0.030 million).

Contestable Services

description

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

Services include translation and other foreign language services to Ministers and third parties.

performance information

RESULTS INFORMATION	PERFORMANCE STANDARD	2006/07 ACTUAL	2005/06 ACTUAL	COMMENT
Percentage of respondents to a customer survey who rate their satisfaction with the quality of translation services provided at 3 or above on a scale of 1 to 5 is no less than:	85%	100%	100%	Achieved
Percentage of translations meeting timeframes agreed with customers.	98%	99.5%	99.22%	Achieved

revenue and output expenses

The variance between Supp. Estimates and Actual mainly relates to property rental which is recovered from a sub-tenant. This was offset by a corresponding increase in revenue. This was not a breach of appropriation because this is a revenue dependent output expense for which costs may be incurred up to the level of increased revenue.

APPROPRIATION	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Revenue				
Revenue Crown	0	0	0	0
Revenue Other	1,239	935	939	1,223
Total Revenue	**1,239**	**935**	**939**	**1,223**
Expenses	**1,188**	**935**	**939**	**1,199**
Net Surplus/(Deficit)	51	0	0	24

Information, Support and Regulatory Services

performance information

RESULTS INFORMATION	PERFORMANCE STANDARD	2006/07 ACTUAL	2005/06 ACTUAL	COMMENT
The Local Government Commission is satisfied with the quality of advice and support services provided rated on a scale of 1 to 5.	3 or above	3.8	4	Achieved
Local Government Commission decisions are dispatched to parties within 10 working days of decision, or to such other timetable as instructed by the Commission.	100%	100%	100%	Achieved
All responses to requests for information from the public are easy to comprehend and accurate.	100%	100%	100%	Achieved
Percentage of rates rebates claims processed accurately.	99%	100%	100%	Achieved
Percentage of requests for information from the public responded to within 15 working days.	95%	100%	100%	Achieved
Percentage of claims for rates rebates processed within 20 working days.	98%	99%	100%	Achieved
The Taupo Harbourmaster will implement a programme of facilities inspection and maintenance.	Facilities managed in accordance with programme and standards	Achieved	Achieved	Achieved
All boating facilities on Lake Taupo are maintained to an appropriate level of safety and usability.	Facilities maintained to specified standards	Achieved	Achieved	Achieved
Percentage of respondents to a survey of key stakeholders who rate their satisfaction with the quality of Lake Taupo regulatory services at 3 or above on a scale of 1 to 5.	85%	100%	100%	Achieved
Number of prosecutions taken under navigation safety legislation and regulations dismissed because a prima facie case has not been established is no more than:	2 cases	0	0	Achieved
The Taupo Landing Reserve is managed in accordance with a Reserve Management Plan approved by the Ministers of Local Government and Conservation.	Managed in accordance with Reserve Management Plan	Achieved	Achieved	Achieved

description

This output covers:

» providing advisory and support services to the Local Government Commission in respect of its statutory functions

» providing information to and about local government

» administering the Local Government Act 2002 and other statutes, including advising the Minister of Local Government on:

- local government boundaries and reorganisation schemes

- approval of sales of endowment land and other statutory approvals

- the Rates Rebates Scheme

- offshore islands not in a territorial authority district

- servicing of ministerial review authorities when required

» administering the Local Electoral Act 2001 including:

- approving voting document formats

- administering the Single Transferable Vote calculator

- collection and publication of local government election statistics

» providing regulatory and boating services for Lake Taupo, including providing the Harbourmaster and managing the Lake Taupo Landing Reserve

» governance and management of the National Dog Control Information Database.

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

Information, Support and Regulatory Services CONTINUED

ACTIVITY INFORMATION	ESTIMATED VOLUME	2006/07 ACTUAL	2005/06 ACTUAL
Number of responses to requests for information from the public.	100–500	658	245
Number of rates rebates claims received for processing.	100,000–140,000	109,582	4,566

revenue and output expenses

The change in budget between Main Estimates and Supp. Estimates was due to a transfer of funding to Vote Justice for Neighbourhood Support funding (-$0.025 million), and expense transfers from 2005/06 to 2006/07 for the:

» communication plan for the Dog Control Act ($0.107 million)

» implementation of new thresholds for the Rates Rebate Scheme ($0.100 million)

» Local Government Commission ($0.500 million)

» National Dog Database set up costs ($0.250 million)

» upgrade of Information and Technology Infrastructure ($0.035 million).

The variance between Supp. Estimates and Actual mainly relates to:

» timing of the Local Government Commission's Review of the Local Government and Local Electoral Amendment Acts. The Review will be completed by June 2008. An in-principle expense transfer from 2006/07 to 2007/08 of $0.750 million has been approved.

» an under spend for the National Dog Database due to lower than budgeted depreciation and database administration contract costs.

APPROPRIATION	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Revenue				
Revenue Crown	4,962	3,999	4,962	4,335
Revenue Other	694	653	653	329
Total Revenue	**5,656**	**4,652**	**5,615**	**4,664**
Expenses	**4,122**	**4,670**	**5,637**	**3,461**
Net Surplus/(Deficit)	1,534	(18)	(22)	1,203

Policy Advice – Local Government

performance information

RESULTS INFORMATION	PERFORMANCE STANDARD	2006/07 ACTUAL	2005/06 ACTUAL	COMMENT
Policy advice is delivered according to the policy work programme (and any subsequent amendments) as negotiated between the Minister of Local Government and the Chief Executive.	100%	100%	96%	Achieved
Policy advice is delivered in accordance with agreed policy quality criteria listed on page 102.	100%	100%	100%	Achieved
The Minister is requested to indicate his/her level of satisfaction with the quality of policy advice.	Satisfied or better	Good – Very Good	Good/Very Good	Achieved
Policy advice is delivered according to the timeframes agreed.	100%	100%	96%	Achieved
Percentage of first versions of replies to ministerial correspondence, Official Information Act 1982 requests, Ombudsman's inquiries and parliamentary questions accepted by the Minister.	95%	92%	97%	67 replies were revised in light of feedback from the Minister's office. Workload issues within the Department during two periods of the year resulted in quality assurance problems that have now been resolved.
Percentage of draft responses to ministerial correspondence returned to the Minister's office for signature within 15 working days of receipt from the Minister's office or such other deadlines as may be specifically agreed.	95%	98.8%	99%	Achieved
Percentage of draft responses to Official Information Act 1982 requests and Ombudsman's inquiries returned to the Minister's office for signature five days prior to the statutory deadline for reply.	100%	94.1%	100%	1 draft response was late following process delays.
Percentage of draft replies to parliamentary questions completed within the timeframes specified by the Minister.	100%	100%	100%	Achieved

description

This output covers:

» policy advice and information on local government issues. It also involves monitoring the local government system, preparing ministerial briefings and speech notes, and providing support for the Minister of Local Government, as required, in Cabinet committees, select committees, and Parliament. It also includes preparations for hosting the Commonwealth Local Government Forum 2007 Conference

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

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

Policy Advice – Local Government CONTINUED

ACTIVITY INFORMATION	ESTIMATED VOLUME	2006/07 ACTUAL	2005/06 ACTUAL
Number of replies to ministerial correspondence, Official Information Act 1982 requests and Ombudsman's inquiries, and answers to parliamentary questions.	500–1,000	837	601

revenue and output expenses

The change in budget between Main Estimates and Supp. Estimates was due to a transfer of funding to Vote Justice for Neighbourhood Support funding (-$0.025 million), and expense transfers from 2005/06 for the:

» 2007 Conference of the Commonwealth Local Government Forum ($0.100 million)

» Auckland Infrastructure Review ($0.225 million)

» Support for Waitomo District Council ($0.300 million)

» upgrade of Information and Technology Infrastructure ($0.341 million).

The variance between Supp. Estimates and Actual mainly relates to under expenditure on the Auckland Infrastructure Review ($0.225 million) and Support for Waitomo District Council ($0.100 million) projects, for which in-principle expense transfers from 2006/07 to 2007/08 have been approved.

APPROPRIATION	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Revenue				
Revenue Crown	8,259	7,317	8,258	7,201
Revenue Other	36	69	69	40
Total Revenue	**8,295**	**7,386**	**8,327**	**7,241**
Expenses	**7,865**	**7,386**	**8,327**	**6,278**
Net Surplus/(Deficit)	430	0	0	963

Support Services to Ministers

performance information

RESULTS INFORMATION	PERFORMANCE STANDARD	2006/07 ACTUAL	2005/06 ACTUAL	COMMENT
Percentage of Ministers responding to the annual satisfaction survey who assess the quality of support services provided as satisfactory or better.	85%	100%	100%	Achieved
The Minister Responsible for Ministerial Services is satisfied with the level of administration of support services provided to the Executive.	Satisfactory or better	Very good	Good	Achieved
Percentage of Ministers responding to the annual satisfaction survey who assess their satisfaction with the timeliness of services provided to them at satisfactory or better.	85%	100%	100%	Achieved

description

This output covers:

» providing a range of support services for Ministers, including office administration, accounting, personnel, information technology, facilities management, media and advisory services

» managing residential accommodation provided for Ministers of the Crown, both owned and leased property.

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

revenue and output expenses

APPROPRIATION	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Revenue				
Revenue Crown	25,515	25,908	25,515	25,010
Revenue Other	328	338	353	274
Total Revenue	**25,843**	**26,246**	**25,868**	**25,284**
Expenses	**25,453**	**26,245**	**25,867**	**23,028**
Net Surplus/(Deficit)	390	1	1	2,256

The change in budget between Main Estimates and Supp. Estimates was mainly due to an expense transfer from 2005/06 to 2006/07 for the Upgrade of Information and Technology Infrastructure ($0.077 million),and a transfer to Visits and Official Events Coordination for the guests of Government programme (-$0.470 million).

VIP Transport

description

This output covers chauffeur-driven vehicle services for Ministers, the Leader of the Opposition, former Prime Ministers and their spouses, former Governors-General and their spouses, the judiciary and distinguished visitors, and self-drive vehicles for Ministers.

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

performance information

RESULTS INFORMATION	PERFORMANCE STANDARD	2006/07 ACTUAL	2005/06 ACTUAL	COMMENT
Number of customer complaints received regarding quality and timeliness of chauffeur-driven vehicle hires is no more than:	1 per 1,500	0.05 per 1,500	0.16 per 1,500	Achieved
Percentage of Ministers who rate their satisfaction with the transport services provided to them as satisfactory or better.	85%	100%	100%	Achieved

revenue and output expenses

APPROPRIATION	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Revenue				
Revenue Crown	0	0	0	0
Revenue Other	7,042	7,175	7,191	6,310
Total Revenue	**7,042**	**7,175**	**7,191**	**6,310**
Expenses	**7,082**	**7,175**	**7,207**	**6,339**
Net Surplus/(Deficit)	(40)	0	(16)	(29)

Visits and Official Events Coordinaton

performance information

RESULTS INFORMATION	PERFORMANCE STANDARD	2006/07 ACTUAL	2005/06 ACTUAL	COMMENT
Percentage of visit programme content and logistics arranged to reflect visit objectives.	100%	100%	100%	Achieved Survey forms sent out on completion of each assignment
Percentage of Ministers who rate their satisfaction with the quality of arrangements for ministerial and State functions as satisfied or better. (Only Ministers sponsoring ministerial and State functions are surveyed.)	85%	100%	100%	Achieved Survey forms sent out on completion of each assignment
Percentage of Ministers who rate their satisfaction with the coordination and management of official events as satisfactory or better. (Only Ministers with responsibility for hosting events are surveyed.)	85%	94%	99.95%	Achieved Survey forms sent out on completion of each assignment

revenue and output expenses

APPROPRIATION	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Revenue				
Revenue Crown	3,876	3,396	3,876	3,515
Revenue Other	18	17	17	15
Total Revenue	**3,894**	**3,413**	**3,893**	**3,530**
Expenses	**3,873**	**3,414**	**3,894**	**3,308**
Net Surplus/(Deficit)	21	(1)	(1)	222

description

This output covers services supporting:

» visits by guests of Government

» receptions at international airports for the Governor-General, Ministers and guests of Government

» State and ministerial functions

» commemorative events

» national anniversaries.

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

The change in budget between Main Estimates and Supp. Estimates was mainly due to a transfer from Support Services to Ministers for the guests of Government programme ($0.470 million).

Policy Advice – Racing

description

This output covers:

» policy advice and information on matters relating to racing and sports betting and on the racing industry generally. Policy advice also involves preparing ministerial briefings and speech notes, and providing support for the Minister for Racing, as required, in Cabinet committees, select committees and Parliament

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

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

performance information

RESULTS INFORMATION	PERFORMANCE STANDARD	2006/07 ACTUAL	2005/06 ACTUAL	COMMENT
Policy advice is delivered according to the policy work programme (and any subsequent amendments) as negotiated between the Minister for Racing and the Chief Executive.	100%	100%	100%	Achieved
Policy advice is delivered in accordance with agreed policy quality criteria as listed on page 102.	100%	100%	100%	Achieved
The Minister is requested to indicate his/her level of satisfaction with the quality of policy advice.	Satisfied or better	Very good	Very good	Achieved
Policy advice is delivered according to the timeframes agreed.	100%	100%	100%	Achieved
Percentage of first versions of replies to ministerial correspondence, Official Information Act 1982 requests, Ombudsman's inquiries and parliamentary questions accepted by the Minister.	95%	100%	100%	Achieved
Percentage of draft responses to ministerial correspondence returned to the Minister's office for signature within 15 working days of receipt from the Minister's office or such other deadlines as may be specifically agreed.	95%	100%	100%	Achieved
Percentage of draft responses to Official Information Act 1982 requests and Ombudsman's inquiries returned to the Minister's office for signature five days prior to the statutory deadline for reply.	100%	100%	100%	Achieved
Percentage of draft replies to parliamentary questions completed within the timeframes specified by the Minister.	100%	100%	100%	Achieved

ACTIVITY INFORMATION	ESTIMATED VOLUME	2006/07 ACTUAL	2005/06 ACTUAL	
Number of replies to ministerial correspondence, Official Information Act 1982 requests and Ombudsman's inquiries, and answers to parliamentary questions.	50–100	44	49	

revenue and output expenses

APPROPRIATION	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Revenue				
Revenue Crown	212	212	212	298
Revenue Other	1	4	4	1
Total Revenue	**213**	**216**	**216**	**299**
Expenses	**204**	**217**	**217**	**180**
Net Surplus/(Deficit)	9	(1)	(1)	119

Policy Advice Quality Criteria

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

Purpose

Policy papers should be short (where practicable), succinct and clearly focused on decisions required from Ministers.

Consistency

The advice takes account of other Government policies and decisions, and is consistent with the principles of the Treaty of Waitangi.

Logic

The assumptions behind the advice are explicit and argument is logical and supported by the facts.

Accuracy

The facts in the papers are legally and statistically accurate and all material facts and sources are included. Where appropriate, the advice includes sound legal opinion.

Options

An appropriate range of options is presented. Each option is assessed in terms of the benefits and costs for the Government, the economy, the community sector and all other relevant parties. The information provided has sufficient range and depth.

Consultation

There is evidence of adequate consultation with other Government agencies and other affected parties and possible objections to proposals are identified.

Practicality

The problems of implementation, technical feasibility, timing and consistency with other policies have been considered. Where appropriate, the advice considers the impact on the lives of New Zealanders.

Presentation

The length and format of Cabinet papers meet Ministerial and Cabinet Office requirements. All papers and briefings are in accordance with the Department's Policy Quality Assurance guidelines. All presentations to Ministers are in accordance with Ministerial preference for style and format. All key facts, and recommendations are on the first page. All material is effectively, concisely and clearly presented, has short sentences in plain English, and is free of grammatical or numerical errors.

Impartiality

The Department of Internal Affairs strives to provide professional, impartial and comprehensive advice to Ministers, and to alert Ministers to the possible consequences of following particular policies, whether or not such advice accords with the Minister's views.

financial information

financial statements – departmental

Accounting Policies

Statement of Accounting Policies
for the year ended 30 June 2007

Reporting Entity

The Department of Internal Affairs is a department as defined by section 2 of the Public Finance Act 1989. These financial statements for the year ended 30 June 2007, have been prepared pursuant to section 45 of the Public Finance Act 1989.

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

Measurement Base

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

Accounting Policies

The following particular accounting policies, which materially affect the measurement of financial results and financial position, have been applied.

Budget Figures

The budget figures are those presented in the Budget 2006 Estimates of Appropriation (Main Estimates) and those amended by the Supplementary Estimates (Supp. Estimates).

Revenue

The Department derives revenue through the provision of outputs to the Crown, and for services to third parties. Such revenue is recognised when earned and is reported in the financial period to which it relates.

Taxpayers' Funds

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

Inventories

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

Accounts Receivable

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

Property, Plant and Equipment

Land and buildings are recorded at fair value, which has been determined by reference to the highest and best use of those assets, with buildings subsequently depreciated over their useful lives. Valuations are undertaken on a systematic basis, at a minimum every five years, to ensure that no individual item of property, plant or equipment within a class is included at a valuation that is materially different from its fair value. Antiques and works of art are recorded at fair value and are not depreciated. All other fixed assets costing more than $3,000 are capitalised at cost and subsequently depreciated over their useful lives. Capital work in progress is recognised as costs are incurred.

Depreciation

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

Buildings	15 – 66 Years
Plant and Equipment	5 – 20 Years
Furniture and Fittings	5 – 10 Years
Office Equipment	5 – 10 Years
Motor Vehicles	4 – 6 Years
IT Equipment and Software	3 – 5 Years
Births, Deaths and Marriages Historical Records Database	10 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.

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

Leases

The Department leases accommodation, motor vehicles, and office equipment.

Operating Leases

Accommodation and motor vehicle leases are identified as operating leases where the lessor effectively retains substantial risks and benefits of ownership of the leased items. Operating lease costs are expensed in the period in which they are incurred.

Finance Leases

Finance leases effectively transfer to the Department substantially the entire risks and benefits incident to ownership of the leased items. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and the corresponding lease liabilities are recognised in the Statement of Financial Position. The leased assets depreciate over the period the Department is expected to benefit from their use. The Department's office equipment leases have been identified as finance leases.

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 after making allowance for the average attrition rate.

Cost Allocation

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

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

» personnel costs are allocated on the basis of estimated time engaged in the delivery of a particular output

» operating costs are allocated on the basis of usage

» depreciation and capital charge are allocated on the basis of estimated asset utilisation

» accommodation costs are allocated on the basis of floor space occupied.

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

For the year ended 30 June 2007, direct costs accounted for 85% of the Department's costs (2005/06: 84%). Direct costs include personnel, operating, capital charge, accommodation and depreciation.

Taxation

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

Commitments

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

Contingent Assets and Liabilities

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

Goods and Services Tax (GST)

Amounts in the financial statements are reported exclusive of GST except for Accounts Receivable, Prepayments and Accounts Payable.

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

Financial Instruments

The Department is party to financial instrument arrangements as part of its daily operations. These include bank, accounts receivable, accounts payable and provisions, accrued expenses and foreign currency. Financial instruments, excluding foreign currency exchange contracts, are recognised in the Statement of Financial Position.

All revenue and expenses relating to financial instruments are recognised in the Statement of Financial Performance.

Foreign Currency Transactions

Foreign exchange contracts are entered into for the primary purpose of reducing material exposure to fluctuations in foreign currency exchange rates. The rates specified in foreign exchange contracts are used to convert the transaction into New Zealand currency at the date of settlement. No exchange gains or losses resulting from the difference between the foreign exchange contract rate and the spot exchange rate on dates of settlement are recognised. Unhedged transactions in foreign currencies are converted into New Zealand currency using the exchange rate on the date of the transaction.

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

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

Changes in Accounting Policies

There have been no changes in accounting policies since the last audited financial statements. The accounting policies have been applied on a basis consistent with the previous year.

Financial Performance

Statement of Financial Performance
for the year ended 30 June 2007

	NOTE	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Revenue					
Crown		91,468	81,122	91,468	83,892
Third Parties	1	115,198	115,948	114,587	91,449
Revaluation Gain	14(a)	0	0	0	1,015
Total Revenue		**206,666**	**197,070**	**206,055**	**176,356**
Expenses					
Personnel		107,355	99,374	108,392	95,221
Operating	2	79,476	83,011	89,718	69,061
Depreciation	3	7,902	9,573	8,099	5,885
Capital Charge	4	3,322	3,183	3,322	2,470
Total Operating Expenses		**198,055**	**195,141**	**209,531**	**172,637**
Net Surplus/(Deficit)		**8,611**	**1,929**	**(3,476)**	**3,719**

Actual Net Surplus/(Deficit) is favourable to Supplementary Estimates because:

» Total Revenue was higher than forecast mainly due to increased demand for Identity Services products reflecting higher volumes, particularly for passports and birth, death, marriage and civil union products

» Total Operating Expenses was lower than forecast due to under expenditure associated with approved in-principle expense transfers from 2006/07 to 2007/08 and third party funded activities.

The increase in Operating of $10.415 million between 2005/06 and 2006/07 mainly relates to:

» the costs associated with the electronic monitoring of gaming machines

» the full year impact of the passport system changes, in particular, the implementation of the chip enabled passport.

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

Financial Position

Statement of Financial Position
as at 30 June 2007

	NOTE	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Assets					
Current Assets					
Cash and Bank Balances	5	49,557	31,187	26,675	43,856
Accounts Receivable	6	3,228	2,685	5,722	3,944
Inventories	7	2,713	2,316	1,975	2,673
Prepayments		337	85	36	99
Total Current Assets		**55,835**	**36,273**	**34,408**	**50,572**
Non Current Assets	8				
Property, Plant and Equipment		35,597	46,166	36,830	33,740
Leased Assets		0	0	0	44
Total Non Current Assets		**35,597**	**46,166**	**36,830**	**33,784**
Total Assets		**91,432**	**82,439**	**71,238**	**84,356**
Liabilities and Taxpayers' Funds					
Current Liabilities					
Accounts Payable	9	11,738	8,281	6,971	10,438
Provisions	10	1,269	2,190	1,169	1,125
Revenue Received in Advance	11	11,087	10,500	9,583	13,120
Accrued Expenses	12	13,648	13,778	11,285	11,804
Finance Leases	13	0	0	0	44
Provision for Payment of Surplus	14(a)	8,611	1,929	0	2,704
Total Current Liabilities		**46,353**	**36,678**	**29,008**	**39,235**
Term Liabilities					
Employee Entitlements	15	787	633	894	829
Total Term Liabilities		**787**	**633**	**894**	**829**
Total Liabilities		**47,140**	**37,311**	**29,902**	**40,064**
Taxpayers' Funds					
General Funds		42,636	44,311	39,680	42,636
Revaluation Reserve	14(b)	1,656	817	1,656	1,656
Total Taxpayers' Funds		**44,292**	**45,128**	**41,336**	**44,292**
Total Liabilities and Taxpayers' Funds		**91,432**	**82,439**	**71,238**	**84,356**

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

Cash Flows

Statement of Cash Flows
for the year ended 30 June 2007

	NOTE	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Cash Flows from Operating Activities					
Cash was Provided from:					
Supply of Outputs to the Crown		91,470	81,122	91,468	83,892
Supply of Outputs to Third Parties		113,878	115,950	112,814	92,279
		205,348	**197,072**	**204,282**	**176,171**
Cash was Disbursed to:					
Costs of Producing Outputs		(182,735)	(175,854)	(203,183)	(163,420)
Capital Charge		(3,322)	(3,183)	(3,322)	(2,470)
		(186,057)	**(179,037)**	**(206,505)**	**(165,890)**
Net Cash Flows from Operating Activities		**19,291**	**18,035**	**(2,223)**	**10,281**
Cash Flows from Investing Activities					
Cash was Provided from:					
Sale of Property, Plant and Equipment		481	440	1,695	646
Cash was Disbursed to:					
Purchase of Property, Plant and Equipment		(11,367)	(15,228)	(14,469)	(9,949)
Net Cash Flows from Investing Activities		**(10,886)**	**(14,788)**	**(12,774)**	**(9,303)**
Cash Flows from Financing Activities					
Cash was Provided from:					
Capital Contribution	14(c)	0	5,042	520	11,856
Cash was Disbursed to:					
Payment of Net Surplus		(2,704)	0	(2,705)	(217)
Transfer of Cash to Government Departments		0	0	0	(600)
Net Cash Flows from Financing Activities		**(2,704)**	**5,042**	**(2,185)**	**11,039**
Net Increase/(Decrease) in Cash Held		5,701	8,289	(17,182)	12,017
Add Opening Cash		43,856	22,898	43,857	31,839
Closing Cash and Bank Balances		**49,557**	**31,187**	**26,675**	**43,856**

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

Net Surplus to Net Cash Flow from Operating Activities

Reconciliation of Net Surplus to Net Cash Flow from Operating Activities for the year ended 30 June 2007

	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Surplus From Statement of Financial Performance	8,611	1,929	(3,476)	3,719
Add/(Deduct) Non Cash Items				
Depreciation	7,902	9,573	8,099	5,885
Revaluation Gain on Properties	0	0	0	(1,015)
Increase/(Decrease) in Employee Entitlements	(42)	0	0	(45)
	7,860	**9,573**	**8,099**	**4,825**
Add/(Deduct) Movements in Working Capital Items				
(Increase)/Decrease in Accounts Receivable	716	2	(1,776)	(772)
(Increase)/Decrease in Inventories	(40)	0	698	(672)
(Increase)/Decrease in Prepayments	(238)	25	63	63
Increase/(Decrease) in Accounts Payable	2,392	3,367	(2,828)	614
Increase/(Decrease) in Revenue Received in Advance	(2,033)	0	(3,537)	1,601
Increase /(Decrease) in Accrued Expenses	1,923	3,139	519	1,938
Increase /(Decrease) in Provisions	144	0	0	(808)
Increase /(Decrease) in Finance Leases	(44)	0	0	(213)
	2,820	**6,533**	**(6,861)**	**1,751**
Add/(Deduct) Items Classified as Investing Activities				
Loss/(Gain) on Sale of Property, Plant and Equipment	0	0	15	(14)
	0	**0**	**15**	**(14)**
Net Cash Flows From Operating Activities	**19,291**	**18,035**	**(2,223)**	**10,281**

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

Movements in Taxpayers' Funds

Statement of Movements in Taxpayers' Funds
for the year ended 30 June 2007

	NOTE	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Net Surplus/(Deficit) for the year		8,611	1,929	(3,476)	3,719
Increase/(decrease) in Revaluation Reserve	14(b)	0	0	0	839
Total Recognised Revenue and Expenses		**8,611**	**1,929**	**(3,476)**	**4,558**
Provision for Payment of Surplus	14(a)	(8,611)	0	0	(2,704)
Capital Contribution	14(c)	0	5,042	520	11,856
Asset/Liability Transfers between Departments		0	0	0	(600)
Movement in Taxpayers' Funds for the year		**0**	**6,971**	**(2,956)**	**13,110**
Taxpayers' Funds as at 1 July		**44,292**	**40,086**	**44,292**	**31,182**
Taxpayers' Funds as at 30 June		**44,292**	**47,057**	**41,336**	**44,292**

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

Commitments

Statement of Commitments
as at 30 June 2007

	ACTUAL 2006/07 $000	ACTUAL 2005/06 $000
Capital Commitments		
Capital Contracts for Goods and Services		
Less than one year	108	0
Total Capital Goods and Services Commitments	**108**	**0**
Operating Commitments		
Non-Cancellable Accommodation Leases		
Less than one year	7,264	7,065
One to two years	2,921	5,404
Two to five years	5,369	6,305
Over five years	1,012	759
Total Accommodation Commitments	**16,566**	**19,533**
Other Non-Cancellable Leases		
Less than one year	627	683
One to two years	180	497
Two to five years	20	96
Total Other Lease Commitments	**827**	**1,276**
Non-Cancellable Contracts for Goods and Services		
Less than one year	828	1,064
Total Goods and Services Commitments	**828**	**1,064**
Total Commitments	**18,329**	**21,873**

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

Contingent Assets and Liabilities

Statement of Contingent Assets and Liabilities
as at 30 June 2007

	ACTUAL 2006/07 $000	ACTUAL 2005/06 $000
Legal Proceedings and Disputes		
Legal Disputes	10	116
Total Contingent Liabilities	**10**	**116**

Unquantified Contingent Liabilities

Year Ended 30 June 2007

The Department has no unquantified contingent liabilities as at 30 June 2007.

Year Ended 30 June 2006

There was one personal grievance case pending against the Department that had not been quantified due to the nature of the issue and the uncertainty of the outcome.

Unappropriated Expenditure

Statement of Unappropriated Expenditure
for the year ended 30 June 2007

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

Year Ended 30 June 2007

There was no Unappropriated Expenditure for the year ended 30 June 2007.

Year Ended 30 June 2006

There was no Unappropriated Expenditure against the Supp. Estimates.

Amendments made to the Public Finance Act 1989 in December 2004 imposed technical limits on the Department's Net Asset (taxpayers' funds) position. The level of taxpayers' funds breached the limit authorised in the Main Estimates because the Department achieved a surplus for 2004/05 instead of the deficit that had been forecast. The Minister of Finance authorised an increase in taxpayers' funds, which was incorporated into the 2005/06 Supplementary Estimates.

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

Memorandum Accounts

Memorandum Accounts
for the year ended 30 June 2007

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

	OPENING BALANCE 2006/07 $000	MOVEMENT DURING 2006/07 $000	CLOSING BALANCE 2006/07 $000
New Zealand Gazette	(83)	159	76
Use of facilities and access to Lake Taupo by boat users	68	(16)	52
Passport products	1,037	2,191	3,228
Citizenship products	(2,713)	2,549	(164)
Marriage products	540	143	683
Issue of Birth, death, marriage and civil union certifications and other products	2,084	1,004	3,088
Administration of non-casino gaming	(4,938)	(1,519)	(6,457)

The memorandum accounts were established on 30 June 2002.

Action Taken to Address Surpluses and Deficits

New Zealand Gazette

The cost of publishing and distributing the New Zealand Gazette is recovered through third party fees. The surplus will be reduced in future years. Fees are reviewed regularly.

Use of Facilities and Access to Lake Taupo by Boat Users

The Department of Internal Affairs manages marina berths, jetties and boat ramps located about Lake Taupo. Fees are charged to third parties who use marina berths and boat ramps. Fee income is applied to recover the maintenance and administration cost of these facilities. Operating surpluses in any year will be applied in subsequent financial years. Some maintenance may be deferred due to unfavourable climatic or lake conditions.

Passport Products

The purpose of this account is to support a strategy to stabilise fees based on full cost recovery over a 4 to 5 year planning horizon. This strategy supports the introduction of new technologies including the replacement of the ageing passport system within that timeframe. The current fees schedule was approved with effect from 4 November 2005. The balance in this account is affected by fluctuating volumes and the timing of system changes. The surplus is expected to reduce over the short to medium term.

Citizenship Products

The purpose of this account is to support a strategy to stabilise fees based on full cost recovery over a 4 to 5 year planning horizon. The current fees schedule was approved with effect from 1 September 2003 to recover full costs.

Marriage Products

The purpose of this account is to support a strategy to stabilise fees based on full cost recovery over a 4 to 5 year planning horizon. The current fees schedule was approved with effect from 1 September 2003 to recover full costs.

Births, Deaths and Marriages Certificates, and Other Products

The purpose of this account is to support a strategy to stabilise fees based on full cost recovery over a 4 to 5 year planning horizon. This strategy includes the introduction of new technologies that allow greater access by applicants through the Internet. The current fees schedule was approved with effect from 1 September 2003 to recover full costs. The accumulated surplus is expected to decline.

Administration of Non-casino Gaming

Fees established to recover the cost of administration and regulation of non-casino gaming are reflected in licence fees for differing types of gaming activity and the electronic monitoring of non-casino gaming machines. The accumulated deficit is largely a result of the introduction of the Gambling Act 2003. The fee structure is currently under review as part of the three yearly review cycle.

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

Departmental Appropriations and Expenditure

Statement of Departmental Expenditure and Capital Expenditure Appropriations for the year ended 30 June 2007

	NOTE	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Appropriations for Output Expenses					
Vote Community And Voluntary Sector					
Policy Advice – Community		1,768	1,685	1,821	1,512
Administration of Grants		12,013	11,905	12,382	11,304
Community Advisory Services		5,392	5,526	5,650	5,039
Vote Emergency Management					
Policy Advice – Emergency Management		850	1,780	872	1,579
Support Services, Information and Education		6,937	5,539	7,020	6,291
Management of National Emergency Readiness, Response and Recovery		2,953	3,336	3,325	2,983
Vote Internal Affairs					
Policy Advice – Internal Affairs		4,551	4,901	4,977	4,371
Information and Advisory Services		4,389	1,733	5,007	4,300
Gaming and Censorship Regulatory Services		22,361	22,340	23,059	17,867
Identity Services		84,497	83,175	89,935	70,485
Services for Ethnic Affairs		3,293	3,179	3,395	3,283
Contestable Services *		1,188	935	939	1,199
Vote Local Government					
Policy Advice – Local Government		7,865	7,386	8,327	6,278
Information, Support and Regulatory Services		4,122	4,670	5,637	3,461
Vote Ministerial Services					
Support Services to Ministers		25,453	26,245	25,867	23,028
Visits and Official Events Co-ordination		3,873	3,414	3,894	3,308
VIP Transport		7,082	7,175	7,207	6,339
Vote Racing					
Policy Advice – Racing		204	217	217	180
Total Department Appropriations	19	198,791	195,141	209,531	172,807

* The Appropriation for Contestable Services is restricted by Revenue. Revenue for the year ending 30 June 2007 was $1.239 million (2005/06 $1.223 million).

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

Notes to the Financial Statements

Notes to the Financial Statements
for the year ended 30 June 2007

NOTE 1

Revenue Third Parties

	ACTUAL 2006/07 $000	ACTUAL 2005/06 $000
Passport Fees	53,431	41,570
Citizenship Fees	13,983	11,744
Birth, Death, Marriage and Civil Union Fees	10,206	9,428
Gaming Licences	14,321	7,625
Casino Operators' Levies	4,109	4,171
VIP Transport	6,305	5,804
Recovery from New Zealand Lottery Grants Board	7,617	7,222
New Zealand Gazette	974	761
Other	4,252	3,124
Total Revenue Third Parties	**115,198**	**91,449**

NOTE 2

Operating Expenses

	ACTUAL 2006/07 $000	ACTUAL 2005/06 $000
Rental and Leasing Costs	9,579	8,671
Fee for Audit of Financial Statements	184	167
Fees to Auditors for Other Services Provided	10	20
Increase/(Decrease) in Provision for Doubtful Debts	41	(17)
Loss / (Gain) on Sale Property, Plant and Equipment	0	(14)
Other Departmental Operating Costs	69,662	60,234
Total Operating Expenses	**79,476**	**69,061**

NOTE 3

Depreciation

	ACTUAL 2006/07 $000	ACTUAL 2005/06 $000
Buildings	96	76
Lease Improvements	1,189	747
Furniture and Fittings	37	32
Office Equipment	167	126
Motor Vehicles	716	758
Plant and Equipment	77	64
IT Equipment	5,546	3,884
Leased Assets	74	198
Total Depreciation	**7,902**	**5,885**

NOTE 4

Capital Charge

The Crown imposes a capital charge on the Department's taxpayers' funds as at 30 June and 31 December each year. The capital charge rate in 2006/07 was 7.5% (2005/06: 8.0%).

NOTE 5

Cash and Bank Balances

	ACTUAL 2006/07 $000	ACTUAL 2005/06 $000
New Zealand Bank Account	49,096	42,956
Overseas Bank Accounts		
Sydney	304	707
London	157	193
Total Cash and Bank Balances	**49,557**	**43,856**

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

NOTE 6
Accounts Receivable

	ACTUAL 2006/07 $000	ACTUAL 2005/06 $000
Trade Receivables	3,290	3,964
less Provision for Doubtful Debts	(62)	(20)
Total Accounts Receivable	**3,228**	**3,944**

NOTE 7
Inventories

	ACTUAL 2006/07 $000	ACTUAL 2005/06 $000
Passports		
Stock on hand	47	71
Work in Progress	701	672
Visits and Ceremonials		
Liquor	66	85
Guides to National CDEM Plan	24	32
Birth, Death, Marriage and Civil Union Certificates		
Stock on hand	37	37
Citizenship		
Stock on hand	65	65
Work in Progress	1,773	1,711
Total Inventories	**2,713**	**2,673**

NOTE 8

Non-current Assets

	ACTUAL 2006/07			ACTUAL 2005/06		
	COST AND/ OR VALUATION $000	ACCUM. DEPREC. $000	CARRYING AMOUNT $000	COST AND/ OR VALUATION $000	ACCUM. DEPREC. $000	CARRYING AMOUNT $000
Land at Valuation	4,765	0	4,765	4,765	0	4,765
Buildings						
Cost	22	2	20	22	1	21
Valuation	3,340	95	3,245	3,340	0	3,340
Lease Improvements	6,711	2,985	3,726	4,032	1,795	2,237
Antiques and Works of Art at Valuation	416	0	416	416	0	416
Furniture and Fittings	609	376	233	564	361	203
Office Equipment	998	532	466	1,060	459	601
Motor Vehicles	4,229	1,504	2,725	4,216	1,427	2,789
Plant and Equipment	904	623	281	954	620	334
IT Equipment and Software	34,486	19,623	14,863	29,994	14,959	15,035
Capital Work in Progress	4,857	0	4,857	3,999	0	3,999
Total Property, Plant and Equipment	**61,337**	**25,740**	**35,597**	**53,362**	**19,622**	**33,740**

	ACTUAL 2006/07			ACTUAL 2005/06		
	COST AND/ OR VALUATION $000	ACCUM. DEPREC. $000	CARRYING AMOUNT $000	COST AND/ OR VALUATION $000	ACCUM. DEPREC. $000	CARRYING AMOUNT $000
Leased Assets	0	0	0	351	307	44
Total Leased Assets	**0**	**0**	**0**	**351**	**307**	**44**

Revaluation Basis

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

Land and Buildings

DTZ New Zealand Ltd (MREINZ), registered independent valuer, conducted a valuation of land and buildings for the Department on 25 and 31 May 2006 with valuations effective 30 June 2006.

Antiques and Works of Art

A valuation of antiques and works of art was undertaken by Dunbar Sloane Ltd, an independent expert, in May 2005.

NOTE 9

Accounts Payable

	ACTUAL 2006/07 $000	ACTUAL 2005/06 $000
Accounts Payable	10,670	8,309
Accounts Payable for Property, Plant and Equipment	272	1,364
GST Payable	796	765
Total Accounts Payable	**11,738**	**10,438**

NOTE 10

Provisions

	ACTUAL 2006/07			ACTUAL 2005/06		
	REORGANISATION $000	OTHER $000	TOTAL $000	REORGANISATION $000	OTHER $000	TOTAL $000
Opening Balance	126	999	1,125	125	1,808	1,933
Additional provisions made during the year	223	485	708	126	1,500	1,626
Charge against provision for the year	(126)	(438)	(564)	(125)	(2,309)	(2,434)
Closing Balance	**223**	**1,046**	**1,269**	**126**	**999**	**1,125**

The 'Reorganisation' provision ($0.223m) was established for the centralisation of functions within the Department. It is anticipated that the reorganisation will be fully completed by the end of 2007/08.

The Chief Executive Scholarship and Awards Programme is the major component of the 'Other' provision. This programme funds study for departmental employees in New Zealand or overseas with payments extending over the course of the study programmes.

NOTE 11

Revenue Received in Advance

	ACTUAL 2006/07 $000	ACTUAL 2005/06 $000
Identity Revenue Received in Advance	8,861	10,720
Gazette Revenue	65	60
Licencing Fees Paid in Advance	2,020	2,340
National Dogs Database	141	0
Total Revenue Received in Advance	**11,087**	**13,120**

NOTE 12
Accrued Expenses

	ACTUAL 2006/07 $000	ACTUAL 2005/06 $000
Annual Leave	5,027	4,135
Accrued Salaries	651	589
Long Service and Retirement Leave	288	210
Accrued Expenses for Property, Plant and Equipment	171	250
Audit Fees	31	75
Other	7,480	6,545
Total Accrued Expenses	**13,648**	**11,804**

NOTE 13
Finance Leases

	ACTUAL 2006/07 $000	ACTUAL 2005/06 $000
Finance Leases:		
Current	0	44
Total	**0**	**44**
Repayable as follows:		
One to two years	0	49
Total	**0**	**49**
Future finance charges	0	(5)
Recognised as a liability	**0**	**44**

The Department currently holds no finance leases. The effective interest rate on the finance leases over the lease period is the capital charge rate at lease inception. Ownership of leased assets remains with the lessor.

NOTE 14

Movements In Taxpayers' Funds

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

a) Provision for Payment of Surplus

The Department is required to return to the Crown its annual net surplus.

	ACTUAL 2006/07 $000	ACTUAL 2005/06 $000
Net Surplus as per Statement of Financial Performance	8,611	3,719
Unrealised Gain on Revaluation of Buildings	0	(1,015)
Provision for Payment of Surplus	**8,611**	**2,704**

b) Taxpayers' Funds

Movement in Revaluation Reserve

	ACTUAL 2006/07			ACTUAL 2005/06		
	OPENING BALANCE $000	REVALUATION MOVEMENT $000	CLOSING BALANCE $000	OPENING BALANCE $000	REVALUATION MOVEMENT $000	CLOSING BALANCE $000
Land	1,462	0	1,462	627	835	1,462
Antiques and Works of Art	194	0	194	190	4	194
Total Revaluation Reserve	**1,656**	**0**	**1,656**	**817**	**839**	**1,656**

c) Capital Contribution

	ACTUAL 2006/07 $000	ACTUAL 2005/06 $000
Corporate IT Infrastucture	0	7,461
Development of Databases to Protect New Zealanders' Identity Information	0	3,518
Maintenance of Public Registers (Citizenship, Marriages & Civil Unions)	0	300
Capability Enhancement for Civil Defence & Emergency Management	0	564
Ruapehu Lahar Management	0	13
Total Capital Contribution	**0**	**11,856**

NOTE 15

Employee Entitlements

This represents long service and retirement leave, calculated on an actuarial basis, which is not considered payable in the next twelve months. The current portion is included in Accrued Expenses (Note 12). The assessment was undertaken for each employee as at 30 April 2007. Movement from this date to 30 June 2007 is not expected to be significant. Actuarial services were provided by Mercer Human Resource Consulting Ltd. The report was prepared by Paul Dalebroux, Fellow of the New Zealand Society of Actuaries.

NOTE 16

Financial Instruments

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

a) Currency Risk

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

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

b) Interest Rate Risk

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

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

c) Credit Risk

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

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

» The Department banks with Treasury approved financial institutions.

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

d) Maximum exposures to credit risk:

	ACTUAL 2006/07 $000	ACTUAL 2005/06 $000
Cash and bank balances	49,557	43,856
Accounts Receivable	3,228	3,944
Total	**52,785**	**47,800**

e) Fair Value

» The fair value of all financial instruments other than foreign exchange contracts is equivalent to the carrying amount disclosed in the Statement of Financial Position.

» The fair value of foreign exchange forward contracts at 30 June is calculated as the net contract value converted at the closing spot rate. As at 30 June 2007 the Department had six foreign exchange forward contracts valued at $1.312 million (2006: one contract valued at $0.080 million) with a fair value of $3,509 (2006: $-10,394).

NOTE 17

Departmental Appropriations and Expenditure – Explanation of Variances

Details of significant Appropriation and Expenditure variances are included in Part four – Statement of Service Performance of this Annual Report.

The Supplementary Estimates of Appropriations for the year ending 30 June 2007 contains an explanation of significant budget changes between the 2006/07 Main Estimates and 2006/07 Supplementary Estimates as set out below:

a) Vote Community and Voluntary Sector

» Supplementary Estimates of Appropriations, B7 – Page 76.

b) Vote Emergency Management

» Supplementary Estimates of Appropriations, B7 – Page 182.

c) Vote Internal Affairs

» Supplementary Estimates of Appropriations, B7 – Pages 286 to 287.

d) Vote Local Government

» Supplementary Estimates of Appropriations, B7 – Page 320.

e) Vote Ministerial Services

» Supplementary Estimates of Appropriations, B7 – Page 334.

NOTE 18A

Explanation of Significant Variance between Actual and Supplementary Estimates – Statement of Financial Performance

VARIANCE GREATER THAN 5%	ACTUAL 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	VARIANCE 2006/07 $000	VARIANCE 2006/07 %
Operating Expenses	79,476	89,718	10,242	11.14

Operating Expenses

Policy Advice – Internal Affairs ($0.444m below Estimates)

This under spend relates to the delayed expenditure for the publishing of two surveys in the gaming and censorship policy area. An in-principle expense transfer to 2007/08 has been approved for this project.

Information and Advisory Services ($0.699m below Estimates)

This under spend relates to the Expert Panel on War Disablement Pensions for which an in-principle expense transfer was approved.

Gaming and Censorship Regulatory Services ($0.465m below Estimates)

This under spend was due to lower costs of electronic monitoring of gaming machines arising from the amended project rollout schedule.

Identity Services ($4.567m below Estimates)

This under spend relates to slower progress with the planning stages of the passport redevelopment projects and lower spending on passports, citizenship and birth, death, marriage and civil union production activities. The expenditure budgets provide a level of contingency for unexpected increases in customer demand for products (funded from fees) particularly in the peak volume period (March to June) to ensure appropriations are not exceeded. There were no significant volume fluctuations in 2006/07 that required the use of this contingency.

Policy Advice – Local Government ($0.264m below Estimates)

This under spend was due to under expenditure for the Auckland Infrastructure Review and Support for the Waitomo District Council, for which in-principle expense transfers have been approved.

Information, Support and Regulatory Services ($1.036m below Estimates)

This under spend was mainly due to delays in the Local Government Commission for Review of the Local Government and Local Electoral Amendment Acts, and in the National Dog Database. The Review will be completed by June 2008. An in-principle expense transfer was approved for the Local Government Review.

Support Services to Ministers ($0.316m below Estimates)

This under spend was mainly due to delays in filling vacancies in Ministerial Offices to support the Executive Government.

Management of National Emergency Readiness, Response and Recovery ($0.345m below Estimates)

This under spend was the result of new initiative funding received for the implementation of a back up emergency operations centre capability that could not be utilised in 2006/07, for which an in-principle expense transfer has been approved.

NOTE 18B

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

Cash and Bank Balances ($22.882m above Estimates)

The cash and bank balances were directly impacted by the operating surplus against a budgeted deficit ($11.975 million), higher than budgeted Accounts Payable ($4.767 million), Accrued Expenses ($2.363 million) and lower than budgeted Accounts Receivable ($2.494 million).

Accounts Receivable ($2.494m below Estimates)

This variance is due to lower year end recoverables from other government agencies than anticipated.

Property, Plant and Equipment ($1.233m below Estimates)

The variance is mainly due to the timing of IT expenditure for:

» Passport System and ongoing enhancements to other Identity Services IT systems

» Licence Track development.

Accounts Payable ($4.767m above Estimates)

Accounts payable were higher than forecast due to the timing of year end payments.

Revenue Received in Advance ($1.504m above Estimates)

This variance was due a higher level of incomplete Citizenship applications at 30 June 2007 than anticipated.

Accrued Expenses ($2.363m above Estimates)

This variance was due to a higher volume of accruals for the Department in 2006/07 than anticipated.

General Fund ($2.956m above Estimates)

This variance relates to the forecast budget deficit. When the Supplementary Estimates budgets were completed, the Department forecast that Gaming and Censorship Regulatory Services ($2.145 million) and Identity Services ($1.249 million) would run deficits and require a capital contribution by drawing down from the Memorandum Accounts.

NOTE 19

Reconciliation between Total Operating Expenses and Total Appropriations

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

	ACTUAL 2006/07 $000	ACTUAL 2005/06 $000
Total Operating Expenses in Statement of Financial Performance	198,055	172,637
Revaluation Gain	0	(1,015)
Intra-entity Expenditure	736	1,185
Total Appropriations in Statement of Departmental Appropriations and Expenditure	**198,791**	**172,807**

NOTE 20

Related Parties

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

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

NOTE 21

First Time Adoption of New Zealand Equivalents to International Financial Reporting Standards (NZIFRS)

Background

The Department will adopt New NZIFRS in its audited financial statements for the year ending 30 June 2008. This is in line with adoption of NZIFRS in the consolidated financial statements of the New Zealand Government reporting entity. The following information is disclosed in accordance with NZ FRS-41: Disclosing the Impact of Adopting New Zealand Equivalents to International Accounting Standards.

Transitional Planning

To prepare for and manage the transition the Department formed a project team to:

» identify and understand the impact of adopting NZ IFRS

» review and update, where necessary, the Departments accounting policies to ensure they are fully compliant with NZ IFRS

» prepare a restated opening Statement of Financial Position as at 1 July 2007

» raise awareness across the Department of the implications of NZIFRS

» ensure the Department has systems and processes in place to produce the information required by NZIFRS.

Key Differences Arising in Accounting Policies

The Department is a Public Benefit Entity (PBE) for the purposes of NZIFRS and has elected to take advantage of exemptions available under NZIFRS.

The key differences in accounting policies expected to arise from adoption of NZIFRS are:

» NZ IAS 38 Intangible Assets:
Reclassification of software assets, valued at $16,375,697 at 30 June 2007, from Property, Plant and Equipment to Intangible Assets. There is no impact on the Statement of Financial Performance or Equity.

» NZ IAS 19 Employee Benefits:
Recognition of a provision for employee sick leave entitlement. This has been estimated by actuarial valuation at $112,444 for the year ending 30 June 2007 and results in a reduction in Equity.

Cautionary Note

The information provided in this note is for indicative purposes only. The actual impact of the transition to NZIFRS on the Department's financial statements may vary from the information presented above. Primarily this will only be due to further changes or amendments to the NZIFRS platform, and any variations are likely to be immaterial.

Departmental Financial Results

Summary of Departmental Financial Results
for the year ended 30 June 2007

	UNIT	ACTUAL 2006/07	ACTUAL 2005/06
Operating Results			
Revenue: Third Parties	$000	115,198	91,449
Total Operating Expenses	$000	198,055	172,637
Operating Surplus before			
Capital Charge	$000	11,933	6,189
Net Surplus/(Deficit)	$000	8,611	3,719
Working Capital			
Liquid Ratio		1.07:1	1.12:1
Current Ratio		1.20:1	1.29:1
Average Debtors Outstanding	days	10	13
Average Creditors Outstanding	days	40	40
Resource Utilisation			
Physical Assets:			
Physical Assets as % of Total Assets	%	38.93	40.05
Additions as % of Physical Assets	%	31.93	29.45
Taxpayers' Funds:			
Level at year-end	$000	44,292	44,292
Taxpayers' Funds as % of Total Assets	%	48.44	52.51
Net Cash Flows			
Surplus/(Deficit) from Operating Activities	$000	19,292	10,281
Surplus/(Deficit) from Investing Activities	$000	(10,886)	(9,303)
Net Increase/(Decrease) in Cash Held	$000	5,701	12,017

financial information

financial schedules – non-departmental

Accounting Policies

Non-Departmental Accounting Policies
for the year ended 30 June 2007

Measurement and recognition rules applied in the preparation of these non-departmental financial schedules are consistent with generally accepted accounting practice and Crown Accounting Policies.

Accounting Policies

The following particular accounting policies, which materially affect the measurement of financial results and financial position, have been applied.

Budget Figures

The budget figures are those presented in the Budget 2006 Estimates of Appropriation (Main Estimates) and those amended by the Supplementary Estimates (Supp. Estimates).

Revenues and Receipts

Revenues and Receipts are recognised when earned and are reported in the financial period to which they relate.

Goods and Services Tax (GST)

Amounts in the financial schedules are reported exclusive of GST except for Accounts Receivable and Accounts Payable.

Assets and Liabilities

All Assets and Liabilities are recognised at fair value.

These non-departmental balances are consolidated into the Crown Financial Statements and therefore readers of these schedules should also refer to the Crown Financial Statements for 2006/07.

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

Revenue and Expenditure

Non-Departmental Schedule of Revenue and Expenditure
for the year ended 30 June 2007

	NOTE	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Revenues And Receipts	1				
Vote Community and Voluntary Sector		137	0	69	30
Vote Internal Affairs		9	0	0	8
Vote Local Government		1,277	0	500	0
Vote Ministerial Services		10	10	10	10
Revaluation gain on Crown buildings		0	0	0	957
Total Revenues And Receipts		**1,433**	**10**	**579**	**1,005**
Appropriated Expenditure					
Vote Community and Voluntary Sector		22,369	23,737	25,792	20,563
Vote Emergency Management		8,589	2,727	8,570	9,007
Vote Internal Affairs		14,784	11,024	14,863	21,414
Vote Local Government		45,557	52,212	73,724	4,406
Vote Ministerial Services		27,938	17,789	27,972	15,832
Total Appropriated Expenditure		**119,237**	**107,489**	**150,921**	**71,222**
Other Expenditure					
GST	2	9,147	4,326	7,471	7,202
Total Expenditure		**128,384**	**111,815**	**158,392**	**78,424**

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

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

Expenditure and Appropriations

Schedule of Non-Departmental Expenditure and Capital Expenditure Appropriations for the year ended 30 June 2007

	NOTE	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Appropriations For Expense Items					
Vote Community And Voluntary Sector	3,4				
Non-Departmental Output Expenses					
Charities-Administration		2,992	2,661	2,992	5,241
Community Based Youth Development Fund		420	420	420	400
Other Expenses to be Incurred by the Crown					
Charities Commission Litigation Fund	4(a)	0	222	222	222
Community Development Scheme		2,095	2,095	2,095	2,024
Community Internship Programme		268	268	268	220
Community Organisation Grants Scheme		11,449	11,641	11,500	11,445
Community Partnership Fund *	4(b)	4,226	5,500	7,365	0
Disarmament Education Grants		150	150	150	150
Māori Community Development Workers		178	178	178	178
New Zealand 1990 Scholarship Trust		0	0	0	100
Support for Volunteering		402	402	402	401
Youth Workers Training Scheme	4(c)	189	200	200	182
Total Appropriations		**22,369**	**23,737**	**25,792**	**20,563**
Vote Emergency Management	3				
Other Expenses to be Incurred by the Crown					
Emergency Expenses		7,700	1,838	7,681	8,118
Subsidies to Local Government		889	889	889	889
Total Appropriations		**8,589**	**2,727**	**8,570**	**9,007**
Vote Internal Affairs	3,4				
Non-Departmental Output Expenses					
Classification of Films, Videos and Publications		1,960	1,960	1,960	1,960
Significant Community-Based Project Fund*		12,746	9,000	12,746	19,254
Other Expenses to be Incurred by the Crown					
Commission of Inquiry into Police Conduct	4(e)	58	15	108	152
Miscellaneous Grants (Internal Affairs)	4(f)	19	48	48	47
Royal Life Saving Commonwealth Council		1	1	1	1
Total Appropriations		**14,784**	**11,024**	**14,863**	**21,414**

* Multi-year appropriation

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

	NOTE	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Vote Local Government	3,4				
Benefits and Other Unrequited Expenses					
Rates Rebate Scheme	4(g)	43,517	50,650	70,650	674
Other Expenses to be Incurred by the Crown					
Chatham Islands Council		1,763	1,251	1,763	1,100
Depreciation	4(h)	128	142	142	167
Grants to Assist in Land Purchases	4(i)	0	0	1,000	2,296
Tuwharetoa Māori Trust Board	4(j)	149	169	169	169
Total Appropriations		**45,557**	**52,212**	**73,724**	**4,406**
Vote Ministerial Services	3				
Benefits and Other Unrequited Expenses					
Annuities to Former Governors-General, Prime Ministers and Widows		6,211	327	6,215	302
Other Expenses to be Incurred by the Crown					
Depreciation		119	111	121	108
Executive Council and Ministers' Salaries and Allowances		6,984	6,960	7,000	6,710
Governors General Pension Arrangements		19	20	20	18
Ministers' Internal and External Travel		10,052	10,061	10,061	8,403
Travel for Former Governors-General and Prime Ministers		4,553	310	4,555	291
Total Appropriations		**27,938**	**17,789**	**27,972**	**15,832**
Total Non-Departmental Expenses		**119,237**	**107,489**	**150,921**	**71,222**

Appropriations For Capital Items

	NOTE	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Vote Community And Voluntary Sector					
Capital Expenditure					
Charities Commission – Capital Contribution	4(d)	426	0	426	1,367
Vote Local Government					
Capital Expenditure					
Capital Investments – Lake Taupo	4(k)	41	34	179	528
Total Appropriations For Capital Items		**467**	**34**	**605**	**1,895**
Total Appropriations		**119,704**	**107,523**	**151,526**	**73,117**

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

	VOTE COMMUNITY AND VOLUNTARY SECTOR – COMMUNITY PARTNERSHIP FUND (000)	VOTE INTERNAL AFFAIRS – SIGNIFICANT COMMUNITY BASED PROJECT FUND (000)
Details of Multi-Year Appropriations		
Multi-Year Appropriations commence	1 July 2005	1 July 2005
Multi-Year Appropriations expire	30 June 2009	30 June 2009
Original Appropriation	17,403	32,000
Adjustments	0	0
Total Appropriation	**17,403**	**32,000**
Actuals to 2005/06 Year End	0	19,254
Actuals to 2006/07 Year End	**4,226**	**32,000**

Unappropriated Expenditure

Schedule of Non-Departmental Unappropriated Expenditure and Capital Expenditure for the year ended 30 June 2007

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

2006/07 Unappropriated Expenditure against Main Estimates

There was no unappropriated expenditure against Main Estimates for the year ended 30 June 2007.

2006/07 Unappropriated Expenditure against Supplementary Estimates

	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Vote Emergency Management				
Other Expenses to be Incurred by the Crown				
Emergency Expenses	7,700	1,838	7,681	8,118

Emergency Expenses incurred unappropriated expenditure due to a miscalculation of GST during the processing of claims for response and recovery costs. The Minister of Finance approved the incurring of this over expenditure under section 26(b) of the Public Finance Act 1989.

2005/06 Unappropriated Expenditure against Main Estimates

	ACTUAL 2005/06 $000	MAIN ESTIMATES 2005/06 $000	SUPP. ESTIMATES 2005/06 $000	ACTUAL 2004/05 $000
Vote Community and Voluntary Sector				
Other Expenses to be Incurred by the Crown				
Community Organisation Grants Scheme	11,445	11,394	11,641	12,326
Vote Emergency Management				
Other Expenses to be Incurred by the Crown				
Emergency Expenses	8,118	48	8,165	11,469

Community Organisation Grants Scheme

Changes to the Public Finance Act 1989 meant that in 2005/06 recognition of expenditure incurred under the non-departmental appropriation Community Organisation Grant Scheme shifted from a GST inclusive basis to a GST exclusive basis. The GST component of the appropriation was estimated for the 2005/06 Main Estimates and required adjustment when actual GST was known. The Department subsequently obtained authority to incur the expenditure under Imprest Supply in the 2006 March Baseline Update.

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

Emergency Expenses

During 2005/06 Cabinet authorised an increase in the appropriation for Emergency Expenses [CAB Min (05) 23/3A refers]. That authorisation did not include approval to incur the expenditure under Imprest Supply. Authority to incur the expenditure under Imprest Supply was subsequently granted in the 2005 October Baseline Update.

2005/06 Unappropriated Expenditure against Supplementary Estimates

	ACTUAL 2005/06 $000	MAIN ESTIMATES 2005/06 $000	SUPP. ESTIMATES 2005/06 $000	ACTUAL 2004/05 $000
Vote Local Government				
Other Expenses to be Incurred by the Crown				
Depreciation	167	160	160	0

Higher than forecast depreciation for Crown Assets at Lake Taupo was approved by the Minister of Finance under section 26(b) of the Public Finance Act 1989.

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

Assets and Liabilities

Schedule of Non-Departmental Assets and Liabilities
as at 30 June 2007

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

	ACTUAL 2006/07 $000	MAIN ESTIMATES 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	ACTUAL 2005/06 $000
Assets				
Current Assets				
Cash	59,570	5,240	1,264	24,523
Accounts Receivable	257	184	93	312
Total Current Assets	**59,827**	**5,424**	**1,357**	**24,835**
Non Current Assets				
Land	6,600	5,700	5,700	6,600
Buildings	9,020	6,097	10,043	9,226
Total Non Current Assets	**15,620**	**11,797**	**15,743**	**15,826**
Total Assets	**75,447**	**17,221**	**17,100**	**40,661**
Liabilities				
Current Liabilities				
Payables	28,778	1,772	12,215	24,668
Total Current Liabilities	**28,778**	**1,772**	**12,215**	**24,668**
Term Liabilities				
Provisions	10,005	0	0	0
Total Term Liabilities	**10,005**	**0**	**0**	**0**
Total Liabilites	**38,783**	**1,772**	**12,215**	**24,668**

Land and Buildings

DTZ New Zealand Ltd (MREINZ), registered independent valuer, conducted a valuation of non-departmental land and buildings during May and June 2006 with valuations effective 30 June 2006.

Investments in Crown Entities

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

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

Commitments

Schedule of Non-Departmental Commitments
as at 30 June 2007

	ACTUAL 2006/07 $000	ACTUAL 2005/06 $000
Other Operating Commitments		
Less than one year	675	1,790
One to two years	0	600
Total Other Operating Commitments	**675**	**2,390**
Total Commitments	**675**	**2,390**

Contingent Assets and Liabilities

Schedule of Non-Departmental Contingent Assets and Liabilities
as at 30 June 2007

There were no Contingent Assets or Liabilities for the year ended 30 June 2007 or the previous financial year.

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

Notes to the Financial Schedules

Notes to the Non-Departmental Financial Schedules
for the year ended 30 June 2007

NOTE 1
Revenue and Receipts

Revenue and receipts consists mainly of prior year's grant refunds ($1.417m).

NOTE 2
GST Expense

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

NOTE 3
Explanation of Significant Budget Changes

The *Supplementary Estimates of Appropriations for the year ended 30 June 2007* contain an explanation of significant budget changes between the 2006/07 Main Estimates and 2006/07 Supplementary Estimates as set out below:

a) Vote Community and Voluntary Sector

» Supplementary Estimates of Appropriations, B7 – Pages 76 to 78.

b) Vote Emergency Management

» Supplementary Estimates of Appropriations, B7 – Pages 182 and 183.

c) Vote Internal Affairs

» Supplementary Estimates of Appropriations, B7 – Pages 287 and 288.

d) Vote Local Government

» Supplementary Estimates of Appropriations, B7 – Pages 320 and 321.

e) Vote Ministerial Services

» Supplementary Estimates of Appropriations, B7 – Pages 334 and 335.

NOTE 4

Explanation of Significant Actual Variances

	ACTUAL 2006/07 $000	SUPP. ESTIMATES 2006/07 $000	UNDERSPEND/ (OVERSPEND) 2006/07 $000	UNDERSPEND/ (OVERSPEND) 2006/07 %
Vote Community And Voluntary Sector				
Other Expenses to be Incurred by the Crown				
a) Charities Commission Litigation Fund	0	222	222	100
b) Community Partnership Fund	4,226	7,365	3,139	43
c) Youth Workers Training Scheme	189	200	11	6
Vote Internal Affairs				
Other Expenses to be Incurred by the Crown				
d) Commission of Inquiry into Police Conduct	58	108	50	46
e) Miscellaneous Grants (Internal Affairs)	19	48	29	61
Vote Local Government				
Benefits and Other Unrequited Expenses				
f) Rates Rebate Scheme	43,517	70,650	27,133	38
Other Expenses to be Incurred by the Crown				
g) Depreciation	128	142	14	10
h) Grants to Assist in Land Purchases	0	1,000	1,000	100
i) Tuwharetoa Māori Trust Board	149	169	20	12
Purchase or Development of Capital Assets by the Crown				
j) Capital Investments – Lake Taupo	41	179	138	77

Vote Community and Voluntary Sector

a) No litigation occurred during 2006/07. The Charities Commission held the prior financial years appropriation on it's balance sheet, therefore the appropriation for this financial year was not required.

b) This is a multi-year appropriation. Patterns of expenditure are dependent on the provision of information from community groups. This is a timing difference and it is expected that the appropriation will be fully spent over the period of the appropriation.

c) The Youth Workers Training Scheme under expenditure relates to returned funds and late withdrawals from the scheme.

Vote Internal Affairs

d) The under expenditure was due to a lower level of activity of the Commissioner.

e) This item is demand driven and only two grants were given out during this financial year.

Vote Local Government

f) The Rates Rebate Scheme is demand driven, and depends on territorial authorities submitting claims. Claims have been lower than expected.

g) The under expenditure in depreciation is driven by the delays to the proposed capital improvements at Lake Taupo under Capital Investment – Lake Taupo (refer j below).

h) The under expenditure is due to delays in the approval resource consent for the subdivision of the Chelsea Sugar Works Estate land. An in-principle expense transfer to 2007/08 was approved.

i) The under expenditure is due to a lower level of revenue collected. Payment to the Tuwharetoa Māori Trust Board is based on a percentage of the revenue collected in the previous financial year.

j) The under expenditure is due to delays in obtaining consents from the Tuwharetoa Māori Trust Board for the proposed capital improvements to structures at Lake Taupo. An in-principle expense transfer to 2007/08 was approved.

Trust Money Administered on Behalf of the Crown

Schedule of Trust Money Administered on Behalf of the Crown
for the year ended 30 June 2007

The following trust money was administered on behalf of the Crown under Part VII of the Public Finance Act 1989.

The schedule shows the opening and closing trust balances including bank and investments at cost, and the movements during the year.

Under the Public Finance Act 1989, and by delegation from the Secretary to The Treasury, trust money can only be invested on deposit with New Zealand registered banks or in New Zealand government stock. Trust money is also managed so there is no significant concentration of credit risk. Interest rate risk is managed by investing across a wide range of maturity dates, but subject to liquidity requirements.

Schedule of Trust Money

	OPENING BALANCE 2006/07 $000	CONTRIBUTIONS $000	DISTRIBUTIONS $000	REVENUE $000	EXPENSES $000	CLOSING BALANCE 2006/07 $000
Vogel House	0	2	(2)	0	0	0
New Zealand 1990 Scholarships	545	0	0	42	0	587
Unlimited Potential	339	0	0	17	(217)	139
Total	**884**	**2**	**(2)**	**59**	**(217)**	**726**

The Vogel House Trust was established to hold bonds for the hireage of Vogel House and Premier House.

The New Zealand 1990 Scholarship Trust was established to provide scholarships for top overall students in University Bursaries examinations.

The Unlimited Potential Programme Trust was funded by Microsoft Corporation and enables the Crown, through the Whitireia Community Polytechnic, to provide training of technology skills to disadvantaged and underserved young people through Community-based Technology and Learning Centres.

Contact Information

The Department maintains and administers the following websites:

WEBSITE:	PROVIDING INFORMATION ON:

www.dia.govt.nz — Department of Internal Affairs information and services

This website includes direct URLs to the following sections:

- **www.bdm.govt.nz** — Births, Deaths and Marriages information
- **www.censorship.dia.govt.nz** — Censorship information
- **www.citizenship.govt.nz** — Citizenship information
- **www.community.dia.govt.nz** — Community development information
- **www.ems.govt.nz** — Information about the Electronic Monitoring system with login access for gaming societies
- **www.gambling.govt.nz** — Gambling information
- **www.gazette.govt.nz** — New Zealand Gazette information
- **www.passports.govt.nz** — Passports information
- **www.ratesrebates.govt.nz** — Information about the current Rates Rebate Scheme
- **www.translate.govt.nz** — Translation Service/Authentication information

www.ethnicaffairs.govt.nz — Office of Ethnic Affairs information and services

This website includes a direct URL to the following section:

- **www.languageline.govt.nz** — Language Line – an interpreting service

www.beehive.govt.nz — Official website of the Government of New Zealand

www.cdgo.govt.nz — Grants Online website – for online Community Organisation Grant scheme and Lottery Grant applications

www.civildefence.govt.nz — Ministry of Civil Defence and Emergency Management information and services

www.community.net.nz — CommunityNet Aotearoa – an internet resource to support communities

www.identityservices.govt.nz — Identity services online transactions (currently death registrations and certificates only)

www.localcouncils.govt.nz — Information about what councils do, to encourage public participation in local council processes

www.localcentral.govt.nz — Directory of central government agencies, to help local authorities make contact for community outcomes processes

www.usar.govt.nz — Urban Search and Rescue information for emergency sector groups

www.dogsafety.co.nz — Public safety information about dogs

www.stv.govt.nz — Single transferable voting information website

www.whatstheplanstan.govt.nz — Civil defence public information for young people

www.getthru.govt.nz — Get Ready Get Thru – Civil Defence public information website

www.cadetreview.govt.nz — Ministerial Review into Allegations of Abuse at the Regular Force Cadet School

www.cipc.govt.nz — Commission of Inquiry into Police Conduct

www.confidentialforum.govt.nz — Confidential Forum for Former In-Patients of Psychiatric Hospitals

www.gamblingcom.govt.nz — New Zealand Gambling Commission

www.lgc.govt.nz — Local Government Commission

www.ratesinquiry.govt.nz — Local Government Rates Inquiry

www.vietnamvetswg.govt.nz — Joint Working Group on Concerns of Viet Nam Veterans