

2012-13

ANNUAL REPORT
PŪRONGO Ā TAU

INTERNAL AFFAIRS



Te Tari Taiwhenua

Our Purpose

Internal Affairs serves and connects people, communities and government to build a safe, prosperous and respected nation

Tō tātou Whāinga: ko tā te Tari Taiwhenua he whakarato me te hono i ngā iwi, ngā hapori me te kāwanatanga ki te hanga motu haumarū, tōnui, whai mana hoki

Our principles and behaviours

We make it easy, we make it work

- » Customer centred
- » Make things even better

We're stronger together

- » Work as a team
- » Value each other

We take pride in what we do

- » Make a positive difference
- » Strive for excellence

Department of Internal Affairs
Te Tari Taiwhenua

Annual Report

Pūrongo ā Tau

2012–2013

Presented to the House of Representatives
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OVERVIEW OF THE YEAR

This section provides an introduction to the Department and an overview of our achievements and challenges over the past year.



CHIEF EXECUTIVE'S OVERVIEW

This has been an exciting and challenging year for the Department. We are making real progress in enhancing the collective impact of our functions and building a stronger agency that serves and connects people, communities and government to build a safe, prosperous and respected nation.

As an organisation, we achieve the best results when we work together. Continuing to strengthen engagement and culture within the Department has been a focus for our leadership team over the year. Following a series of organisation-wide discussions, we launched a refreshed set of behaviours and principles that encapsulate the pride and passion our people have for the work of Internal Affairs.

This work has been a priority because a shared sense of purpose gives us a strong foundation, as the Department fulfils its increased expectations in the delivery of better public services for New Zealanders.

More effective use of technology is a key factor in getting agencies to work together to deliver these services in ways that truly reflect what New Zealanders need.

During the year, Government increased our responsibilities for providing functional leadership of all-of-government ICT. This gives me, as the Government Chief Information Officer (GCIO), the tools to build momentum for the transformation of government services through better alignment of investment and the use of common capabilities across the state sector.

The GCIO role was tested through a requirement to review the publicly accessible systems of 70 government agencies. The review identified the need for stronger oversight and assurance as public service agencies operate in an increasingly digital environment.

Although the leadership responsibilities of the GCIO were extended, true transformation will be collaboratively delivered. This is one of the core principles of the Government ICT Strategy and Action Plan, launched in June 2013. This is a significant milestone for the Department. The Plan aims to drive greater collaboration between agencies, smarter management of our information and technology, more online services

and better oversight of government ICT projects and operations.

Closely aligned with this work is our responsibility for Result 10 within the Government's Better Public Services programme. We have made good progress during the year towards our target of an average of 70 per cent of New Zealanders' most common transactions with government being completed in a digital environment. The collective efforts of the eight agencies participating in Result 10 have seen the average increase from 30.4 per cent in June 2012 to 37.3 per cent in June 2013. This is continuing to rise as agencies use the digital environment more effectively to provide services.

Although our work to support better public services across government has been a high priority, the past year has been characterised by a number of significant achievements in other areas of the Department's core business.

We launched the world's first online passports renewal service in November 2012. This has made renewing a passport easier, cheaper and more convenient, and within nine months over 100,000 New Zealanders used this service to renew their passport. This has been a fantastic example of improving service delivery by placing the customer's needs at the centre.

We also continued to enhance our igovt service, which provides a one-stop-shop for electronic identity verification, by expanding this service to the private sector. This is making it easier for people to access and use their personal information through a smart, secure, easy-to-use service for proving who they are to government or the private sector. This is being implemented through the introduction of RealMe, in partnership with New Zealand Post. RealMe was launched on 1 July 2013.

In November 2012 the building housing the National Library of New Zealand was reopened to the public, following a two-year redevelopment. New spaces within the building improve the preservation environment for our significant documentary heritage collections and allow people to connect with New Zealand's history in more modern, interactive ways. In the future this will include a single site within the building that brings together New Zealand's key foundational documents, including the Treaty of Waitangi.

As well as making it easier for New Zealanders to engage with their government and their history, we continued to work with communities to empower them and build resilience through our advisory, regulatory and funding roles.

At the start of the year we welcomed Charities Services into the Department, following the disestablishment of the Charities Commission. This transition has enabled us to make a number of improvements to services through strategic connections between our Charities Services, Community Operations, Regulatory Services and the Office of Ethnic Affairs.

The Ministry of Civil Defence and Emergency Management conducted the country's largest ever earthquake preparedness campaign, New Zealand ShakeOut, with great success. The six-month campaign culminated in a nationwide Drop, Cover and Hold drill at 9:26am on

26 September 2012. Over one million people – 30 per cent of the population – registered to participate in the event.

We also supported greater effectiveness and efficiency of local democracy. We continued to implement a series of reforms to improve the performance of the local government system through the Better Local Government programme. Stronger ties between central and local government are crucial to improving services and we have worked to increase opportunities for cross-sector engagement. We have also supported the Minister of Local Government to exercise greater flexibility to support local authorities in need of assistance.

Over the past year we have had notable success across the Department in delivering on the increased expectations of the public and government. This success is the result of the hard work, commitment and passion of our people. I would like to thank them for their efforts and I look forward to continuing to work with them to serve New Zealanders into the future.



Colin MacDonald

Chief Executive
September 2013

NATURE AND SCOPE OF FUNCTIONS

We serve and connect people, communities and government to build a safe, prosperous and respected nation.

The Department of Internal Affairs has a historically wide scope of functions and responsibilities that:

- » provide services and support directly to people and communities
- » provide services and support to government and public sector organisations.

Our responsibilities include:

- » providing strategy and support for **all-of-government information and communications technology (ICT)**, and supporting our Chief Executive as the **Government Chief Information Officer**
- » implementing the Government's **Better Public Services Result 10**: New Zealanders can complete their transactions with the government easily in a digital environment
- » recording and managing New Zealanders' **identity information**
- » leading **national civil defence emergency management** across the 4R's: risk reduction, readiness, response and recovery
- » supporting and connecting communities with **information, resources, advice and funding**
- » supporting the **effective operation of New Zealand's system of local government**
- » **regulating, encouraging compliance and enforcing the law** for gambling, censorship, government recordkeeping, spam, anti-money laundering, and private security personnel
- » providing services to the **charitable sector**
- » building and preserving **New Zealand's documentary heritage and public record**
- » supporting the **effective operation of government and the Executive**, including managing Guest-of-Government visits to New Zealand, supporting Royal Commissions of Inquiry and monitoring Crown entities.

Ministerial portfolios

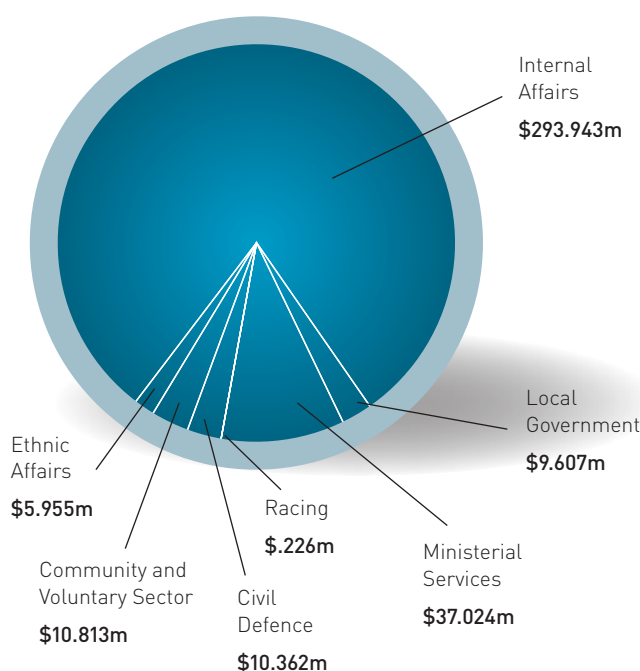
We provide services to Ministers in seven portfolio areas:

- » Internal Affairs (including responsibility for Archives New Zealand and the National Library of New Zealand)
- » Local Government
- » Ministerial Services
- » Ethnic Affairs
- » Racing
- » Civil Defence
- » Community and Voluntary Sector.

Summary of 2012/13 appropriations

In 2012/13 we managed departmental appropriations totalling \$367.930 million within Vote Internal Affairs.

Departmental Appropriations by Portfolio



PART A – CONTRIBUTION TO OUTCOMES AND OBJECTIVES

The Department includes a diverse range of functions. This section outlines how each of these functions has combined over the past year to contribute to the delivery of the Department's outcomes, objectives and intended results.

OUR OUTCOMES AND OBJECTIVES

The long-term outcomes and objectives¹ we are seeking to achieve for New Zealanders are:

Outcomes

- » New Zealand's diverse people and communities/hapū/iwi are resilient and prosperous
- » New Zealand is recognised for creating, sharing and using knowledge for social, cultural and economic well-being
- » The people of New Zealand have a strong and valued national identity, culture and heritage

Objective

- » To enhance trust in government and confidence in the performance of public sector organisations

Our full outcomes framework (titled 'Performance framework') which is provided in Appendix I, illustrates the links between our:

- » outcomes, intermediate outcomes and impacts
- » objectives, lead objectives and supporting objectives.

These links are shown in Appendix II (titled 'Links between impacts, intermediate outcomes and outcomes/objectives').

The Department uses outcome and impact indicators in the Statement of Intent and performance measures in the Information Supporting the Estimates – in combination with information such as financial management data, ministerial satisfaction surveys and independent surveys and reviews of services – to track and report back on our performance against objectives.

We have reported contributions and progress against indicators under each of our **impact** and **lead objective** areas.

¹ Outcomes relate to areas in which we provide immediate services to the wider public and consequently affect their quality of life. Objectives describe how we seek to support public sector and other organisations to deliver better and smarter services to, and with, the people of New Zealand.

CONTRIBUTING TO OUTCOMES

The following section reports on our contribution to achieving outcomes and our progress on the priorities, initiatives and indicators outlined in our Statement of Intent.

We contributed to our outcomes through the following impacts:	Page
» People and communities understand and manage hazards and risks	14
» Participants in regulated activities behave responsibly and with integrity	17
» People have the capability to participate in their communities and across communities	19
» People are able to access and use information important to their lives	22
» New Zealand's documentary record is protected and available to current and future generations	26
» New Zealand's personal identity information has integrity	28

Outcome indicators

We used the indicators below to track progress towards our outcomes.

Outcomes	Indicators	Trend	Data source
New Zealand's diverse people and communities/hapū/iwi are resilient and prosperous	Increasing the proportion of people who feel a strong sense of community:		
	» People who feel a sense of community in their local neighbourhood	2012: 53% 2010: 60% 2008: 58.4%	Quality of Life Survey ²
	» People who feel isolated from others (some or most of the time)	2012: 15% 2010: 15% 2008: 16%	General Social Survey (Statistics New Zealand)
	Increasing the number of people who feel they live in a safe and secure environment and are sufficiently prepared for emergencies, should they occur:		
	» The percentage of households with emergency water for three days	2012: 51.5% 2010: 45% 2008: 60%	General Social Survey (Statistics New Zealand)
	Increasing the proportion of people participating in civic society:		
	» Percentage of people who would like to have more of a say in what their council does	2012: 56% 2010: 46% 2008: 48%	Quality of Life Survey ³
	» Number of candidates standing for local authority elections	2010: 3,917 2007: 4,123 2004: 4,092	Local Authority Election Statistics ⁴
	» Voter turnout at local authority elections	2010: 49% 2007: 44% 2004: 46%	Local Authority Election Statistics ⁵
New Zealand is recognised for creating, sharing and using knowledge for social, cultural and economic well-being	Increasing New Zealand's readiness to use and leverage ICT to increase wellbeing:		
	» Network Readiness Index ranking	2013: 20 2012: 14 2011: 18 2010: 19 2009: 22	Global Information Technology Report (World Economic Forum and European Institute of Administration)
	Increasing New Zealand's ability to create and use knowledge through improving literacy skills:		
	» New Zealand's index ranking reading literacy performance/OECD average	2009: 521/493	OECD PISA report ⁶

2 Next survey results will be available late 2013/ early 2014.

3 Next survey results will be available late 2013/ early 2014.

4 Next results will be available in 2014.

5 Next results will be available in 2014.

6 The 2012 OECD PISA report will be available on 3 December 2013.

Outcomes	Indicators	Trend	Data source
The people of New Zealand have a strong and valued national identity, culture and heritage	Maintaining a high proportion of people who say they belong to New Zealand	2012: 94.1% 2010: 94.5% 2008: 93.9%	General Social Survey (Statistics New Zealand)
	Maintaining a high proportion of people who say it is easy/very easy to express their own culture:		
	» Easy or very easy	2012: 84.5% 2010: 83.7% 2008: 82.3%	General Social Survey (Statistics New Zealand)
	» Sometimes easy, sometimes difficult	2012: 12.5% 2010: 13.4% 2008: 13.9%	
	Maintaining the number of countries allowing visa-free access to New Zealand passport holders	2012/13: 50+ 2011/12: 50+ 2010/11: 50+ 2009/10: 50+	Henley Visa Restrictions Index Global Ranking 2013

While our work makes an important contribution to outcomes, the above indicators are influenced by factors beyond the impact of the Department's activities and services. Due to the high-level and long-term nature of outcome indicators, some data we use to measure our contribution is not updated on an annual basis. We have reported on the most up-to-date data available.

Impact: People and communities understand and manage hazards and risks

We continued to improve New Zealanders' understanding of local hazards and risks in their communities, and used what we learned from the Canterbury earthquakes to strengthen preparedness and response procedures, and the framework for recovery from major civil defence events. This work contributed to our outcome for resilient and prosperous communities.

We contributed to ministerial priorities in the following portfolios:

- » Internal Affairs
- » Local Government
- » Civil Defence

Increased communities' resilience

Through the Ministry of Civil Defence and Emergency Management (MCDEM), we have a lead role in building community preparedness, resilience and capability to respond to civil defence emergencies.

We continue to use lessons from the Canterbury earthquakes to improve our capability to respond to future civil defence emergencies, and raise awareness of what to do when civil defence emergencies occur.

This year we reported on the progress of the National Civil Defence Emergency Management Strategy,⁷ and resumed updating the National Civil Defence Emergency Management Plan. The review of the Strategy showed that good progress has been made in the past five years in building New Zealand's resilience and in our capability to manage civil defence emergencies. The updated Plan will take into account recommendations from reviews of the Canterbury earthquake response, including the Canterbury Earthquakes Royal Commission's final report. We also began scoping a review of the legislation for recovery that will draw on lessons from the Canterbury earthquakes.

⁷ The National Civil Defence Emergency Management Strategy can be accessed from the Civil Defence website. The National CDEM Plan is part of the Strategy.

Spotlight on New Zealand Shakeout

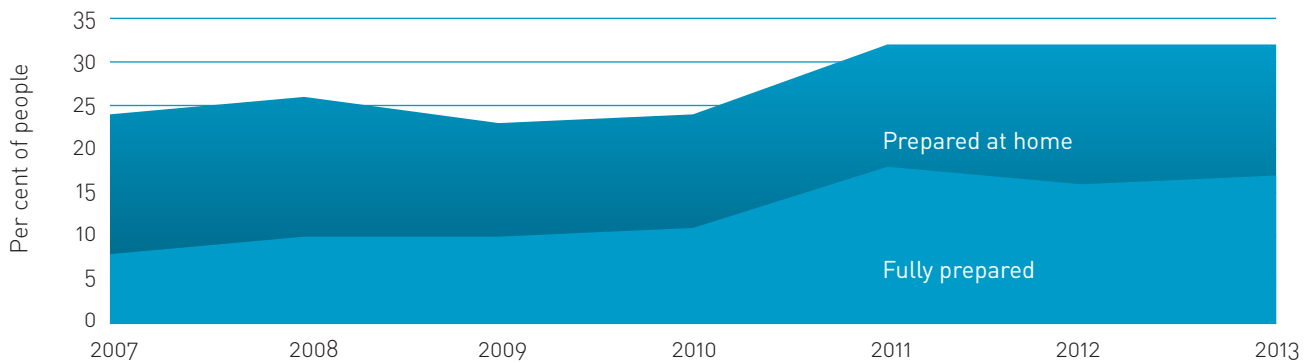
New Zealand's largest ever earthquake preparedness campaign, New Zealand ShakeOut, was conducted in September 2012 with great success. The six-month campaign culminated in a nation-wide Drop, Cover and Hold earthquake drill at 9:26am on Wednesday 26 September 2012. Approximately 30 per cent of New Zealand's population registered to participate in the event.

Evaluation of the ShakeOut exercise indicates that the campaign succeeded in increasing participants' preparedness. The majority of people felt that the campaign was successful and would like it to be repeated (93.4 per cent and 95.9 per cent respectively). The Department has started planning the next New Zealand ShakeOut campaign for 2015.

The Get Ready Get Thru campaign continued to help New Zealanders prepare for emergencies, with survey results showing that 69 per cent of people are aware of the campaign. We also continued to provide educational resources to schools and preschools through the What's the Plan Stan and TurtleSafe campaigns. The proportion of New Zealanders prepared at home has remained stable at 32 per cent for the past three years.

Throughout New Zealand, regional Civil Defence Emergency Management (CDEM) Groups are responsible for responding to local civil defence events. Capability assessments of each of New Zealand's 16 CDEM Groups have identified each group's strengths and weaknesses. MCDEM is now supporting Groups to lift their capability and address weaknesses, ensuring that all New Zealand communities are prepared to deal with any civil defence emergencies that may arise.

New Zealanders prepared for emergencies



Source: Ministry of Civil Defence and Emergency Management Campaign Monitoring Research 2013

Fire services play an essential role in community resilience. We are the lead agency working on the government's response to the 2012 independent review of the New Zealand Fire Service Commission's functions and funding.⁸ The review put forward a range of legislative

and non-legislative recommendations. We are working with the New Zealand Fire Service, government and sector organisations to develop policy proposals in response to these recommendations. Considerable preparation and consultation were undertaken in 2012/13, and the work programme will span 2013/14.

Spotlight on our contribution to the recovery in Canterbury

Providing practical assistance to Canterbury's recovery and the rebuild in Christchurch is an ongoing priority for the Department. We facilitated funding to a range of recovery initiatives and community groups in the region, particularly through administration of the Christchurch Earthquake Appeal Trust. During the year the Trustees established a \$31.5 million portfolio for 'Large Permanent Projects' that will make a positive difference to Canterbury's long-term recovery. We also supported local authorities in Canterbury by making it easier to meet legislative requirements during the recovery. We reimbursed over \$215 million to Canterbury councils for earthquake response costs incurred to June 2012.⁹

The National Libraries' Services to Schools team in Christchurch is continuing to support earthquake impacted schools by developing modern library learning environments. This has included supporting schools to make temporary arrangements and also longer term projects to plan new school libraries. The team has also worked to ensure schools that had collection losses were supported with additional curriculum resources from the National Library's collection.

Reduced social risks and harm

Through our regulation and compliance functions, we continued to improve communities' understanding of the social risks involved in regulated activities, and to reduce the potential for harm in the community.

Reducing harm in the online environment is an ongoing priority. We worked with law enforcement agencies in other jurisdictions, the New Zealand Police and New Zealand Customs to combat the trade and distribution of child sexual abuse images through the Internet, and to detect and apprehend offenders. This collaborative work resulted in children being removed from abusive situations, and we continued to lead work in New Zealand on identifying victims in child sexual abuse imagery.

Our Digital Child Exploitation Filter restricts access to unlawful websites known to offer objectionable material involving children, and it continued to be highly successful in 2012/13. We increased the number of Internet Service Providers (ISPs) using this service, and the filter now reaches an estimated 2.7 million users.

Unsolicited electronic email (spam) can be a serious impediment to productive use of the Internet. We continued to make it easier for the public to recognise and report commercial spam by expanding the 7726 short text service. Uptake of the new system exceeded expectations, with the number of text spam incidents reported increasing by nearly five times in the six months following its introduction.

Reducing the potential harm from problem gambling in the community is a focus for the Department. In 2012/13 we

⁸ The report of the Fire Review Panel can be found on the Department's website at www.dia.govt.nz.

⁹ The Canterbury Earthquake Recovery Authority (CERA) processes all claims for costs incurred after 30 June 2012.

expanded the successful Multi-Venue Exclusion programme into a further nine regions, bringing the total to 24 regional areas across the country. This programme reduces harm caused by problem gambling by allowing problem gamblers to exclude themselves from multiple venues in an area. Establishing a regional Multi-Venue Exclusion programme is a collaborative effort with the Ministry of Health, service providers, societies and venues; and the programme has also helped create strong cross-sector networks.

Measuring progress

Indicators	Progress	Data source
<p>Increasing the number of people prepared at home, work or both for civil defence emergencies:</p> <p>>> People prepared at home</p> <p>>> People prepared both at home and at work</p>	<p>2012/13: 32%</p> <p>2011/12: 32%</p> <p>2010/11: 32%</p> <p>2009/10: 24%</p> <p>2008/09: 23%</p> <p>2012/13: 17%</p> <p>2011/12: 16%</p> <p>2010/11: 18%</p> <p>2009/10: 11%</p> <p>2008/09: 10%</p>	<p>MCDEM Campaign Monitoring Research (Colmar Brunton) 2013</p>
<p>Providing safe and secure online environments by increasing the coverage of the Digital Child Exploitation Filtering System run by DIA Censorship for ISPs of New Zealand Internet users</p>	<p>2012/13: 85%</p>	<p>Internal Affairs regulatory data</p>

Impact: Participants in regulated activities behave responsibly and with integrity

We improved and enhanced our regulatory functions to deliver new responsibilities and reflect our compliance approach of minimising harm and maximising benefit. This work contributed to our outcomes for resilient and prosperous communities and a New Zealand recognised for using knowledge for social, cultural and economic wellbeing.

We contributed to ministerial priorities in the following portfolios:

- » Internal Affairs
- » Community and Voluntary Sector

Delivered new regulatory functions

The functions of the Charities Commission were transferred to the Department on 1 July 2012, complementing our existing regulatory responsibilities. This has given us the opportunity to improve services to charities by leveraging the range of regulatory and community operations expertise and other resources within the Department. The Charities Services business group continued to provide registration, compliance, and education services to the charitable sector. The Minister for the Community and Voluntary Sector appointed an independent Charities Registration Board to make decisions about the registration and deregistration of charities, delegating routine applications to the Department.

We laid the groundwork for new regulatory responsibilities that will help protect New Zealanders from financial crime and increase trust in the private security industry. A programme of communication with reporting entities included an engagement campaign informing them of their obligations under the Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) Act 2009, which came into effect on 1 July 2013. We also published guidance on various aspects of the Act, met with 216 reporting entities and handled 402 enquiries from reporting entities and other stakeholders. Engagement and support will continue after reporting commences.

We worked with the Ministry of Justice to improve the regulation of private security personnel and private investigators, implementing new policy and operational requirements and undertaking the first prosecutions under the Private Security Personnel and Private Investigators Act 2010.

Enhanced our compliance and enforcement approach

We strengthened our compliance approach to better reflect our goal of delivering regulatory services that minimise harm and maximise benefit, allowing us to be more purposeful and deliberate in our regulatory work.

Our response to non-compliance depends on the intent and context of the breach of regulation and the potential harm caused. We work to make compliance easy for those who are willing to comply, while using a range of stronger actions when we face wilful non-compliance. Investigations are focused on serious, deliberate and harmful non-compliance.

To support our new compliance approach, the first stage of the Integrated Gambling Platform (IGP) went live in June 2013. The initial release provides the Department with significant improvements in how we manage the processing of gambling licences. This will also enable the Department to manage the compliance regime for gambling more effectively.

In October 2012 we introduced a triage and prioritisation framework to improve the management of Charities Services workloads. The triage process supports an increasingly targeted approach to addressing medium to high-risk issues within the sector. As part of the development of an organisation-wide approach to compliance, we began aligning Charities Services compliance functions with those already existing in the Department. As we are continuing to establish the new regulatory regime for charities, Cabinet decided in November 2012 not to pursue a review of the Charities Act 2005 while the new regime is bedding in.

Improved the regulatory framework

In 2012/13 we supported Class 4 gambling reforms to increase transparency around grant decisions, better address conflicts of interest in the sector and simplify compliance for operators, venues and the Department. These reforms also aim to increase the proportion of gambling proceeds returned to the community. We also provided advice to the Government and to the Commerce Select Committee on the Gambling (Gambling Harm Reduction) Amendment Bill, which proposes further changes to the regulation of Class 4 gambling.

We worked with the Ministry of Health to develop the Gambling (Problem Gambling Levy) Regulations 2013.

We also initiated a review of the fees set in the Gambling (Fees) Regulations 2007, which prescribes fees that must

be paid by licensed operators, including Class 4 gambling operators and venues and casinos. In 2013/14, we will focus on developing and consulting on options for amending the fee regulations.

Report on the use of search and surveillance powers

The Department is required to report on its search and surveillance powers under sections 171 and 172 of the Search and Surveillance Act 2012. During 2012/13 the Department did not exercise search or entry powers without a warrant, did not exercise warrantless surveillance powers and did not apply for any surveillance device warrants or declaratory orders. The Chief Executive did not receive any reports from judges under sections 48, 61 or 62 of the Act.

Measuring progress

Indicators	Progress	Data source
Gambling sector organisations and operators who are satisfied with information services	2012/13: 99% 2011/12: 90%	Internal Affairs survey
Declining percentage of recidivist offenders (out of total offenders) issued with a civil liability intervention for unsolicited electronic messages	2013/14: Baseline year	Internal Affairs regulatory data
Decreasing the percentage of societies operating in the Class 4 gambling sector that have venues failing inspection	2013/14: Baseline year	Internal Affairs regulatory data
Providing safe and secure online environments by increasing the coverage of the Digital Child Exploitation Filtering System run by DIA Censorship for ISPs of New Zealand Internet users	2012/13: 85%	Internal Affairs regulatory data
Increasing sector awareness of their obligations under the Anti-Money Laundering and Countering Financing of Terrorism legislation	2012/13: Achieved	Internal Affairs regulatory data

Impact: People have the capability to participate in their communities and across communities

We enabled New Zealand society to benefit from ethnic diversity, empowered communities, and supported government and communities to work together. This work contributed to our outcomes for resilient and prosperous communities and a New Zealand recognised for using knowledge for social, cultural and economic well-being.

We contributed to ministerial priorities in the following portfolios:

- » Internal Affairs
- » Ethnic Affairs
- » Community and Voluntary Sector
- » Racing

Supported communities to invest in themselves

The Department supports significant levels of investment in communities, helping them to achieve their goals and aspirations. We provide advice, information and funding to assist the development of resilient and prosperous communities, hapū and iwi. We also achieve this through our services to charities and our role in ensuring that the returns to the community from gambling are maximised.

In 2012/13 we distributed nearly \$20 million in Crown and trust funding and approximately \$200 million in lottery funding to support a range of community events, activities and projects. We also coordinated over 70 ministerial board appointments for grant-making bodies, such as Community Trusts and Lottery Distribution Committees. In August 2012 we marked *Lotto's* 25th birthday. Since New Zealand Lotteries was established in 1987, we have supported the New Zealand Lottery Grants Board to distribute over \$3 billion in grants to the community.

During the year we continued to implement longer term investment in communities through the Community-led Development scheme. This initiative started in 2011 and we presented the first evaluation report on the approach in December 2012.¹⁰ The evaluation found that, despite some challenges, the scheme is progressing and most of the milestones we set have been met. We are building lessons from the evaluation report into the current stage of implementation. For instance, we have gained valuable lessons on the importance of sharing across regional

teams, providing professional development for staff and supporting regional teams to implement new initiatives.

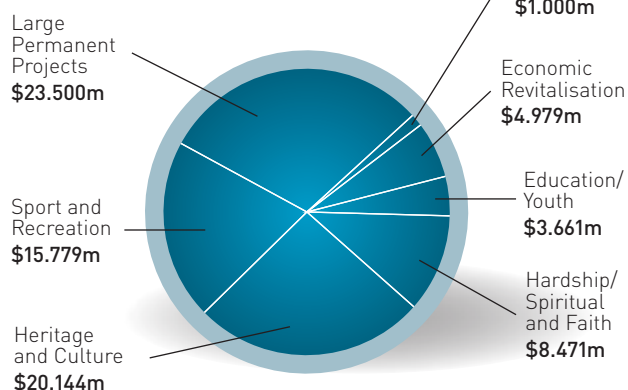
Since 2011 the Christchurch Earthquake Appeal Trust has allocated over \$62 million to community projects that support the recovery in Canterbury. The Department administers the Trust, which in total has raised more than \$100 million in donations and pledges. Examples of initiatives funded by the Trust include \$6.5 million for water attractions at the new Christchurch City Council Recreation and Sports Centre, and \$330,500 to provide care and support to youth workers and youth organisations who have struggled to support greater volumes of young people with more complex issues since the earthquakes.

Our 2012 survey of social enterprises described a diverse, mature and active community and voluntary sector. We reviewed whether current legal structures support social enterprises to fulfil their objectives and concluded that, while legal structures are adequate, there may be opportunities to create an environment that provides better support for social enterprises to build capacity and reach their potential.

We supported the Minister for Racing in appointing an Independent Chair person to the New Zealand Racing Board in 2012, and again in 2013 following a judicial review. We also continued to provide secretariat support to the Racing Safety Development Fund. The \$1.0 million per annum Fund supports projects that enhance safety in the racing industry and raise the quality of facilities at racecourses. Projects supported include horse containment fencing and starting gates, greyhound lure wire replacement, replacement of harness racing night lighting and upgrading of facilities for jockeys, harness riders, racing animals, and racing patrons.

¹⁰ The evaluation report can be found on our website at www.dia.govt.nz.

Christchurch Earthquake Appeal Trust Total Funding Approved



Source: Christchurch Earthquake Appeal Trust (25 February 2011 – 30 June 2013)

Empowered communities to develop their strengths

Charities, community organisations and volunteers make a significant contribution to New Zealand society. New Zealand is a generous society, with more than 30 per cent of New Zealanders volunteering and/or donating money over the past year. We supported the community and voluntary sector by providing policy advice to Ministers, conducting Charities Services functions, and providing advice, information, resources, funding and support to communities through our 16 service delivery offices.

We have improved services to the charitable sector by targeting our resources more effectively. For example, the Department's network of regional community advisors assisted Charities Services staff with the delivery of education initiatives to the sector.

We continued to support better relationships between community organisations and government by promoting the Kia Tūtahi Relationship Accord across government. The Accord sets expectations about how government agencies

and communities will work together. We supported the Accord by publishing case studies of engagement processes on our website, to demonstrate how Kia Tūtahi principles were applied and outline lessons learnt so far.

Maximised the potential for New Zealand to benefit from ethnic diversity

Through the Office of Ethnic Affairs, we work to maximise the potential for New Zealand to benefit from ethnic diversity and maintain our reputation for social harmony. There is an increasing demand for our services as New Zealand society evolves and the population becomes more diverse.

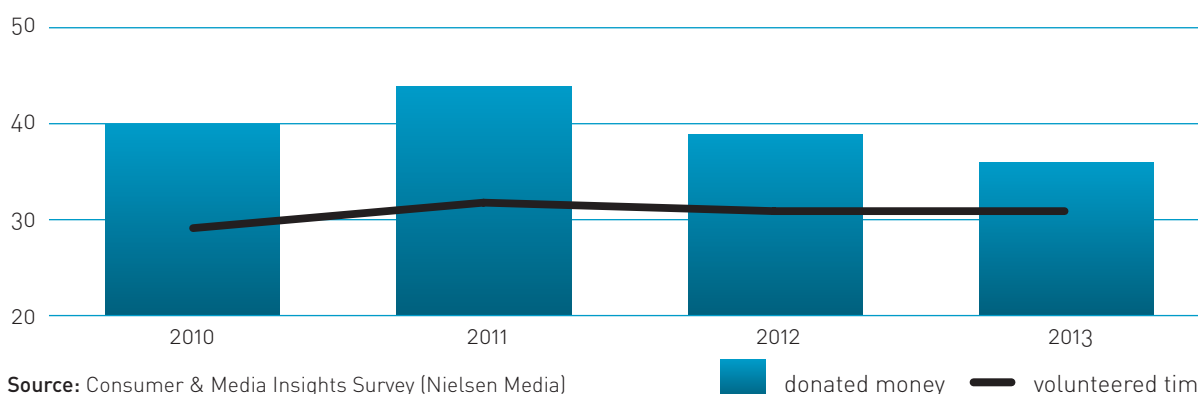
The Office works to contribute to New Zealand's economic strength by building connections between ethnic communities and mainstream businesses. The Ethnic People In Commerce New Zealand (EPICNZ) programme fostered connections among business communities. The EPICNZ programme includes initiatives such as a website¹¹ supplying business-related information and a business matching database, and the EPICNZ conferences, which this year were attended by over 500 people representing a range of ethnic small and medium enterprises and mainstream businesses.

The annual EthnicA conferences promote ongoing discussion about the benefits and challenges presented by New Zealand's growing ethnic diversity, and encourage participation in New Zealand society. The theme of EthnicA 2013 was ethnic leadership – how sector leaders can best be developed and supported.

We also worked with private sector partners to provide migrant business people with information about services and funding available to them and facilitated investment in the wine, food and dairy industries by arranging for ethnic investors to visit regional New Zealand businesses.

11 www.epicnz.co.nz

New Zealanders volunteering and donating money



Source: Consumer & Media Insights Survey (Nielsen Media)

Spotlight on our contribution to World War One centenary commemorations

The Department is responsible for a range of activities and projects aimed at supporting World War One commemoration events and associated activities. We contribute to cross-agency groups that are providing oversight of centenary activities. The Department's Visits and Ceremonial Office will be responsible for planning and running events at the National War Memorial in Wellington, including our regular annual events (particularly ANZAC Day) and a number of special World War One commemorations.

During the year the Lottery Environment and Heritage Committee was rebranded as the Lottery World War One Commemorations, Environment and Heritage Committee. This Committee is responsible for the distribution of over \$17 million to commemorate the impact World War One had on individual New Zealanders and on New Zealand as a whole.

Our digitisation programmes also make an important contribution. Archives New Zealand is digitising all New Zealand Defence Force military personnel files, and is working with the Alexander Turnbull Library and the Ministry for Culture and Heritage on a collaborative 'War Stories' project to create up to 40 videos featuring the lives of people affected by World War One. The National Library is supporting a range of digitisation projects including 8,000 pages of World War One diaries and letters and digitisation of oral histories held on cassettes.

Measuring progress

Indicators	Progress	Data source																															
<p>Increasing the number of people supporting local communities through volunteering and giving:</p> <ul style="list-style-type: none"> » Percentage of people aged 10 years or over who, in the previous 3 months, volunteered or donated money <ul style="list-style-type: none"> » Volunteered: <table border="0"> <tr><td>March 2013:</td><td>31%</td></tr> <tr><td>December 2012:</td><td>30%</td></tr> <tr><td>March 2012:</td><td>31%</td></tr> <tr><td>December 2011:</td><td>32%</td></tr> <tr><td>December 2010:</td><td>29%</td></tr> </table> » Donated money: <table border="0"> <tr><td>March 2013:</td><td>36%</td></tr> <tr><td>December 2012:</td><td>34%</td></tr> <tr><td>March 2012:</td><td>39%</td></tr> <tr><td>December 2011:</td><td>40%</td></tr> <tr><td>December 2010:</td><td>41%</td></tr> </table> » Percentage of people participating in paid and unpaid community work <ul style="list-style-type: none"> » Undertook unpaid community work: <table border="0"> <tr><td>2012:</td><td>62.2%</td></tr> <tr><td>2010:</td><td>65.4%</td></tr> <tr><td>2008:</td><td>64.6%</td></tr> </table> » Undertook voluntary community work: <table border="0"> <tr><td>2012:</td><td>30.6%</td></tr> <tr><td>2010:</td><td>32.4%</td></tr> <tr><td>2008:</td><td>32.6%</td></tr> </table> 	March 2013:	31%	December 2012:	30%	March 2012:	31%	December 2011:	32%	December 2010:	29%	March 2013:	36%	December 2012:	34%	March 2012:	39%	December 2011:	40%	December 2010:	41%	2012:	62.2%	2010:	65.4%	2008:	64.6%	2012:	30.6%	2010:	32.4%	2008:	32.6%	<p>Quarterly Consumer and Media Insight survey (Nielsen Media)</p> <p>General Social Survey (Statistics New Zealand)</p>
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2008:	32.6%																																
<p>Maintaining a high level of satisfaction with the advice and support received by ethnic community groups to enable them to help themselves and participate in their community:</p> <ul style="list-style-type: none"> » Percentage of stakeholders satisfied with the advice and support they received <table border="0"> <tr><td>2012/13:</td><td>96%</td></tr> <tr><td>2011/12:</td><td>96%</td></tr> <tr><td>2010/11:</td><td>96%</td></tr> </table> 	2012/13:	96%	2011/12:	96%	2010/11:	96%	<p>Internal Affairs Ethnic Affairs survey</p>																										
2012/13:	96%																																
2011/12:	96%																																
2010/11:	96%																																

Impact: People are able to access and use information important to their lives

We improved access to important information and knowledge through new and enhanced services, making it easier for people to use their personal identity information and to connect with New Zealand's history and heritage. This work contributed to our outcomes for resilient and prosperous communities; a New Zealand recognised for using knowledge for social, cultural and economic wellbeing; and a strong and valued national identity.

We contributed to ministerial priorities in the following portfolios:

- » Internal Affairs
- » Community and Voluntary Sector

Enhanced access to information important to New Zealanders lives

After more than two years in development, the Department's building on Molesworth Street (housing the National Library of New Zealand) reopened to the public on 27 November 2012. The redeveloped building includes atmosphere-controlled rooms for sensitive collections, and new gallery spaces and public meeting rooms. The new space allows visitors to connect with New Zealand's history and heritage in modern and interactive ways. 'Big Data' was the first exhibition held at the new building, combining data held by Land Information New Zealand, the Wellington City Council, and other bodies with material held in the Library's collections. We worked with the Royal Society of New Zealand to provide an accompanying discussion series.

The Confidential Listening and Assistance Service (CLAS) is available for people who have concerns about abuse, neglect or the way they were treated in State care before 1992. In 2012 we won the Institute of Public Administration New Zealand Award for 'Excellence in Working Together for Better Public Services' and the Prime Minister's Award for Public Sector Experience for CLAS in conjunction with partner agencies the Ministry of Social Development and the Ministry of Education. The CLAS was extended until 30 June 2015, and we are working with the Ministry of Social Development to plan how to provide help for clients who come forward after the Service ends.

Spotlight on online renewal of adult passports

In November 2012 we launched a new world-first service allowing online renewal of adult passports. Approximately 70 per cent of passport applications are for adult renewals, and the online process is quicker and easier for both applicants and passport officers. Customers have been quick to take up the online renewal option and by late August 2013 over 100,000 people will have applied to renew their passports online.

The service also makes an important contribution to Government goals for enhancing New Zealanders' ability to use government services in a digital environment. The introduction of the online renewal service has reduced our costs of production and made processing renewal applications quicker. This has allowed us to introduce a lower fee for online renewals and reduce the fee for all other passport applications.

Made it easy for people to use their personal identity information

The Department of Internal Affairs is responsible for managing New Zealanders' identity information and making it available so New Zealanders can access their rights and entitlements. During the year we issued over one million identity documents and other products.

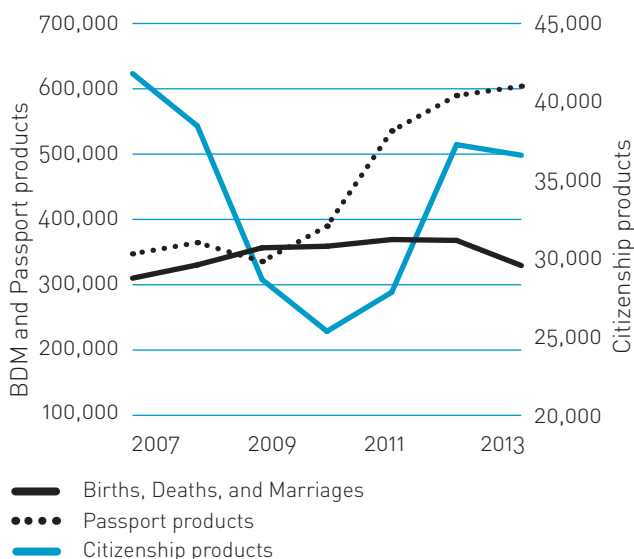
Spotlight on igovt/RealMe

The Department's igovt services provide New Zealanders with secure access to online services from participating government agencies. Thirteen agencies currently use igovt to provide access to 39 services. As of 30 June 2013, over one million igovt logons have been created, and these have been used to facilitate more than 12.4 million igovt transactions.

In 2012/13 we worked with New Zealand Post to develop the RealMe service. RealMe will extend igovt to the private sector, for use in organisations such as banks or insurance companies. RealMe will enable banking and finance companies to comply with customer due diligence obligations in the Anti-Money Laundering and Countering Financing of Terrorism legislation.

The igovt/RealMe service is an important means of enabling New Zealanders to complete their transactions with government easily in a digital environment.

Identity documents issued



Source: Department of Internal Affairs data

In addition to the introduction of online passport renewals, we made it easier for people to access government services and entitlements using their personal identity information by continuing to enhance igovt services and develop the RealMe service.

We also provide Apostille certification¹² to allow New Zealand issued documents to be used overseas. This year we introduced the electronic Apostille certificate (an eApostille), which improves our service by allowing Apostille certificates to be issued via email. We are the first country in the Asia-Pacific region to launch an electronic Apostille service.

¹² Apostille certificates are available for use in countries that have signed the Hague Convention abolishing the requirement of legalisation for foreign public documents.

Supported access to information in the digital age

We continued to deliver government information online more efficiently, and in formats more suited to users' needs. We are redeveloping the *newzealand.govt* site to provide users with an easy and connected online experience. The work we are doing has attracted international interest and we were invited to speak at the International eGovernment Forum in Bahrain on this project.

To ensure that all New Zealanders can access and benefit from digital information, the Department led and contributed to a number of programmes, such as the Adult and Community Education programmes and other government-funded initiatives that address digital literacy such as the Computer Clubhouses initiative (now rebranded as the High Tech Youth Network). We continue to support work led by the Ministry of Education on twenty-first century learning and digital literacy.

Our DigitalNZ initiative helped organisations aggregate and share New Zealand digital content so that it can be used by the public. DigitalNZ is a collaboration between more than 120 partners, made up primarily of government agencies and local government groups such as libraries, archives and museums.

We also worked with disability communities, government web practitioners and external vendors to redevelop the Government Web Standards. The new standards will ensure government websites are accessible to all members of the public.

With the increased focus on development of online content and services to support learning in schools, use of online services through the National Library is increasing, and in

2012/13 there were 241,030 visits to the Services to Schools website.¹³ A review of Services to Schools, completed in 2012/13, found that the services continue to be useful and identified some new priorities and drivers that influence our delivery of these services.

Supported open and transparent government

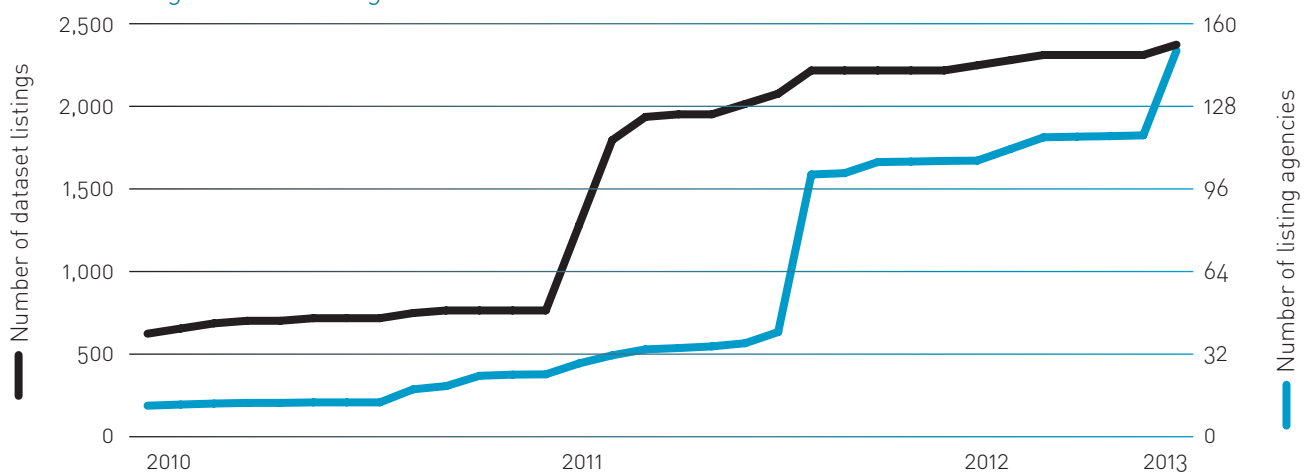
We support the Declaration on Open and Transparent Government by making a range of useful information held by the Department available for re-use. An example is the Charities Register, which includes information about each registered charity, enabling the public to access information about charities that are eligible for tax exemptions. We also published over 7,800 notices in the New Zealand Gazette. The Gazette gives the public and businesses access to legislative decisions, including land transfers, changes to legislation and bankruptcies. We publish the Gazette online each week.

¹³ <http://schools.natlib.govt.nz/>

We are developing a coordinated all-of-government approach to strategic information management. This approach is aligned with our ICT functional leadership role (see section on supporting the system of government to operate efficiently and effectively) and the Government ICT Strategy and Action Plan. This work will support appropriate sharing of personal information between agencies and encourage the proactive release of other information. An increasingly coordinated approach to information management will make the public more aware of how government collects and uses personal information. This will enhance government transparency, improve information security, and allow information to be used more efficiently and effectively.

We support open and transparent government by administering *data.govt.nz*, which provides access to a wide range of non-personal public government-held datasets. The total number of listings increased by 28 per cent in the year to 30 June 2013, and visits to the website increased by 8.4 per cent to 58,895 over the same period. The operation of the *data.govt.nz* website is an example of a coordinated approach to information management in action.

Information growth on data.govt.nz



Source: Department of Internal Affairs data

Measuring progress

Indicators	Progress	Data source
Increasing access to collections of information and the public record:		
<ul style="list-style-type: none"> » Institutions describing archival holdings online through the Community Archive 	2013: 380 2012: 373 2011: 376 2010: 355	Internal Affairs Archives New Zealand data
<ul style="list-style-type: none"> » Full text databases made accessible through New Zealand libraries in the Electronic Purchasing in Collaboration (EPIC) consortium 	2013: 42 2012: 42 2011: 40 2010: 25	Internal Affairs National Library data
<ul style="list-style-type: none"> » Visits to use specialist online resources and services for schools 	2012/13: 241,030 2011/12: 172,095 2010/11: 145,277	Internal Affairs National Library data
<ul style="list-style-type: none"> » Access to online records for New Zealand publications 	June 2013: 423,562 March 2013: 383,960	Internal Affairs National Library data
<ul style="list-style-type: none"> » Published content provided through National Library full-text platforms (pages published): <ul style="list-style-type: none"> - Papers Past - Appendices to the Journals of the House of Representatives (AtoJs Online) 	June 2013: 2,960,523 June 2012: 2,538,351 June 2011: 2,085,560 June 2013: 319,112 June 2012: 253,866 June 2011: 128,151	Internal Affairs National Library data
Increasing access to information through uptake of common capabilities:		
<ul style="list-style-type: none"> » Percentage increase in people accessing information through RealMe 	2013/14: Baseline year	Internal Affairs Identity and Data Services data
<ul style="list-style-type: none"> » Percentage increase in services available through RealMe 	2013/14: Baseline year	
Increasing use and re-use of information.		
Searching and finding information for creating new knowledge through Digital NZ:		
<ul style="list-style-type: none"> » Number of items surfaced for re-use by DigitalNZ (excluding Papers Past and AtoJs Online) 	June 2013: 339,918 March 2013: 269,459	Internal Affairs National Library data
Increasing the availability of re-usable online datasets held by government on the open data directory website, <i>data.govt.nz</i> :		
<ul style="list-style-type: none"> » Dataset listing page/percentage increase in the number of unique website visitors 	2012/13: 2,339/8.4% 2011/12: 1,815/31%	Internal Affairs data and Identity Services data
Improving access to New Zealand's collections of information and public record:		
<ul style="list-style-type: none"> » Accessibility of digital content in New Zealand – International ranking / score (1 = not accessible, 7 = widely accessible) 	2013: 32 (of 144)/ 5.9 (mean 4.9) 2012: 31 (of 142)/ 5.9 (mean 4.9)	Global Information Technology Report (World Economic Forum and European Institute of Administration)

Impact: New Zealand's documentary record is protected and available to current and future generations

We collected, protected and invested in the preservation of New Zealand's heritage collections and taonga. This work contributed to our outcomes for resilient and prosperous communities; a New Zealand recognised for using knowledge for social, cultural and economic well-being; and a strong and valued national identity.

We contributed to ministerial priorities in the following portfolio:

» Internal Affairs

Built and preserved collections of national importance

During 2012/13 we continued to build collections of national importance and enhanced preservation of these significant items through better and more efficient use of our resources and infrastructure. The National Library and Archives New Zealand have continued to develop a strategic partnership, collaborating on optimising services, improving efficiency and effectiveness, and lifting overall performance. Progress so far has focused on digital preservation through the use of mutually beneficial tools. In the coming year, shared work will progress preservation and access, storage, and public programmes.

The Active Archives project is establishing a single site housing New Zealand's foundation documents, thereby providing a foundation for strengthening New Zealanders' links to their national identity. Our work this year included continuing the project to relocate significant public archives (including the Treaty of Waitangi, the Declaration of Independence and the Women's Suffrage Petition) to the redeveloped building in Molesworth Street. We have selected the archives for display, and provided preservation treatment where required. We are working towards opening the new space in April 2014.

Nationally significant heritage items added to the Alexander Turnbull Library's collection in 2012/13 included a previously unknown Katherine Mansfield story. The story was discovered in papers recently acquired from the estate of her husband, John Middleton Murry, along with other material such as poems and notes. Also found among the papers was an unpublished article by D H Lawrence. In April the Alexander Turnbull Library received a donation of a handwritten account by the New Zealand diplomat Richard Sewell about New Zealand's role in the 1979

hostage situation in Iran. The manuscript has been fully digitised and is available to read online.

We provided for the preservation of historic New Zealand films for the future by acquiring the Park Road Post Production Limited's Film Preservation Laboratory. The lab is the only one of its kind in the southern hemisphere, and its acquisition will allow the preservation of more than a thousand high-value films.

Developed digital programmes to improve the preservation and storage of information

As the shift to a digital world reaches a tipping point, digitisation programmes have become a key part of our strategy to protect New Zealand's important documents and to improve the preservation and storage of information. We are continuing to progress the Government Digital Archive Project, which will ensure that 'born digital' information is protected and preserved for future access.

As part of our legislative mandate to collect, preserve and make New Zealand's documentary heritage accessible, the National Library has an ongoing programme of harvesting the entire .nz domain and New Zealand-related web-sites in other domains.¹⁴ The recently completed 2013 harvest processed approximately 550,000 web-sites comprising 196,171,588 URLs and produced 11 terabytes of data. Two earlier whole-of-domain harvests were undertaken in 2008 and 2010.

Archives New Zealand also re-digitised the 1893 Women's Suffrage Petition and created a new online database to make it possible to search the petition by name of the signatories. Over 500 National Film Unit films have also become available online on the Archives New Zealand YouTube channel.

¹⁴ Harvests include all publicly accessible material, in line with Legal Deposit regulations. They do not include password-protected or commercial sites without the express permission of the owners of those sites.

Archives New Zealand improved public access to highly used archives by improving the usability of our online index. This means that users can now identify files they are interested in online, whereas in the past they had to travel to Archives New Zealand in Wellington or pay Archives staff to analyse paper indices. In the past year 106,000 Coroner's inquest files, 100,000 Colonial Secretary's correspondence items and 10,000 Māori Land Purchase Department correspondence items have been individually described, and this project will continue over the next two years.

Measuring progress

Indicators	Progress	Data source
<p>Increasing the percentage of heritage collections and public records protected and preserved for future generations:</p> <ul style="list-style-type: none"> » Percentage of the Alexander Turnbull Library collections in the National Library Wellington building that are held in appropriate environments » Percentage of Archives New Zealand holdings held in an appropriate environment » Number of transfers received by Archives New Zealand 	<p>2013: 100% 2012: 100% 2010: 55%</p> <p>2013: 80.5% 2012: 73.85%</p> <p>2013: 71 2012: 84 2011: 29</p>	<p>Internal Affairs National Library data</p> <p>Internal Affairs Archives New Zealand data</p> <p>Internal Affairs Archives New Zealand data</p>
<p>Increased number of Alexander Turnbull Library collections will be available for future use by researchers:</p> <ul style="list-style-type: none"> » Number of items damaged or lost in provision of services 	<p>2013/14: Baseline year</p>	<p>Internal Affairs National Library data</p>
<p>New Zealand school students' learning is supported through greater access to documentary heritage by increased usage of the National Library collection items</p>	<p>2013/14: Baseline year</p>	<p>Internal Affairs National Library data</p>

Impact: New Zealand's personal identity information has integrity

We worked to ensure New Zealand's personal identity information was secure, trusted and appropriately accessible. This work contributed to our outcomes for strong and valued national identity; and a New Zealand recognised for using knowledge for social, cultural and economic wellbeing.

We contributed to ministerial priorities in the following portfolio:

» Internal Affairs

Maintained trust in the integrity of identity information

As guardian of New Zealand's personal identity information, maintaining the integrity of this information is of paramount importance. During the year we improved several policies and processes in response to external inquiries. We are pursuing law changes to enable us to strengthen requirements on adult name change applicants to provide evidence of their identity. We also implemented improvements to the way we provide advice to the Minister making citizenship decisions. In October 2012 we completed a review of the law and processes for registering name changes.

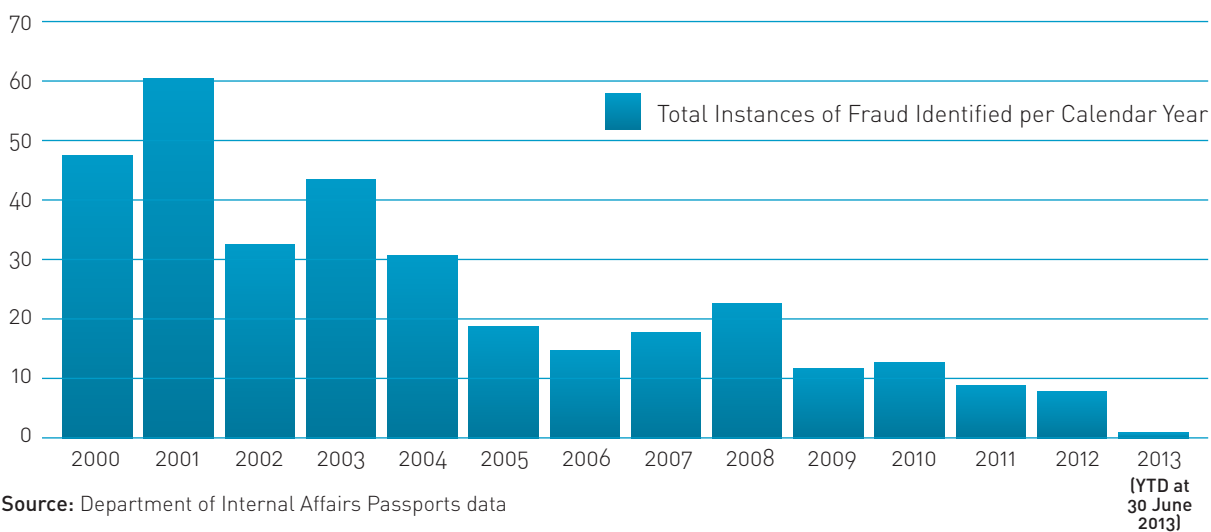
The incidence of fraud and lost/stolen passports as a percentage of passports issued remained very low

(0.006 per cent and 1.68 per cent respectively) in 2012¹⁵. The latest security features in our ePassport make forgery and counterfeiting very difficult. We continue to perform data cleansing using facial recognition technology, identifying individuals with New Zealand passports in more than one identity. All cases we identify are fully investigated, and with the assistance of the New Zealand Police, prosecutions are undertaken when appropriate. In future, RealMe will be used as an additional identification feature for any online New Zealand passport application, which will further enhance trust in the security of New Zealand passports.

The New Zealand passport has a high level of security and integrity, which reflects favourably on our ability to obtain visa-free access to other countries. During the year we began looking at options to modernise the Passports Act 1992, to address concerns about the passport validity period and ensure the Act is up to date with the changing technological and security environment.

¹⁵ Annual calendar year data.

Total Instances of Fraud Identified per Calendar Year



Source: Department of Internal Affairs Passports data

We are also working jointly with Inland Revenue to examine the issues relating to becoming 'authoritative' sources of information, and the case for using this authoritative data to enable more timely and productive sharing of information between agencies. For Internal Affairs this authoritative data could include citizenship, birth and potentially other identity-related information collected as part of our legislative role. Authoritative data sharing is ultimately intended to get the best value for citizens out of the data the Department holds and result in more effective public services.

Measuring progress

Indicators	Progress	Data source
Maintaining a low level of complaints about the Department on privacy breaches received or notified by the Privacy Commission	2012/13: 2 2011/12: 2 2010/11: 4 2009/10: 2	Office of the Privacy Commissioner
Maintaining a low level of incident reports relating to the issuance of passport on fraudulent grounds or fraudulent use of a passport	2013: 0.0003% ¹⁶ 2012: 0.006% 2011: 0.013% 2010: 0.012%	Internal Affairs Passports data
Maintaining a high percentage of identity services customers who feel personal information is confidential and secure	June 2013: No survey conducted ¹⁷ June 2011: 97% June 2010: 92% June 2009: 99%	Internal Affairs Service Delivery and Operations survey
New Zealand passport is recognised as having high integrity	2013: 5th equal 2012: 5th equal 2011: 5th equal	Henley Visa Restrictions Index Global Ranking 2013

¹⁶ Calendar year to date.

¹⁷ No survey was conducted in 2012/13 as a review was conducted to determine the survey's fit for purpose. Following the review, a new survey has since been developed for 2013/14 onwards.

CONTRIBUTING TO OBJECTIVES

The following section reports on our contribution to achieving objectives and our progress on the priorities, initiatives and indicators outlined in our Statement of Intent.

We contributed to our objectives through the following lead objectives:	Page
» Supporting the system of government to operate efficiently and effectively	32
» Enhancing the productivity and accountability of public sector organisations	36
» Supporting specialist capability-building in other nations	39

Objectives indicators

We used the indicators below to track progress towards our objectives.

Objective	Indicators	Trend	Data source
To enhance trust in government and confidence in the performance of public sector organisations	Increasing the number of people who have a high level of trust and confidence in the performance of public sector organisations:		
	» Overall quality score for public services	March 2013: 72 December 2012: 72 2009: 69 2007: 68	Kiwis Count Survey – New Zealanders’ satisfaction with public services (State Services Commission) ¹⁸
	» New Zealanders’ positive rating of overall trust in public services ¹⁹	November 2012: 42% 2009: 33% 2007: 29%	
	» New Zealanders’ positive rating of trust in their most recent service interaction ²⁰	November 2012: 75% 2009: 70% 2007: 67%	
	» New Zealanders who agree that public services are an example of good value for tax dollars spent ²¹	November 2012: 64% 2009: 64% 2007: 55%	
	» Service quality score for Passports	March 2013: 79 December 2012: 79 2009: 77 2007: 75	
	» Service quality score for registering a birth, death, marriage or civil union	March 2013: 80 December 2012: 84 2009: 75 2007: 72	
Maintaining New Zealand’s ranking in the Corruption Perceptions Index	2013: Not yet available December 2012: 1st 2011: 1st 2010: 1st 2009: 1st	Transparency International ²²	

Although our work makes an important contribution to achieving objectives, indicators are influenced by environmental factors beyond the impact of the Department’s activities and services. Due to the high-level and long-term nature of objective indicators, many of our data sources are not conducted on an annual basis. We have reported on the most up-to-date data available.

18 The latest data is sourced from the Kiwis Count March 2013 Quarterly update.

19 2013 information for this indicator will be included in the Kiwis Count June 2013 Quarterly update due for release in late October/early November 2013.

20 2013 information for this indicator will be included in the Kiwis Count June 2013 Quarterly update due for release in late October/early November 2013.

21 2013 information for this indicator will be included in the Kiwis Count June 2013 Quarterly update due for release in late October/early November 2013.

22 The 2013 Corruptions Perception Index will be released in December 2013.

Lead objective: Supporting the system of government to operate efficiently and effectively

We supported central and local government to deliver better services to New Zealanders, particularly through making it easier for people to interact with government online. This work contributed to our objective of enhancing trust and confidence in the performance of New Zealand's public sector.

We contributed to ministerial priorities in the following portfolios:

- » Internal Affairs
- » Local Government
- » Ministerial Services

Provided functional leadership of all-of-government ICT

Better use of technology is central to Government's goals for improving services to New Zealanders and reducing costs. As the Government Chief Information Officer (GCIO), the Department's Chief Executive has a cross-government leadership role supporting more efficient and effective use of ICT.

The GCIO contributes to Better Public Services by driving system-wide strategy and uptake of common capabilities, enabling greater standardisation and integration of ICT investment across government. Key priorities over the past year included embedding the functional leadership role and building the necessary partnerships to enable transformational change.

Security and trust in systems are essential to ensure New Zealanders can use government ICT services with confidence. The GCIO supported a number of government ICT reviews, developing a range of recommendations to improve performance and trust in government systems. The GCIO's review of publicly accessible systems provided advice and assurance on the security of information,²³ and actions to tighten privacy and information security standards are underway in response to the review's findings. Following the review, Cabinet increased the mandate of the GCIO to provide system-wide assurance and give the public, Ministers, and other stakeholders

greater confidence that ICT risks and processes within the State services are identified and managed effectively.

Spotlight on the ICT Strategy and Action Plan

The *ICT Strategy and Action Plan to 2017*, launched in June 2013, is led by the GCIO through the functional leadership role. The Action Plan is a whole-of-government plan for transforming service delivery through digital self-service channels and unlocking the full economic potential of government's information holdings.

The Action Plan will be centrally led and collaboratively delivered, with four areas of focus:

- » services are digital by default
- » information is managed as an asset
- » investment and capability are shared
- » leadership and culture deliver change

Underpinning the Action Plan is a strengthened system of assurance coordinated by the GCIO

It is anticipated that the Action Plan will generate savings of at least \$100 million per annum across total government expenditure within five years, and improve oversight of ICT initiatives and management of information.

²³ The GCIO reviewed publicly accessible systems in the State services at the request of the State Services Commissioner after a security breach at Ministry of Social Development Work and Income kiosks. The review covered 215 publicly accessible information systems across 70 government agencies. The GCIO's report can be found at www.ssc.govt.nz/GCIO-publicsystemsreview.

Spotlight on Better Public Services Result 10

Internal Affairs is the lead agency for *Better Public Services Result 10: New Zealanders can complete their transactions with government easily in a digital environment*. Cabinet approved the Result 10 Action Plan in August 2012. The Action Plan makes clear that government needs to use the digital environment more effectively when delivering services to New Zealanders, and includes the target that by 2017 an average of 70 per cent of New Zealanders' most common transactions with government will be completed in a digital environment.

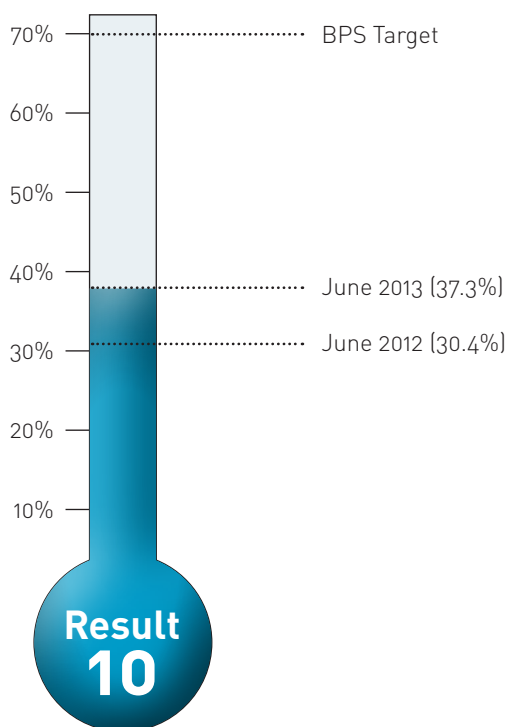
Achieving Result 10 will require agencies to work together in new ways. We have established the Digital Service Council (DSC) – a leadership group representing all eight agencies contributing to Result 10.²⁴ The DSC works as a collective, advising on government's transactional digital services, with particular focus on achieving Result 10 targets.

The eight Result 10 agencies have now reported for the first full year. The year-to-date average uptake has risen from 30.4% in June 2012 to 37.3% in June 2013. The Department is a participating agency in Result 10, and the uptake of online passport renewals is one of the services contributing to the target.

We also continued to develop the alignment between Results 9 and 10 on shared aspects. An example of this is the Contact Centre Optimisation project, which aims to identify opportunities for Government contact centres to share resources, expertise, infrastructure and processes.

To maximise the impact of our Result 10 work programme, we are developing short-, medium- and long-term initiatives. We continue to progress short-term initiatives to support and accelerate digital service improvements, and are working with other agencies to develop the Result 10 Blueprint. The Blueprint will identify the medium- to long-term initiatives needed to achieve Result 10 targets.

BPS: Result 10 progress



Delivered all-of-government ICT services and common capabilities

We continued to provide a suite of common all-of-government ICT services that support agencies to implement more cost-effective ICT. We contributed to improved government web communications by launching the Government Web Toolkit website which provides best practice guidance on how to provide easy online access to government information and services for business and the public.²⁵ We also helped improve government document management systems by participating in a cross-agency procurement initiative led by the Ministry for Primary Industries.

The New Zealand Government Cloud programme is a key common capability initiative. It will offer significant financial and non-financial benefits by allowing agencies to pay per use for ICT products and services delivered through networks, rather than maintain their own ICT infrastructure. The first government Cloud solutions are Office Productivity as a Service and Desktop as a Service. Work is underway with the Government Communications

²⁴ The eight 'Result 10 agencies' that have services in the basket of 10 indicator services are the Department of Internal Affairs, New Zealand Police, Customs New Zealand, Inland Revenue Department, Ministry of Social Development, Department of Conservation, Ministry of Business, Innovation and Enterprise (Immigration) and New Zealand Trade and Enterprise.

²⁵ <https://webtoolkit.govt.nz/>

Security Bureau to produce guidance for agencies on security and risk considerations for Cloud computing.

We negotiated a new computer software licensing agreement with Microsoft that offers significant savings across the public sector by treating government agencies as a single customer. The agreement is on track to save an estimated \$119 million over three years and has already realised savings of \$35 million across government agencies.

Infrastructure as a Service (IaaS) enables agencies to buy computing infrastructure on demand from host vendors, reducing the need to purchase and maintain separate infrastructure. The benefits of IaaS grow with participation, and this year the number of participants increased from 11 to 42. Savings will exponentially increase as overall demand and usage goes up, resulting in potential savings of \$250 million over 10 years.

In July 2013 we will achieve the 20 per cent threshold savings for all participating agencies for *one.govt*.²⁶ This brings the total savings to participating agencies, over the life of the contract to \$20 million.

Improved effectiveness and efficiency of local government

The delivery of the Better Local Government programme continued to be a high priority over the past year. This programme contributes to the Government's strategic priorities by improving the performance of the local government system, thereby enhancing local authorities' contributions to economic growth and improving delivery of public services.

Legislation enacted in 2012 refocused the purpose of local government, introduced new financial prudence requirements and allowed the Minister of Local Government more flexibility in providing help to local authorities facing difficulties. The legislation also improved procedures for local government reorganisation and enhanced the role for the Local Government Commission when dealing with reorganisation applications. We have increased our support to the Commission so it can meet the additional workload.

Greater understanding and closer working relationships between central and local government are fundamental to lifting performance and improving services to communities. We established a Central Government – Local Government Chief Executives Forum to increase the opportunities for cross-sector engagement. A partnership

approach will enable central and local government to work together to create a culture of continuous performance improvement in local authorities.

We continued to provide advice and support to local authorities and the Minister of Local Government to ensure communities are well served by local government. This included providing support to Commissioners appointed to the Kaipara District Council, working with Auckland Council (and other government agencies) on the implementation of the Auckland Plan, and supporting the Local Government Efficiency Taskforce and the Infrastructure Efficiency Expert Advisory Group to deliver reports to the Minister. These reports, and feedback on the Department's discussion paper on development contributions, inform the development of legislation for introduction later this year.

Provided efficient services to Ministers and the Executive

The Department supported the Royal Commission on the Pike River Coal Mine Tragedy, which presented its final report in October 2012, and the Canterbury Earthquakes Royal Commission, which reported in November 2012. The Department is in the process of transferring the Commission's records to Archives New Zealand. Upon conclusion of the Royal Commissions, we delivered a report about measures to improve the Inquiries Bill in light of lessons learnt, including promoting greater flexibility for some inquiry processes.

We provided services to the Executive to support efficient government, including providing VIP transport and travel, and staff in ministerial offices. We also organise and coordinate visits of Guests of Government, State and ministerial functions, and State and official ceremonies. In 2012/13 we hosted 69 visits of Guests of Government. These included the royal visit to New Zealand by the Prince of Wales and the Duchess of Cornwall. We also organised visits by the King of Tonga, the President of Myanmar and the Sultan of Brunei; managed a number of commemorative events; and facilitated overseas delegations attending meetings in New Zealand.

²⁶ Open Network Environment (*one.govt*) is a secure IT network used by government agencies to collaborate and share information.

Measuring progress

Indicators	Progress	Data source
Increasing the percentage of New Zealanders' most common transactions with government completed in a digital environment	June 2013: 37.3% average June 2012: 30.4% average	Internal Affairs Result 10 data
Increasing uptake of common capabilities (RealMe, igovt services)	See impact measures for: <i>People are able to access and use information important to their lives</i>	
Increasing satisfaction with government online services:		
<ul style="list-style-type: none"> » People's satisfaction with carrying out transactions with government online 	2012: 68% 2009: 64% 2007: Not measured	Kiwis Count Survey – New Zealanders' satisfaction with public services channels report 2013 (State Services Commission)
<ul style="list-style-type: none"> » People's satisfaction with completing transactions with government in a digital environment²⁷ 	2013/14: Baseline year	
Improving the value of all-of-government investment in information and communications technology:		
<ul style="list-style-type: none"> » Progress towards the goal of reducing government expenditure by \$100 million per annum within 5 years 	2013/14: Baseline year	Internal Affairs Government Technology services data
Improving the accessibility of online government services:		
<ul style="list-style-type: none"> » People who have used the Internet to get information on government or council services 	2013: Not yet available 2011: 57% 2009: 60% 2007: 45%	World Internet Project New Zealand Survey 2012 ²⁸
<ul style="list-style-type: none"> » People who have used the Internet to use government or council services that are delivered online 	2011: 48% 2009: Not measured	
Optimising support for Executive Government:		
<ul style="list-style-type: none"> » Satisfaction rating for the Department's services from the Minister Responsible for Ministerial Services 	2012/13: Very good 2011/12: Good/Very good 2010/11: Very good 2009/10: Very good 2008/09: Very Good	Internal Affairs Ministerial Survey
Enhancing the value of information available to support government decision-making:		
<ul style="list-style-type: none"> » Quality of policy advice public sector ranking 	2013: Not yet available 2012: 2nd 2011: 11th	NZIER Benchmarking Report 2013 ²⁹

27 This indicator replaces the previous indicator on "People's satisfaction with the internet as the most recent contact channel with government." The previous indicator is no longer being specifically reported in the State Services Commission's Channels Report.

28 2012 survey results will be available November 2013.

29 The revised NZIER Benchmarking Report will be available in November 2013.

Lead objective: Enhancing the productivity and accountability of public sector organisations

We supported central and local government agencies to increase their capability to serve their communities. This work contributed to our objectives for enhancing trust and confidence in the performance of New Zealand's public sector.

We contributed to ministerial priorities in the following portfolios:

- » Internal Affairs
- » Local Government
- » Ethnic Affairs
- » Civil Defence

Enhanced recordkeeping capability in the public sector

Through Archives New Zealand, we provided leadership across public agencies in building capability to manage and preserve the public record. A review of the appraisal of public records has been conducted to ensure that archival value records can be clearly identified and preserved while allowing for the efficient disposal of public records no longer needed for current business. This review has resulted in a new appraisal statement, followed by a revision of the general disposal authorities for common public records, such as HR, finance and administrative records.

The Chief Archivist's first report on audits conducted under the Public Records Act 2005 for the 2010/11 year was tabled in Parliament in December 2012. The Audit programme is designed to assess progress with the development of systematically managed recordkeeping capability in public offices. Audits in the reporting year focused on implementation of mandatory standards issued under the Act, recordkeeping directions and capability in public offices, and awareness of recordkeeping-related risk.

Enhanced nationwide civil defence and emergency management capability

Through the Ministry of Civil Defence and Emergency Management (MCDEM), we assessed the capability of all 16 regional Civil Defence Emergency Management (CDEM) Groups over the period 2010 to 2012. In 2012/13 we worked with CDEM Groups to develop plans for making

improvements, and assisted each Group to implement their adjustments.

We also started developing a Strategy for CDEM Capability Development in cooperation with the range of CDEM partners, for use in improving understanding and realising capability development aspirations. We reviewed guidance to enhance and strengthen arrangements for volunteer coordination, and we are continuing to consult with the CDEM sector.

We are currently updating the guidance documents we provide to CDEM Groups and partner agencies to include lessons learned from the Canterbury earthquakes response review. In 2012/13 we also supplied CDEM groups with guidance for managing their public information, and to support the inclusion of people with disabilities and those from culturally and linguistically diverse communities. We have started a review of guidance for volunteer coordination, and we are continuing to consult with the CDEM sector.

We are working to promote the use of community-based response planning to CDEM Groups. This type of planning provides opportunities to have communities engaged in readiness planning in their neighbourhoods, and to apply and reinforce the principles of the *Get Ready Get Thru* messages.

Supported better engagement between government and communities

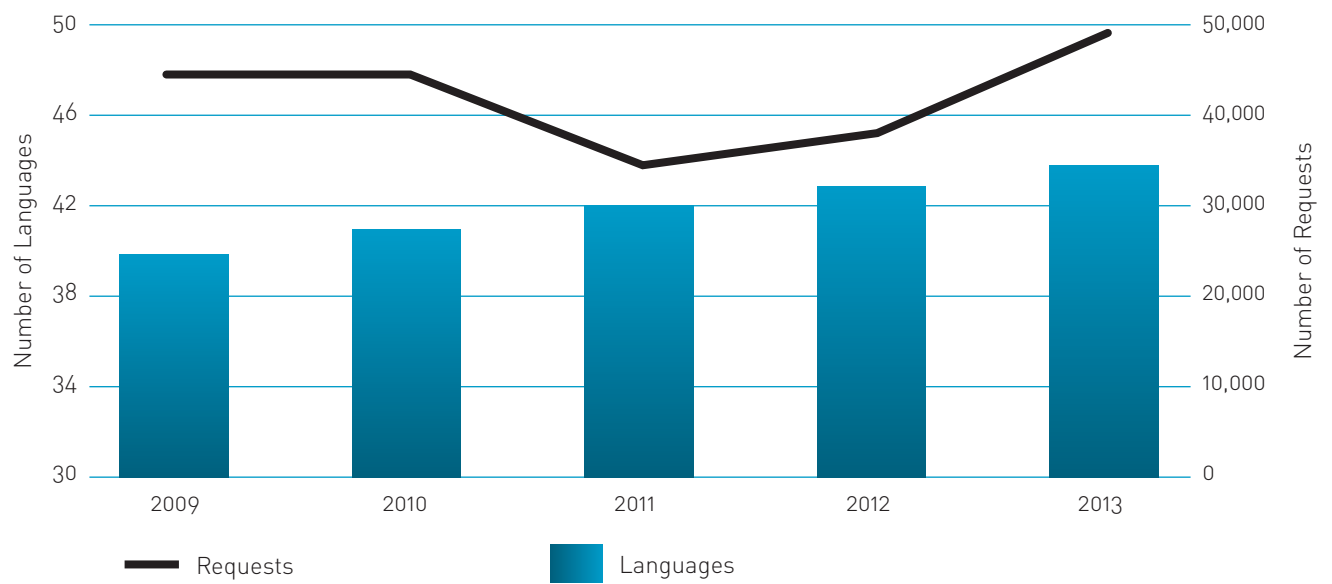
Online engagement methods have enormous potential to improve the quality of government decisions – and consequently outcomes – by increasing stakeholder engagement and ownership of outcomes, and to do so more cost effectively than traditional methods.

We have been working on an all-of-government online engagement service to facilitate consultation and engagement between agencies and communities. A working group representing local and central government and non-governmental organisations developed a vision for the service and tested this with the supplier market. A community of practice, jointly led by Victoria University

School of Government and the Department, has been launched to build knowledge and capability in effective online engagement.

Language Line celebrated a decade of service in 2013. Language Line provides immediate access to interpreters in 44 languages and is used by over 90 public sector agencies. Every week the Language Line service facilitates approximately 1,000 individual transactions with government, and in 2012/13 we received more than 48,000 requests for interpreting sessions. The Office of Ethnic Affairs are preparing to extend the Language Line telephone interpreting service into the private sector, where no similar service exists. Our translation service, which operates separately from Language Line, also received 7,902 requests for translation of 10,218 documents.

Language Line growth



Source: Department of Internal Affairs data

Measuring progress

Indicators	Progress	Data sources
Average score for the capability of Civil Defence Emergency Management Groups to achieve the goals of the National CDEM Strategy	2012/13: Not yet available 2011/12: 60	CDEM Capability Assessment Tool ³⁰
Improving responsiveness of public agencies to the needs of diverse communities:		
» People who understand how their council makes decisions	2012: 55% 2010: 40% 2008: 38%	Quality of Life Survey ³¹
» People who feel they have an influence on council decisions	2012: 72% 2010: 62% 2008: 60%	Internal Affairs Ethnic Affairs data
» Number of interpreting calls provided by Language Line per annum	2012/13: 49,038 2011/12: 38,837 2010/11: 32,308	Internal Affairs Ethnic Affairs data
Improving capability of public sector agencies to maintain the integrity of public records they hold:		
» Number of public offices audited under the Public Records Act Audit Programme	2013: 48 2012: 43 2011: 38	Internal Affairs Archives New Zealand data
Increasing the capability of public libraries to deliver digital and physical services to their communities:		
» Uptake of partner libraries for the Kōtui Shared Library Management System	2013: 17 2012: 8	Internal Affairs National Library data

³⁰ The CDEM Capability Assessment Tool is not due until 2015.

³¹ The next survey results will be available late 2013 or early 2014.

Lead objective: Supporting specialist capability building in other nations

We contributed to enhancing trust in New Zealand's government by using our expertise and resources to build capability in other nations, particularly in civil defence emergency management and information management.

We contributed to ministerial priorities in the following portfolios:

- » Internal Affairs
- » Civil Defence

Supported disaster management in other nations

In conjunction with the International Development Group of the Ministry of Foreign Affairs and Trade (MFAT), the Ministry of Civil Defence and Emergency Management (MCDEM) contributed to enhancing disaster risk management in the Pacific. Specific programmes were undertaken in Cook Islands, Tokelau, Samoa, Niue and Tonga. We assisted national emergency management staff to implement projects including:

- » the assessment of disaster management arrangements
- » the development and refinement of national disaster management plans
- » a comprehensive programme to strengthen tsunami risk management that has included the installation of tsunami warning systems and community-based response planning.

Supported record-keeping in other nations

Through Archives New Zealand, we support the development of recordkeeping capability in the Pacific. We provided a staff member to act as Secretary-General of the Pacific Regional Branch of the International Council of Archives, and delivered training courses for records staff in Pacific nations. In addition, we actively supported the work of the UNESCO Memory of the World programme and the New Zealand Memory of the World Committee to document the most significant heritage material internationally.

The National Library of New Zealand and National Library Board of Singapore have an agreement of cooperation. In January 2013 the National Library Board of Singapore hosted an invitation-only roundtable to look at the changing relationship between national libraries and archives. The National Librarian attended the roundtable and delivered a presentation on the strategic partnership between the National Library and Archives New Zealand.

The National Library also renewed its Arrangement on Cooperation with the National Library of China, originally signed in February 2006. The Arrangement provides a high-level framework for joint operational activities which could be beneficial to citizens of both countries.

Leveraged our international connections in the Pacific and Asia

The Department maintains a leadership role in the International Civil Aviation Organization's (ICAO) travel document-related working groups. Our contribution ensures that New Zealand plays an active role in the development of standards, specifications and guidelines that affect passports and border environments – including our own. We also maintain ongoing involvement in the Five Nations Passport Group, which also includes Canada, Australia, the UK and the USA. This involvement ensures a collaborative approach to capability-building among our closest international peers.

We continue to be involved in Pacific initiatives, providing advice and guidance to Tokelau and Samoa over Passport, Citizenship and Births, Deaths and Marriages activities in the last year. All of this work was carried out in conjunction with MFAT.

During the year our Censorship Unit provided training to the Korean National Police on detecting the use of the Internet by child sex offenders. This training provided an opportunity for Interpol's Crimes Against Children group to develop a presence and relationships in Asia.

Indicators	Progress	Data sources
<p>MCDEM contribution to managing international obligations through specialist advice to the lead agency Ministry of Foreign Affairs and Trade.³²</p> <p>New Zealand to make available fully trained and prepared UNDAC³³ and APHP³⁴ members to disaster-affected countries:</p> <ul style="list-style-type: none"> » number of active UNDAC members available » number of active APHP members available » 50 per cent of available UNDAC and APHP members participating in a UN regional exercise or training activity per year 	<p>2012/13: 9 2012/13: 2 2012/13: 27% (3 members)³⁵</p>	<p>MFAT/MCDEM MoU data</p>
<p>Support strengthened disaster risk management capability in 5 Pacific Island Countries covered by the MFAT/MCDEM MoU through the development of National Action Plans and their effective implementation:</p> <ul style="list-style-type: none"> » percentage of the 5 Pacific Island Countries under the MoU that have current National Action Plans for Disaster Risk Management 	<p>2012/13: 100%</p>	<p>MFAT/MCDEM MoU data</p>
<p>Increasing leadership and implementation through strategic collaboration and partnerships:</p> <ul style="list-style-type: none"> » International usage of National Library collaborative tools, technologies and expertise » International cooperative arrangements in place with the National Library 	<p>2013/14: Baseline year</p> <p>2013: 2 (+ National Library of China)</p> <p>2012: 1 (Arrangement in place with Singapore National Library Board)</p>	<p>Internal Affairs National Library data</p>

32 The programme is managed by a Memorandum of Understanding and is led by MFAT.

33 United Nations Disaster Assessment and Coordination.

34 Asia Pacific Humanitarian Partnership.

35 The low participation level is attributed to two UN training sessions being cancelled.

BUILDING ORGANISATIONAL HEALTH AND CAPABILITY

Ensuring the Department is a robust, sustainable and fit-for-purpose government agency is a high priority. This year we focused on building leadership, culture and engagement and laying the groundwork for delivery of our business priorities. We also continued to consolidate our structure and operating models, sharpening our focus and building our capacity to deliver high-quality services.

Consolidated the Department's structure

This year we continued to improve our structure, reducing duplication so we can deliver our functions more efficiently and effectively and reflecting the changing nature and scope of our work. We completed several reviews of particular functions, and created two new branches to better accommodate our increased ICT leadership responsibilities and our activities related to information management. Charities Services also merged with the Service Delivery and Operations branch of the Department from 1 July 2012. A number of charities employees transferred to the Department.

Improved people capability and organisational culture

Our Workforce Strategy, developed in 2012, focuses on developing leaders and building culture, capability and capacity. It has provided a clear framework for developing and progressing initiatives to build a capable and efficient workforce to support the Department to deliver on its' strategy.

A range of initiatives were implemented during the year to improve engagement and build culture, including the Creating our Future programme. Thirty Creating our Future workshops were led by the Executive Leadership Team and attended by over 1,200 staff. These discussions led to a set of agreed behavioural principles about how we want to do things at the Department in order to be successful. We are now working to embed the principles throughout the Department.

We recognise that confident and capable leaders will play a key role in delivering on our strategic priorities, and during 2012/13 we also implemented a Leadership and Management Development Framework designed to build our leadership capability to achieve expectations. The

Framework includes an intensive induction programme for new managers and a refresher training programme for existing managers. These programmes provide managers with the tools they need to support their staff and be effective managers. A pilot programme of core management skills for mid-level managers is also underway to support high performance and engagement. The pilot is due to be completed by October 2013.

The results of our March 2013 staff engagement survey showed a small but significant improvement in staff engagement. This is an encouraging indication that the Department's focus on this area is having the desired positive influence on our culture.

Strengthened capability to deliver ICT leadership functions

We assumed responsibility for Result 10 in March 2012. Locating both the responsibility for Result 10 service transformation and GCIO in a single department enables these functions to be more closely aligned.

Work continued to develop an enterprise-wide ICT Strategy and Roadmap which aligns with the Government's broader strategy to guide future initiatives and investment. Within this ICT strategy, focus continues on transforming core services to make the department more productive, while also ensuring ICT is flexible, reliable and more secure. We made a number of significant investments over the year to enhance public-facing services across critical service delivery platforms, including passports, igovt, grants management, and gambling compliance.

We continued to extend the ICT Foundations programme, which is delivering a modern, secure and fit-for-purpose environment. The programme covers network transformation, Infrastructure as a Service, cyber security, modernised desktop, video conferencing, and mobile device connectivity. As ICT functional leader across all of

government, the Department will lead, deliver and operate an ICT function that is recognised across government as an 'exemplar'.

In addition the Department has also been focused on building its capability through the Corporate Infrastructure Programme, a four-year programme designed to ensure the Department's infrastructure is fit for purpose and sustainable. From 1 July 2013 this programme of work is being combined with the existing ICT Foundations programme and will be known as the Corporate Foundations Programme.

Completed Performance Improvement Framework review

In 2012 we undertook our own review under the Performance Improvement Framework (PIF), identifying a number of opportunities for improvement. The formal review by external PIF lead reviewers confirmed that we had correctly identified our main challenges, particularly the need to make significant progress quickly on core infrastructure issues that impact on the daily working environment of staff.

We had already begun to address these issues and continue to make changes through the ICT Foundations programme, the Creating our Future workshops and the Corporate Infrastructure Programme. We continue to work closely with central agencies to create a new way of working that is consistent with our roles and responsibilities as a functional leader.

Improved system and infrastructure capability

We have implemented a number of all-of-government procurement initiatives, including supply of computers, printing, desktop stationery, motor vehicles, recruitment panels, electricity supply, and travel. This has also included redesigning business processes to increase ordering efficiency and reduce processing costs.

During 2012/13 we worked on a number of shared services initiatives with other agencies. This included the Financial Application and Service Transformation project. This project was set up to establish a shared financial services arrangement with the Inland Revenue Department (IRD).

Implementation of the new arrangement is due to begin in November 2013. With IRD operating as the service provider to the Department, we will be able to standardise processes and share the transactional aspects of our finance functions. This arrangement will make better use of existing investments within the public service.

During the year we took on responsibility for leading the Optimise HR initiative, which contributes to the Better Public Services programme. Six agencies³⁶ are participating in Optimise HR to develop a value for money all-of-government HR service that is trusted and high performing. The shared service will focus on providing high-value strategic HR advice, specialist expertise, and consistency in the delivery of core HR operational services, processes and systems. In 2012/13 work has been focused on the development of a business case which is due to be completed in November 2013.

We are one of the agencies participating in the Optimise Finance programme and the all-of-government Property Management Centre of Expertise, which is led by the Ministry of Social Development. We have reduced our accommodation footprint in the past year by making better use of existing spaces and accommodating new functions within our current footprint. Specific initiatives include establishing co-locations with other government agencies in regional centres, for example Nelson, Greymouth and New Plymouth.

In 2012/13 we developed a new property strategy to improve the way we use owned and leased facilities. The 2012/13 year also marked the completion of the National Library building upgrade, which is part of the Department's core building infrastructure.

During 2012/13 we also established an asset management framework, and planned for its implementation over the next three years. As a result, an asset improvement project has been established to meet Government and Treasury expectations in relation to asset management. Foundation project work is underway and the quality of building valuations and subsequent asset recording has been improved for 2012/13 financial reporting. The first Departmental Asset Management Plan will be produced in 2014.

³⁶ Ministry of Social Development, Ministry of Education, Ministry of Business Innovation and Employment, Careers NZ, Energy Efficiency and Conservation Authority.

Maintained sound financial management

The Department's medium-term priorities focus on ensuring we can respond and adapt to evolving Government priorities and public expectations in terms of service delivery.

A key priority for 2012/13 was to continue the work that we began during 2011/12 to consolidate structures, systems and processes across the Department and reduce duplication to work more efficiently and effectively. This work has enabled us to operate within a fiscally constrained environment.

We have funded 2012/13 cost pressures by reprioritising funds to support high-priority activities such as the Royal Commissions of Inquiry and the administration of the Christchurch Earthquake Appeal Trust.

Actual expenditure in 2012/13 was five per cent lower than the Supplementary Estimates budget. This was mainly due to an underspend in personnel and other operating expenses as a result of lower demand for Identity products and delays in projects.

In-principle expense transfers are used to carry forward funding for specific projects from one year to the next where a factor outside the Department's control has caused a delay in a specific and discrete project and the costs cannot be met from the baseline of the following year. In-principle expense transfers from 2012/13 to 2013/14 up to a maximum of \$11.4 million were approved.

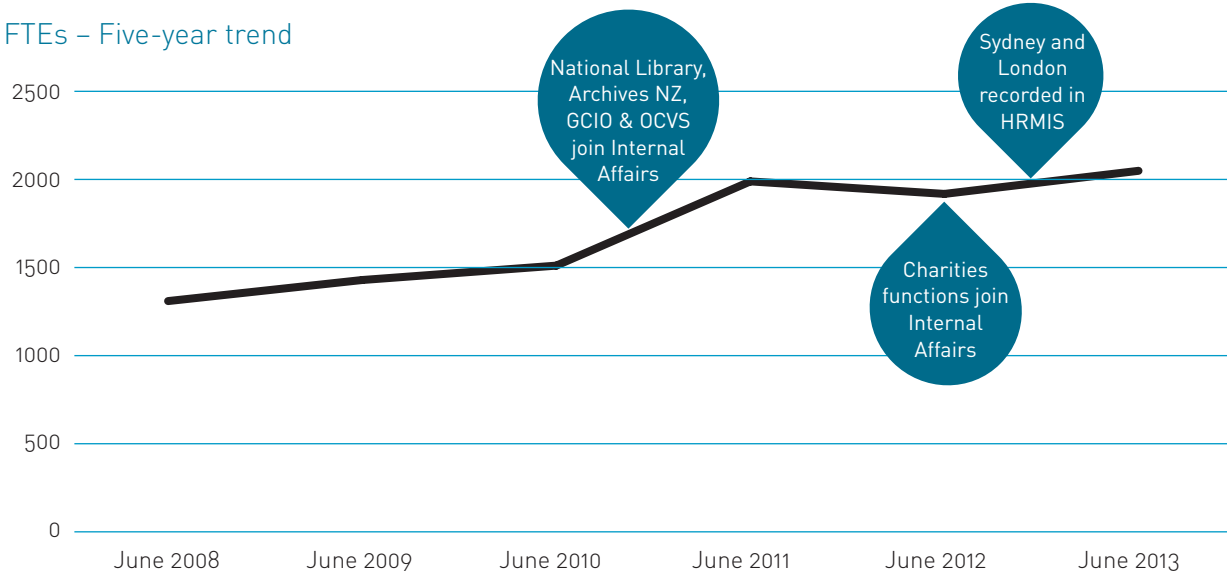
Our workforce profile³⁷

At 30 June 2013 we had 2,045.20 full-time equivalent (FTE) permanent and fixed term staff. We continue to carefully manage vacancies to address variances with our staffing cap, which currently sits at 2,396.30 FTEs. There has been an increase in establishment and FTEs due to the inclusion of the Sydney and London FTE into the Department's HR system in March 2013.

- » The average age of our employees is 40 years, with 29.4 per cent under 35 years and 17.9 per cent over 55 years. We are experiencing the ageing workforce trend exhibited across the rest of the public sector.
- » We have a gender split of 59 per cent female and 41 per cent male. This is similar to the overall public sector profile.
- » More than 65 different ethnicities are represented in our workforce. Of our employees:
 - 8.3 per cent identify as Māori, compared with a public sector average of 16.4 per cent
 - 5.8 per cent identify as Pacific, compared with a public sector average of 8 per cent
 - 6.9 per cent identify as Asian, which is below the public sector average of 7 per cent.
- » The Department's overall voluntary turnover is 14.9 per cent, compared with the public service average of 11.4 per cent. Turnover has trended upward over the past three years, in line with the rest of the public sector.
- » Average annual sick leave is 6.5 days, compared with the public service average of 7.6.

³⁷ Data referring to public sector averages is from the 2011 Human Resources Capability Survey, State Services Commission.

FTEs – Five-year trend



Human Resources

Indicators	Progress	Data sources
<p>We attract high-quality people in the most cost-effective way possible and create a positive experience for applicants and managers:</p> <p>» End-to-end recruitment process complete within 60 days³⁸</p>	<p>2012/13: 48% 2011/12: 53%</p>	Internal Affairs HR data
<p>We have a healthy turnover rate and do not experience low or sudden drops in our retention rate:</p> <p>» Reduce current core unplanned turnover rate against the public sector</p>	<p>2013: DIA – 14.9% Public sector – 11.4%</p> <p>2012: DIA – 14% Public sector – 11%</p>	Internal Affairs HR data
<p>Staff have a comparatively high level of engagement and this supports the Department in being a high performing organisation:</p> <p>» Increased engagement levels for staff in annual engagement survey</p> <p>» Percentage of DIA Engaged level to exceed State sector benchmark by 2017</p>	<p>2013:14.2% 2012: 9.3%</p> <p>2013: 14.2% (State sector benchmark 21%)</p>	DIA Annual Engagement Survey

³⁸ Includes average 13 days advertising, five days for successful applicants to consider signing and seven days for promulgation.

Operations

Indicators	Progress	Data sources
<p>The Department effectively manages its footprint and generates savings</p> <p>Implementation of Property Strategy commencing 2013/14:</p> <p>» Total office accommodation per person will reduce from the current 20.77 square metres per person (BASS) to a range of 14–16 square metres per person by 2017/18</p>	<p>Square metres per FTE (BASS)</p> <p>2013: Not yet available³⁹</p> <p>2012: 20.77sqm⁴⁰</p>	<p>Report on the Crown Office Estate (Government Property Management Centre of Expertise)</p>

Financial

Indicators	Progress	Data sources
<p>The public and Government have confidence in our financial information:</p> <p>» Unqualified independent audit opinion shows the Department's financial information is fairly presented</p>	<p>2012/13: Unqualified</p> <p>2011/12: Unqualified</p> <p>2010/11: Unqualified</p>	<p>Annual independent audit</p>
<p>The Department has a reputation for being timely in its payments:</p> <p>» Invoice to payment cycle is equal or better than the public service average as published in Dun & Bradstreet</p>	<p>2012/13: DIA: 39 days Public service: 41 days⁴¹</p> <p>2011/12: DIA: 35 days Public service: 44.2 days</p>	<p>Dun & Bradstreet Report</p>
<p>The Department's corporate infrastructure is robust and fit for purpose:</p> <p>» Shared financial services with IRD operational from October 2013</p> <p>» Optimise HR – as lead agency complete next phase by 2013</p>	<p>2013: N/A⁴²</p> <p>2013: Achieved</p>	<p>Internal Affairs finance data</p> <p>Internal Affairs HR data</p>

³⁹ 2013 data will be available when the Report on the Crown Office Estate as at 30 June 2013 is released.

⁴⁰ Information from Benchmarking Administrative and Support Services (BASS) Report 2012.

⁴¹ This is the New Zealand average, as the public sector average has not yet been published.

⁴² A phased rollout is planned, starting November 2013.

PART B – SERVICE PERFORMANCE

This section summarises our performance against the performance measures set out in the Information Supporting the Estimates of Appropriations.

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STATEMENT OF RESPONSIBILITY

As Secretary for Internal Affairs I am responsible, under the Public Finance Act 1989, for the preparation of the Financial Statements, the Statement of Service Performance, 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 Statements and Statement of Service Performance fairly reflect the financial position and operations of the Department of Internal Affairs for the year ended 30 June 2013.



Colin MacDonald
Chief Executive
September 2013



Shirley Smith
Chief Financial Officer
September 2013

INDEPENDENT AUDITOR'S REPORT

To the readers of the Department of Internal Affairs' financial statements, non-financial performance information and schedules of non-departmental activities for the year ended 30 June 2013

The Auditor-General is the auditor of the Department of Internal Affairs (the Department). The Auditor-General has appointed me, Clare Helm, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements, the non-financial performance information and the schedules of non-departmental activities of the Department on her behalf.

We have audited:

- the financial statements of the Department on pages 116 to 158, that comprise the statement of financial position, statement of commitments, statement of contingent assets and liabilities as at 30 June 2013, the statement of comprehensive income, statement of changes in equity, statement of departmental expenses and capital expenditure against appropriations, statement of unappropriated expenditure and capital expenditure and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the non-financial performance information of the Department that comprises the statement of service performance on pages 54 to 102 and the report about outcomes on pages 10 to 40; and
- the schedules of non-departmental activities of the Department on pages 161 to 187 that comprise the schedule of assets, schedule of liabilities and revaluation reserves, schedule of commitments and schedule of contingent assets and liabilities as at 30 June 2013, the schedule of expenses, schedule of expenditure and capital expenditure against appropriations, schedule of unappropriated expenditure and capital expenditure, schedule of income and statement of trust monies, for the year ended on that date and the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- the financial statements of the Department on pages 116 to 158:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Department's:
 - financial position as at 30 June 2013;
 - financial performance and cash flows for the year ended on that date;
 - expenses and capital expenditure incurred against each appropriation administered by the Department and each class of outputs included in each output expense appropriation for the year ended 30 June 2013; and
 - unappropriated expenses and capital expenditure for the year ended 30 June 2013.
- the non-financial performance information of the Department on pages 10 to 40 and 54 to 102:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the Department's service performance and outcomes for the year ended 30 June 2013, including for each class of outputs:
 - its service performance compared with the forecasts in the statement of forecast service performance at the start of the financial year; and
 - its actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

- the schedules of non-departmental activities of the Department on pages 161 to 187 fairly reflect, in accordance with the Treasury Instructions:
 - the assets, liabilities, contingencies, commitments and trust monies as at 30 June 2013 managed by the Department on behalf of the Crown; and
 - the revenues, expenses, expenditure and capital expenditure against appropriations and unappropriated expenditure and capital expenditure for the year ended on that date managed by the Department on behalf of the Crown.

Our audit was completed on 13 September 2013. This 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 our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements, the non-financial performance information and the schedules of non-departmental activities are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements, the non-financial performance information and the schedules of non-departmental activities. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements, the non-financial performance information and the schedules of non-departmental activities. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, the non-financial performance information and the schedules of non-departmental activities, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Department's preparation of the financial statements, the non-financial performance information and the schedules of non-departmental activities that fairly reflect the matters to which they relate. We consider internal control in order to design audit

procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Chief Executive;
- the appropriateness of the reported non-financial performance information within the Department's framework for reporting performance;
- the adequacy of all disclosures in the financial statements, the non-financial performance information and the schedules of non-departmental activities; and
- the overall presentation of the financial statements, the non-financial performance information and the schedules of non-departmental activities.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, the non-financial performance information and the schedules of non-departmental activities. Also we did not evaluate the security and controls over the electronic publication of the financial statements, the non-financial performance information and the schedules of non-departmental activities.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Chief Executive

The Chief Executive is responsible for preparing:

- financial statements and non-financial performance information that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the Department's financial position, financial performance, cash flows, expenses and capital expenditure incurred against each appropriation and its unappropriated expenses and capital expenditure; and
 - fairly reflect its service performance and outcomes; and

- schedules of non-departmental activities, in accordance with the Treasury Instructions, that fairly reflect those activities managed by the Department on behalf of the Crown.

The Chief Executive is also responsible for such internal control as is determined is necessary to enable the preparation of financial statements, and non-financial performance information and schedules of non-departmental activities that are free from material misstatement, whether due to fraud or error. The Chief Executive is also responsible for the publication of the financial statements, non-financial performance information and schedules of non-departmental activities, whether in printed or electronic form.

The Chief Executive's responsibilities arise from the Public Finance Act 1989.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements, the non-financial performance information and the schedules of non-departmental activities and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and 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 External Reporting Board.

In addition to the audit we have carried out an assignment witnessing the Passport Key Generation Ceremonies, which is compatible with those independence requirements. Other than the audit and this assignment, we have no relationship with or interests in the Department.



Clare Helm

Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand

INTRODUCTION

This section summarises our performance against the measures set out in the Information Supporting the Estimates of Appropriations for each of the portfolios in Vote Internal Affairs.

The links between the Department's outcomes and objectives, and Output Appropriations are provided in Appendix II.

We have assessed whether we met the standards associated with each output, and have provided an explanation where there is a significant difference between the standard and what we achieved. We have also included comparable information from 2011/12 where possible.

Note on definitions used for output performance measures

The following section includes measures of performance and measures of activity:

- » **Performance information** relates to output performance dimensions such as quality and timeliness that are within the Department's control.
- » **Activity information** relates to output volume measures that are demand driven and therefore outside the Department's control.

PORTFOLIO INDEX

The table below provides an index of performance measures within the seven portfolios supported by the Department of Internal Affairs.

PORTFOLIO	OUTPUT APPROPRIATIONS	PERFORMANCE MEASURES PAGE #	PORTFOLIO	OUTPUT APPROPRIATIONS	PERFORMANCE MEASURES PAGE #
Internal Affairs	Managing and Accessing Identity Information	56	Local Government	Local Government Services	74
	Managing and Accessing Knowledge Information	59		Ministerial Support Services – Local Government	80
	Publishing Civic Information	62		Policy Advice – Local Government	87
	Community Archives Support	65		Statutory Body Support – Local Government Commission	100
	Contestable Services	67	Ethnic Affairs	Advisory and Information Services to Ethnic Communities	63
	Cross-Government ICT Investment Proposals	71		Ministerial Support Services – Ethnic Affairs	78
	Government Information and Technology Services	73		Policy Advice – Ethnic Affairs	85
	Crown Entity Monitoring	75	Racing	Ministerial Support Services – Racing	82
	Ministerial Support Services – Internal Affairs	79		Policy Advice – Racing	88
	Policy Advice – Internal Affairs	86	Community and Voluntary Sector	Administration of Grants	54
	Regulatory Services	90		Community Development and Engagement Advice	64
	Commissions of Inquiry and Similar Bodies	96		Ministerial Support Services – Community and Voluntary Sector	76
	Statutory and Advisory Body Support – National Archives	97		Policy Advice – Community and Voluntary Sector	83
	Statutory and Advisory Body Support – National Library	98		Charities Administration	89
	Statutory Body Support – Gambling Commission	99		Support for Grant Funding Bodies – Community and Voluntary Sector	101
Support for Grant Funding Bodies – Internal Affairs	102	Civil Defence	Community Information – Civil Defence Emergency Management	66	
Ministerial Services	Ministerial Support Services – Ministerial Services		81	Management of National Emergency Readiness, Response and Recovery	68
	Coordination of Official Visits and Events		93	Emergency Sector Support and Development	70
	Support Services to Members of the Executive		94	Ministerial Support Services – Emergency Management	77
	VIP Transport Services		95	Policy Advice – Emergency Management	84

VOTE INTERNAL AFFAIRS

OUTPUT APPROPRIATION: Administration of Grants

Under this appropriation we administer the processes supporting government grant funding schemes, from receiving applications to monitoring grant recipients.

2011/12 Actual ⁴³	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	3,666	3,752	3,752
	Revenue Third Parties	23	23	-
	Total Revenue	3,689	3,775	3,752
	Expenses	3,689	3,775	3,588
	Net Surplus/(Deficit)	-	-	164

The increase in the budget between Main Estimates and Supplementary Estimates of \$86,000 was due to an expense transfer from 2011/12 to 2012/13 for an ongoing programme of initiatives to enable the Department to position for efficiency savings from 1 July 2012 (increase of \$119,000). This was partially offset by a transfer of funding from 2012/13 to 2013/14 as a result of efficiency gains in 2012/13 (decrease of \$33,000).

Actual expenditure was five per cent lower than the Supplementary Estimates, primarily due to delays in delivery of the Grants and Client Management System project. An in-principle expense transfer up to a maximum of \$0.225 million to 2013/14 was approved.

OUTPUT: Grants Administration – Crown

Performance Information

	Standard	2011/12	2012/13
Community Organisation Grants Scheme (COGS)			
Eligible grant applications processed and presented to Local Distribution Committees for decision within agreed timeframes	At least 95% (of 4,600–5,300)	100% (of 5,106)	100% (of 5,286)
Grant distribution committee procedures and decisions reviewed (sample-based) – consistent with requirements and guiding principles	At least 95% of 4–5% for each committee	Achieved for 5% of each committee	Achieved for 5% of each committee
Payments made to grant recipients within 20 days of approval	At least 95% (of 3,800–4,800)	99.9% (of 4,254)	98.9% (of 4,323)

Crown Community Grants Schemes (excl COGS)

Grant applications processed from receipt to notification of decision within agreed timeframes	At least 95% (of 190–230)	100% (of 121)	100% (of 195)
Payments made to grant recipients within 20 days of approval	At least 95% (of 190–230)	100% (of 82)	100% (of 214)

All grant funding schemes

Grants are made in accordance with the purpose of the fund and eligibility criteria	At least 99%	100%	100% (of 112)
Online information on grant funding opportunities and applications processes current:			
» currency – online information for all funds reviewed	At least once annually	100% (of 5)	Achieved

⁴³ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

Activity Information

	Standard	2011/12	2012/13
Application levels for grant schemes (Other Expense Appropriations) administered:			
» Community Development Scheme	Combined: 190–230	119	206
» Community Internship Programme			
» Digital Literacy and Connection			
» Support for Volunteering			
» Youth Workers Training Scheme			
Community Organisation Grants Scheme (\$12.500 million)	4,600–5,300	4,636	5,514

MULTI-CLASS OUTPUT APPROPRIATION: CIVIC INFORMATION SERVICES

OUTPUT APPROPRIATION: **Managing and Accessing Identity Information**

Under this output class we provide effective management of New Zealand's records of identity including: issuing New Zealand passports; processing citizenship applications; registering births, deaths, marriages and civil unions; developing authorised information-matching programmes with specified government agencies; providing data or data verification to government agencies to enhance border processes and facilitate travel; working across government to develop systems and processes for the verification and authentication of identity and to facilitate good practice based on Evidence of Identity Standard; authenticating official documents and coordinating the congratulatory message service.

2011/12 Actual ⁴⁴	Revenue and output expenses (\$000)	2012/13		
		Mains	Supps.	Actual
	Revenue Crown	21,530	22,584	22,584
	Revenue Third Parties	104,973	105,867	104,631
	Total Revenue	126,503	128,451	127,215
	Expenses	133,709	135,843	127,064
	Net Surplus/(Deficit)	(7,206)	(7,392)	151

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$2.134 million was due to a correction of the transition to the single Vote in 2012/13 and the application of efficiency savings (increase of \$1.474 million), the recovery of business continuity expenditure relating to the Canterbury earthquakes (increase of \$387,000), an expense transfer from 2011/12 to 2012/13 for amendments to the igovt New Zealand Post Partnering Agreement (increase of \$200,000), and demand for Authentication Services (increase of \$73,000).

Actual expenditure was six per cent lower than the Supplementary Estimates, primarily due to lower than anticipated demand for Passport products which resulted in lower cost of goods sold and delays in igovt work programme. An in-principle expense transfer up to a maximum of \$1.500 million to 2013/14 was approved for igovt.

⁴⁴ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

OUTPUT: Citizenship

Performance Information	Standard	2011/12	2012/13
Applications for grant of citizenship to foreign nationals recommended to the Minister within 4 months of receipt of correct applications	At least 90% (of 21,000–25,000)	98.3% (of 25,354)	97.96% (of 27,609)
Applications for registration of citizenship, not involving adoption, processed within 20 days of receipt of correct applications	At least 95% (of 7,000–9,500)	99.3% (of 9,331)	97.17% (of 10,197)
Certificates of citizenship status issued within 15 days of receipt	At least 95% (of 2,500–4,000)	99% (of 3,669)	95.98% (of 2,072)
Citizenship documents issued without error	At least 99% (of 31,500–38,000)	99.8% (of 34,685)	99.67% (of 37,806)
Customer satisfaction with the citizenship service received ⁴⁵	At least 85% assessed as 'Satisfied' or better	Not measured	89%

OUTPUT: Passports

Performance Information	Standard	2011/12	2012/13
Passports, certificates and other travel documents issued without error	At least 99%	99.9%	99.95%
Passports issued within stated timeframes of receipt of correct applications	At least 99% (of 549,000–619,000)	99.9% (of 557,473)	99.99% (of 570,506)
» standard passports – within 10 days			
» urgent passports – within 3 days	At least 99% (of 45,000–55,000)	99.9% (of 45,898)	99.95% (of 45,078)
Customer satisfaction with the passport service received ⁴⁶	At least 85% assessed as 'Satisfied' or better	Not measured	91%

Activity information	Standard	2011/12	2012/13
Other travel documents issued	1,200–1,600	1,385	1,367

^{45, 46} Identity Services customers are asked to assess the quality of the service they received on a five-point scale: Very Good, Good, Satisfied, Poor, Very Poor.

OUTPUT: Births, Deaths, Marriages and Civil Unions

Performance Information	Standard	2011/12	2012/13
Registration of birth, death, marriage and civil union information:			
» accuracy – issued without error	At least 99%	99.8%	99.83%
» timeliness (deaths) – registered within 3 days of receipt of correct notifications	At least 99% (of 27,000–31,000)	99.8% (of 29,991)	99.85% (of 30,163)
» timeliness (births, marriages and civil unions) – registered within 4 days of receipt of correct notifications or applications	At least 99% (of 80,000–89,000)	99.9% (of 85,215)	99.78% (of 84,049)
Birth, death, marriage and civil union certificates:			
» issued without error	At least 99% (of 220,000–250,000)	99.8% (of 267,456)	99.8% (of 268,010)
» timeliness (fully computerised registrations) – issued within 1 day of receipt of correct applications	At least 99%	99.6%	99.77%
» timeliness (partially computerised registrations) – issued within 8 days of receipt of correct applications	At least 98%	99.9%	99.87%
Birth, death, marriage and civil union printouts issued within 8 days of receipt of correct application	At least 98% (of 25,000–35,000)	99.9% (of 31,669)	99.88% (of 31,609)
Customer satisfaction with the birth, death, marriage and civil union service received ⁴⁷	At least 85% assessed as 'Satisfied' or better	Not measured	90%

OUTPUT: Identity and Authentication Services

Performance Information	Standard	2011/12	2012/13
New igovt service integrations initiated with public sector agencies: igovt logon and identity verification services	10–15	12	10
New igovt logons created	150,000–200,000	171,317	552,025*

Activity Information	Standard	2011/12	2012/13
Availability of the igovt online services 24 hours a day, 7 days a week (supporting 2.7m transactions)	At least 99%	99.9% (supporting 1.5–2.0m transactions)	99.97% (of 7.9m transactions)

* The increased number of logons and transactions was primarily due to the Ministry of Social Development's StudyLink joining the igovt logon service, which brought an estimated over 300,000 users.

OUTPUT: Authentications Unit and Congratulatory Message Service

Performance Information	Standard	2011/12	2012/13
Timeliness – delivered within agreed timeframes:			
» authentications	At least 98% (of 15,000–17,000)	99.9% (of 19,115)	99.99% (of 20,716)
» congratulatory message requests	At least 98% (of 1,100–1,200)	100% (of 1,587)	100% (of 1,671)
Accuracy – authentication confirmations and congratulatory messages returned by customers as inaccurate			
	No more than 1%	Authentications: 0.2% Congratulatory: 0.01%	Authentications: 0.01% Congratulatory: 0.017%

⁴⁷ Identity Services customers are asked to assess the quality of the service they received on a five-point scale: Very Good, Good, Satisfied, Poor, Very Poor.

OUTPUT APPROPRIATION: **Managing and Accessing Knowledge Information**

Under this appropriation we manage public archives in both physical and digital formats on behalf of the Crown, and enable the public to access archives held by Archives New Zealand. We provide services which assist access to library collections and other information, collect and preserve published and unpublished items for the National Library and Alexander Turnbull Library collections, provide information services and products to schools in support of the National Curriculum, and administer the Public Lending Right for New Zealand Authors scheme.

2011/12 Actual ⁴⁸	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	78,426	80,965	80,964
	Revenue Third Parties	6,461	7,970	7,185
	Total Revenue	84,887	88,935	88,149
	Expenses	84,402	88,808	87,440
	Net Surplus/(Deficit)	485	127	709

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$4.406 million was due to expense transfers from 2011/12 to 2012/13 for Aotearoa People's Network Kaharoa (increase of \$400,000); digital preservation (increase of \$200,000); digitisation and distribution of motion picture film and stills (increase of \$162,000); digitisation of New Zealand Defence Force service records (increase of \$162,000); digitisation of records (increase of \$75,000); finding aids and retrospective cataloguing (increase of \$100,000); the Government Digital Archive project (increase of \$203,000); the New Generation Implementation Programme (increase of \$2.295 million); an ongoing programme of initiatives to enable the Department to position for efficiency savings from 1 July 2012 (increase of \$285,000); refreshed services to libraries (increase of \$100,000); the National Library and Archives New Zealand Strategic Partnership Programme (increase of \$200,000) and transformation of services to schools (increase of \$100,000); demand for broadband Internet services provided by public libraries (increase of \$480,000), Kōtui (increase of \$1.238 million); opt-in services from the license package of electronic resources available to libraries in New Zealand on subscription (increase of \$270,000) and Collaborative Digitisation services (increase of \$190,000); the recovery of business continuity expenditure relating to the Canterbury earthquakes (increase of \$469,000); and a correction of the transition to the single Vote in 2012/13 and the application of efficiency savings (increase of \$225,000).

The increases were partially offset by expense transfers from 2012/13 to 2013/14 for the National Library and Archives New Zealand Strategic Partnership Programme (decrease of \$410,000); Government Digital Archive project (decrease of \$100,000) and National Library Service Reviews (decrease of \$1.100 million); demand for services provided by the National Library (decrease of \$1.065 million); and the cost of the online homework and research service provided by the National Library (decrease of \$73,000).

Actual expenditure was lower than the Supplementary Estimates by \$1.368 million primarily due to delays in the Government Digital Archive Project, National Archives Service Reviews and Digitisation of New Zealand Defence Force Records. In-principle expense transfers up to a maximum of \$4.500 million to 2013/14 were approved.

⁴⁸ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

OUTPUT: National Archives – Managing Public Archives

Performance Information	Standard	2011/12	2012/13
Accession of transfers received from public offices completed – linear metres (LM)	1,000–2,000LM	2,405LM (from 84 transfers)	900.4LM* (from 71 transfers)
Pages (or similar) of archives items digitised	200,000–240,000	781,607	706,462**
Storage environments maintained to required standards 24 hours a day, 7 days a week	At least 80%	80.6% temperature 67.1% relative humidity	84.43% temperature 76.64% relative humidity

Activity Information	Standard	2011/12	2012/13
Archives held in storage: » physical archives – linear metres (LM)	99,000–102,000LM	103,327LM	104,227LM

* Transfers have been lower than expected. The inability of the Christchurch office to accept transfers currently affects this measure, and priority has been given to reviewing appraisal policy settings rather than transfers. Public offices have a high level of discretion over whether they wish to make transfers of archives or not, so the number of transfers can fluctuate considerably from year to year.

** Due to the increasing volume of material to be digitised the performance standard for this measure has been increased for 2013/14.

OUTPUT: National Archives – Provision of Access to Public Archives

Performance Information	Standard	2011/12	2012/13
Responses to reference requests provided within standard timeframes: » reading rooms: 1 hour » remote: 15 working days	At least 95% (52,000–58,000)	93% (of 47,869)	92.04% (of 46,696)*
	At least 95% (13,000–16,000)	95.6% (of 14,152)	96.55% (of 13,022)
Availability of online services 24 hours a day, 7 days a week	At least 99%	98.1%	97.79%**
Copies of archives newly made available online	30,000–50,000	39,825	13,986***

* The small variance is largely due to having retrieval staff vacancies, which affected the speed of delivery of archives to the reading room.

** There was a slightly higher than expected level of downtime for the Archives New Zealand website and online services.

*** 31,596 items have been digitised and are awaiting online publication. Issues relating to ingest of items has impacted publication rates. The ingest issues will be fully resolved by the development of a surrogate storage facility that allows for ingest of JPEG2000 images. This will be completed before the end of 2013 and the backlog of digitised items will become available online.

OUTPUT: National Library – Access to Information

Performance Information	Standard	2011/12	2012/13
Requests (non-school) for the off-site supply of documents – completed within 2 days of receipt	At least 90% (of 10,000–15,000)	93% (of 12,378)	98% (of 12,490)
Public Lending Right payments to authors eligible for payment made within the timeframe stipulated by regulation	All (of 1,800–1,900)	99% (of 1,666)	99% (of 1,702)*
Catalogue records for newly published material available online within 15 days of receipt	At least 90% (of 20,000–25,000)	84% (of 23,116)	87% (of 27,575)**
Digitised items newly available for access online	At least 450,000	756,052	660,535
Availability of Te Puna catalogue and interloan services to subscribers 24 hours a day, 7 days a week (to support 6.5m–7.5m transactions)	At least 95%	99%	99%
Availability of online services 24 hours a day, 7 days a week	At least 95%	99%	99%

Activity Information

	Standard	2011/12	2012/13
New Zealand libraries participating in Te Puna (catalogue and interloan services)	92% (of 250–255)	92% (of 264)	91.4% (of 257)***
Interloan requests made through Te Puna	80,000–90,000	87,092	86,112
Visits to National Library reading rooms	80,000–90,000	36,829	72,095****

* Five payments out of 1,702 were not made within the timeframe stipulated by regulation due to errors within the Public Lending Right system which created incomplete registrations. A report has now been established and linked into the payment system. Payments are now made within the required timeframe.

** Intake of material was 22% higher than forecast and a high staff turnover has impacted the cataloguing process of these materials. The Department expects to meet this target in 2013/14.

*** The closure and merging of libraries during the year and the reduction in services from libraries impacted by the Christchurch earthquake have reduced the number of libraries able to participate in Te Puna.

**** The performance standard for visitors to National Library reading rooms is based on visitor numbers prior to the National Library's redevelopment. Visitor numbers dropped while users waited for the redeveloped building to be reopened in November 2012. The Department expects the target to be met in 2013/14.

OUTPUT: National Library – Collecting and Preserving Information

Performance Information

	Standard	2011/12	2012/13
Of the acquisitions to the Alexander Turnbull Library (new heritage items):	At least 95% (of 1,000–1,500)	98% (of 5,586)	82% (of 8,329)*
>> accession records for unpublished items – completed within 10 days of receipt			
>> descriptive records for unpublished items – added within 20 days of accession	At least 95% (of 1,000–1,500)	98% (of 5,586)	87% (of 8,329)**
'At risk' items digitised or digital formats transformed	At least 390	1,450	780
Microfilm frames of 'at-risk' newspapers created as part of the Newspaper Preservation Programme	At least 250,000	308,457	250,795

Activity Information

	Standard	2011/12	2012/13
Acquisitions to the Alexander Turnbull Library (new heritage items)	65,000–75,000	68,967	66,190
Records added to the information system for unpublished items	18,000–28,000	80,395	37,197

* The performance standard for accession records was unable to be met due to higher than forecast volumes, which impacted on the ability to complete all accession records within 10 days. In addition to this, assessment, appraisal and cleaning processes needed to be completed prior to accession on a number of records. The performance standard has been revised for 2013/14 to take these factors into account.

** The target for completing descriptive records was not met due to higher than forecast volumes of complex acquisitions, which require considerable time to process, and collections requiring preservation treatment before they can be arranged and described.

OUTPUT: National Library – Library and Information Services to Schools

Performance Information

	Standard	2011/12	2012/13
Requests for the supply of:	At least 75% (of 35,000–40,000)	88% (of 35,389)	84% (of 35,031)
>> items from the schools collections met within 5 days of receipt			
>> documents from the general collection (off-site) met within 4 days of receipt	At least 95% (of 14,000–19,000)	99% (of 14,295)	99% (of 11,509)
Advisory support provided to targeted schools	At least 75% (of 750–850)	96% (of 800)	83% (of 800)

Activity Information

	Standard	2011/12	2012/13
Items supplied on request from the schools collection	900,000–950,000	883,488	888,411*

* Demand for hard copy items supplied from the schools collection is decreasing slightly, while online services visits are increasing.

OUTPUT APPROPRIATION: Publishing Civic Information

Under this appropriation we publish the New Zealand Gazette.

2011/12 Actual ⁴⁹	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	277	–	–
	Revenue Third Parties	367	1,000	930
	Total Revenue	644	1,000	930
	Expenses	935	1,101	1,022
	Net Surplus/(Deficit)	(291)	(101)	(92)

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$166,000 was due to a correction of the transition to the single Vote in 2012/13 and the application of efficiency savings (increase of \$319,000). This was partially offset by the capitalisation of Gazette Online project costs (decrease of \$153,000).

Actual expenditure was seven per cent lower than the Supplementary Estimates primarily due to delays in the New Zealand Gazette online publishing project.

OUTPUT: *New Zealand Gazette*

Performance Information

	Standard	2011/12	2012/13
Accuracy – notices published consistent with text supplied by clients	At least 99% (of 8,000–10,000)	99.9% (of 8,479)	99.99% (of 8,454)

Activity Information

	Standard	2010/11	2012/13
Issues of the New Zealand Gazette published each year	200 (1–140 pages each)	186	159*

* The total number of issues is partly driven by demand for unique ad-hoc Gazette supplements, which is outside the control of the Gazette Office. In 2012/13 the demand was lower than forecast.

⁴⁹ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

MULTI-CLASS OUTPUT APPROPRIATION: COMMUNITY INFORMATION AND ADVISORY SERVICES

OUTPUT APPROPRIATION: **Advisory and Information Services to Ethnic Communities**

Under this appropriation we provide advisory and information services to ethnic communities; operational and secretariat support for grant funding bodies; management of the contract for the telephone interpreting service (Language Line); and provision of information and training to ethnic communities and agencies using Language Line.

2011/12 Actual ⁵⁰	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	3,941	4,025	4,025
	Revenue Third Parties	1,135	1,250	1,238
	Total Revenue	5,076	5,275	5,263
	Expenses	5,126	5,275	5,163
	Net Surplus/(Deficit)	(50)	-	127

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$149,000 was due to a correction of the transition to the single Vote in 2012/13 and the application of efficiency savings (increase of \$57,000), an expense transfer from 2011/12 to 2012/13 for an ongoing programme of initiatives to enable the Department to position for efficiency savings from 1 July 2012 (increase of \$54,000), a reallocation of shared services costs (increase of \$30,000), and demand for Language Line services (increase of \$8,000).

OUTPUT: **Advisory and Information Services to Ethnic Communities**

Performance Information	Standard	2011/12	2012/13
Intercultural Awareness and Communication programme: training sessions, including train the trainers sessions, held	15–20 (400–450 participants)	34 (422 participants)	32 (457 participants)
Forums and workshops for ethnic communities held	30–40 (600–650 participants)	40 (1,537 participants)	42 (980 participants)
Respondent satisfaction with the quality of advisory services provided	At least 95% assessed as 'Satisfied' or better	96%	96%
Interpreting clients connected with an appropriate interpreter within 2 minutes of a call to Language Line	At least 95% (of 40,000–42,000)	98.8% (of 38,837)	98.91% (of 49,038)
Responses to requests from communities, local and central government, and NGOs for information or advice	11,000–12,500	14,692	12,879
Activity Information	Standard	2011/12	2012/13
Agencies with agreements for the provision of telephone interpreting services through Language Line	85	83	96

⁵⁰ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

OUTPUT APPROPRIATION: Community Development and Engagement Advice

Under this appropriation we provide advisory services to assist and guide community development activities and to assist government agencies to engage and interact with communities and community groups.

2011/12 Actual ⁵¹	Revenue and output expenses (\$000)	2012/13		
		Mains	Supps.	Actual
	Revenue Crown	5,941	5,692	5,692
	Revenue Third Parties	45	45	-
	Total Revenue	5,986	5,737	5,692
	Expenses	5,986	5,737	5,688
	Net Surplus/(Deficit)	-	-	4

The decrease in the budget between the Main Estimates and the Supplementary Estimates of \$249,000 was due to a correction of the transition to the single Vote in 2012/13 and the application of efficiency savings (decrease of \$383,000), and transfer of funding from 2012/13 to 2013/14 as a result of efficiency gains in 2012/13 (decrease of \$18,000), and was partially offset by an expense transfer from 2011/12 to 2012/13 for an ongoing programme of initiatives to enable the Department to position for efficiency savings from 1 July 2012 (increase of \$152,000).

OUTPUT: Community Development and Engagement Advice

Performance Information	Standard	2011/12	2012/13
Community Advisory Projects: completed, with overall objectives achieved	At least 90% (of 45-55)	100% (of 45)	100% (of 53)
Community Advisory Projects: underway during the year (including those completed)	70-90	Achieved (of 76)	140*
Community Advisory Activities: relevance – seminars/workshops provided address government and regional priorities	All (of 80-100)	All (of 94)	All (of 373)**
Community Advisory Activities: participation – attendees and groups represented	1,800-2,000 attendees from 500-700 groups	3,165 from 1,763 groups	2,077 from 1,665 groups**

* The Department exceeded its target, which is a reflection of the increased community development project work undertaken in communities, including through Community-led Development initiatives. This work is a result of the targeted approach the Department undertook in priority-setting against regional profiles in the previous year, and it continues to be an area of growth.

** In this financial year, Community-led Development initiatives have changed the way the Department delivers our community development and engagement advice, allowing us to reach far greater numbers of residents and families alongside organisations. This has resulted in both increased relevance and participation in our community events.

⁵¹ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

OUTPUT APPROPRIATION: **Community Archives Support**

Under this appropriation we provide support for community, iwi and hapū organisations and other jurisdictions in preserving, managing, and making their own records and archives publicly available.

2011/12 Actual ⁵²	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	795	69	69
	Revenue Third Parties	31	31	6
	Total Revenue	826	100	75
	Expenses	826	100	123
	Net Surplus/(Deficit)	-	-	[48]

The decrease in the budget between the Main Estimates and the Supplementary Estimates of \$726,000 was due to a correction of the transition to the single Vote in 2012/13 and the application of efficiency savings.

Actual expenditure was 23 per cent higher than the Supplementary Estimates primarily due to higher than anticipated costs associated with record keeping capability development that resulted in higher professional fees.

OUTPUT: **Community Archives Support**

Performance Information	Standard	2011/12	2012/13
Availability of the online descriptive tool 24 hours a day, 7 days a week	At least 99%	99.6%	99.8%
Quality review of new entries to the online descriptive tool completed within 5 days	At least 80% (of 100-150)	100% (of 975)	71.35% (of 370)*

* Actual volumes were more than double what was forecast, which has impacted on the five-day turnaround time for this measure. The review is primarily an administrative process to remove spam and obvious errors, rather than a value-add process. While this work will continue, it is not a good indicator of the value of the community archives support function. The drivers for this measure are no longer relevant and therefore the measure is being discontinued.

⁵² Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

OUTPUT APPROPRIATION: Community Information – Civil Defence Emergency Management

Under this appropriation we develop and deliver long-term national programmes to raise individual and community awareness and preparedness.

2011/12 Actual ⁵³	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	1,696	1,611	1,611
	Revenue Third Parties	-	23	26
	Total Revenue	1,696	1,634	1,637
	Expenses	1,696	1,634	1,570
	Net Surplus/(Deficit)	-	-	67

The decrease in the budget between the Main Estimates and the Supplementary Estimates of \$62,000 was due to a correction of the transition to the single Vote in 2012/13 and the application of efficiency savings (decrease of \$107,000). This was partially offset by the provision of services to the Ministry of Foreign Affairs and Trade for disaster risk management support for the United Nations Office for the Coordination of Humanitarian Affairs and disaster risk management support for Pacific Island Countries (increase of \$23,000), and an expense transfer from 2011/12 to 2012/13 for an ongoing programme of initiatives to enable the Department to position for efficiency savings from 1 July 2012 (increase of \$22,000).

OUTPUT: Community Information – Civil Defence Emergency Management

Performance Information

	Standard	2011/12	2012/13
Advertising reaches the targeted audience demographic (assessed quarterly):			
» television – at least 70%	Achieved – for at least 3 quarters	Achieved	Not achieved*
» radio – at least 45%	Achieved – for at least 3 quarters	Achieved	Not achieved*
Availability of the civil defence website 24 hours a day, 7 days a week	At least 99.9%	100%	99.91%

* The Department has not achieved standards for reaching the target audience this year, which we believe may have been influenced by new technologies available to viewers that enable them to skip advertisements. The Department is investigating new indicators that better reflect how new technologies and new media (such as social media and web advertising) may be used to reach a wider audience.

⁵³ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

OUTPUT APPROPRIATION: **Contestable Services (RDA)**

Under this appropriation we provide translation and other language services to government agencies and the public, and support services to government agencies.

2011/12 Actual ⁵⁴	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
0	Revenue Crown	–	–	–
848	Revenue Third Parties	901	901	896
848	Total Revenue	901	901	896
841	Expenses	904	901	888
7	Net Surplus/(Deficit)	(3)	–	8

The decrease in the budget between the Main Estimates and the Supplementary Estimates of \$3,000 was due to a correction of the transition to the single Vote in 2012/13 and application of efficiency savings.

OUTPUT: Translation Services

Performance Information	Standard	2011/12	2012/13
Translations provided within timeframes agreed with service providers	At least 99% (of 6,500–7,500)	99.3% (of 7,616)	99.45% (of 8,050)
Customer satisfaction with the quality of translation services provided ⁵⁵	Assessed as 'Satisfied' or better (at least 99%)	92%	95%*

* The survey received 82 responses from a sample size of 284. The survey sample size is too small for a change of 1–2% to be a clear representation of the overall number of customers. In addition, official document translations are not an end in themselves, and satisfaction is influenced by a number of factors outside the Department's control – for example, government authorities may refuse to accept the translation for reasons not associated with quality. The Department is currently reviewing this measure.

⁵⁴ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

⁵⁵ Customers are asked to assess the quality of translation services provided on a five-point scale: Very Good, Good, Satisfied, Poor, Very Poor.

MULTI-CLASS OUTPUT APPROPRIATION: EMERGENCY MANAGEMENT SERVICES

OUTPUT APPROPRIATION: Management of National Emergency Readiness, Response and Recovery

Through this appropriation we manage national emergency readiness, response and recovery. This includes supporting local civil defence emergency management organisations, maintaining the readiness of the National Crisis Management Centre and national training and education. We coordinate and manage central government's response and recovery activities and the administration of related expenses.

2011/12 Actual ⁵⁶	Revenue and output expenses (\$000)	2012/13 Mains	2012/13 Supps.	Actual
	Revenue Crown	4,052	3,961	3,961
	Revenue Third Parties	-	86	97
	Total Revenue	4,052	4,047	4,058
	Expenses	4,052	4,047	4,235
	Net Surplus/(Deficit)	-	-	(177)

The decrease in the budget between the Main Estimates and the Supplementary Estimates of \$5,000 was due to a correction of the transition to the single Vote in 2012/13 and the application of efficiency savings (decrease of \$107,000). This was partially offset by the provision of services to the Ministry of Foreign Affairs and Trade for disaster risk management support for the United Nations Office for the Coordination of Humanitarian Affairs, disaster risk management support for Pacific Island Countries (increase of \$86,000), and an expense transfer from 2011/12 to 2012/13 for an ongoing programme of initiatives to enable the Department to position for efficiency savings from 1 July 2012 (increase of \$16,000).

Actual expenditure was five per cent higher than the Supplementary Estimates primarily due to higher than anticipated costs of personnel due to vacant positions being covered by contractors.

⁵⁶ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

OUTPUT: Management of National Emergency Management Readiness, Response and Recovery

Performance Information	Standard	2011/12	2012/13
National Warning System tests conducted	At least 4	4	4
National warnings issued within 30 minutes after the notification of a pending event that exceeds the thresholds	All (of 1-6)	All (of 4)	All (of 1)
National warning distribution list – accuracy of contact details (at each warning or test)	At least 95%	99.5%	96%
Stakeholder satisfaction with the timing and content of national warning messages ⁵⁷	Assessed as 'Satisfied' or better by at least 85% (of 200)	80.5%	63%*
National Crisis Management Centre (NCCMC) managed, during activations, with:	All	100%	All
» staffing in place according to the activation mode within 2 hours			
» essential information technology systems available and operating at agreed performance levels	All	50%	Not achieved**
» back-up information technology systems and equipment fully functional	At least 99.8%	100%	100%
» coordination and management consistent with the Response Concept of Operations for extended activations	All (no variations)	No extended activations in 2011/12	No extended activations in 2012/13
National Crisis Management Centre activations reviewed:	All	Achieved (2 reviews)	All (1 review)
» mode 2 or higher activations – within 3 months			
» approved recommendations (lessons identified) actioned – within set timeframes	All	Achieved	All

* While stakeholder satisfaction with national warning messages did not meet our expectations, 85% of survey respondents thought performance was better than in the previous year. There were fewer national warning messages issued this year than in previous periods, which might have resulted in less familiarity with the process. The Department will undertake a follow-up survey to gain a better understanding of the drivers of satisfaction for this measure.

** There were IT issues during the activation of the National Crisis Management Centre on 6 February 2013 and remote systems monitoring was unavailable. A unique Service Level Agreement with service providers is in development and IT issues encountered during this event have been remedied.

⁵⁷ Satisfaction was measured on a five-point scale: Very Good, Good, Satisfied, Poor, Very Poor.

OUTPUT APPROPRIATION: Emergency Sector Support and Development

Through this appropriation we develop and implement operational policies and projects, advice, assistance and information for the civil defence and emergency management sector. We develop and deliver long-term national programmes to raise individual and community awareness and preparedness.

2011/12 Actual ⁵⁸	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	3,827	3,877	3,877
	Revenue Third Parties	-	121	136
	Total Revenue	3,827	3,998	4,013
	Expenses	3,827	3,998	3,721
	Net Surplus/(Deficit)	-	-	292

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$171,000 was due to the provision of services to the Ministry of Foreign Affairs and Trade for disaster risk management support for the United Nations Office for the Coordination of Humanitarian Affairs, disaster risk management support for Pacific Island Countries (increase of \$121,000), and an expense transfer from 2011/12 to 2012/13 for an ongoing programme of initiatives to enable the Department to position for efficiency savings from 1 July 2012 (increase of \$50,000).

Actual expenditure was seven per cent lower than the Supplementary Estimates primarily due to lower than anticipated personnel costs resulting from delays in filling vacancies and delays in the Emergency Management Information System project.

OUTPUT: Emergency Sector Support and Development

Performance Information⁵⁹

	Standard	2011/12	2012/13
Director Guidelines, Technical Standards, Codes and other civil defence and emergency management sector information publications maintained – currently reviewed at least every 4 years	4–7 (of 25)	5	4
Satisfaction, assessed as 'Good' or 'Very Good', in relation to:			
» CDEM Group – coverage of the Guidelines, Technical Standards and Codes and other publications	At least 80%	69.2%	64%*
» CDEM Group – quality of the Guidelines, Technical Standards, Codes and other publications	At least 80%	65.3%	73%*
» the quality of the newsletters/updates – 16–20 issues	At least 80% (of 200)	82.2%	67%*
Attendee satisfaction with civil defence and emergency management training courses – assessed as 'Good' or 'Very Good'	At least 90% (of 120–150)	97%	93% (of 140)

* Although the Department has not met satisfaction targets for MCDEM stakeholders, only 5% of satisfaction survey respondents expressed dissatisfaction. In revising guidelines in 2013/14, MCDEM will involve CDEM groups closely and revamp the format of the E-Bulletin to help improve engagement and increase stakeholder satisfaction levels. The Department will conduct a follow-up survey with stakeholders and CDEM Groups to clarify any further opportunities for improving satisfaction levels.

⁵⁸ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

⁵⁹ CDEM Group stakeholders and training course attendees are asked to assess the quality of services and information received on a five-point scale: Very Good, Good, Satisfied, Poor, Very Poor.

MULTI-CLASS OUTPUT APPROPRIATION: INFORMATION AND TECHNOLOGY SERVICES

OUTPUT APPROPRIATION: **Cross-Government ICT Investment Proposals**

Under this appropriation we develop integrated service delivery programmes, investment proposals relating to potential cross-government common services, common ICT capability initiatives, and detailed business cases for selected initiatives to inform investment decisions by Ministers.

2011/12 Actual ⁶⁰	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	-	7,224	7,224
	Revenue Third Parties	-	-	-
	Total Revenue	-	7,224	7,224
	Expenses	-	7,224	6,639
	Net Surplus/(Deficit)	-	-	585

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$7.224 million was due to a realignment of expenditure to implement the functional leadership of Government ICT (increase of \$3.000 million), a transfer of funding from 2011/12 to 2012/13 to part-fund all-of-government ICT initiatives (increase of \$2.504 million), a transfer of funding from the Ministry of Social Development for the ServiceLink Service Transformation Programme (increase of \$1.400 million), and funding for Optimise HR (increase of \$750,000). The increases were partially offset by a realignment of expenditure for the Government Information Services Online Programme (decrease of \$430,000).

Actual expenditure was eight per cent lower than the Supplementary Estimates primarily due to delays in implementation of the functional leadership of Government ICT initiatives and Servicelink 'Service' Transformation programme. In-principle expense transfers up to a maximum of \$0.880 million to 2013/14 were approved.

OUTPUT: **Cross-Government Service Delivery and ICT Investment Proposals**

Performance Information	Standard	2011/12	2012/13
Multi-agency business cases and funding proposals presented to Ministers for investment decisions	10	6	0*
ICT Ministers' Group, Strategy Group and Council satisfaction with the quality of advice and support received ⁶¹	Assessed as 'Satisfied' or better	Satisfied	Not measured**

⁶⁰ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

⁶¹ ICT Ministers Group, ICT Strategy Group and ICT Council members are asked to assess the quality of advice and support received on a five-point scale: Very Good, Good, Satisfied, Poor, Very Poor.

Activity Information

	Standard	2011/12	2012/13
Advice and support services provided to the following groups, with regular meetings organised:			
» ICT Ministers Group	Combined: 25–30	36	18**
» ICT Strategy Group			
» ICT Council			

* Not achieved as it was initially unclear whether the Better Public Services seed fund might apply to business case funding, which it did not. However the Cloud business case was presented to Ministers in August 2012.

** The ICT Ministers Group, ICT Strategy Group and ICT Council did not hold regular meetings throughout the entire 2012/13 financial year, and the Council went into abeyance in November 2012. Satisfaction surveys of the three groups were therefore not undertaken. The Department provided all advisory and support services required by the Groups during 2012/13.

OUTPUT: Service Transformation Planning and Implementation

Performance Information

	Standard	2011/12	2012/13
Develop and implement a plan to achieve specific targets that allow New Zealanders to complete their transaction with government easily in a digital environment	Achieved	New measure	Achieved*

* In August 2012 Cabinet approved the Result 10 Action Plan, which was developed by the Department. Implementation of the Result 10 Action Plan began in 2012/13 and will be completed by 2017.

OUTPUT APPROPRIATION: Government Information and Technology Services

Under this appropriation we contribute to the development, deployment and operation of technology services across the State sector.

2011/12 Actual ⁶²	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	5,723	7,677	7,677
	Revenue Third Parties	2,016	3,390	3,415
	Total Revenue	7,739	11,067	11,092
	Expenses	7,712	15,893	13,768
	Net Surplus/(Deficit)	27	(4,826)	(2,676)

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$8.181 million was due to managing the all-of-government adoption of Cloud computing (increase of \$7.214 million); implementing the functional leadership of Government ICT (increase of \$3.000 million); demand for information technology services by other agencies (increase of \$1.700 million); expense transfers from 2011/12 to 2012/13 for Infrastructure as a Service transition (increase of \$100,000), the Government Information Services Online programme (increase of \$550,000) and an ongoing programme of initiatives to enable the Department to position for efficiency savings from 1 July 2012 (increase of \$301,000); funding for Infrastructure as a Service as a result of the permanent capital to operating swap in 2012/13 (increase of \$900,000); and a realignment of expenditure for the Government Information Services Online programme (increase of \$430,000).

The increases were partially offset by a realignment of expenditure to implement the functional leadership of Government ICT (decrease of \$3.000 million), a reduction in expenditure associated with managing the all-of-government adoption of Cloud computing (decrease of \$2.714 million), and a correction of the transition to the single Vote in 2012/13 and the application of efficiency savings (decrease of \$300,000).

Actual expenditure was 13 per cent lower than the Supplementary Estimates primarily due to delays in the Infrastructure as a Service Transition project and Government Information Service Online Programme for which in-principle expense transfers up to a maximum of \$1.400 million to 2013/14 were approved. Delays in delivery of all-of-government adoption of Cloud computing also contributed to the underspend.

OUTPUT: Government Technology Services

Performance Information	Standard	2011/12	2012/13
Infrastructure as a Service (IaaS) – new agencies signing the participating agency agreement	7	New measure	31

OUTPUT: Government Information Services

Performance Information	Standard	2011/12	2012/13
Availability of cross-government online services, 24 hours a day, 7 days a week	99%	99.8%	99.87%
Customer satisfaction with <i>newzealand.govt.nz</i> assessed as 'Satisfied' or better	60% of respondents	New measure	Not yet measured*
Delivery of online channel workshops to government agencies	25	New measure	25

* *newzealand.govt.nz* is currently being redeveloped and customer satisfaction information will be collected once this is completed.

⁶² Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

OUTPUT APPROPRIATION: Local Government Services

Under this appropriation we provide information to and about local government, administer the Local Government Act 2002 and other statutes, and provide operational advice and support to the Minister of Local Government. We administer the Local Electoral Act 2001 and provide advisory and support services to the Local Government Commission for its statutory functions. We administer the Rates Rebate Scheme, provide regulatory and boating services for Lake Taupo (including providing the Harbourmaster and managing the Lake Taupo Landing Reserve) and provide governance and management of the National Dog Control Information Database.

2011/12 Actual ⁶³	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	2,036	2,036	2,036
	Revenue Third Parties	651	902	786
	Total Revenue	2,687	2,938	2,822
	Expenses	2,785	2,785	2,781
	Net Surplus/(Deficit)	(98)	153	41

OUTPUT: Local Government Services

Performance Information

	Standard	2011/12	2012/13
Responses to requests for information about the Rates Rebate Scheme within 10 days of receipt	At least 98% (of 300-600)	99% (of 677)	99% (of 444)
Eligible claims for rates rebates processed within 20 days of receipt	At least 98% (of 105,000-120,000)	54.8% (116,377)	66% (109,650)*
Availability of the dog registration database 24 hours a day, 7 days a week	At least 99%	100%	100%

* The performance standard for processing rates rebates claims is based on historical application numbers and processing expectations. The Department has improved its reporting mechanisms for processing these claims to more accurately understand processing times. The performance standard for this measure has been revised for 2013/14 to reflect achievable processing times. This measure refers to reimbursements to councils – processing times do not affect payments to ratepayers. No complaints have been received from councils during the year.

OUTPUT: Regulatory and Boating Services for Lake Taupo

Performance Information

	Standard	2011/12	2012/13
Boating facilities and navigational safety equipment inspected in accordance with an annual compliance programme	All	Achieved	All
Lake Taupo Asset Management Plan actions for current year implemented	All	Achieved	All
Stakeholders' satisfaction with the quality of Lake Taupo navigational safety services ⁶⁴	Assessed by at least 85% as '3' or above	95%	100%

⁶³ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

⁶⁴ Stakeholders are asked to assess the support received on a five-point numerical scale.

MULTI-CLASS OUTPUT APPROPRIATION: MINISTERIAL SUPPORT SERVICES

OUTPUT APPROPRIATION: **Crown Entity Monitoring**

Under this output appropriation we provide support, information and advice to Ministers to enable them to discharge their responsibilities (other than policy decision-making) for the Crown entities for which they are responsible.

2011/12 Actual ⁶⁵	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	536	847	847
	Revenue Third Parties	-	-	-
	Total Revenue	536	847	847
	Expenses	536	847	675
	Net Surplus/(Deficit)	-	-	172

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$311,000 was due to a reallocation of shared services costs.

Actual expenditure was 20 per cent lower than the Supplementary Estimates primarily due to lower than anticipated expenditure on Greyhound Racing New Zealand litigation.

OUTPUT: **Crown Entity Monitoring**

Performance Information	Standard	2011/12	2012/13
Advice on accountability documents delivered within statutory or agreed timeframes (based on delivery of documents to the Minister by the Crown entity)	100%	Achieved (5)	100% (11 documents)
Appointment processes for board vacancies managed consistent with the approach agreed with the Minister (including amendments agreed with the Minister)	All	All (of 9)	All (of 8)
Minister's satisfaction with the quality of monitoring service provided ⁶⁶	Assessed as 'Satisfied' or better	Very Good	Standard met Q1: Very Good Q2: Very Good Q3: Very Good Q4: Good/Very Good

Activity Information

Crown entities monitored	-	-	-
>> New Zealand Fire Service Commission			
>> Office of Film and Literature Classification			

⁶⁵ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

⁶⁶ The Minister is asked to assess the quality of the monitoring service received on a five-point scale: Very Good, Good, Satisfied, Poor, Very Poor.

OUTPUT APPROPRIATION: Ministerial Support Services – Community and Voluntary Sector

Under this output appropriation we provide services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities relating to the community and voluntary sector.

2011/12 Actual ⁶⁷	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	150	150	151
	Revenue Third Parties	-	-	-
	Total Revenue	150	150	151
	Expenses	150	150	174
	Net Surplus/(Deficit)	-	-	(23)

Actual expenditure was 16 per cent higher than the Supplementary Estimates primarily due to higher than anticipated costs of personnel due to vacant positions being covered by contractors.

OUTPUT: Ministerial Correspondence and Questions

Performance Information	Standard	2011/12	2012/13
Acceptance of first draft responses presented to the Minister	At least 95%	100%	98.1%
Required timeframes are met	At least 95%	100%	98.9%
Information briefings delivered to agreed quality criteria and standards – demonstrated through independent assessment	Agreed quality criteria and standards met	Achieved	Achieved

Activity Information	Standard	2011/12	2012/13
Information briefings and responses required to ministerial correspondence, information requests and parliamentary questions	760–935*	88	91

* The ISE standard was based on an anticipated increase in the volume of ministerial correspondence due to the transition of the functions of the Charities Commission on 1 July 2012. This increase has not materialised. The standard was revised downwards to 85–140.

⁶⁷ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

OUTPUT APPROPRIATION: Ministerial Support Services – Emergency Management

Under this appropriation we provide services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities relating to civil defence and emergency management.

2011/12 Actual ⁶⁸	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	34	189	189
	Revenue Third Parties	-	-	-
	Total Revenue	34	189	189
	Expenses	34	189	254
	Net Surplus/(Deficit)	-	-	(65)

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$155,000 was due to a reallocation of shared services costs.

Actual expenditure was 34 per cent higher than the Supplementary Estimates primarily due to higher than anticipated costs of the Get Ready, Get Thru campaign.

OUTPUT: Ministerial Correspondence and Questions

Performance Information	Standard	2011/12	2012/13
Acceptance of first draft responses presented to the Minister	At least 95%	100%	100%
Required timeframes are met	At least 95%	100%	100%
Information briefings delivered to agreed quality criteria and standards – demonstrated through independent assessment	Agreed quality criteria and standards met	Achieved	Achieved

Activity Information	Standard	2011/12	2012/13
Information briefings and responses required to ministerial correspondence, information requests and parliamentary questions	145–195*	49	161

* The Department anticipated an increase in the ministerial correspondence in line with recent trends. This increase did not materialise in 2012/13 and the standard was revised to 85–135.

⁶⁸ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

OUTPUT APPROPRIATION: Ministerial Support Services – Ethnic Affairs

Under this output appropriation we provide services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities relating to ethnic affairs.

2011/12 Actual ⁶⁹	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	89	89	89
	Revenue Third Parties	-	-	-
	Total Revenue	89	89	89
	Expenses	89	89	97
	Net Surplus/(Deficit)	-	-	(8)

Actual expenditure was nine per cent higher than the Supplementary Estimates primarily due to higher than planned personnel-related expenditure.

OUTPUT: Ministerial Correspondence and Questions

Performance Information

	Standard	2011/12	2012/13
Acceptance of first draft responses presented to the Minister	At least 95%	100%	100%
Required timeframes are met	At least 95%	100%	100%
Information briefings delivered to agreed quality criteria and standards – demonstrated through independent assessment	Agreed quality criteria and standards met	Achieved	Achieved

Activity Information

	Standard	2011/12	2012/13
Information briefings and responses required to ministerial correspondence, information requests and parliamentary questions	70–120	223	128

⁶⁹ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

OUTPUT APPROPRIATION: Ministerial Support Services – Internal Affairs

Under this appropriation we provide services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities relating to internal affairs, including regulatory and identity matters, all-of government information and communications technology, the role of information in New Zealand's cultural and economic life, public recordkeeping and the management of national archives, and other areas that fall within the Internal Affairs portfolio.

2011/12 Actual ⁷⁰	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	380	380	379
	Revenue Third Parties	–	–	–
	Total Revenue	380	380	379
	Expenses	380	380	326
	Net Surplus/(Deficit)	–	–	53

Actual expenditure was 14 per cent lower than the Supplementary Estimates primarily due to lower than anticipated personnel costs resulting from delays in filling vacancies.

OUTPUT: Ministerial Correspondence and Questions

Performance Information	Standard	2011/12	2012/13
Acceptance of first draft responses presented to the Minister	At least 95%	99.9%	98.3%
Required timeframes are met	At least 95%	99.3%	98.7%
Information briefings delivered to agreed quality criteria and standards – demonstrated through independent assessment	Agreed quality criteria and standards met	Achieved	Achieved

Activity Information	Standard	2011/12	2012/13
Information briefings and responses required to ministerial correspondence, information requests and parliamentary questions	820–1,060*	690	447

* The Department anticipated an increase in the ministerial correspondence in line with recent trends. This increase did not materialise in 2012/13 and the standard was revised to 410–535.

⁷⁰ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

OUTPUT APPROPRIATION: Ministerial Support Services – Local Government

Under this output appropriation we provide services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities relating to local government.

2011/12 Actual ⁷¹	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	450	295	295
	Revenue Third Parties	-	-	-
	Total Revenue	450	295	295
	Expenses	450	295	352
	Net Surplus/(Deficit)	-	-	(57)

The decrease in the budget between the Main Estimates and the Supplementary Estimates of \$155,000 was due to a reallocation of shared services costs.

Actual expenditure was 19 per cent higher than the Supplementary Estimates primarily due to vacant positions being covered by contractors.

OUTPUT: Ministerial Correspondence and Questions

Performance Information	Standard	2011/12	2012/13
Acceptance of first draft responses presented to the Minister	At least 95%	100%	100%
Required timeframes are met	At least 95%	100%	100%
Information briefings delivered to agreed quality criteria and standards – demonstrated through independent assessment	Agreed quality criteria and standards met	Achieved	Achieved

Activity Information	Standard	2011/12	2012/13
Information briefings and responses required to ministerial correspondence, information requests and parliamentary questions	820–1,150*	793	681

* The Department anticipated an increase in the ministerial correspondence in line with recent trends. This increase did not materialise in 2012/13, and the standard has been revised.

⁷¹ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

OUTPUT APPROPRIATION: Ministerial Support Services – Ministerial Services

Under this output appropriation we provide services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities relating to ministerial services.

2011/12 Actual ⁷²	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	200	200	200
	Revenue Third Parties	-	-	-
	Total Revenue	200	200	200
	Expenses	200	200	175
	Net Surplus/(Deficit)	-	-	25

Actual expenditure was 13 per cent lower than the Supplementary Estimates primarily due to lower than anticipated personnel costs resulting from delays in filling vacancies.

OUTPUT: Ministerial Correspondence and Questions

Performance Information	Standard	2011/12	2012/13
Acceptance of first draft responses presented to the Minister	At least 95%	New measure	100%
Required timeframes are met	At least 95%	New measure	99%
Information briefings delivered to agreed quality criteria and standards-demonstrated through independent assessment	Agreed quality criteria and standards met	New measure	Achieved

Activity Information	Standard	2011/12	2012/13
Information briefings and responses required to ministerial correspondence, information requests and parliamentary questions	140–200	New measure	169

⁷² Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

OUTPUT APPROPRIATION: Ministerial Support Services – Racing

Under this output appropriation we provide services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities relating to racing.

2011/12 Actual ⁷³	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	15	47	47
	Revenue Third Parties	-	-	-
	Total Revenue	15	47	47
	Expenses	15	47	51
	Net Surplus/(Deficit)	-	-	[4]

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$32,000 was due to a reallocation of shared services costs.

Actual expenditure was nine per cent higher than the Supplementary Estimates primarily due to vacant positions being covered by contractors.

OUTPUT: Ministerial Correspondence and Questions

Performance Information	Standard	2011/12	2012/13
Acceptance of first draft responses presented to the Minister	At least 95%	100%	100%
Required timeframes are met	At least 95%	100%	100%
Information briefings delivered to agreed quality criteria and standards – demonstrated through independent assessment	Agreed quality criteria and standards met	Achieved	Achieved

Activity Information	Standard	2011/12	2012/13
Information briefings and responses required to ministerial correspondence, information requests and parliamentary questions	As required	45	101

⁷³ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

MULTI-CLASS OUTPUT APPROPRIATION: POLICY ADVICE

OUTPUT APPROPRIATION: Policy Advice – Community and Voluntary Sector

Under this appropriation we provide advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to the community and voluntary sector.

2011/12 Actual ⁷⁴	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	1,756	1,747	1,747
	Revenue Third Parties	3	–	–
	Total Revenue	1,759	1,747	1,747
	Expenses	1,759	1,747	1,041
	Net Surplus/(Deficit)	–	–	706

The decrease in the budget between the Main Estimates and the Supplementary Estimates of \$12,000 was due to a reallocation of shared services costs (decrease of \$32,000), a correction of the transition to the single Vote in 2012/13 and the application of efficiency savings (decrease of \$3,000). This was partially offset by an expense transfer from 2011/12 to 2012/13 for an ongoing programme of initiatives to enable the Department to position for efficiency savings from 1 July 2012 (increase of \$23,000).

Actual expenditure was 40 per cent lower than the Supplementary Estimates primarily due to lower than anticipated personnel costs resulting from delays in filling vacancies.

OUTPUT: Policy Advice

Performance Information	Standard	2011/12	2012/13
Policy work programme to support the Output Plan delivered with:			
>> agreed timeframes met	At least 95%	100%	100%
>> any extensions agreed before required dates	At least 95%	100%	100%
Policy advice and policy briefings delivered to agreed quality criteria and standards – demonstrated through independent assessment	Agreed quality criteria and standards met	New measure	Achieved
Minister's satisfaction with the quality of policy advice (quarterly) ⁷⁵	Assessed as 'Satisfied' or better	Q1: Satisfied Q2: N/A Q3: Good Q4: Satisfied	Q1: Satisfied Q2: Good Q3: Good Q4: Good

⁷⁴ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

⁷⁵ Ministers are asked to rate their satisfaction on a five-point scale: Very Good, Good, Satisfied, Poor, Very Poor.

OUTPUT APPROPRIATION: Policy Advice – Emergency Management

Under this appropriation we provide advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to civil defence and emergency management.

2011/12 Actual ⁷⁶	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	776	715	715
	Revenue Third Parties	-	-	-
	Total Revenue	776	715	715
	Expenses	776	715	582
	Net Surplus/(Deficit)	-	-	133

The decrease in the budget between the Main Estimates and the Supplementary Estimates of \$61,000 was due to a reallocation of shared services costs (decrease of \$69,000), and was partially offset by an expense transfer from 2011/12 to 2012/13 for an ongoing programme of initiatives to enable the Department to position for efficiency savings from 1 July 2012 (increase of \$8,000).

Actual expenditure was 19 per cent lower than the Supplementary Estimates primarily due to lower than anticipated personnel costs resulting from delays in filling vacancies.

OUTPUT: Policy Advice

Performance Information	Standard	2011/12	2012/13
Policy work programme to support the Output Plan delivered with:	At least 95%	100%	98.43%
» agreed timeframes met			
» any extensions agreed before required dates	At least 95%	100%	98.43%
Policy advice and policy briefings delivered to agreed quality criteria and standards – demonstrated through independent assessment	Agreed quality criteria and standards met	New measure	Achieved
Minister's satisfaction with the quality of policy advice (quarterly) ⁷⁷	Assessed as 'Satisfied' or better	Q1: N/A Q2: N/A Q3: Good Q4: Very Good	Q1: Good Q2: Good Q3: Satisfied Q4: Satisfied

⁷⁶ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

⁷⁷ Ministers are asked to rate their satisfaction on a five-point scale: Very Good, Good, Satisfied, Poor, Very Poor.

OUTPUT APPROPRIATION: Policy Advice – Ethnic Affairs

Under this appropriation we provide advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to ethnic affairs.

2011/12 Actual ⁷⁸	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	693	752	752
	Revenue Third Parties	107	–	–
	Total Revenue	800	752	752
	Expenses	800	752	722
	Net Surplus/(Deficit)	–	–	30

The decrease in the budget between the Main Estimates and the Supplementary Estimates of \$48,000 was due to a correction of the transition to the single Vote in 2012/13 and the application of efficiency savings (decrease of \$107,000). This was partially offset by a reallocation of shared services costs (increase of \$50,000), and an expense transfer from 2011/12 to 2012/13 for an ongoing programme of initiatives to enable the Department to position for efficiency savings from 1 July 2012 (increase of \$9,000).

OUTPUT: Policy Advice

Performance Information	Standard	2011/12	2012/13
Policy work programme to support the Output Plan delivered with:			
>> agreed timeframes met	At least 95%	100%	100%
>> any extensions agreed before required dates	At least 95%	100%	100%
Policy advice and policy briefings delivered to agreed quality criteria and standards – demonstrated through independent assessment	Agreed quality criteria and standards met	New measure	Achieved
Minister's satisfaction with the quality of policy advice (quarterly) ⁷⁹	Assessed as 'Satisfied' or better	Q1: Good Q2: N/A Q3: Satisfied Q4: Satisfied	Q1: Very Good Q2: Very Good Q3: Good Q4: Very Good

⁷⁸ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

⁷⁹ Ministers are asked to rate their satisfaction on a five-point scale: Very Good, Good, Satisfied, Poor, Very Poor.

OUTPUT APPROPRIATION: Policy Advice – Internal Affairs

Under this appropriation we provide advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to internal affairs, including regulatory and identity matters, all-of-government information and communications technology, the role of information in New Zealand's cultural and economic life, public recordkeeping and the management of national archives, and other areas that fall within the Internal Affairs portfolio.

2011/12 Actual ⁸⁰	Revenue and output expenses (\$000)	2012/13		Actual
		Mains	Supps.	
	Revenue Crown	4,138	3,746	3,746
	Revenue Third Parties	112	112	2
	Total Revenue	4,250	3,858	3,748
	Expenses	4,250	3,858	4,046
	Net Surplus/(Deficit)	-	-	(298)

The decrease in the budget between the Main Estimates and the Supplementary Estimates of \$392,000 was due to a reallocation of shared services costs (decrease of \$322,000), a correction of the transition to the single Vote in 2012/13 and the application of efficiency savings (decrease of \$75,000). This was partially offset by an expense transfer from 2011/12 to 2012/13 for an ongoing programme of initiatives to enable the Department to position for efficiency savings from 1 July 2012 (increase of \$5,000).

Actual expenditure was five per cent higher than the Supplementary Estimates primarily due to higher than anticipated costs of personnel due to vacant positions being covered by contractors.

OUTPUT: Policy Advice

Performance Information	Standard	2011/12	2012/13
Policy work programme to support the Output Plan delivered with:			
>> agreed timeframes met	At least 95%	100%	98.59%
>> any extensions agreed before required dates	At least 95%	100%	98.59%
Policy advice and policy briefings delivered to agreed quality criteria and standards – demonstrated through independent assessment	Agreed quality criteria and standards met	New measure	Achieved
Minister's satisfaction with the quality of policy advice (quarterly) ⁸¹	Assessed as 'Satisfied' or better	Q1: Good Q2: N/A Q3: N/A Q4: Very Good	Q1: Very Good Q2: Very Good Q3: Very Good Q4: Good to Very Good

⁸⁰ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

⁸¹ Ministers are asked to rate their satisfaction on a five-point scale: Very Good, Good, Satisfied, Poor, Very Poor.

OUTPUT APPROPRIATION: Policy Advice – Local Government

Under this appropriation we provide advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to local government.

2011/12 Actual ⁸²	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	5,814	5,011	5,011
	Revenue Third Parties	-	-	-
	Total Revenue	5,814	5,011	5,011
	Expenses	5,814	5,011	5,284
	Net Surplus/(Deficit)	-	-	(273)

The decrease in the budget between the Main Estimates and the Supplementary Estimates of \$803,000 was due to a transfer of funding to the Support for Statutory and Other Bodies MCOA for the expanded role of the Local Government Commission (decrease of \$824,000). This was partially offset by an expense transfer from 2011/12 to 2012/13 for an ongoing programme of initiatives to enable the Department to position for efficiency savings from 1 July 2012 (increase of \$21,000).

Actual expenditure was five per cent higher than the Supplementary Estimates primarily due to higher than anticipated cost of a feasibility study of Pitt Island Wharf.

OUTPUT: Policy Advice

Performance Information	Standard	2011/12	2012/13
Policy work programme to support the Output Plan delivered with:			
>> agreed timeframes met	At least 95%	100%	99.11%
>> any extensions agreed before required dates	At least 95%	100%	99.11%
Policy advice and policy briefings delivered to agreed quality criteria and standards – demonstrated through independent assessment	Agreed quality criteria and standards met	New measure	Achieved
Minister's satisfaction with the quality of policy advice (quarterly) ⁸³	Assessed as 'Satisfied' or better	Q1: N/A Q2: N/A Q3: N/A Q4: Very Good	Q1: Very Good Q2: N/A* Q3: Very Good Q4: Very Good

* No survey was undertaken in the second quarter due to a change in Minister.

⁸² Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

⁸³ Ministers are asked to rate their satisfaction on a five-point scale: Very Good, Good, Satisfied, Poor, Very Poor.

OUTPUT APPROPRIATION: Policy Advice – Racing

Under this appropriation we provide advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to racing.

2011/12 Actual ⁸⁴	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	198	198	198
	Revenue Third Parties	1	–	–
	Total Revenue	199	198	198
	Expenses	199	198	175
	Net Surplus/(Deficit)	–	–	23

The decrease in the budget between the Main Estimates and the Supplementary Estimates of \$1,000 was due to a correction of the transition to the single Vote in 2012/13 and the application of efficiency savings (decrease of \$1,000).

Actual expenditure was 12 per cent lower than the Supplementary Estimates primarily due to lower than anticipated personnel costs resulting from delays in filling vacancies.

OUTPUT: Policy Advice

Performance Information

	Standard	2011/12	2012/13
Policy work programme to support the Output Plan delivered with:			
>> agreed timeframes met	At least 95%	100%	100%
>> any extensions agreed before required dates	At least 95 %	100%	99.11%
Policy advice and policy briefings delivered to agreed quality criteria and standards – demonstrated through independent assessment	Agreed quality criteria and standards met	New measure	Achieved
Minister's satisfaction with the quality of policy advice (quarterly) ⁸⁵	Assessed as 'Satisfied' or better	Q1: N/A Q2: N/A Q3: Good Q4: N/A	Q1: Good to Very Good Q2: Good to Very Good Q3: Good Q4: Good

⁸⁴ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

⁸⁵ Ministers are asked to rate their satisfaction on a five-point scale: Very Good, Good, Satisfied, Poor, Very Poor.

MULTI-CLASS OUTPUT APPROPRIATION: REGULATORY SERVICES

OUTPUT APPROPRIATION: Charities Administration

Under this appropriation we deliver services to register charities and contribute to promoting public trust and confidence in the charitable sector.

2011/12 Actual ⁸⁶	Revenue and output expenses (\$'000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	–	5,164	5,164
	Revenue Third Parties	–	852	769
	Total Revenue	–	6,016	5,933
	Expenses	–	6,016	5,902
	Net Surplus/(Deficit)	–	–	31

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$6.016 million was due to the transfer of Charities Commission functions to an operational unit within the Department from 1 July 2012 (increase of \$5.918 million) and the capital charge on the net assets transferred from the Charities Commission to the Department from 1 July 2012 (increase of \$98,000).

OUTPUT: Charities Administration

Performance Information	Standard	2011/12	2012/13
Properly completed applications for registration decided within 30 days of receipt	At least 70%	10.3%	14.91%*
Properly completed annual returns published within 10 days of receipt	At least 95%	98.1%	99.06%
Register online availability per month	At least 97%	97.7%	98.10%
Registered charities that are investigated (in accordance with the standards and guidelines approved by the Board) to ensure the organisation continues to meet the requirements for registration as a charitable entity	300	360	311

Activity Information	Standard	2011/12	2012/13
Annual returns received	25,000	22,914	30,357

* The Department inherited a backlog of registration applications following the transfer of the Charities Commission functions on 1 July 2012. As a result, the performance standard for this measure has not been achieved. This backlog has now been cleared. We are continuing to track this measure closely and are now meeting the performance standard each month.

⁸⁶ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

OUTPUT APPROPRIATION: Regulatory Services

Under this appropriation we provide operational policy advice and services to administer all aspects of the regulatory regime under the Public Records Act 2005, including where the Chief Archivist has statutory independence. We provide services to regulate gambling activity, objectionable material and unsolicited electronic messages, anti-money laundering and countering financing of terrorism, and the private security sector.

2011/12 Actual ⁸⁷	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	9,414	11,121	11,119
	Revenue Third Parties	22,130	22,183	21,641
	Total Revenue	31,544	33,304	32,760
	Expenses	30,354	32,493	30,732
	Net Surplus/(Deficit)	1,190	811	2,028

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$2.139 million was due to expenditure associated with gaming activities (increase of \$1.089 million), a correction of the transition to the single Vote in 2012/13 and the application of efficiency savings (increase of \$1.024 million), the recovery of business continuity expenditure relating to the Canterbury earthquakes (increase of \$18,000), and an expense transfer from 2011/12 to 2012/13 for an ongoing programme of initiatives to enable the Department to position for efficiency savings from 1 July 2012 (increase of \$8,000).

Actual expenditure was five per cent lower than the Supplementary Estimates, primarily due to lower than anticipated costs for anti-money laundering and gaming regulatory activities. An in-principle expense transfer up to a maximum of \$0.500 million to 2013/14 was approved for anti-money laundering.

OUTPUT: Gambling

Performance Information

	Standard	2011/12	2012/13
Venue inspections conducted ⁸⁸	Up to 200	651	225
Interim audit report to non-club gaming machine societies completed within 6 months	4-10	Revised measure	7* (of 9)
Gambling sector organisation and operator satisfaction with information services – assessed as '3' or better	At least 85%	91%	99%

Activity Information

	Standard	2011/12	2012/13
Applications for gambling licences processed:			
» club and non-club licence renewals	300-350	306	318
» other Class 3 and 4 licence applications and Certificates of Approval	4,200-4,600	5,941	4,148**

* The standard is based on the number of interim audit reports issued within a six month timeframe within each each financial year, regardless of when the audit began. For 2012/13, nine interim reports were issued. Of this number, seven were issued within six months and two were issued outside the standard timeframe.

** Fewer than anticipated applications for gambling licences were processed during 2012/13 due to implementation of the new Integrated Gambling Platform electronic licensing system. The performance measure has been revised for 2013/14.

⁸⁷ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

⁸⁸ Venue inspections are conducted as a part of a target risk-based programme aimed at addressing the highest-risk non-club gaming machine societies.

OUTPUT: Censorship

Performance Information	Standard	2011/12	2012/13
Number of intelligence reports in relation to suspects and possible victims:			
» received (from national and international enforcement agencies)	50–300	New measure	453
» forwarded (from national and international enforcement agencies)	5–50	New measure	61
Number of websites being filtered	3,600–6,000*	New measure	578

Activity Information	Standard	2011/12	2012/13
Number of justified appeals from websites being filtered	50–200*	New measure	0

* The performance standards for the number of websites filtered and the expected number of justified appeals from websites being filtered were incorrectly recorded in the 2012/13 Information Supporting the Estimates of Appropriations for Vote Internal Affairs. The performance standards for these measures are considered to have been achieved.

OUTPUT: Unsolicited Electronic Messages

Performance Information	Standard	2011/12	2012/13
Spam complaints determined to be of a high priority are acted on	500–1,000	New measure	603
Civil liability proceedings undertaken – covering warning letters, infringement notices and statements of claim issued	30–90	99	31

Activity Information	Standard	2011/12	2012/13
Monitoring and tracking campaigns reported nationally and internationally	300–800	New measure	246*

* The performance standard for this measure has not been met due to lower demand i.e. fewer spam campaigns being carried out or reported by business and the public. If more than one complaint is received about the same message this only counts as one campaign.

OUTPUT: Public Sector Recordkeeping

Performance Information	Standard	2011/12	2012/13
Public offices independently audited against recordkeeping standards (Public Records Act 2005)	40 (of 200)	21.5% (43 offices audited)	47
Appraisal reports submitted to and received by the Chief Archivist processed within 10 weeks	At least 80% (of 50–70)	86.5% (of 37)	100%
Recordkeeping advice requests responded to within 5 working days of receipt	At least 75% (of 800–1,000)	87.2% (of 337)	89.35% (of 235)*
Attendee satisfaction with training courses – assessed as 'Good' or 'Very Good' ⁸⁹	At least 80% (of 250–300)	96.8% (of 166)	92.30% (of 177)**

* The number of recordkeeping advice requests has reduced considerably due to an increase in the amount of information and guidance proactively provided to public offices through the Archives New Zealand website and other communication mechanisms.

** There has been a reduction in the number of attendees at recordkeeping training courses. The number of attendees is very dependent on demand from public offices.

89 Training course attendees are asked to assess the usefulness of the training received on a five-point scale: Very Good, Good, Satisfied, Poor, Very Poor.

OUTPUT: Anti-Money Laundering and Countering Financing of Terrorism

Performance Information	Standard	2011/12	2012/13
Anti-Money Laundering and Countering Financing of Terrorism work programme actions for current year implemented including:	By June 2013	Achieved	Achieved
<ul style="list-style-type: none"> » informing sector reporting entities of their obligations » developing business process and systems, including a technological solution for when the unit becomes operational 			

OUTPUT: Private Security Personnel and Private Investigators

Performance Information	Standard	2011/12	2012/13
Investigation resolved within timeframes specified in Service Level Indicators	95%	New measure	77%*

* The performance standard for resolving investigations within agreed timelines was based on estimates for the first year of operation of this function. In practice, investigations were more complicated and time consuming than expected. The Department and the Ministry of Justice have focused on the quality of the investigations, rather than the timeframes. Performance measures for this function have been revised accordingly for 2013/14.

MULTI-CLASS OUTPUT APPROPRIATION: SERVICES SUPPORTING THE EXECUTIVE

OUTPUT APPROPRIATION: **Coordination of Official Visits and Events**

Under this appropriation we manage programmes for visiting Guests of Government, State and ministerial functions. We coordinate a range of services in support of ceremonial and commemorative events and facilitate the passage of New Zealand and foreign dignitaries and others authorised by the Crown into and out of New Zealand.

2011/12 Actual ⁹⁰	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	4,212	5,262	5,263
	Revenue Third Parties	5	5	-
	Total Revenue	4,217	5,267	5,263
	Expenses	4,217	5,267	4,600
	Net Surplus/(Deficit)	-	-	663

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$1.050 million was due to funding for the visit by the Prince of Wales and Duchess of Cornwall in November 2012 as part of the Diamond Jubilee Celebrations (increase of \$1.100 million). This was partially offset by an expense transfer from 2012/13 to 2013/14 due to a delay in the timing of the visit by the Earl and Countess of Wessex (decrease of \$50,000).

Actual expenditure was 13 per cent lower than the Supplementary Estimates primarily due to lower than anticipated costs associated with the royal visits.

OUTPUT: Official Visits and Events Coordination

Performance Information	Standard	2011/12	2012/13
Percentage of visits where the Sponsoring Ministers rate as satisfactory the arrangements for:			
>> design and implementation of programmes for Guests of Government ⁹¹	90%	Revised measure	100%
>> design and implementation of State and ministerial functions	90%	Revised measure	100%
>> coordination and management of official events	90%	Revised measure	100%

Activity Information	Standard	2011/12	2012/13
Official visits – Heads of State and full Guests of Government	25–30 visits (average 1–2 days)	71	49
State and ministerial functions	4–8	5	3*
Commemorative and special events	10–15	14	15
Facilitations of parties through international airports (with an average of 1–4 people in each party)	500–600 facilitations	745	715

* The Department's Visits and Ceremonial Office has coordinated all State and ministerial functions requested in 2012/13.

⁹⁰ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

⁹¹ Sponsoring Ministers are asked to assess arrangements on a five-point scale: Very Good, Good, Satisfied, Poor, Very Poor.

OUTPUT APPROPRIATION: Support Services to Members of the Executive

Under this appropriation we provide support services for Members of the Executive, including in their capacity as a Member of Parliament, primarily through office personnel and administrative services, information and communications technology, and the provision and management of residential accommodation.

2011/12 Actual ⁹²	Revenue and output expenses (\$000)	2012/13		
		Mains	Supps.	Actual
	Revenue Crown	24,785	24,906	24,905
	Revenue Third Parties	35	35	2
	Total Revenue	24,820	24,941	24,907
	Expenses	24,820	24,941	24,565
	Net Surplus/(Deficit)	-	-	342

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$121,000 was due to an expense transfer from 2011/12 to 2012/13 for an ongoing programme of initiatives to enable the Department to position for efficiency savings from 1 July 2012.

OUTPUT: Support Services to Members of the Executive

Performance Information	Standard	2011/12	2012/13
Completion by ministerial office staff of 'core role' induction training within 2 months in their positions	At least 90%	100%	100%
Availability of information and communications technology systems, 24 hours a day, 7 days a week	No less than 99.5%	99.85%	99.73%
Minister Responsible for Ministerial Services' satisfaction with the quality and level of support services provided to the Members of the Executive ⁹³	Assessed as 'Satisfied' or better	Good/Very Good	Very Good

Activity Information	Standard	2011/12	2012/13
Average number of ministerial office personnel provided	150-170	154	152
Ministerial and other payments administered (Other Expense Appropriations (Non-departmental)):			
» Executive Council and Members of the Executive – Salaries and Allowances (PLA)	26-30 people	28	28
» Former Governors-General – Annuities and Other Payments (PLA)	4-8 people	7	6
» Former Prime Ministers – Annuities (PLA)	3-7 people	5	5
» Former Prime Ministers – Domestic Travel	Multiple journeys for 12-15 people	Revised measure	12
» Members of the Executive – Travel	Multiple journeys for 200-240 people	Revised measure	272

⁹² Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

⁹³ The Minister is asked to assess support services provided on a five-point scale: Very Good, Good, Satisfied, Poor, Very Poor.

OUTPUT APPROPRIATION: VIP Transport Services

Under this appropriation we provide chauffeur-driven and self-drive vehicle services for parties specified in legislation, as authorised by members of the Executive, or who otherwise meet qualifying criteria.

2011/12 Actual ⁹⁴	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	–	–	–
	Revenue Third Parties	7,814	7,814	7,053
	Total Revenue	7,814	7,814	7,053
	Expenses	8,273	7,814	7,684
	Net Surplus/(Deficit)	(459)	–	(631)

The decrease in the budget between the Main Estimates and the Supplementary Estimates of \$459,000 was due to a correction of the transition to the single Vote in 2012/13 and the application of efficiency savings.

OUTPUT: VIP Transport Services

Performance Information

	Standard	2011/12	2012/13
Fuel efficiency for chauffeur-driven vehicles (annual average)	No more than 10 litres per 100km	9.07 litres per 100km	8.62 litres per 100km
Chauffeur-driven services provided leading to no sustained complaints	At least 99.5% (of 22,000–24,000 jobs)	Revised measure	99.8% (15 errors out of 12,083 jobs)*

Activity Information

	Standard	2011/12	2012/13
Total vehicle fleet	72–77	75	71**

* The number of jobs is entirely determined by the demand from users and the Department has experienced lower demand compared with previous years.

** This is a measure of demand and is partly determined by the number of Ministers taking up their entitlement to a self-drive.

94 Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

MULTI-CLASS OUTPUT APPROPRIATION: SUPPORT FOR STATUTORY AND OTHER BODIES

OUTPUT APPROPRIATION: Commissions of Inquiry and Similar Bodies

Under this appropriation we provide support to commissions of inquiry and similar bodies.

2011/12 Actual ⁹⁵	Revenue and output expenses (\$000)	2012/13		Actual
		Mains	Supps.	
	Revenue Crown	4,698	5,520	5,520
	Revenue Third Parties	1,089	–	–
	Total Revenue	5,787	5,520	5,520
	Expenses	5,787	5,520	5,086
	Net Surplus/(Deficit)	–	–	434

The decrease in the budget between the Main Estimates and the Supplementary Estimates of \$267,000 was due to a transfer of funding from 2012/13 to 2013/14 to other Vote Internal Affairs appropriations as a result of efficiency gains in 2012/13 (decrease of \$1.500 million), a correction of the transition to the single Vote in 2012/13 and the application of efficiency savings (decrease of \$832,000). This was partially offset by expense transfers from 2011/12 to 2012/13 for the Royal Commission of Inquiry into Building Failure caused by Canterbury Earthquakes (increase of \$1.315 million), and the Royal Commission of Inquiry on the Pike River Coal Mine Tragedy (increase of \$750,000).

Actual expenditure was eight per cent lower than the Supplementary Estimates primarily due to lower than anticipated costs associated with the Royal Commissions of Inquiry.

OUTPUT: Commissions of Inquiry and Similar Bodies

Performance Information	Standard	2011/12	2012/13
Commissions' satisfaction with the timeliness and quality of services received ⁹⁶	Assessed as 'Good' or better	Satisfied	Good
Activity Information			
Support services provided to the following commissions of inquiry and similar bodies:	–	–	–
» Christchurch Earthquake Commission of Inquiry			
» Pike River Commission of Inquiry			
» Confidential Listening and Assistance Service			

⁹⁵ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

⁹⁶ Commissioners are asked to assess the quality of support received on a five-point scale: Very Good, Good, Satisfied, Poor, Very Poor.

OUTPUT APPROPRIATION: Statutory and Advisory Body Support – National Archives

Under this appropriation we provide advisory and support services to statutory and advisory bodies with relation to Archives New Zealand to enable them to discharge their responsibilities.

2011/12 Actual ⁹⁷	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	101	101	101
	Revenue Third Parties	-	-	-
	Total Revenue	101	101	101
	Expenses	101	101	70
	Net Surplus/(Deficit)	-	-	31

Actual expenditure was 31 per cent lower than the Supplementary Estimates primarily due to lower than anticipated personnel costs resulting from delays in filling vacancies.

OUTPUT: Statutory and Advisory Body Support

Performance information	Standard	2011/12	2012/13
Statutory body member satisfaction with the quality of support received ⁹⁸	Assessed as 'Satisfied' or better	Satisfied	Satisfied
Support services provided to the following statutory bodies advising the Minister – meetings supported			
» Archives Council	4	New measure	4

⁹⁷ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

⁹⁸ Statutory body members are asked to assess the quality of support received on a five-point scale: Very Good, Good, Satisfied, Poor, Very Poor.

OUTPUT APPROPRIATION: Statutory and Advisory Body Support – National Library

Under this appropriation we provide services and advice to statutory and advisory bodies with relation to the National Library of New Zealand to enable them to discharge their responsibilities.

2011/12 Actual ⁹⁹	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	93	93	93
	Revenue Third Parties	7	7	-
	Total Revenue	100	100	93
	Expenses	100	100	3
	Net Surplus/(Deficit)	-	-	90

OUTPUT: Statutory and Advisory Body Support

Performance Information

	Standard	2011/12	2012/13
Statutory body member satisfaction with the quality of support received ¹⁰⁰	Assessed as 'Satisfied' or better	Satisfied	Good

Activity Information

	Standard	2011/12	2012/13
Support services provided to the following statutory bodies – meetings supported:			
» Guardians Kaitiaki of the Alexander Turnbull Library	4	-	5
» Library and Information Advisory Committee	4	-	5
» Public Lending Right Advisory Group	1	-	1

⁹⁹ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

¹⁰⁰ Statutory body members are asked to assess the quality of support received on a five-point scale: Very Good, Good, Satisfied, Poor, Very Poor.

OUTPUT APPROPRIATION: Statutory Body Support – Gambling Commission

Under this appropriation we provide services and advice to the Gambling Commission to enable the Commission to discharge its responsibilities.

2011/12 Actual ¹⁰¹	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	675	-	-
	Revenue Third Parties	509	1,158	894
	Total Revenue	1,184	1,158	894
	Expenses	1,158	1,158	894
	Net Surplus/(Deficit)	26	-	-

Actual expenditure was 23 per cent lower than the Supplementary Estimates primarily due to a lower than anticipated number of appeals to Gambling Commission resulting in lower legal costs.

OUTPUT: Statutory Body Support

Performance Information	Standard	2011/12	2012/13
Gambling Commission's satisfaction with the support services provided ¹⁰²	Assessed as '4' or better	4.8	4.6

¹⁰¹ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

¹⁰² Gambling Commission members are asked to assess support received on a five-point numerical scale.

OUTPUT APPROPRIATION: Statutory Body Support – Local Government Commission

Under this appropriation we provide advisory and support services to the Local Government Commission in respect of its statutory functions.

2011/12 Actual ¹⁰³	Revenue and output expenses (\$000)	Mains	2012/13 Supps.	Actual
	Revenue Crown	780	1,604	1,604
	Revenue Third Parties	-	-	-
	Total Revenue	780	1,604	1,604
	Expenses	780	1,604	1,190
	Net Surplus/(Deficit)	-	-	414

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$824,000 was due to a transfer of funding from the Policy Advice MCOA for the expanded role of the Local Government Commission.

Actual expenditure was 26 per cent lower than the Supplementary Estimates primarily due to delays in projects relating to the enactment of the Local Government Act 2002 Amendment Act 2012. An in-principle expense transfer up to a maximum of \$0.400 million to 2013/14 was approved.

OUTPUT: Statutory Body Support

Performance Information	Standard	2011/12	2012/13
Local Government Commission decisions dispatched to parties within 10 days, or other agreed timing	100%	100%	100%
Local Government Commission's satisfaction with the quality of advice and support services received ¹⁰⁴	Assessed as '3' or above	5	4

¹⁰³ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

¹⁰⁴ The Local Government Commission is asked to assess the support it receives on a five-point numerical scale.

OUTPUT APPROPRIATION: Support for Grant Funding Bodies – Community and Voluntary Sector

Under this appropriation we provide operational and secretariat support for grant funding bodies, including supporting member appointment processes. The focus of operational support is on processing grant applications and grant decisions on behalf of grant funding bodies.

2011/12 Actual ¹⁰⁵	Revenue and output expenses (\$000)	2012/13		Actual
		Mains	Supps.	
	Revenue Crown	300	324	324
	Revenue Third Parties	–	–	–
	Total Revenue	300	324	324
	Expenses	300	324	322
	Net Surplus/(Deficit)	–	–	2

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$24,000 was due to an expense transfer from 2011/12 to 2012/13 for an ongoing programme of initiatives to enable the Department to position for efficiency savings from 1 July 2012.

OUTPUT: Support Services for Grant Funding Bodies

Performance Information	Standard	2011/12	2012/13
Online information on grant funding opportunities and applications processes current:			
>> currency – online information for all funds reviewed	At least once annually	Achieved	Achieved
Grant applications presented for decision within agreed timeframes	At least 95% (of 140–160)	100% (of 144)	100% (of 176)
Committee/Trust member satisfaction with operational support received ¹⁰⁶	Assessed by at least 90% as '4' or better	60%	91.6%*

Activity Information	Standard	2011/12	2012/13
Support services provided to the following grant funding bodies – committee meetings organised:			
>> Norman Kirk Memorial Trust	Combined: 12	10	11**
>> Pacific Development and Conservation Trust			
>> Peace and Disarmament Education Trust			
>> Vietnam Veterans and Their Families Trust			

* Satisfaction of Committee and Trust members was combined into a single measure from 2011/12. The large increase in member satisfaction from 2011/12 and 2012/13 may be attributed partly to a calculation error in the 2011/12 Annual Report, which reported on Trust member satisfaction only (60%). Trust and Committee member satisfaction has improved in 2012/13 with Trust member satisfaction at 74% (17 out of 23 members) and Committee member satisfaction at 95% (124 of 131 members).

** The Peace and Disarmament Education Trust and Vietnam Veterans and Their Families Trust reduced the number of meetings required during the year. While the number of meetings has decreased, this has not impacted the services provided to the Trusts and their members, or affected the number of applications considered.

¹⁰⁵ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

¹⁰⁶ Statutory body members are asked to assess the quality of support received on a five-point scale: Very Good, Good, Satisfied, Poor, Very Poor.

OUTPUT APPROPRIATION: Support for Grant Funding Bodies – Internal Affairs

Under this appropriation we provide operational and secretariat support for grant funding bodies, including supporting member appointment processes. The focus of operational support is on processing grant applications and grant decisions on behalf of the grant funding bodies.

2011/12 Actual ¹⁰⁷	Revenue and output expenses (\$000)	2012/13		
		Mains	Supps.	Actual
	Revenue Crown	1,190	1,194	1,194
	Revenue Third Parties	9,627	9,667	8,241
	Total Revenue	10,817	10,861	9,435
	Expenses	10,817	10,861	9,265
	Net Surplus/(Deficit)	-	-	170

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$44,000 was due to the provision of services to the Lottery Grants Board (increase of \$40,000) and an expense transfer from 2011/12 to 2012/13 for an ongoing programme of initiatives to enable the Department to position for efficiency savings from 1 July 2012 (increase of \$4,000).

Actual expenditure was 15 per cent lower than the Supplementary Estimates primarily due to lower provision of services to the Lottery Grants Board.

OUTPUT: Support Services for Grant Funding Bodies

Performance Information

	Standard	2011/12	2012/13
Online information on grant funding opportunities and applications processes current:			
» currency – online information for all funds reviewed	At least once annually	Achieved	Achieved
Grant applications received, assessed and:			
» presented for decision within agreed timeframes	At least 95% (of 5,700–6,200)	100% (of 4,365)	100% (of 4,520)
» not presented for decision (ineligible or incomplete)	0–1,000	837	686
Committee/Trust member satisfaction with operational support received ¹⁰⁸	Assessed by at least 90% as 4 or better	88%	95%

Activity Information

	Standard	2011/12	2012/13
Support services provided to the following grant funding bodies – committee meetings organised:			
» New Zealand Lottery Grants Board	Combined: 68–75	63 (excl CEAT)	62*
» Distribution Committees of the New Zealand Lottery Grants Board			
» New Zealand Winston Churchill Memorial Trust			
» Christchurch Earthquake Appeal Trust (CEAT)			
» Chinese Poll Tax Heritage Trust			

* The Lottery Community Committees, as well as some specialist committees, have reduced the number of meetings they hold per year from three to two per committee per year. This reduction is due to policy changes to support the Lottery Grants Board's positive cash-flow approach, and it takes into account the variable volumes of applications considered by the community committees at each meeting. While the number of meetings has decreased, this has not impacted on the services provided to committees or their members, and does not affect the number of applications to be considered.

¹⁰⁷ Please refer to page 103 for a comparison of output and revenue expenses for 2011/12.

¹⁰⁸ Statutory body members are asked to assess the quality of support received on a five-point scale: Very Good, Good, Satisfied, Poor, Very Poor.

COMPARISON OF OUTPUT AND REVENUE EXPENSES 2011/12 TO 2012/13

On 1 July 2012 the Department of Internal Affairs implemented Cabinet's decision to establish a single Vote Internal Affairs. This merged the eight Votes previously administered by the Department into one Vote. The establishment of the single Vote was fiscally neutral and the proportion of resources available in each portfolio remained unchanged. Portfolio Ministers within the single Vote retain responsibility for spending, priorities and work programmes within their portfolios.

All previous appropriations and outputs were integrated into the single Vote structure. However, the revised appropriation structure means a direct comparison of output funding and revenue expenses between the 2011/12 and 2012/13 financial years is not possible.

The table below provides a summary of output and revenue expenses at a Departmental level:

2011/12		2012/13		
Actual	Total Departmental revenue and output expenses (\$000)	Mains	Supps.	Actual
214,143	Revenue Crown	193,387	213,128	213,125
161,855	Revenue Third parties	158,042	163,442	157,948
375,998	Total Revenue	351,429	376,570	371,073
353,952	Expenses	357,808	387,798	367,930
22,046	Net Surplus/(Deficit)	(6,379)	(11,228)	3,143

The tables below summarise output and revenue expenses under the previous Vote structure, and indicate the new appropriations that they map to.

For further information on the relationship between the new and old Vote structures refer to the 2012 Budget publication: Māori, Other Populations and Cultural Sector – Information Supporting the Estimates of Appropriations 2012/13, available at www.treasury.govt.nz.

Vote Community and Voluntary Sector

2011/12 Appropriation and Funding

Appropriation funding transferred for 2012/13 to:

Multi-Class Output Appropriation:

Policy Advice, Advisory and Support Services

Output Appropriation: Administration of Grants	<ul style="list-style-type: none"> » Appropriation: Administration of Grants » Output Appropriation: Administration of Grants
4,043 Revenue Crown	
43 Revenue Third Parties	
4,086 Total Revenue	
4,090 Expenses	
(4) Net Surplus/(Deficit)	
Output Appropriation: Community Advisory Services	<ul style="list-style-type: none"> » MCOA: Community Information and Advisory Services » Output Appropriation: Community Development and Engagement Advice
5,886 Revenue Crown	
71 Revenue Third Parties	
5,957 Total Revenue	
5,581 Expenses	
376 Net Surplus/(Deficit)	
Output Appropriation: Policy Advice	<ul style="list-style-type: none"> » MCOA: Policy Advice » Output Appropriation: Policy Advice – Community and Voluntary Sector » MCOA: Ministerial Support Services » Output Appropriation: Policy Advice – Community and Voluntary Sector
1,878 Revenue Crown	
28 Revenue Third Parties	
1,906 Total Revenue	
1,647 Expenses	
259 Net Surplus/(Deficit)	
Output Appropriation: Support Services for Grant Funding Bodies	<ul style="list-style-type: none"> » MCOA: Support for Statutory and Other Bodies » Output Appropriation: Support for Grant Funding Bodies – Community and Voluntary Sector
314 Revenue Crown	
3 Revenue Third Parties	
317 Total Revenue	
250 Expenses	
67 Net Surplus/(Deficit)	

Vote Emergency Management

2011/12 Appropriation and Funding	Appropriation funding transferred for 2012/13 to:
Multi-Class Output Appropriation: Emergency Management Services	
Output Appropriation: Management of National Emergency Readiness, Response and Recovery	» MCOA: Emergency Management Services » Output Appropriation: Management of National Emergency Readiness, Response and Recovery
5,285 Revenue Crown 42 Revenue Third Parties	
5,327 Total Revenue	
4,843 Expenses	
484 Net Surplus/(Deficit)	
Output Appropriation: Policy Advice – Emergency Management	» MCOA: Policy Advice » Output Appropriation: Policy Advice – Emergency Management » MCOA: Ministerial Support Services » Output Appropriation: Ministerial Support Services – Emergency Management
847 Revenue Crown 21 Revenue Third Parties	
868 Total Revenue	
1,105 Expenses	
(237) Net Surplus/(Deficit)	
Output Appropriation: Support Services, Information and Education	» MCOA: Community Information and Advisory Services » Output Appropriation: Community Information – Civil Defence Emergency Management » MCOA: Emergency Management Services » Output Appropriation: Emergency Sector Support and Development
6,700 Revenue Crown 62 Revenue Third Parties	
6,762 Total Revenue	
6,171 Expenses	
591 Net Surplus/(Deficit)	

Vote Internal Affairs

2011/12 Appropriation and Funding	Appropriation funding transferred for 2012/13 to:
Output Appropriation: Anti-Money Laundering and Countering Financing of Terrorism	» MCOA: Regulatory Services » Output Appropriation: Regulatory Services
1,131 Revenue Crown 12 Revenue Third Parties	
1,143 Total Revenue	
1,035 Expenses	
108 Net Surplus/(Deficit)	
Output Appropriation: Contestable Services (RDA)	» No change in appropriation
<i>See main table above</i>	

Vote Internal Affairs

2011/12 Appropriation and Funding

Appropriation funding transferred for 2012/13 to:

Output Appropriation: Cross Government ICT Investment Proposals	» MCOA: Information and Technology Services » Output Appropriation: Cross Government ICT Investment Proposals
3,000 Revenue Crown	
– Revenue Third Parties	
3,000 Total Revenue	
2,926 Expenses	
74 Net Surplus/(Deficit)	
Output Appropriation: Government Technology Services	» MCOA: Information and Technology Services » Output Appropriation: Government Information and Technology Services
7,380 Revenue Crown	
2,582 Revenue Third Parties	
9,962 Total Revenue	
9,919 Expenses	
43 Net Surplus/(Deficit)	
Output Appropriation: Identity Services	» MCOA: Civic Information Services » Output Appropriation: Managing and Accessing Identity Information
20,659 Revenue Crown	
109,848 Revenue Third Parties	
130,507 Total Revenue	
116,320 Expenses	
14,187 Net Surplus/(Deficit)	
Output Appropriation: Machinery of Government Transition Costs	» MCOA: Policy Advice and Support Services
– Revenue Crown	
– Revenue Third Parties	
– Total Revenue	
800 Expenses	
(800) Net Surplus/(Deficit)	
Output Appropriation: Information and Advisory Services	» MCOA: Support for Statutory and Other Bodies » Output Appropriation: Commission of Inquiry and Similar Bodies » MCOA: Civic Information Services » Output Appropriation: Publishing Civic Information » Output Appropriation: Managing and Accessing Identity Information
13,544 Revenue Crown	
1,499 Revenue Third Parties	
15,043 Total Revenue	
13,048 Expenses	
1,995 Net Surplus/(Deficit)	

Vote Internal Affairs

2011/12 Appropriation and Funding

2011/12 Appropriation and Funding	Appropriation funding transferred for 2012/13 to:
Output Appropriation: Policy Advice – Internal Affairs	» MCOA: Policy Advice
3,389 Revenue Crown	» Output Appropriation: Policy Advice – Internal Affairs
55 Revenue Third Parties	» MCOA: Ministerial Support Services
3,444 Total Revenue	» Output Appropriation: Ministerial Support Services – Internal Affairs
3,473 Expenses	» Output Appropriation: Crown Entity Monitoring
(29) Net Surplus/(Deficit)	
Output Appropriation: Regulatory Services	» MCOA: Support Statutory and Other Bodies
4,216 Revenue Crown	» Output Appropriation: Statutory Body Support – Gambling Commission
20,664 Revenue Third Parties	» MCOA: Regulatory Services
24,860 Total Revenue	» Output Appropriation: Regulatory Services
25,279 Expenses	
(419) Net Surplus/(Deficit)	
Output Appropriation: Service Delivery Programme Development PLA	
– Revenue Crown	
288 Revenue Third Parties	
288 Total Revenue	
288 Expenses	
– Net Surplus/(Deficit)	
Output Appropriation: Services for Ethnic Affairs	» MCOA: Policy Advice
4,613 Revenue Crown	» Output Appropriation: Policy Advice – Ethnic Affairs
1,015 Revenue Third Parties	» MCOA: Ministerial Support Services
5,628 Total Revenue	» Output Appropriation: Ministerial Support Services – Ethnic Affairs
5,497 Expenses	» MCOA: Community Information and Advisory Services
131 Net Surplus/(Deficit)	» Output Appropriation: Advisory and Information Services to Ethnic Communities
Output Appropriation: Support Services for Grant Funding Bodies	» MCOA: Support for Statutory and Other Bodies
1,232 Revenue Crown	» Output Appropriation: Support for Grant Funding Bodies – Internal Affairs
7,961 Revenue Third Parties	
9,193 Total Revenue	
8,994 Expenses	
199 Net Surplus/(Deficit)	

Vote Local Government

2011/12 Appropriation and Funding

Appropriation funding transferred for 2012/13 to:

Multi-Class Output Appropriation: Services for Local Government

Output Appropriation: Information, Support and Regulatory Services – Local Government

2,444	Revenue Crown
648	Revenue Third Parties

3,092 Total Revenue

3,751	Expenses
-------	----------

(659) Net Surplus/(Deficit)

- » MCOA: Support for Statutory Bodies
- » Output Appropriation: Statutory Body Support – Local Government Commission
- » Output Appropriation: Local Government Services

Output Appropriation: Policy Advice – Local Government

4,325	Revenue Crown
63	Revenue Third Parties

4,388 Total Revenue

3,729	Expenses
-------	----------

659 Net Surplus/(Deficit)

- » MCOA: Policy Advice
- » Output Appropriation: Policy Advice – Local Government
- » MCOA: Ministerial Support Services
- » Output Appropriation: Ministerial Support Services – Local Government

Vote Ministerial Services

2011/12 Appropriation and Funding

Appropriation funding transferred for 2012/13 to:

Multi-Class Output Appropriation: Emergency Management Services

Output Appropriation: Official Visits and Events Coordination

4,285	Revenue Crown
36	Revenue Third Parties

4,321 Total Revenue

4,343	Expenses
-------	----------

(22) Net Surplus/(Deficit)

- » MCOA: Services Supporting the Executive
- » Output Appropriation: Coordination of Official Visits and Events

Output Appropriation: Support Services to Members of the Executive

26,473	Revenue Crown
411	Revenue Third Parties

26,884 Total Revenue

26,533	Expenses
--------	----------

351 Net Surplus/(Deficit)

- » MCOA: Ministerial Support Services
- » Output Appropriation: Ministerial Support Services – Ministerial Services
- » MCOA: Services Supporting the Executive
- » Output Appropriation: Support Services to the Members of the Executive

Vote Ministerial Services continued

Output Appropriation: VIP Transport Services	» MCOA: Services Supporting the Executive » Output Appropriation: VIP Transport Services
– Revenue Crown	
8,006 Revenue Third Parties	
8,006 Total Revenue	
7,936 Expenses	
70 Net Surplus/(Deficit)	

Vote National Archives

2011/12 Appropriation and Funding

Appropriation funding transferred for 2012/13 to:

Multi-Class Output Appropriation: Archives Management and Policy Advice

Output Appropriation: Archives Services	» MCOA: Community Information and Advisory Services » Output Appropriation: Community Archives Support
20,271 Revenue Crown	» MCOA: Civic Information Services
510 Revenue Third Parties	» Output Appropriation: Managing and Accessing Knowledge Information
20,781 Total Revenue	
20,261 Expenses	
520 Net Surplus/(Deficit)	
Output Appropriation: Policy Advice	» MCOA: Policy Advice » Output Appropriation: Policy Advice – Internal Affairs
382 Revenue Crown	» MCOA: Ministerial Support Services
6 Revenue Third Parties	» Output Appropriation: Ministerial Support Services – Internal Affairs
388 Total Revenue	» MCOA: Support for Statutory and Other Bodies
323 Expenses	» Output Appropriation: Statutory and Advisory Body Support – National Archives
65 Net Surplus/(Deficit)	
Output Appropriation: Regulation of Public Sector Recordkeeping	» MCOA: Regulatory Services » Output Appropriation: Regulatory Services
3,559 Revenue Crown	
127 Revenue Third Parties	
3,686 Total Revenue	
3,743 Expenses	
(57) Net Surplus/(Deficit)	

Vote National Library

2011/12 Appropriation and Funding

Appropriation funding transferred for 2012/13 to:

Multi-Class Output Appropriation:

National Library Services

Output Appropriation: Access to Information		<ul style="list-style-type: none"> » MCOA: Civic Information Services » Output Appropriation: Managing and Accessing Knowledge Information
28,856	Revenue Crown	
6,207	Revenue Third Parties	
35,063	Total Revenue	
33,246	Expenses	
1,817	Net Surplus/(Deficit)	
Output Appropriation: Collecting and Preserving Information		<ul style="list-style-type: none"> » MCOA: Civic Information Services » Output Appropriation: Managing and Accessing Knowledge Information
22,327	Revenue Crown	
610	Revenue Third Parties	
22,937	Total Revenue	
21,716	Expenses	
1,221	Net Surplus/(Deficit)	
Output Appropriation: Library and Information Services to Schools		<ul style="list-style-type: none"> » MCOA: Civic Information Services » Output Appropriation: Managing and Accessing Knowledge Information
16,032	Revenue Crown	
197	Revenue Third Parties	
16,229	Total Revenue	
15,395	Expenses	
834	Net Surplus/(Deficit)	
Output Appropriation: Policy Advice and Statutory Servicing		<ul style="list-style-type: none"> » MCOA: Policy Advice » Output Appropriation: Policy Advice – Internal Affairs » MCOA: Ministerial Support Services » Output Appropriation: Ministerial Support Services – Internal Affairs » MCOA: Support for Statutory and Other Bodies » Output Appropriation: Statutory and Advisory Body Support – National Library
870	Revenue Crown	
10	Revenue Third Parties	
880	Total Revenue	
720	Expenses	
160	Net Surplus/(Deficit)	

Vote Racing

2011/12 Appropriation and Funding

Output Appropriation: Policy Advice – Racing	
202	Revenue Crown
2	Revenue Third Parties
204	Total Revenue
149	Expenses
55	Net Surplus/(Deficit)

Appropriation funding transferred for 2012/13 to:

- » MCOA: Policy Advice
 - » Output Appropriation: Policy Advice – Racing
- » MCOA: Ministerial Support Services
 - » Output Appropriation: Ministerial Support Services – Racing

PART C –
FINANCIAL STATEMENTS

DEPARTMENTAL

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Comprehensive Income

Statement of Comprehensive Income for the year ended 30 June 2013

ACTUAL 2012 \$000		NOTE	ACTUAL 2013 \$000	MAIN EST 2013 \$000	SUPP EST 2013 \$000
Income					
214,138	Crown		213,125	193,387	213,128
162,521	Other Revenue	2	157,949	158,042	163,442
376,659	Total Income		371,074	351,429	376,570
Expenditure					
169,408	Personnel Costs	3	180,245	167,674	190,789
29,485	Depreciation and Amortisation Expense	11,12	33,243	40,012	30,745
20,980	Capital Charge	6	21,466	25,280	22,210
267	Finance Costs	5	277	64	264
132,933	Other Operating Expenses	4	131,619	124,778	143,790
875	Loss on Sale of Property, Plant and Equipment		1,080	-	-
353,948	Total Expenditure		367,930	357,808	387,798
22,711	Net Surplus/(Deficit)		3,144	(6,379)	(11,228)
Other Comprehensive Income					
-	Revaluation Gains (Loss)	19	12,192	-	-
22,711	Total Comprehensive Income		15,336	(6,379)	(11,228)

Explanations of significant variances against budget are detailed in note 26.

The accompanying notes form part of these financial statements.

Financial Position

Statement of Financial Position as at 30 June 2013

ACTUAL 2012 \$000		NOTE	ACTUAL 2013 \$000	MAIN EST 2013 \$000	SUPP EST 2013 \$000
Assets					
<i>Current Assets</i>					
72,952	Cash and Cash Equivalents	7	50,858	34,587	23,720
15,472	Debtors and Other Receivables	8	17,346	15,703	16,761
1,398	Inventories	9	1,673	1,544	1,544
3,963	Prepayments		5,447	3,143	3,943
3,505	Property, Plant and Equipment Held for Sale	11	–	–	–
97,290	Total Current Assets		75,324	54,997	45,968
<i>Non-Current Assets</i>					
206,888	Property, Plant and Equipment	11	213,588	243,601	216,376
63,160	Intangible Assets	12	69,922	72,540	69,692
–	Other Non-Current Assets		–	225	–
270,048	Total Non-Current Assets		283,510	316,366	286,068
367,338	Total Assets		358,834	371,343	332,036
Liabilities and Taxpayers' Funds					
<i>Current Liabilities</i>					
32,258	Creditors and Other Payables	13	33,642	24,585	28,085
3,983	Provisions	14	3,721	3,083	4,083
8,488	Revenue Received in Advance	15	7,389	6,000	8,500
9,406	Employee Entitlements	16	10,092	14,071	14,094
1,322	Finance Leases	17	1,322	1,322	1,322
10,317	Provision for Repayment of Surplus	18	6,103	–	–
21	Derivative Financial Instruments	23	–	–	–
65,795	Total Current Liabilities		62,269	49,061	56,084
<i>Non-Current Liabilities</i>					
200	Provisions	14	210	–	–
1,773	Employee Entitlements	16	1,874	1,428	1,728
1,872	Finance Leases	17	551	549	549
3,845	Total Non-Current Liabilities		2,635	1,977	2,277
69,640	Total Liabilities		64,904	51,038	58,361
297,698	Net Assets		293,930	320,305	273,675
Equity					
247,541	Taxpayer's Funds	19	235,667	291,827	246,037
22,519	Memorandum Accounts	19	19,560	–	–
27,638	Revaluation Reserves	19	38,703	28,478	27,638
297,698	Total Equity		293,930	320,305	273,675

Explanation of significant variances against budget is detailed in note 26.

The accompanying notes form part of these financial statements.

Changes in Equity

Statement of Changes in Equity for the year ended 30 June 2013

ACTUAL 2012 \$000		NOTE	ACTUAL 2013 \$000	MAIN EST 2013 \$000	SUPP EST 2013 \$000
22,711	Surplus/(deficit) for the year		3,144	(6,379)	(11,228)
-	- Other Comprehensive Income		12,192	-	-
22,711	Total comprehensive income		15,336	(6,379)	(11,228)
10,737	Memorandum Account Opening Balances	19	-	-	-
29	Foreign Exchange Reserve	19	-	-	-
12,284	Capital Injections	20	-	241	2,205
-	- Capital Withdrawals	20	(15,000)	-	(15,000)
(10,317)	Provision for Payment of Surplus	18	(6,103)	-	-
Transfers of General Funds and Revaluation Reserves between Government Entities					
-	- Charities Commission		2,199	-	-
-	- Parliamentary Services		(200)	-	-
-	Total Transfers of General Funds and Revaluation Reserve		1,999	-	-
35,444	Movement in Equity for the year		(3,768)	(6,138)	(24,023)
262,254	Add Equity as at 1 July		297,698	326,443	297,698
297,698	Equity as at 30 June		293,930	320,305	273,675

Explanation of significant variances against budget is detailed in note 26.

The accompanying notes form part of these financial statements.

Cash Flows

Statement of Cash Flows for the year ended 30 June 2013

ACTUAL 2012 \$000		NOTE	ACTUAL 2013 \$000	MAIN EST 2013 \$000	SUPP EST 2013 \$000
Cash Flows from Operating Activities					
<i>Cash was Provided from:</i>					
228,528	Supply of Outputs to the Crown		213,125	193,387	213,128
168,560	Supply of Outputs to Third Parties		155,045	157,579	165,397
	– Goods and Services Tax (Net)		585	–	–
397,088			368,755	350,966	378,525
<i>Cash was Disbursed to:</i>					
(300,102)	Suppliers and Employees		(318,667)	(293,411)	(335,945)
(20,980)	Capital Charge	6	(21,466)	(25,280)	(22,210)
(922)	Goods and Services Tax (Net)		–	–	(156)
(322,004)			(340,133)	(318,691)	(358,311)
75,084	Net Cash Flows from Operating Activities		28,622	32,275	20,214
Cash Flows from Investing Activities					
<i>Cash was Provided from:</i>					
	– Sale of Property, Plant and Equipment Held for Sale		3,123	–	–
2,604	Sale of Property, Plant and Equipment		548	6	6
547	Sale of Intangibles		–	–	–
3,151			3,671	6	6
<i>Cash was Disbursed to:</i>					
(35,826)	Purchase of Property, Plant and Equipment		(12,078)	(37,976)	(25,512)
(16,862)	Purchase of Intangibles		(18,537)	(26,484)	(20,167)
(52,688)			(30,615)	(64,460)	(45,679)
(49,537)	Net Cash Flows from Investing Activities		(26,944)	(64,454)	(45,673)
Cash Flows from Financing Activities					
<i>Cash was Provided from:</i>					
12,284	Capital Contribution	20	–	241	1,545
	– Transfers from Government Entities		1,545	–	–
12,284			1,545	241	1,545
<i>Cash was Disbursed to:</i>					
	– Capital Withdrawal	20	(15,000)	–	(15,000)
(16,600)	Repayment of Net Surplus		(10,317)	(4,835)	(10,318)
	– Payment of Finance Leases		–	–	–
(16,600)			(25,317)	(4,835)	(25,318)
(4,316)	Net Cash Flows from Financing Activities		(23,772)	(4,594)	(23,773)
Movement in Cash					
51,721	Opening Cash and Cash Equivalents		72,952	71,360	72,952
21,231	Add Net Increase/(Decrease) in Cash Held		(22,094)	(36,773)	(49,232)
72,952	Closing Cash and Cash Equivalents	7	50,858	34,587	23,720

The accompanying notes form part of these financial statements.

Net Surplus to Net Cash Flow from Operating Activities

Reconciliation of Total Comprehensive Income to Net Cash Flow from Operating Activities for the year ended 30 June 2013

ACTUAL 2012 \$000		ACTUAL 2013 \$000	MAIN EST 2013 \$000	SUPP EST 2013 \$000
22,711	Total Comprehensive income	15,336	(6,379)	(11,228)
	Add/(Deduct) Non Cash Items			
29,485	Depreciation and Amortisation	33,243	40,012	30,745
-	- Asset Revaluation Loss/(Gain)	(12,192)	-	-
(374)	Revenue from Collection Donations and Legal Deposits	-	-	-
-	- Interest Unwind on Leased Premises	10	-	-
29,111		21,061	40,012	30,745
	Add/(Deduct) Items Classified as Investing Activities			
875	Loss/(Gain) on Sale of Property, Plant and Equipment	1,080	(382)	(382)
875		1,080	(382)	(382)
	Add/(Deduct) Movements in Working Capital Items			
20,536	(Increase)/Decrease in Debtors and Other Receivables	(1,798)	(81)	2,357
727	(Increase)/Decrease in Other Current Assets	(1,759)	-	(146)
1,974	Increase/(Decrease) in Creditors and Other Payables	(3,280)	-	86
331	Increase/(Decrease) in Other Current Liabilities	(798)	(895)	(1,218)
(1,181)	Increase/(Decrease) in Non-Current Liabilities	(1,220)	-	-
22,387		(8,855)	(976)	1,079
75,084	Net Cash Flows From Operating Activities	28,622	32,275	20,214

The accompanying notes form part of these financial statements.

Commitments

Statement of Commitments as at 30 June 2013

ACTUAL 2012 \$000		ACTUAL 2013 \$000
Capital Commitments		
<i>Capital Contracts for Goods and Services</i>		
7,908	Less than one year	249
212	One to two years	–
–	Two to five years	–
8,120	Total Capital Contracts for Goods and Services	249
8,120	Total Capital Commitments	249
Operating Commitments		
<i>Non-Cancellable Leases</i>		
11,595	Less than one year	10,933
9,855	One to two years	8,125
20,876	Two to five years	16,812
12,944	Over five years	12,226
55,270	Total Non-Cancellable Leases	48,096
63,390	Total Commitments	48,345

Capital Commitments

Capital commitments are the aggregate amount of capital expenditure contracted for the acquisition of property, plant and equipment and intangible assets that have not been paid for, or not recognised as a liability, at the balance date.

Non-Cancellable Lease Commitments

The Department leases property, plant and equipment in the normal course of its business. The majority of the leases are for premises and office equipment. The non-cancellable leasing period for these leases varies.

The accompanying notes form part of these financial statements.

Contingent Assets and Liabilities

Statement of Contingent Assets and Liabilities as at 30 June 2013

Quantifiable Contingent Assets

ACTUAL 2012 \$000		ACTUAL 2013 \$000
169	Insurance Recoveries from Canterbury Earthquakes	3,309
169	Total Contingent Assets	3,309

The Department had four quantifiable contingent assets as at 30 June 2013. These relate to business interruption and material damage insurance claims due to the Department following the 2010/11 Canterbury earthquakes.

Non-quantifiable Contingent Assets

As at 30 June 2013 the Department had one non-quantifiable contingent asset relating to an insurance claim for building damage as a consequence of the 2010/11 Canterbury earthquakes.

As at 30 June 2012 the Department had one non-quantifiable contingent asset relating to yet to be qualified insurance recoveries as a consequence of the 2010/11 Canterbury earthquakes.

Quantifiable Contingent Liabilities

There were no quantifiable contingent liabilities as at 30 June 2013 (2012: \$nil).

Non-quantifiable Contingent Liabilities

There were no non-quantifiable contingent liabilities as at 30 June 2013.

As at 30 June 2012 the Department had one non-quantifiable contingent liability for a personal grievance lodged against the Department with the Employment Relations Authority (ERA). There were also two personal grievances that had been raised with the Department that had not been lodged with the ERA, but still had a further 12 months in which they could be lodged.

Unappropriated Expenditure

Statement of Unappropriated Expenditure and Capital Expenditure for the year ended 30 June 2013

There was no unappropriated expenditure for the year ended 30 June 2013. (2012: \$nil)

The accompanying notes form part of these financial statements.

Departmental Expenditure and Capital Appropriations

Statement of Departmental Expenditure and Capital Appropriations for the year ended 30 June 2013

EXPENDITURE AFTER REMEASURE- MENT 2012 \$000	EXPENDITURE BEFORE REMEASURE- MENT 2013 \$000	REMEASURE- MENT 2013 \$000	EXPENDITURE AFTER REMEASURE- MENT 2013 \$000	APPROP- RIATION VOTED* 2013 \$000
Appropriations for Output Expenses				
Vote Internal Affairs				
<i>Multi-Class Output Appropriation:</i>				
Civic Information Services				
- Managing and Accessing Identity Information	127,081	(17)	127,064	135,843
- Managing and Accessing Knowledge Information	87,464	(24)	87,440	88,808
- Publishing Civic Information	1,022	-	1,022	1,101
- Total Civic Information Services	215,567	(41)	215,526	225,752
<i>Multi-Class Output Appropriation:</i>				
Community Information and Advisory Services				
- Advisory and Information services to Ethnic Communities	5,138	(2)	5,136	5,275
- Community Archives Support	123	-	123	100
- Community Development and Engagement Advice	5,691	(3)	5,688	5,737
- Community Information – Civil Defence Emergency Management	1,570	-	1,570	1,634
- Total Community Information and Advisory Services	12,522	(5)	12,517	12,746
<i>Multi-Class Output Appropriation:</i>				
Emergency Management Services				
- Emergency Sector Support and Development	3,722	(1)	3,721	3,998
- Management of National Emergency Management Readiness, Response and Recovery	4,236	(1)	4,235	4,047
- Total Emergency Management Services	7,958	(2)	7,956	8,045
<i>Multi-Class Output Appropriation:</i>				
Information and Technology Services				
- Cross-Government Service Delivery and ICT Investment Proposals	6,639	-	6,639	7,224
- Government Information and Technology Services	13,778	(10)	13,768	15,893
- Total Information and Technology Services	20,417	(10)	20,407	23,117

* This includes adjustments made in the Supplementary Estimates and transfers under section 26A of the Public Finance Act

The accompanying notes form part of these financial statements.

EXPENDITURE AFTER REMEASURE- MENT 2012 \$000	EXPENDITURE BEFORE REMEASURE- MENT 2013 \$000	REMEASURE- MENT 2013 \$000	EXPENDITURE AFTER REMEASURE- MENT 2013 \$000	APPROP- RIATION VOTED* 2013 \$000
<i>Multi-Class Output Appropriation:</i>				
Ministerial Support Services				
- Crown Entity Monitoring	676	(1)	675	847
- Ministerial Support Services – Community and Voluntary Sector	174	-	174	150
- Ministerial Support Services – Emergency Management	254	-	254	189
- Ministerial Support Services – Ethnic Affairs	97	-	97	89
- Ministerial Support Services – Internal Affairs	326	-	326	380
- Ministerial Support Services – Local Government	352	-	352	295
- Ministerial Support Services – Ministerial Services	175	-	175	200
- Ministerial Support Services – Racing	51	-	51	47
- Total Ministerial Support Services	2,105	(1)	2,104	2,197
<i>Multi-Class Output Appropriation:</i>				
Policy Advice				
- Policy Advice – Community and Voluntary Sector	1,041	-	1,041	1,747
- Policy Advice – Emergency Management	582	-	582	715
- Policy Advice – Ethnic Affairs	722	-	722	752
- Policy Advice – Internal Affairs	4,048	(2)	4,046	3,858
- Policy Advice – Local Government	5,285	(1)	5,284	5,011
- Policy Advice – Racing	175	-	175	198
- Total Policy Advice	11,853	(3)	11,850	12,281
<i>Multi-Class Output Appropriation:</i>				
Policy Advice and Support Services				
3,473 Policy Advice	-	-	-	-
13,048 Information and Advisory Services	-	-	-	-
16,521 Total Policy and Support Services	-	-	-	-
<i>Multi-Class Output Appropriation:</i>				
Regulatory Services				
- Charities Administration	5,902	-	5,902	6,016
- Regulatory Services	30,741	(9)	30,732	32,493
- Total Regulatory Services	36,643	(9)	36,634	38,509
<i>Multi-Class Output Appropriation:</i>				
Services Supporting the Executive				
- Coordination of Official Visits and Events	4,601	(1)	4,600	5,267
- Support Services to Members of the Executive	24,571	(6)	24,565	24,941
- VIP Transport Services	7,688	(4)	7,684	7,814
- Total Services Supporting the Executive	36,860	(11)	36,849	38,022

* This includes adjustments made in the Supplementary Estimates and transfers under section 26A of the Public Finance Act

The accompanying notes form part of these financial statements.

EXPENDITURE AFTER REMEASURE- MENT 2012 \$000	EXPENDITURE BEFORE REMEASURE- MENT 2013 \$000	REMEASURE- MENT 2013 \$000	EXPENDITURE AFTER REMEASURE- MENT 2013 \$000	APPROP- RIATION VOTED* 2013 \$000
<i>Multi-Class Output Appropriation:</i>				
Support to Statutory and Other Bodies				
- Commissions of Inquiry & Similar Bodies	5,087	(1)	5,086	5,520
- Statutory and Advisory Body Support – National Archives	70	-	70	101
- Statutory and Advisory Body Support – National Library	3	-	3	100
- Statutory Body Support – Gambling Commission	894	-	894	1,158
- Statutory Body Support – Local Government Commission	1,190	-	1,190	1,604
- Support for Grant Funding Bodies – Community and Voluntary Sector	322	-	322	324
- Support for Grant Funding Bodies – Internal Affairs	9,269	(4)	9,265	10,861
- Total Support to Statutory and Other Bodies	16,835	(5)	16,830	19,668
<i>Departmental Output Expenses</i>				
- Administration of Grants	3,590	(2)	3,588	3,775
1,035 Anti Money Laundering and Countering Financing of Terrorism	-	-	-	-
9,918 Government Technology Services	-	-	-	-
2,926 Cross Government ICT Investment Proposals	-	-	-	-
116,320 Identity Services	-	-	-	-
- Local Government Services	2,782	(1)	2,781	2,785
800 Machinery of Government Transition Costs	-	-	-	-
25,279 Regulatory Services	-	-	-	-
288 Service Delivery Programme Development PLA	-	-	-	-
5,497 Services for Ethnic Affairs	-	-	-	-
8,994 Support Services for Grant Funding Bodies	-	-	-	-
841 Contestable Services	889	(1)	888	901
171,898 Total Departmental Output Expenses	7,261	(4)	7,257	7,461
188,419 Total Vote Internal Affairs	368,021	(91)	367,930	387,797
Vote Community and Voluntary Sector				
<i>Multi-Class Output Appropriation:</i>				
Policy Advice, Advisory and Support Services				
1,647 Policy Advice	-	-	-	-
4,089 Administration of Grants	-	-	-	-
5,581 Community Advisory Services	-	-	-	-
250 Support Services for Grant Funding Bodies	-	-	-	-
11,567 Total Policy Advice, Advisory and Support Services	-	-	-	-
11,567 Total Vote Community and Voluntary Sector	-	-	-	-
Vote Emergency Management				
<i>Multi-Class Output Appropriation:</i>				
Emergency Management Services				
1,105 Policy Advice – Emergency Management	-	-	-	-
6,173 Support Services, Information and Education	-	-	-	-
4,843 Management of National Emergency Readiness, Response and Recovery	-	-	-	-
12,121 Total Emergency Management Services	-	-	-	-
12,121 Total Vote Emergency Management	-	-	-	-

* This includes adjustments made in the Supplementary Estimates and transfers under section 26A of the Public Finance Act

EXPENDITURE AFTER REMEASURE- MENT 2012 \$000		EXPENDITURE BEFORE REMEASURE- MENT 2013 \$000	REMEASURE- MENT 2013 \$000	EXPENDITURE AFTER REMEASURE- MENT 2013 \$000	APPROP- RIATION VOTED* 2013 \$000
Appropriations for Output Expenses					
Vote Local Government					
<i>Multi-Class Output Appropriation:</i>					
Services for Local Government					
3,730	Policy Advice – Local Government	-	-	-	-
3,751	Information, Support and Regulatory Services – Local Government	-	-	-	-
7,481	Total Vote Local Government	-	-	-	-
Vote Ministerial Services					
Departmental Output Expenses					
26,533	Support Services to Members of the Executive	-	-	-	-
4,343	Official Visits and Events Coordination	-	-	-	-
7,936	VIP Transport Services	-	-	-	-
38,812	Total Vote Ministerial Services	-	-	-	-
Vote Racing					
Departmental Output Expenses					
149	Policy Advice – Racing	-	-	-	-
149	Total Vote Racing	-	-	-	-
Vote National Library					
<i>Multi-Class Output Appropriation:</i>					
National Library Services					
33,246	Access to Information	-	-	-	-
21,716	Collecting and Preserving Information	-	-	-	-
720	Policy Advice and Statutory Servicing	-	-	-	-
15,395	Library and Information Services to Schools	-	-	-	-
71,077	Total Vote National Library	-	-	-	-
Vote National Archives					
<i>Multi-Class Output Appropriation:</i>					
Archives Management and Policy Advice					
20,261	Archives Services	-	-	-	-
318	Policy Advice	-	-	-	-
3,743	Regulation of Public Sector Recordkeeping	-	-	-	-
24,322	Total Vote National Archives	-	-	-	-
353,948	Total Department Appropriation for Output Expenses	368,021	(91)	367,930	387,798
Appropriation for Capital Expenditure					
-	Department of Internal Affairs	24,756	-	24,756	45,679
-	Total Department Appropriation for Capital Expenditure	24,756	-	24,756	45,679
353,948	Total Department Appropriations	392,777	(91)	392,686	433,477

* This includes adjustments made in the Supplementary Estimates and transfers under section 26A of the Public Finance Act

Notes to the Financial Statements

Notes to the Financial Statements for the year ended 30 June 2013

1. Statement of Accounting Policies

Reporting Entity

The Department of Internal Affairs (the Department) is a government department as defined by Section 2 of the Public Finance Act 1989 and is domiciled in New Zealand.

The Department has also reported the Crown activities and trust money which it administers.

Transfer of Charities Commission functions

As a result of the Charities Amendment Act 2012, the Charities Commission was disestablished, and its functions were transferred to the Department from 1 July 2012. This resulted in the carrying balances for the Charities Commission's assets and liabilities being transferred to the Department on 1 July 2012.

Reporting Period

The reporting period for these financial statements is the year ended 30 June 2013. The financial statements were authorised for issue by the Chief Executive of the Department on 12 September 2013.

Basis of Preparation

Statement of Compliance

The financial statements of the Department have been prepared in accordance with the requirements of the Public Finance Act 1989, which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP), and Treasury Instructions. These financial statements have been prepared in accordance with NZ GAAP as appropriate for public benefit entities and they comply with NZ IFRS.

Measurement Base

The financial statements have been prepared on an historical cost basis, modified by the revaluation of land and buildings, antiques and art, and derivative financial instruments to fair value.

Budget Figures

The budget figures are those presented in the Budget Estimates of Appropriation (Main Est) for the Department and also the Supplementary Estimates (Supp Est). The budgets also include other amendments made through the course of the Supplementary Estimates process.

Budgets are prepared consistently with NZ GAAP and accounting policies used in the financial statements.

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year.

The accounting policies as set out below have been applied consistently to all periods presented in these financial statements.

Comparatives

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

Critical Accounting Judgements and Estimates

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

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

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Long Service, Sick and Retirement Leave

The long service and retirement leave valuations include the use of discount rates and inflationary estimates. These valuations are independently conducted.

Finance Leases

The Department has exercised its judgement on the appropriate classification of equipment leases and has determined one lease arrangement to be a finance lease as identified in note 17. To determine if a lease arrangement is a finance lease or an operating lease requires judgement as to whether the arrangement transfers substantially all the risks and rewards of ownership to the Department. Judgement is involved in determining the fair value of the leased asset, useful life and discount rate to calculate the present value of the minimum lease payments.

Effects from Accounting Standard Adoption

The Department has not adopted any new revisions to accounting standards during the financial year.

Standards, Amendments, and Interpretations Issued that are not yet Effective and have not been Early Adopted

Standards, amendments, and interpretations issued that are not yet effective, and have not been early adopted, and are relevant to the Department, are outlined below.

NZ IFRS 9 *Financial Instruments* will eventually replace NZ IAS 39 *Financial Instruments: Recognition and Measurement*. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 30 June 2014. The Department has not yet assessed the effect of the new standard and expects it will not be early adopted.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Department is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Department expects to transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, the Department is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

Functional and Presentation Currency

The functional currency of the Department is New Zealand dollars. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

Significant Accounting Policies

The measurement base used in preparing the financial statements is historical cost modified by the revaluation of land and buildings and antiques and artworks and certain financial instruments (including derivative instruments). The accrual basis of accounting has been used unless otherwise stated.

The particular accounting policies that have been applied are outlined below.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Revenue Crown

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

Third Party Revenue

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

Donated or Subsidised Assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue in the Statement of Comprehensive Income.

Revenue Received in Advance

Revenue is recognised in the Statement of Financial Position as a liability when the revenue has been received but does not meet the criteria for recognition as revenue in the Statement of Comprehensive Income.

Expenses

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

Statement of Cost Accounting Policies

Criteria for Direct and Indirect Costs

Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be identified with a specific output in an economically feasible manner.

Cost Allocation Policy

Direct costs are charged directly to significant activities. Indirect costs are charged to outputs based on cost drivers and related activity/usage information.

There were no changes in cost allocation policies since the last audited financial statements.

Method of Assigning Costs to Outputs

Costs of outputs are derived using the following cost allocation system:

Direct charging of costs to outputs includes capital charge and depreciation (which are charged on the basis of assets utilised), personnel costs (which are charged by recording time spent on each output) and operating costs (which are charged based on usage). For the year ended 30 June 2013, 80% of output costs were direct costs (2011/12: 80%).

Indirect costs are allocated to outputs on an activity-costing basis reflecting a mix of perceived benefit, personnel numbers, floor space, network connections and estimated allocation of time. For the year ended 30 June 2013, indirect costs accounted for 20% of the Department's costs (2011/12: 20%).

Cash and Cash Equivalents

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

Debtors and Other Receivables

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

Provision for Doubtful Debts

A provision is established when there is objective evidence that the Department will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the debtor is impaired. The amount of the provision is the difference between the receivables carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate.

Inventories

Inventories held for distribution or consumption in the provision of services that are not issued on a commercial basis are measured at the lower of cost (determined on the first-in first-out method) and current replacement costs. Where inventories are acquired at no cost, or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

The replacement cost of the economic benefits or service potential of inventory held for distribution reflects any obsolescence or any other impairment.

Any write-down from cost to current replacement cost is recognised in the Statement of Comprehensive Income in the period when the write-down occurs.

Accounting for Derivative Financial Instruments, Hedging Activities and Foreign Currency Transactions

The Department uses derivative financial instruments to hedge exposure to foreign exchange. In accordance with its foreign exchange policy, the Department does not hold or issue derivative financial instruments for trading purposes. The Department has not adopted hedge accounting.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date. Movements in the fair value of derivative financial instruments are recognised in the Statement of Comprehensive Income.

Foreign currency transactions (including those for which forward exchange contracts are held) are translated into New Zealand dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Property, Plant and Equipment

Additions

Items of property, plant and equipment costing more than \$0.003m were initially capitalised and recorded at cost.

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

From 1 July 2012, under the Department's new Assets Grouping Policy, plant and equipment that individually cost less than \$0.003 m are acquired as a group purchase with a total cost in excess of \$0.030m, the purchase will be treated as a capital acquisition and capitalised as a fixed asset.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal amount, it is recognised at fair value as at the date of acquisition.

Disposals

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

Impairment

The carrying amounts of plant, property and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised on the Statement of Comprehensive Income as either *Loss on Sale of Property, Plant and Equipment* or *Canterbury Earthquake Costs*. Losses resulting from impairment are reported in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount, in which case any impairment loss is treated as a revaluation decrease.

Revaluations

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

Classes of property, plant and equipment that are revalued are revalued at least every five years or whenever the carrying amount differs materially to fair value. Unrealised gains and losses arising from changes in the value of property, plant and equipment are recognised as at balance date and are debited or credited to *Other Comprehensive Income* in the Statement of Comprehensive Income.

To the extent that a gain reverses a loss previously charged to the Statement of Comprehensive Income for the asset class, the gain is credited to the Statement of Comprehensive Income. Otherwise, gains are credited to an asset revaluation reserve for that class of asset. To the extent that there is a balance in the asset revaluation reserve for the asset class any loss is debited to the reserve. Otherwise, losses are reported in the Statement of Comprehensive Income.

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

Specific Asset Class Policies

The asset class specific policies that have been applied are outlined below.

Land and Buildings

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

Collections

Collections include both general and school library collections. These current use collections are recorded at cost less accumulated depreciation and accumulated impairment losses.

Other Property, Plant and Equipment

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

Depreciation

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

Depreciation is not charged on land, artworks or capital work in progress.

The estimated useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

ASSET CATEGORY	ASSET LIFE
Buildings	30–90 Years
Leasehold Improvements	The unexpired period of the lease or the estimated life of the improvements, whichever is shorter
National Library General and Schools Collections	5–50 Years
Plant and Equipment	5–60 Years
Furniture and Fittings	5–30 Years
Office Equipment	5–10 Years
Motor Vehicles	3–6 Years
IT Equipment	3–5 Years
Leased Assets	3 Years

Intangible Assets

Additions

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

Disposal

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

Impairment

Intangible assets with finite lives are reviewed at least annually to determine if there is any indication of impairment. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported as *Loss on Sale of Property, Plant and Equipment* in the Statement of Comprehensive Income.

Amortisation

Amortisation is charged to the Statement of Comprehensive Income on a straight-line basis over the useful life of the asset. Amortisation is not charged on capital work in progress. The estimated useful lives of intangible assets are as follows:

ASSET CATEGORY	ASSET LIFE
Computer Software	3–8 Years
Births, Deaths and Marriages Historical Records Databases	10 Years
Digitised Collections	8 Years

Non-Current Assets Held for Sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the Statement of Comprehensive Income.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets held for sale (including those as part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Treatment of Non-Current Assets Transferred from Other Government Entities

All assets are transferred at net book value which was considered to equate to fair value. The assets, where applicable, will continue to be depreciated or amortised over their remaining useful lives.

Financial Instruments

Financial assets and financial liabilities are measured at fair value plus transaction costs. Any profit or loss from the financial transaction is recognised in the Statement of Comprehensive Income.

Financial Liabilities

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

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

Leases

Finance Leases

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

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Determining whether a lease agreement is a finance lease or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the Department. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant and equipment, whereas with an operating lease no such asset is recognised.

The Department has exercised its judgement on the appropriate classification of an equipment lease. Approval is held under section 50 of the Public Finance Act 1989 for the Department to be able to enter into a finance lease for supply of specialist printing equipment for the production of passport books.

Operating Leases

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

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

Employee Entitlements

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

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

Long Service, Retirement and Sick Leave

Long service, retirement leave and sick leave are calculated on an actuarial basis. The portion not considered payable in the next 12 months is recognised as a term liability as per note 16. The current portion is recognised as a current liability.

Defined Contribution Superannuation Schemes

Obligations for contributions to the State Sector Retirement Savings Scheme, KiwiSaver and the Government Superannuation Fund are accounted for as defined contribution schemes and are recognised as an expense in the Statement of Comprehensive Income when incurred.

Other Liabilities and Provisions

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

Capital Charge

The capital charge is recognised as an expense in the period to which the charge relates.

Commitments

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

Contingent Assets and Liabilities

Contingent assets and contingent liabilities are recorded in the Schedule of Contingent Assets and Contingent Liabilities at the point at which the contingency is evident. Contingent assets are disclosed if it is probable that the benefits will be realised. Contingent liabilities are disclosed when there is a possibility they will crystallise.

Equity

Equity is the Crown's investment in the Department and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified as taxpayers' funds, memorandum accounts and property revaluation reserves.

Memorandum Accounts

Memorandum accounts reflect the cumulative surplus/(deficit) on those departmental services provided that are intended to be fully cost recovered from third parties through fees, levies, or charges. The balance of each memorandum account is expected to trend toward zero over time.

Property Revaluation Reserve

These reserves relate to the revaluation of land and buildings and works of art and antiques to fair value.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

Taxation

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

Goods and Services Tax (GST)

All items in the financial statements including commitments and contingencies are GST exclusive, except for receivables and payables that are GST inclusive. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

The amount of GST owing by or payable to the Department at balance date, being the difference between output GST and input GST, is included in either receivables or payables.

Commitments and contingencies are disclosed exclusive of GST.

Critical Accounting Estimates and Assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. Other Revenue

ACTUAL 2012 \$000		ACTUAL 2013 \$000
86,399	Passport Fees	80,189
12,204	Citizenship Fees	13,065
10,043	Birth, Death, Marriage and Civil Union Fees	10,253
15,032	Non-casino Gaming Licences and Fees	17,098
5,359	Casino Operators' Levies	5,353
7,908	VIP Transport	7,053
7,842	Recovery from New Zealand Lottery Grants Board	8,239
922	New Zealand Gazette	902
835	Translation Services	896
904	Language Line Interpreter Services	1,189
963	e-Government Development and Operations	3,161
-	Electronic Purchasing in Collaboration (EPIC)	2,660
4,252	Te Puna Catalogue and Interloan Library Services	1,323
1,168	Kotui Library Services	1,195
-	Charities Registrations	769
3,189	State Sector Retirement Scheme Recoveries	-
665	Canterbury Earthquake Insurance Recoveries	-
4,836	Other Third Party Revenue	4,604
162,521	Total Other Revenue	157,949

3. Personnel Costs

ACTUAL 2012 \$000		ACTUAL 2013 \$000
160,517	Salaries, Wages and Contractors	172,166
3,141	Employer Contribution to Defined Contribution Plans	3,350
(588)	Increase/(Decrease) in Employee Entitlements	785
6,338	Other Personnel Costs	3,944
169,408	Total Personnel Costs	180,245

Employer contributions to defined contribution plans include contributions to the State Sector Retirement Savings Scheme, Kiwisaver, the Government Superannuation Fund and the National Provident Fund.

4. Operating Expense

ACTUAL 2012 \$000		ACTUAL 2013 \$000
10,851	Agency Fees	10,332
24,839	Computer Costs	27,449
5,873	Consultants	6,681
17,737	Inventory Costs	17,730
13,473	Office Expenses	13,453
13,309	Professional Fees	12,021
2,380	Publicity and Promotion	2,034
14,134	Rental and Leasing Costs	12,602
2,391	Staff Development	2,534
3,662	Library Resources and Subscriptions	3,505
6,589	Travel Expenses	6,641
268	Fee for Auditor (for the Financial Statement Audit)	299
28	Fees to Auditor (for Assurance and Related Services)	8
(13)	Increase/(Decrease) in Provision for Doubtful Debts	-
16	Realised Foreign Exchange Losses	72
24	Unrealised Foreign Exchange Losses/(Gains)	(21)
17,372	Other Departmental Operating Costs	16,279
132,933	Total Operating Expenses	131,619

The fees for assurance services were for witness duties connected with citizenship ceremonies.

5. Finance Costs

ACTUAL 2012 \$000		ACTUAL 2013 \$000
267	Interest on Finance Leases	267
-	Make Good on Lease Premises	10
267	Total Finance Costs	277

6. Capital Charge Expense

The Department pays a capital charge to the Crown based on the taxpayers' funds held as at 30 June and 31 December each year. The capital charge rate in 2012/13 was 8.0% (2011/12: 8.0%).

7. Cash and Cash Equivalents

ACTUAL 2012 \$000		ACTUAL 2013 \$000
71,643	New Zealand Bank Accounts	49,870
	Overseas Bank Accounts	
535	Australian Bank Accounts	353
752	UK Bank Accounts	635
22	US Bank Accounts	–
72,952	Total Cash and Cash Equivalents	50,858

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

8. Debtors and Other Receivables

ACTUAL 2012 \$000		ACTUAL 2013 \$000
4,822	Trade Receivables	6,703
10,657	Debtor Crown	10,650
(7)	Less Provision for Doubtful Debts	(7)
15,472	Total Accounts Receivable	17,346

The carrying value of trade receivables approximates their fair value.

As at balance date, all overdue receivables have been assessed for impairment, and appropriate provisions applied, as detailed below.

ACTUAL 2012				ACTUAL 2013		
GROSS \$000	IMPAIRMENT \$000	NET \$000		GROSS \$000	IMPAIRMENT \$000	NET \$000
14,708	–	14,708	Not past due	16,143	–	16,143
614	–	614	Past due 1–30 days	693	–	693
49	–	49	Past due 31–60 days	142	–	142
33	–	33	Past due 61–90 days	169	–	169
75	(7)	68	Past due > 91 days	206	(7)	199
15,479	(7)	15,472	Total Accounts Receivable	17,353	(7)	17,346

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

Movements in the provision for doubtful debts are as follows:

ACTUAL 2012 \$000		ACTUAL 2013 \$000
(21)	Opening Doubtful Debts as at 1 July	(7)
–	Additional Provisions Made During the Year	8
14	Provisions Released During the Year	–
–	Trade Receivables Written Off	(8)
(7)	Closing Doubtful Debts as at 30 June	(7)

9. Inventories

ACTUAL 2012 \$000		ACTUAL 2013 \$000
	Birth, Death and Marriage Certificates	
19	Stock on Hand	62
	Citizenship	
49	Stock on Hand	49
583	Work in Progress	571
	National Library	
48	Stock on Hand	48
	Passports	
51	Stock on Hand	26
648	Work in Progress	917
1,398	Total Inventories	1,673

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

10. Derivative Financial Instruments

The notional principal amounts of the outstanding forward exchange contracts at balance date are as follows:

ACTUAL 2012 \$000		ACTUAL 2013 \$000
-	Australian dollars \$	-
-	UK Sterling £	-
665	United States dollars \$	-

The fair value of forward exchange contracts has been determined using a discounted cash flows valuation technique based on quoted market prices. The inputs into the valuation model are from independently sourced market parameters such as currency rates. Most market parameters are implied from instrument prices.

The nominal value of the contracts at 30 June 2012 was \$NZD 0.877million.

11. Property, Plant and Equipment

2013

Cost or Valuation

Asset Class	Balance at 1 July \$000	Additions \$000	Revaluations/ Impairments \$000	Disposals \$000	Transfers and Held for Sale \$000	Balance at 30 June \$000
Land	49,825	–	(10)	–	–	49,815
Buildings	108,454	6,120	1,275	–	24	115,873
Leasehold Improvements	14,141	31	–	(14)	(478)	13,680
Antiques and Works of Art	1,193	63	–	–	(200)	1,056
Furniture and Fittings	11,822	476	–	(977)	97	11,418
General Collections	27,097	779	–	–	–	27,876
Schools Collections	13,449	1,293	–	–	–	14,742
Office Equipment	5,261	481	–	(124)	52	5,670
Motor Vehicles	8,097	866	–	(1,063)	–	7,900
Plant and Equipment	12,537	737	–	(58)	94	13,310
IT Equipment	43,531	1,223	–	(9,052)	(1,094)	34,608
Leased Assets	6,608	–	–	–	–	6,608
Total Cost	302,015	12,069	1,265	(11,288)	(1,505)	302,556

Accumulated Depreciation

Asset Class	Balance at 1 July \$000	Depreciation \$000	Revaluations/ Impairments \$000	Disposals \$000	Transfers and Held for Sale \$000	Balance at 30 June \$000
Land	–	–	–	–	–	–
Buildings	7,791	3,683	(11,149)	(51)	–	274
Leasehold Improvements	8,978	1,188	–	(9)	(555)	9,602
Antiques and Works of Art	–	–	–	–	–	–
Furniture and Fittings	6,887	512	–	(938)	74	6,535
General Collections	15,540	1,388	–	–	–	16,928
Schools Collections	10,508	1,170	–	–	–	11,678
Office Equipment	4,778	256	–	(118)	31	4,947
Motor Vehicles	3,084	1,384	–	(615)	–	3,853
Plant and Equipment	4,526	538	–	(50)	(188)	4,826
IT Equipment	29,621	4,799	–	(9,051)	220	25,589
Leased Assets	3,414	1,322	–	–	–	4,736
Total Accumulated Depreciation	95,127	16,240	(11,149)	(10,832)	(418)	88,968

2012

Cost or Valuation

Asset Class	Balance at 1 July \$000	Additions \$000	Revaluations/ Impairments \$000	Disposals \$000	Transfers and Held for Sale \$000	Balance at 30 June \$000
Land	53,025	–	–	(1,400)	(1,800)	49,825
Buildings	84,157	26,452	–	(450)	(1,705)	108,454
Leasehold Improvements	12,776	1,387	–	(22)	–	14,141
Antiques and Works of Art	1,186	7	–	–	–	1,193
Furniture and Fittings	12,495	1,024	–	(898)	(799)	11,822
General Collections	26,378	719	–	–	–	27,097
Schools Collections	12,290	1,159	–	–	–	13,449
Office Equipment	5,355	249	–	(343)	–	5,261
Motor Vehicles	7,505	4,086	–	(3,494)	–	8,097
Plant and Equipment	8,873	3,219	–	(354)	799	12,537
IT Equipment	44,612	31	–	(1,112)	–	43,531
Leased Assets	6,608	–	–	–	–	6,608
Total Cost	275,260	38,333	–	(8,073)	(3,505)	302,015

Accumulated Depreciation

Asset Class	Balance at 1 July \$000	Depreciation \$000	Revaluations/ Impairments \$000	Disposals \$000	Transfers and Held for Sale \$000	Balance at 30 June \$000
Land	–	–	–	–	–	–
Buildings	5,085	2,827	–	(121)	–	7,791
Leasehold Improvements	7,527	1,468	–	(17)	–	8,978
Antiques and Works of Art	–	–	–	–	–	–
Furniture and Fittings	7,383	522	–	(493)	(525)	6,887
General Collections	13,764	1,776	–	–	–	15,540
Schools Collections	9,326	1,182	–	–	–	10,508
Office Equipment	4,816	254	–	(292)	–	4,778
Motor Vehicles	3,476	1,529	–	(1,921)	–	3,084
Plant and Equipment	4,426	(75)	–	(350)	525	4,526
IT Equipment	24,435	5,551	–	(365)	–	29,621
Leased Assets	2,093	1,321	–	–	–	3,414
Total Accumulated Depreciation	82,331	16,355	–	(3,559)	–	95,127

* Transfers include transfers made to Non-Departmental accounts and transfers between government entities.

Summary of Property, Plant and Equipment

Cost or Valuation \$000	ACTUAL 2012		Carrying Value \$000	Asset Class	Cost or Valuation \$000	ACTUAL 2013	
	Accumulated Depreciation \$000					Accumulated Depreciation \$000	Carrying Value \$000
49,825	–	49,825	Land	49,815	–	49,815	
108,454	7,791	100,663	Buildings	115,873	274	115,599	
14,141	8,978	5,163	Leasehold Improvements	13,680	9,602	4,078	
1,193	–	1,193	Antiques and Works of Art	1,056	–	1,056	
11,822	6,887	4,935	Furniture and Fittings	11,418	6,535	4,883	
27,097	15,540	11,557	General Collections	27,876	16,928	10,948	
13,449	10,508	2,941	School Collections	14,742	11,678	3,064	
5,261	4,778	483	Office Equipment	5,670	4,947	723	
8,097	3,084	5,013	Motor Vehicles	7,900	3,853	4,047	
12,537	4,526	8,011	Plant and Equipment	13,310	4,826	8,484	
43,531	29,621	13,910	IT Equipment	34,608	25,589	9,019	
6,608	3,414	3,194	Leased Assets	6,608	4,736	1,872	
302,015	95,127	206,888	Total Property, Plant and Equipment	302,556	88,968	213,588	

Leased Assets

The net carrying amount of the leased assets (Passport Printers) held under finance lease is \$2.093m (2011/12: \$3.194m).

Capital Work in Progress

The total amount of property, plant and equipment in the course of construction is \$1.158m (2011/12: \$12.699m).

Revaluation Movement

Details of valuations and revaluation movements are contained in note 19.

Impairment Losses

Adjustments have been made within the accounts for all potential impairment losses resulting from the 2010/11 Canterbury earthquakes. While damages have not as yet been fully quantified, damages are not expected to materially affect the current residual value of the Department's assets.

Restrictions of Title

There are no restrictions over the title of the Department's Property, Plant and Equipment and no Property, Plant and Equipment assets are pledged as security for liabilities.

Non-Current Property, Plant and Equipment Held for Sale

At 30 June 2013 there were no non-current assets held for sale. As at 30 June 2012 two Department owned buildings had been classified as current Property, Plant and Equipment held for sale. These were sold during the year ended 30 June 2013.

ACTUAL 2012 \$000		ACTUAL 2013 \$000
Non-current Assets Held for Sale		
1,705	Buildings	-
1,800	Land	-
3,505	Total Non-currents Held for Sale as at 30 June	-

The accumulated property revaluation reserve recognised in equity for these properties at 30 June 2012 was \$1.274m.

12. Intangible Assets

2013

Cost or Valuation

Asset Class	Balance at 1 July \$000	Additions \$000	Revaluations/ Impairments \$000	Disposals \$000	Transfers and Held for Sale \$000	Balance at 30 June \$000
Cost						
Computer Software	135,384	23,091	-	(4,188)	2,942	157,229
	Balance at 1 July \$000	Amortisation \$000	Revaluations/ Impairments \$000	Disposals \$000	Transfers and Held for Sale \$000	Balance at 30 June \$000
<i>Less Accumulated Amortisation</i>						
Computer Software	72,224	17,003	-	(3,108)	1,188	87,307
Net Book Value	63,160					69,922

2012

Asset Class	Balance at 1 July \$000	Additions \$000	Revaluations/ Impairments \$000	Disposals \$000	Transfers and Held for Sale \$000	Balance at 30 June \$000
Cost						
Computer Software	119,755	17,034	(184)	(1,221)	-	135,384
	Balance at 1 July \$000	Amortisation \$000	Revaluations/ Impairments \$000	Disposals \$000	Transfers and Held for Sale \$000	Balance at 30 June \$000
<i>Less Accumulated Amortisation</i>						
Computer Software	59,782	13,128	-	(686)	-	72,224
Net Book Value	59,973					63,160

Capital Work in Progress

The total amount of intangibles in the course of construction is \$17.875m (2011/12: \$28.669m).

Impairment Losses

There were no impairment losses in 2012/13 (2011/12: \$0.184m).

Restrictions of Title

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

13. Creditors and Other Payables

ACTUAL 2012 \$000		ACTUAL 2013 \$000
9,203	Creditors	5,423
16,861	Accrued Expenses	19,356
4,439	Accrued Salaries	6,583
1,755	GST Payable	2,280
32,258	Total Accounts Payable	33,642

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

14. Provisions

Actual 2012 \$000		Actual 2013 \$000
Current portion		
876	Restructuring	488
536	Lease Make Good	427
2,571	Other	2,806
3,983	Total current portion	3,721
Non-current portion		
200	Lease Make Good	210
200	Total non-current portion	210
4,183	Total Provisions	3,931

	Restructuring \$000	Lease Make Good \$000	Other \$000	TOTAL \$000
2012				
Balance as at 1 July	921	995	1,552	3,468
Additional provisions made	603	261	1,777	2,641
Charge against provision for the year	(482)	(302)	(758)	(1,542)
Unused provisions reversed	(166)	(218)	–	(384)
Discount unwind (see note 5)	–	–	–	–
Balance as at 30 June	876	736	2,571	4,183
2013				
Balance as at 1 July	876	736	2,571	4,183
Additional provisions made	30	–	405	435
Charge against provision for the year	(398)	(52)	(170)	(620)
Unused provisions reversed	(20)	(57)	–	(77)
Discount unwind (see note 5)	–	10	–	10
Balance as at 30 June	488	637	2,806	3,931

Restructuring Provision

This provision represents one-off costs for remaining integration activities related to Machinery of Government changes and other minor restructuring across the Department.

Lease Make Good Provision

A number of the Department's property leases require, at the expiry of the lease term, restoration of the properties to an agreed condition, repairing any damage and removing any fixtures and fittings installed by the Department. A provision has been recorded to recognise this liability.

Other Provisions

The rental savings from the Canterbury earthquakes and the Chief Executive's Scholarships are the major components of the other provisions.

15. Revenue Received in Advance

ACTUAL 2012 \$000		ACTUAL 2013 \$000
3,268	Identity Products	3,236
3,053	Licensing Fees	1,612
	– Kōtui Library Services	670
2,025	Electronic Purchasing in Collaboration (EPIC)	1,798
142	Other	73
8,488	Total Revenue Received in Advance	7,389

16. Employee Entitlements

ACTUAL 2012 \$000		ACTUAL 2013 \$000
	Current Entitlements	
8,604	Annual Leave	8,989
76	Sick Leave	89
726	Long Service and Retirement Leave	1,014
9,406	Total Current Entitlements	10,092
	Term Entitlements	
1,773	Long Service and Retirement Leave	1,874
1,773	Total Term Entitlements	1,874
11,179	Total Entitlements	11,966

Long Service and Retirement Leave

The assessment was undertaken of the Long Service and Retirement Leave liability for each employee as at balance date. Actuarial services were provided by Mercer Human Resource Consulting Ltd and were prepared by Mark Channon, Fellow of the New Zealand Society of Actuaries.

The measurement of the retiring and long service leave obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate and salary inflation factor. Any changes in these assumptions will affect the carrying value of the liability.

	2012	2013
Discount Rate		
Long Service Leave	2.81%	3.78%
Retiring Leave	2.20%	2.92%
Salary Inflation Factor		
Salary Inflation Factor	3.50%	3.50%

17. Finance Leases

ACTUAL 2012 \$000		ACTUAL 2013 \$000
	Total Minimum Lease Payments Payable	
1,589	Not later than one year	1,589
2,251	Later than one year and not later than five years	708
3,840	Total Minimum Lease Payments	2,297
(646)	Future Finance Charges	(424)
3,194	Present Value of Minimum Lease Payments	1,873
	Present Value of Minimum Lease Payments Payable	
1,322	Not later than one year	1,322
1,872	Later than one year and not later than five years	551
3,194	Total Present Value of Minimum Lease Payments	1,873
	Represented by:	
1,322	Current	1,322
1,872	Non-Current	551
3,194	Total Finance Leases	1,873

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

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

Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default. The effective interest rate used for this lease is 7.5%.

18. Return of Operating Surplus

ACTUAL 2012 \$000		ACTUAL 2013 \$000
22,711	Total Comprehensive Income	15,336
-	Revaluation Loss/(Gain)	(12,192)
53	Unrealised Foreign Exchange (Gains)/Loss	-
(11,782)	Surplus/(Deficit) on Memorandum Accounts	2,959
(665)	Insurance recoveries from February 2011 Canterbury earthquake	-
10,317	Total Return of Operating Surplus	6,103

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

19. Equity

ACTUAL 2012 \$000		ACTUAL 2013 \$000
Taxpayers' Funds		
233,776	Opening balance at 1 July	247,541
22,711	Total Comprehensive Income	15,336
29	Foreign Exchange Reserve	-
-	- Transfer of General Funds between Government Departments	1,999
-	- Transfer of Revaluation losses/(gains)	(12,192)
840	Transfer Revaluation Reserve to Taxpayers' Funds on Disposal	1,127
(11,782)	Transfer of Memorandum Account net (surplus)/deficit for the year	2,959
12,284	Capital Injections	-
-	- Capital Withdrawals	(15,000)
(10,317)	Return of operating surplus to the Crown	(6,103)
247,541	Balance at 30 June	235,667
Memorandum Accounts		
-	- Opening Balance 1 July	22,519
10,737	Capital Injection for Memorandum Account opening balance	-
11,782	Net Memorandum Account surpluses/(deficits) for the year	(2,959)
22,519	Balance at 30 June	19,560
Revaluation Reserves		
28,478	Opening Balance 1 July	27,638
-	- Revaluation gains/(losses)	12,192
(840)	Transfer to Taxpayers' Funds on Disposal	(1,127)
27,638	Balance at 30 June	38,703
297,698	Total Equity at 30 June	293,930
Revaluation Reserves Consist of:		
14,368	Land Revaluation Reserve	12,669
12,485	Buildings Revaluation Reserve	25,322
785	Antiques and Works of Art	712
27,638	Total Revaluation Reserves	38,703

Land and Buildings – Ministerial Properties and Department Accommodation

Darroch Ltd, a Licensed Real Estate Agent (REAA 2008) and registered independent valuer, conducted a valuation of ministerial properties and Departmental land and buildings in March 2013, with valuations effective 30 June 2013. The 2012/13 revaluation reserve transfer to Taxpayers' Funds is a result of the sale of two ministerial properties (\$1.127m).

The 2011/12 revaluation movement is a result of the sale of a ministerial property (\$0.840m).

Antiques and Works of Art

A valuation of antiques and works of art was undertaken by Dunbar Sloane Ltd, an independent expert, in June 2011 with valuations effective 30 June 2011.

Memorandum Accounts

Memorandum accounts are 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.

ACTUAL 2012 \$000	ACTUAL 2013 \$000
New Zealand Gazette	
- Balance at 1 July	516
620 Capital Injection 1 July	-
1,003 Revenue Movement for the year	930
1,107 Expense Movement for the year	1,022
(104) Net Memorandum Account surpluses/(deficits) for the year	(92)
516 Balance at 30 June	424
Use of Facilities and Access to Lake Taupo by Boat Users	
- Balance at 1 July	(183)
(125) Capital Injection 1 July	-
225 Revenue Movement for the year	459
283 Expense Movement for the year	459
(58) Net Memorandum Account surpluses/(deficits) for the year	-
(183) Balance at 30 June	(183)
Passport Products	
- Balance at 1 July	27,368
17,425 Capital Injection 1 July	-
87,071 Revenue Movement for the year	80,405
77,128 Expense Movement for the year	86,930
9,943 Net Memorandum Account surpluses/(deficits) for the year	(6,525)
27,368 Balance at 30 June	20,843
Citizenship Products	
- Balance at 1 July	3,226
(315) Capital Injection 1 July	-
12,337 Revenue Movement for the year	13,095
8,796 Expense Movement for the year	7,578
3,541 Net Memorandum Account surpluses/(deficits) for the year	5,517
3,226 Balance at 30 June	8,743
Marriage and Civil Union Products	
- Balance at 1 July	(566)
(531) Capital Injection 1 July	-
2,975 Revenue Movement for the year	2,843
3,010 Expense Movement for the year	3,153
(35) Net Memorandum Account surpluses/(deficits) for the year	(310)
(566) Balance at 30 June	(876)

ACTUAL 2012 \$000		ACTUAL 2013 \$000
	Issue of Birth, Death and Marriage Certifications and other Products	
	– Balance at 1 July	672
272	Capital Injection 1 July	–
7,128	Revenue Movement for the year	7,412
6,728	Expense Movement for the year	6,464
400	Net Memorandum Account surpluses/(deficits) for the year	948
672	Balance at 30 June	1,620
	Administration of Non-casino Gaming	
	– Balance at 1 July	(6,958)
(5,538)	Capital Injection 1 July	–
15,156	Revenue Movement for the year	17,637
16,576	Expense Movement for the year	17,398
(1,420)	Net Memorandum Account surpluses/(deficits) for the year	239
(6,958)	Balance at 30 June	(6,719)
	Infrastructure as a Service (IaaS)	
	– Balance at 1 July	(2,318)
(1,071)	Capital Injection 1 July	–
	– Revenue Movement for the year	253
1,247	Expense Movement for the year	388
(1,247)	Net Memorandum Account surpluses/(deficits) for the year	(135)
(2,318)	Balance at 30 June	(2,453)
	Kotui Library Services	
	– Balance at 1 July	762
1,168	Revenue Movement for the year	1,211
406	Expense Movement for the year	1,136
762	Net Memorandum Account surpluses/(deficits) for the year	75
762	Balance at 30 June	837
	All-of-Government Adoption of Cloud Computing	
	– Balance at 1 July	–
	– Revenue Movement for the year	–
	– Expense Movement for the year	2,964
	– Net Memorandum Account surpluses/(deficits) for the year	(2,964)
	– Balance at 30 June	(2,964)
	Electronic Purchasing in Collaboration (EPIC)	
	– Balance at 1 July	–
	– Revenue Movement for the year	2,665
	– Expense Movement for the year	2,377
	– Net Memorandum Account surpluses/(deficits) for the year	288
	– Balance at 30 June	288

Actions Taken to Address Surpluses and Deficits

New Zealand Gazette (Established 30 June 2002)

Purpose: The cost of publishing and distributing the *New Zealand Gazette* is recovered through third party fees.

Actions: Fees will be reviewed once the costs of a project to improve the *New Zealand Gazette's* online capability have been fully scoped. The project is in phase one of three phases. The final phase is likely to be completed by June 2014.

Use of Facilities and Access to Lake Taupo by Boat Users (Established 30 June 2002)

Purpose: The Department manages berths, jetties and boat ramps located at Lake Taupo. Fees are charged to third parties for the use of boat ramps and marina berths. These fees are used to cover the cost of the administration and maintenance of these facilities and, over time, to cover costs relating to depreciation on Crown assets utilised and the rental paid to the Tūwharetoa Māori Trust Board for the portions of the lake bed used for berths, jetties and boat ramps.

Actions: Staggered fee increases were approved in June 2012 designed to move fees towards full cost recovery over a two year period including the Crown costs identified above.

Passport Products (Established 30 June 2002)

Purpose: To support a strategy to stabilise fees based on full cost recovery over a four- to five-year planning horizon. This strategy supports the introduction of new technologies, including the replacement of the ageing passport system within that timeframe.

Actions: The memorandum account surplus is expected to reduce as passport developments are implemented. The technology to enable online adult passport renewal applications was rolled out in 2012/13 and other initiatives to improve the passport services and to extend the online passport application service to child applicants and first time adult applicants will be rolled out over the next two years.

In order to reduce the passports memorandum account over several years from \$27m at 30 June 2012 to approximately \$6m by 30 June 2014, passport fees were reduced in November 2012 to below cost. The balance in this account is affected by fluctuating volumes and the timing of system changes. The 2012/13 expenditure movement mainly reflected the timing of expenditure on Passport Redevelopment Programme developments. The Passport Redevelopment Programme is expected to be completed in 2013/14. It will replace ageing technology, improve process integrity, and implement a new robust system to handle the progressive increase in passport application volumes resulting from the 2005 move to a five-year passport.

Citizenship Products (Established 30 June 2002)

Purpose: To support a strategy to stabilise fees based on full cost recovery over a four- to five-year planning horizon.

Actions: The current fees schedule for citizenship products was approved with effect from 1 September 2003. The balance in this account in recent years has been affected by fluctuating volumes and legislative changes that increased the citizenship eligibility qualifying period from three to five years of permanent residence.

The 2012/13 favourable movement reflected higher than forecast revenues from citizenship grants. Productivity improvements achieved through system enhancements implemented in 2010/11 also resulted in the ability to handle the 2012/13 citizenship volume increase with lower expenditure.

The balance in the Citizenship Memorandum Account is expected to contribute to the costs of replacing ageing technology, including system process improvement and integrity. Citizenship fees will be reviewed in 2013/14 following the completion of this programme of work.

Marriage and Civil Union Products (Established 30 June 2002, amended to include Civil Unions 1 July 2012)

Purpose: To support a strategy to stabilise fees based on full cost recovery over a four- to five-year planning horizon. This strategy supports the introduction of new technologies including the replacement of the ageing Births, Deaths and Marriages (BDM) systems within that timeframe.

Actions: The basis of current fees schedule for marriages and civil unions was approved with effect from 1 September 2003 to recover full costs. The adverse movement in 2012/13 reflects higher costs since fees were last reviewed, including the addition of civil union activities and the costs of implementing the same sex marriage legislation.

Work is expected to commence in 2013/14 to upgrade/replace the ageing legacy Life data system including developing access to marriage/civil union licence/registration on line. Marriage product fees will be reviewed in 2013/14 and will incorporate the results of the foregoing initiatives and the impact of volume changes.

Births, Deaths and Marriages Certificates, and Other Products (Established 30 June 2002)

Purpose: To support a strategy to stabilise fees based on full cost recovery over a four- to five-year planning horizon. This strategy includes the introduction of new technologies that allow greater access by applicants through the Internet.

Actions: The current fees schedule was approved with effect from 1 September 2003 to recover full costs. The favourable movement in 2012/13 is due to efficiency savings resulting from the Department's Performance and Productivity Improvement Programme, together with lower business support costs and the deferral of expenditure relating to system technology upgrades. Work is expected to commence in 2013/14 to upgrade/replace the ageing BDM legacy Life data system used for registering and accessing BDM data by customers.

Administration of Non-casino Gaming (Established 30 June 2002)

Purpose: Fees established to recover the cost of administration and regulation of non-casino gaming are reflected in gaming machine fees, licence fees and similar charges for differing types of gaming activity, in addition to charges relating to the electronic monitoring of non-casino gaming machines.

Actions: The current fees schedule was approved with effect from 1 February 2008. Changes since that time to the bases of revenue recovery for gaming machines and associated activity, in particular around volumes and activity due to permanent reductions in the number of gaming machines, have resulted in lower than anticipated fees income over a number of years. The higher revenue in 2012/13 compared with 2011/12 reflected the timing of revenue recognition between years. A structural review of the associated regulatory and compliance functions was completed in 2012/13 and a review of fees is expected to be completed in 2013/14.

Infrastructure as a Service (IaaS) (Established 1 January 2011)

Purpose: IaaS was established to provide government agencies with access to shared storage, computing and data centre facilities on a self-service, pay-as-you-use basis. The model is flexible so that agencies can choose service elements that best fit their business needs, and can join the initiative in a staged way as existing infrastructure assets require replacement or as new capacity is required.

This approach consolidates public sector demand, reduces duplication (in respect of infrastructure and capital expenditure), allows agencies to manage resources better and provides agencies with the improved ability to understand the total cost of ownership of their use of ICT infrastructure.

The cost of establishing and managing the IaaS will be recovered through fees charged to government agencies for use of the service.

Actions: 42 agencies were signed up for IaaS services as at the end of June 2013, compared to the 12 agencies originally forecast to be signed up by end of year two. The cost of establishing and managing the IaaS will be recovered through government agencies that use the service. Agency fees will be agreed by the Inter-agency Steering Group on an annual basis. It is projected that the establishment costs will be fully recovered by 2017/18.

Kōtūi Library Services (Established 30 January 2011)

Purpose: The National Library provides Kōtūi as a shared service integrated library management and resource discovery systems for public libraries. The business model is a subscription service where public libraries pay a one-off license fee followed by annual subscription charges.

Actions: The Kōtuiti shared library and resource discovery service was launched to public libraries in September 2011. During 2012/13 ten territorial local authorities joined and there are now eighteen members in the service. Because Kōtuiti is a shared library service, one of the effects it has had is to increase collaborative opportunities between geographically dispersed libraries. This allows library staff around New Zealand to participate in experts' groups to help shape the development of the service into the future.

All of Government Adoption of Cloud Computing (Established 2012)

Purpose: Establish the foundational capabilities of cloud computing for All-of-Government use. The Department will recover all capital and operating costs incurred in implementing the cloud initiative, including establishing the foundational capabilities and implementing specific services, from agencies through service charges on individual deployments.

Actions: Cloud computing is in its development phase. The first deployment of initiatives is to occur during 2013/14. Recovery of costs will begin once agencies start to consume the services provided via the deployment of cloud initiatives. The rate of recovery will depend on the take up rate by agencies, and the recovery charges set. The intention is to recover all costs within 5 years of services being available for agencies to use.

EPIC (Electronic Purchasing in Collaboration) (Established 2012)

Purpose: The purpose of EPIC is to negotiate group licenses to electronic resources and to provide member libraries and all New Zealand schools with access to high quality subscription electronic resources at more favourable rates than they would be able to achieve individually.

Actions: EPIC operations are funded through an administration component of member libraries' subscriptions. Membership and cost allocations are approved by the EPIC Governance Group on a case by case basis.

20. Capital Injections and Withdrawals

ACTUAL 2012 \$000		ACTUAL 2013 \$000
1,079	Passport Redevelopment Programme	-
9,705	National Library New Generation Improvement Programme	-
1,500	Emergency Management Information System	-
12,284	Total Capital Injections	-
-	Capital to Operating Swap	15,000
-	Total Capital Withdrawals	15,000

The capital withdrawal in 2013 was the result of a fiscally neutral adjustment between capital and operating for the Department to support a shift from funding owned assets to purchasing services.

21. Related Parties Transactions and Key Management Personnel

All related party transactions have been entered into on an arms' length basis.

The Department is a government department and is wholly owned and controlled by the Crown. The Government significantly influences the roles of the Department as well as being its major source of revenue.

Significant Transactions with Government-related Entities

In conducting its activities the Department is required to pay various taxes and levies (such as GST, PAYE, FBT and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies, other than income tax, is based on standard terms and conditions that apply to all tax and levy payers. The Department is exempt from Income Tax.

The Department undertakes a number of trading activities with the Crown, other government departments, Crown entities and state-owned enterprises who are similarly related to the Crown. Purchases from these entities for the year ended 30 June totalled \$4.489m (2011/12 \$5.724m). These purchases included the purchase of electricity from Meridian, air travel from Air New Zealand, legal services from the Crown Law Office, auditing and assurance services from Audit New Zealand, postal services from New Zealand Post and other services from the Privacy Commissioner, Learning State Ltd, Leadership Development Centre, Statistics New Zealand, Research and Education Advanced Network, Office of Film and Literature Classification and Agresearch Limited.

The Department receives third party revenue for administering the Lottery Grants Board grants. See note 2.

Transactions with Key Management Personnel and Their Close Family Members

Key Management Personnel Compensation.

ACTUAL 2012 \$000		ACTUAL 2013 \$000
2,025	Salaries and Other Short-term Employee Benefits	2,332
43	Post-employment Benefits	72
16	Other Long-term Benefits	9
-	Termination Benefits	-
2,084	Total Key Management Personnel Compensation	2,413

In 2012/13 key management personnel of the Department comprised seven ministers, the Chief Executive Officer and six members of the Executive Leadership Team (ELT).

In 2011/12 key management personnel included twelve ministers, the Chief Executive Officer and six members of ELT.

Key management personnel compensation excludes the remuneration and other benefits of the Responsible Ministers for the Department. For 2012/13 these were Hon Chris Tremain, Rt Hon John Key, Hon Judith Collins, Hon David Carter, Hon Nathan Guy, Hon Nikki Kaye and Hon Jo Goodhew. For 2011/12 these were Hon Nathan Guy, Rt Hon Jon Key, Hon Hekia Parata, Hon David Carter, Hon Rodney Hide, Hon Craig Foss, Hon Jo Goodhew, Hon Judith Collins, Hon Amy Adams, Hon Chris Tremain, Hon Dr Nick Smith and Hon John Carter. The Ministers' remuneration and other benefits are not received for their role as a member of key management personnel of the Department. The Ministers' remuneration and other benefits are set out by the remuneration authority under the Civil List Act 1979 and are paid under Permanent Legislative Authority.

Related party transactions involving key management personnel (or their close family members)

Treasury has confirmed that there were no related party transactions with the Responsible Ministers or the Department.

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

The Department purchased goods and services from entities that some key management personnel have a relationship with. Purchases from these related entities are set out in the table below:

ACTUAL 2012 \$000		ACTUAL 2013 \$000	OUTSTANDING BALANCE 2013 \$000
189	Deloitte	594	22

22. Financial Instrument Risks

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

The Department's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Department has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Market Risk

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. For more details see note 10.

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

Sensitivity Analysis

The following table shows the impact on the Department as at balance date, if the New Zealand dollar had weakened or strengthened by 5% against the currencies in which the Department has denominated derivative financial instruments.

Sensitivity	NET SURPLUS IMPACT FROM FX MOVEMENT IN \$NZD 000			
	AUD \$000	GBP \$000	USD \$000	Total \$000
2013				
5% Lower (New Zealand dollar weakened)	-	-	-	-
5% Higher (New Zealand dollar strengthened)	-	-	-	-
2012				
5% Lower (New Zealand dollar weakened)	-	-	(45)	(45)
5% Higher (New Zealand dollar strengthened)	-	-	40	40

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. Equipment leases are identified as finance leases in accordance with NZ IAS 17 *Leases*. The Department has received the approval of the Minister of Finance for this lease. The fixed interest rate on the term of these leases reduces the exposure on borrowed funds.

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.

The Department holds cash with Westpac Banking Corporation (Westpac). Westpac is part of the Crown Retail Deposit Guarantee Scheme and so all deposits up to \$1.000m held with Westpac are guaranteed by the Crown.

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.

Maximum Exposures to Credit Risk

ACTUAL 2012 \$000		ACTUAL 2013 \$000
72,952	Cash and Cash Equivalents	50,858
15,472	Debtors and Other Receivables	17,346
88,424	Total Exposure to Credit Risk	68,204

Cash and cash equivalents excludes any cash physically held including as petty cash, as cash is not exposed to credit risk.

Liquidity Risk

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

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

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

	TOTAL \$000	LESS THAN 6 MONTHS \$000	BETWEEN 6 MONTHS AND 1 YEAR \$000	BETWEEN 1 YEAR AND 5 YEARS \$000	OVER 5 YEARS \$000
2013					
Creditors and Other Payables	33,642	33,642	-	-	-
Derivative Financial Instruments – Assets	-	-	-	-	-
Derivative Financial Instruments – Liabilities	-	-	-	-	-
2012					
Creditors and Other Payables	32,258	32,258	-	-	-
Derivative Financial Instruments – Assets	-	-	-	-	-
Derivative Financial Instruments – Liabilities	21	21	-	-	-

23. Categories of Financial Instruments

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

ACTUAL 2012 \$000		ACTUAL 2013 \$000
	Loans and receivables	
72,952	Cash and Cash Equivalents	50,858
15,472	Debtors and Other Receivables	17,346
88,424	Total Loans and Receivables	68,204
	Fair Value Through Profit and Loss	
21	Derivative Financial Instrument Liabilities	-
21	Total Fair Value Through Profit and Loss	-
	Financial Liabilities Measured at Amortised Cost	
32,258	Creditors and Other Payables	33,642

24. Fair Value Hierarchy Disclosures

For those financial instruments recognised at fair value in the Statement of Financial Position, fair values are determined using the following hierarchy:

- i) Level 1 – Quoted market price – financial instruments with quoted prices for identical instruments in active markets.
- ii) Level 2 – Valuation technique using observable inputs – financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- iii) Level 3 – Valuation techniques with significant non-observable inputs – financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of instruments measured at fair value in the Statement of Financial Position.

	TOTAL \$000	QUOTED MARKET PRICE \$000	VALUATION TECHNIQUE	
			OBSERVABLE INPUTS \$000	SIGNIFICANT NON- OBSERVABLE INPUTS \$000
2013				
Financial Assets				
Foreign Exchange Derivatives	-	-	-	-
Financial Liabilities				
Foreign Exchange Derivatives	-	-	-	-
2012				
Financial Assets				
Foreign Exchange Derivatives	-	-	-	-
Financial Liabilities				
Foreign Exchange Derivatives	21	-	21	-

There were no transfers between the different levels of the fair value hierarchy.

25. Capital Management

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

The Department manages its revenues, expenses, assets, liabilities and general financial dealings prudently. The Department's taxpayers' funds are largely managed by a by-product of managing income, expenses, assets, liabilities and compliance with the Government Budget processes and with Treasury Instructions and the Public Finance Act 1989.

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

26. Explanation of Significant Variances against Budget

Statement of Comprehensive Income

Variance between the Main Estimates and the Supplementary Estimates

The changes in the budgets between the Main Estimates and the Supplementary Estimates, together with explanations for the significant variances between actual expenditure and the Supplementary Estimates, are detailed by output expense in the revenue and output expense section.

The primary factors contributing to the overall increase in the revenue and expense budgets between the Main Estimates and the Supplementary Estimates of \$29.990m are outlined below.

REASON FOR BUDGET CHANGE	\$000
Expense transfers from 2011/12 to 2012/13	8,134
Expense transfers from 2012/13 to 2013/14	(1,660)
Retention of underspend from 2012/13 to 2013/14	(1,551)
New funding in 2012/13	12,964
All-of-Government ICT initiative (Result 10)	3,904
Transfer of Charities Commission functions to the Department of Internal Affairs	5,918
Increased demand for information technology services by other agencies	1,700
Increased demand for Kotui, a shared library management and resource discovery system	1,238
Insurance claims proceeds for the recovery of business continuity expenditure	874
Decrease in expenditure associated with All-of-Government Cloud Computing	(2,714)
Other changes	1,183
Total Budget Change	29,990

Variance between Actual 2012/13 and the Supplementary Estimates

Other revenue

Other revenue is \$5.493m lower than budgeted. This reflects lower provision of services to the Lottery Grants Board, lower gaming activity, lower than expected revenue from all of government products and reduced demand for passports.

Personnel costs

Personnel costs were less than budgeted by \$10.544m due to lower than anticipated activity levels in Service Delivery and Operations and on-going vacancy levels in Information and Technology Services.

Other operating expenses

Other operating expenses were less than budgeted by \$12.171m due to lower variable support costs resulting from reduced demand for passports and delays in a number of projects.

The changes between the Supplementary Estimates and actual expenditure are further detailed by output expenses in the Statement of Service Performance.

Statement of Financial Position

Variance between the Main Estimates and the Supplementary Estimates

The primary factors contributing to the decrease in general funds between the Main Estimates and the Supplementary Estimates of \$46.630m are outlined below.

REASON FOR BUDGET CHANGE	\$000
Movement in opening balance, mainly due to deferred capital contribution	(28,745)
Increase in capital contribution	1,964
Capital withdrawal in 2012/13	(15,000)
Movement in forecast net deficit for 2012/13	(4,849)
Total Budget Change	(46,630)

Variance between Actuals and the Supplementary Estimates

Explanations for significant variances between actual and the Supplementary Estimates are outlined below.

Current assets

Cash and cash equivalents are above budget by \$27.138m, mainly as a result of capital underspend of \$12.0m and reduced operating expenditure, resulting in less cash required.

Non-Current assets

Property, plant and equipment is below budget by \$2.5m primarily due to delays in the timing of capital expenditure.

Current Liabilities

Creditors and other payables are over budget by \$5.557m primarily due to increased activity in June 2013.

Provision for repayment of surplus is \$6.103m over budget as a result of the unbudgeted surplus.

Revenue received in advance is \$1.111m under budget primarily as a result of incomplete citizenship applications.

Employee entitlements are \$4.002m under budget as employees used up outstanding annual leave.

Equity

Taxpayers' Funds were lower than budgeted by \$10.370m due to the Department not needing to draw any capital funding during the year.

Memorandum accounts balances of \$19.560m were not included in the budgeted financial position.

Revaluation reserves are \$11.065m higher than budgeted primarily as a result of the increase in value of the National Library building following the completion of the upgrade project.

27. Significant Events after Balance Date

There were no significant events after the balance date that would have led to an amended view of the values of assets or liabilities at the date of the balance sheet.

PART D – FINANCIAL STATEMENTS

NON-DEPARTMENTAL

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Non-Departmental Statements and Schedules for the year ended 30 June 2013

The following non-departmental statements and schedules record the income, expenses, assets, liabilities, commitments, contingent liabilities, contingent assets, and trust accounts the Department manages on behalf of the Crown.

Statement of Non-Departmental Expenditure and Capital Expenditure Against Appropriations for the year ended 30 June 2013

ACTUAL 2012 \$000		ACTUAL 2013 \$000	MAINS EST 2013 \$000	SUPP EST 2013 \$000
	Non-Departmental Expenses			
	Vote Community and Voluntary Sector			
	<i>Non-Departmental Output Expenses</i>			
4,857	Charities – Administration	–	–	–
	<i>Other Expenses to be Incurred by the Crown</i>			
3,211	Community Development Scheme	–	–	–
331	Community Internship Programme	–	–	–
12,487	Community Organisation Grants Scheme	–	–	–
3,880	Digital Literacy and Connection	–	–	–
150	Disarmament Education Grants	–	–	–
402	Support for Volunteering	–	–	–
174	Youth Workers Training Scheme	–	–	–
25,492	Total Vote Community and Voluntary Sector	–	–	–
	Vote Emergency Management			
	<i>Other Expenses to be Incurred by the Crown</i>			
2,273	Emergency Expenses	–	–	–
362	February 2011 Christchurch Earthquake National Controller Costs	–	–	–
80,539	Canterbury Earthquake – Payments in respect of Indemnity for Response and Recovery Costs	–	–	–
1,023	Subsidies to Local Government	–	–	–
84,197	Total Vote Emergency Management	–	–	–
	Vote Internal Affairs			
	<i>Non-Departmental Output Expenses</i>			
1,960	Classification of Films, Videos and Publications	1,960	1,960	1,960
116	Development of On-Line Authentication Services	116	116	116
–	Charities – Administration	–	5,066	–
–	Public Lending Right for New Zealand Authors	1,991	2,000	2,000
	<i>Benefits and Other Unrequited Expenses</i>			
–	Rates Rebate Scheme	53,347	60,000	55,000

The accompanying notes form part of these financial statements. For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2013.

ACTUAL 2012 \$000		ACTUAL 2013 \$000	MAINS EST 2013 \$000	SUPP EST 2013 \$000
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Other Expenses to be Incurred by the Crown

	– Chatham Islands Council	3,387	2,233	4,374
	– Community Development Scheme	4,297	4,695	5,154
	– Community Internship Programme	147	331	231
	– Community Organisation Grants Scheme	12,491	12,500	12,500
	– Crown-owned Assets at Lake Taupo – Maintenance Costs	719	1,393	748
	– Debt Write-down	13	–	13
	– Depreciation on Official Residences	192	193	193
	– Digital Literacy and Connection	3,881	3,881	3,881
	– Disarmament Education Grants	150	150	150
	– Emergency Expenses	9,840	1,000	12,875
	– Executive Council and Members of the Executive – Salaries and Allowances PLA	9,015	8,700	8,940
	– February 2011 Christchurch Earthquake National Controller Costs	41	–	281
	– Former Governors-General – Annuities and Other Payments PLA	443	435	456
	– Former Prime Ministers – Annuities PLA	159	160	168
	– Former Prime Ministers – Domestic Travel	143	270	270
	– Members of the Executive – Travel	11,696	11,790	11,790
18	Miscellaneous Grants – Internal Affairs	9	49	49
1,028	Pike River Royal Commission of Inquiry – Legal Representation and Assistance	41	600	80
1,655	Public Inquiries	597	599	599
	– Racing Safety Development Fund	988	1,000	1,000
	– Release of funds previously applied to Canterbury earthquake – Payments in respect of Indemnity for Response and Recovery Costs	(5,415)	–	–
	– Subsidies to Local Government	792	889	889
	– Support for Volunteering	498	402	502
	– Te Oneroa a Tohe Beach Management	–	300	400
	– Tuwharetoa Maori Trust Board (PLA)	1,500	1,500	1,500
	– Youth Workers Training Scheme	199	200	200
4,777	Total Vote Internal Affairs	113,237	122,412	126,319

Vote Local Government

Benefits and Other Unrequited Expenses

52,489	Rates Rebate Scheme	–	–	–
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Other Expenses to be Incurred by the Crown

1,946	Chatham Islands Council	–	–	–
342	Crown-owned Assets at Lake Taupo – Maintenance Costs	–	–	–
1,500	Tuwharetoa Maori Trust Board	–	–	–
56,277	Total Vote Local Government	–	–	–

Vote Ministerial Services

Other Expenses to be Incurred by the Crown

192	Depreciation on Official Residences	–	–	–
8,549	Executive Council and Members of the Executive – Salaries and Allowances (PLA)	–	–	–

The accompanying notes form part of these financial statements. For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2013.

ACTUAL 2012 \$000		ACTUAL 2013 \$000	MAINS EST 2013 \$000	SUPP EST 2013 \$000
434	Former Governors-General – Annuities and Other Payments (PLA)	–	–	–
160	Former Prime Ministers – Annuities (PLA)	–	–	–
234	Former Prime Ministers – Domestic Travel	–	–	–
10,798	Members of the Executive's – Travel	–	–	–
20,367	Total Vote Ministerial Services	–	–	–
	Vote National Library			
	<i>Non-Departmental Output Expenses</i>			
2,004	Public Lending Rights	–	–	–
2,004	Total Vote National Library	–	–	–
	Vote Racing			
	<i>Other expenses to be incurred by the Crown</i>			
985	Racing Safety Development Fund	–	–	–
985	Total Vote Racing	–	–	–
194,099	Total Non-Departmental Expenditure	113,237	122,412	126,319

Non-Departmental Capital Expenditure

	Vote Internal Affairs			
	<i>Non-Departmental Capital Expenditure</i>			
–	Capital Investments Lake Taupo	1,025	342	1,029
–	Heritage Collection – Annual	1,784	1,546	1,796
–	Total Vote Internal Affairs	2,809	1,888	2,825
	Vote Local Government			
	<i>Non-Departmental Capital Expenditure</i>			
1,258	Loan to the Auckland Transition Authority	–	–	–
325	Capital Investments Lake Taupo	–	–	–
4,550	Local Government Funding Agency	–	–	–
6,133	Total Vote Local Government	–	–	–
	Vote National Library			
	<i>Non-Departmental Capital Expenditure</i>			
1,260	Heritage Collection – Annual	–	–	–
1,260	Total Vote National Library	–	–	–
7,393	Total Non-Departmental Capital Expenditure	2,809	1,888	2,825
201,492	Total Non-Departmental Appropriations	116,046	124,300	129,144

The accompanying notes form part of these financial statements. For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2013.

Reconciliation between the Non-Departmental Expenditure against Appropriations Schedule and the Non-Departmental Schedule of Expenditure

ACTUAL 2012 \$000		ACTUAL 2013 \$000
197,628	Total Expenses in Schedule of Expenditure	112,437
(1,454)	Former Governors-General – Annuities and Other Payments Re-measurement	478
(1,333)	Former Prime Ministers – Annuities Re-measurement	(175)
(742)	Former Prime Ministers – Domestic Travel Re-measurement	497
194,099	Total Expenses in Schedule of Non-Departmental Expenditure and Capital Expenditure Against Appropriation	113,237

The accompanying notes form part of these financial statements. For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2013.

Unappropriated Expenditure

Schedule of Non-Departmental Unappropriated Expenditure and Capital Expenditure for the year ended 30 June 2013

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

2012/13 Unappropriated Expenditure against Main Estimates

There was no unappropriated expenditure against Main Estimates for the year ended 30 June 2013 (2011/12: \$1.186m).

2012/13 Unappropriated Expenditure against Supplementary Estimates

There was no unappropriated expenditure against Supplementary Estimates for the year ended 30 June 2013 (2011/12: \$nil).

Section 25 Public Finance Act Expenditure

Under section 25 of the Public Finance Act 1989, the Minister of Finance can approve expenses to meet emergency costs. Approval was given as a direct result of declaring a state of national emergency for the Canterbury earthquakes under the Civil Defence Act 1983 and the Civil Defence Emergency Management Act 2002. In the year to 30 June 2013 there was no expenditure under this approval (2011/12: \$nil).

Details of the costs incurred under section 25 of the Public Finance Act are in note 11.

The accompanying notes form part of these financial statements. For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2013.

Revenue and Expenditure

Schedule of Non-Departmental Revenue for the year ended 30 June 2013

ACTUAL 2012 \$000		ACTUAL 2013 \$000	MAINS EST 2013 \$000	SUPP EST 2013 \$000
Operating Revenue				
56	Crown Revenue	57	–	–
6,776	Donations Received	3,885	1,000	1,000
41	Fines and Penalties	43	–	–
424	Refunds of Unspent Grants	581	686	436
133	Interest Received	–	–	–
7,430	Total Operating Revenue	4,566	1,686	1,436
Other Revenue				
–	Unrealised Gain on the Remeasurement of Shares	536	–	–
7,430	Total Revenue	5,102	1,686	1,436

Schedule of Non-Departmental Expenditure for the year ended 30 June 2013

ACTUAL 2012* \$000		ACTUAL 2013 \$000	MAINS EST 2013 \$000	SUPP EST 2013 \$000
Output Expenses				
23,704	Personnel and travel Expenses – Members of the Executive Council, Former Governors-General and Prime Ministers	20,656	21,355	21,624
77,154	Grants	78,790	86,097	81,556
96,432	Other Expenses	12,655	14,767	22,946
338	Depreciation	336	193	193
197,628	Total Output Expenses	112,437	122,412	126,319
Other Expenses				
849	Unrealised Loss on the Remeasurement of Shares	–	–	–
198,477	Total Operating Expenses	112,437	122,412	126,319

* 2012 comparatives have been adjusted between output expense classes to match the appropriation classification. The main adjustment is to the classification of emergency expenses and payments in respect of indemnity for response and recovery costs relating to the Canterbury earthquakes from grants to other expenses.

Explanation of significant variances against budget are detailed in note 9.

The accompanying notes form part of these financial statements. For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2013.

Schedule of Non-Departmental Assets and Liabilities and Revaluation Reserves

Schedule of Non-Departmental Assets as at 30 June 2013

This schedule summarises the assets the Department administers on behalf of the Crown.

ACTUAL 2012 \$000	NOTE	ACTUAL 2013 \$000	MAINS EST 2013 \$000	SUPP EST 2013 \$000
Assets				
<i>Current Assets</i>				
139,749		26,115	17,996	34,962
2,139	2	259	4	154
141,888	Total Current Assets	26,374	18,000	35,116
<i>Non-Current Assets</i>				
–	Debtors and Other Receivables	113	117	117
4,151	3	4,687	6,793	4,151
21,832	4	22,521	22,813	22,667
1,292,018	4	1,297,687	1,289,074	1,294,814
1,318,001	Total Non-Current Assets	1,325,008	1,318,797	1,321,749
1,459,889	Total Assets	1,351,382	1,336,797	1,356,865

Schedule of Non-Departmental Liabilities and Revaluation Reserves as at 30 June 2013

This schedule summarises the Liabilities and Revaluation Reserves the Department administers on behalf of the Crown.

ACTUAL 2012 \$000	NOTE	ACTUAL 2013 \$000	MAINS EST 2013 \$000	SUPP EST 2013 \$000
Liabilities				
<i>Current Liabilities</i>				
110,207	6	6,856	5,507	5,157
110,207	Total Current Liabilities	6,856	5,507	5,157
<i>Non-Current Liabilities</i>				
14,203	7	13,402	10,251	14,203
14,203	Total Non-Current Liabilities	13,402	10,251	14,203
124,410	Total Liabilities	20,258	15,758	19,360
Revaluation Reserves				
<i>Revaluation Reserves</i>				
296,123	8	296,123	296,123	296,123
296,123	Total Revaluation Reserves	296,123	296,123	296,123

Explanation of significant variances against budget are detailed in note 9.

The accompanying notes form part of these financial statements. For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2013.

Non-Departmental Commitments

as at 30 June 2013

ACTUAL 2,012 \$000		ACTUAL 2,013 \$000
	Other Operating Commitments	
908	Less than one year	627
627	One to two years	-
-	Two to five years	-
1,535	Total Other Operating Commitments	627
1,535	Total Commitments	627

Non-Departmental Contingent Assets and Liabilities

Schedule of Non-Departmental Contingent Assets and Liabilities as at 30 June 2013

Quantifiable Contingent Assets

At 30 June 2013, the Crown had a quantifiable contingent asset of \$0.300m for a dividend payment from the Local Government Funding Agency (2012: \$nil).

Non-quantifiable Contingent Assets

There were no non-quantifiable contingent assets as at 30 June 2013 (2012: \$nil).

Quantifiable Contingent Liabilities

There were no quantifiable contingent liabilities as at 30 June 2013 (2012: \$nil).

Non-quantifiable Contingent Liabilities

There were no non-quantifiable contingent liabilities as at 30 June 2013 (2012: \$nil).

The accompanying notes form part of these financial statements. For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2013.

Notes to the Non-Departmental Financial Schedules

1. Statement of Accounting Policies

Reporting Entity

These Non-Departmental schedules and statements present financial information on public funds managed by the Department of Internal Affairs (the Department) on behalf of the Crown.

These Non-Departmental balances are consolidated into the Financial Statements of the Government for the year ended 30 June 2013. For a full understanding of the Crown's financial position, results of operations and cash flows for the year, reference should also be made to the consolidated Financial Statements of the Government.

Basis of Preparation

The Non-Departmental schedules have been prepared in accordance with the Government's accounting policies as set out in the Consolidated Financial Statements of the Government, and in accordance with relevant Treasury Instructions and Treasury circulars.

Measurement and recognition rules applied in the preparation of these Non-Departmental schedules and statements are consistent with New Zealand generally accepted accounting practice as appropriate for public benefit entities.

The accrual basis of accounting has been used unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Budget Figures

The budget figures are those presented in the Budget Estimates of Appropriation (Main Est) for the Department.

The Supplementary Estimates (Supp Est) figures incorporate the Department's full year estimates. The budgets also include other amendments made through the course of the Supplementary Estimates process.

Comparatives

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

Functional and Presentation Currency

The functional currency of the Department is New Zealand dollars. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

Significant Accounting Policies

The following particular accounting policies have been applied:

Revenue

Revenues from the supply of services are recognised when earned in the Non-Departmental Schedule of Revenue on a straight-line-basis over the specified period for the services.

Donation Revenue

When a heritage collection asset is acquired by donation or legal deposit for nil or nominal consideration, the fair value of the asset received is recognised as revenue in the Non-Departmental Schedule of Revenue.

Expenses

Grants

Discretionary grants are only recognised when a constructive obligation exists. This is deemed to occur both when the grant has been approved and the approval has been communicated to the recipient. Non-discretionary grants are recognised when specified criteria have been fulfilled and notice has been given to the Department.

Cash

Cash includes cash in transit and bank accounts.

Debtors and Other Receivables

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

Shares

Where the Department holds a non-controlling minority interest, the shares are valued at cost in the financial statements. Associates are entities in which the Department has significant influence, but not control over their operating and financial policies. In the Department's financial statements, the Crown investment in associates has been valued by the equity method.

Property, Plant and Equipment

Disposal

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

Impairment

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

Revaluations

Unrealised gains and losses arising from changes in the value of land and buildings are recognised as at balance date. To the extent that a gain reverses a loss previously charged to the Schedule of Revenue and Expenditure for the asset class, the gain is credited to the Schedule of Revenue and Expenditure. Otherwise, gains are credited to an asset revaluation reserve for that class of asset. To the extent that there is a balance in the asset revaluation reserve for the asset class any loss is debited to the reserve. Otherwise, losses are reported in the Schedule of Revenue and Expenditure.

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

Specific Asset Class Policies

The asset class specific policies are described below.

Land and Buildings

Land and buildings are revalued at least every five years or whenever the carrying amount differs materially to fair value.

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

Depreciation on buildings is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, less any estimated residual value, over its estimated useful life. The estimated useful lives for buildings range from 10 to 50 years. Depreciation is not charged on land.

Alexander Turnbull Library Heritage Collections

Section 11 of the National Library of New Zealand (Te Puna Mātauranga o Aotearoa) Act 2003 requires the Crown to own the collections held in the Alexander Turnbull Library in perpetuity.

The Alexander Turnbull Library Heritage Collections are measured at fair value. Due to the unique nature of the Heritage Collections it is not always practical or possible to obtain a market valuation. In these circumstances collections have been adjusted by the movement in the Consumer Price Index to better reflect their current value. There are also difficulties associated with obtaining an objective valuation for the specified cultural and heritage assets.

The carrying value includes the value of purchases for the collections since the last revaluation and the value of material received through donations and legal deposits.

A valuation is performed every three years. The collections are not depreciated.

National Archives Collection

Non-exceptional National Archives Collection items are revalued every three years using a methodology that divided the collection into categories by format and age, to associate records that together could be said to have a broad commonality of value. Benchmark valuations were obtained from an independent valuer through market assessments and from other collections of a similar nature to government archives. Accessions since the date of valuation are valued on the basis of these benchmarks.

Independent valuations of other exceptional items, including the Treaty of Waitangi, are conducted every three years and are based on market assessments from similar nature collections.

The valuation of the National Archives Collection includes only public archives in the possession of Archives New Zealand. Public archives held in other approved repositories do not form part of the valuation.

The collection is not depreciated.

Financial Liabilities

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

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

Other Liabilities and Provisions

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

The balance of provisions represents the estimated value of future benefits payable to former Governors-General and former Prime Ministers over their expected lives payable under the Governors-General Act 2010 and the Civil List Act 1979.

Commitments

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

Contingent Assets and Liabilities

Contingent assets and contingent liabilities are recorded in the Schedule of Contingent Assets and Contingent Liabilities at the point at which the contingency is evident. Contingent assets are disclosed if it is probable that the benefits will be realised. Contingent liabilities are disclosed when there is a possibility that they will crystallise.

Goods and Services Tax (GST)

Amounts in the financial statements, including appropriation schedules, are reported exclusive of GST except for receivables and payables, which are stated on a GST-inclusive basis. In accordance with Treasury Instructions, GST is returned on revenue received on behalf of the Crown where applicable. However, an input tax deduction is not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense and eliminated against GST revenue on consolidation of the Financial Statements of the Government.

2. Debtors and Other Receivables

ACTUAL 2012 \$000		ACTUAL 2013 \$000
343	Accounts Receivable	259
1,796	Current Loan to Charities Commission	-
2,139	Total Debtors and Other Receivables	259

The carrying value of receivables approximates their fair value.

3. Shares

Local Government Funding Agency

The Crown holds \$5.000m of the \$25.000m paid-up capital of the Local Government Funding Agency (LGFA). The shares have been valued by the equity method as, although the Crown does not have direct representation on the LGFA Board of Directors, it may solely appoint, remove and replace one member of the Shareholders' Council. The Shareholders' Council makes recommendations to Shareholders as to the appointment, removal, re-election, replacement and remuneration of Directors. The share value has therefore been adjusted to reflect the Crown's share of any changes in the net assets of the LGFA.

LGFA Net Assets at 30 June 2013 were \$23.436m (2012: \$20.757m). The Crown's share of the net assets is \$4.687m (2012: \$4.151m).

The summarised financial information of LGFA is:

ACTUAL 2012 \$000		ACTUAL 2013 \$000
10,894	Revenues	5,673
943,019	Assets	2,688,189
922,262	Liabilities	2,664,753
(4,243)	Surplus/(Deficit)	2,678

The above figures are unaudited.

The Crown is not a guarantor of the LGFA and has no share of any contingent liabilities of the LGFA.

4. Property, Plant and Equipment

2013

Asset Class	Balance 1 July \$000	Additions \$000	Revaluation/ Impairments \$000	Disposals \$000	Transfers* \$000	Balance 30 June \$000
Cost or Valuation						
<i>Property, Plant and Equipment</i>						
Land	10,800	–	–	–	–	10,800
Buildings – Residential	6,543	–	–	–	–	6,543
Buildings – Commercial	5,138	1,025	–	–	–	6,163
Total Cost of Valuation of Property, Plant and Equipment	22,481	1,025	–	–	–	23,506
Heritage Collections						
Archives Heritage Collection	445,845	2,717	–	–	–	448,562
Total Archives Heritage Collection	445,845	2,717	–	–	–	448,562
Alexander Turnbull Library Heritage Collections						
Cartographic	24,726	30	–	–	–	24,756
Children's Historical	1,569	215	–	–	–	1,784
Drawing and Prints	63,525	270	–	–	–	63,795
Ephemera	4,672	78	–	–	–	4,750
Formed	446	–	–	–	–	446
General	99,181	16	–	–	–	99,197
Manuscript/Archives	72,798	831	–	–	–	73,629
Music	1,604	28	–	–	–	1,632
Newspapers	44,803	42	–	–	–	44,845
New Zealand and Pacific	29,624	397	–	–	–	30,021
Oral History	12,763	112	–	–	–	12,875
Others	429	–	–	–	–	429
Photographic	66,067	312	–	–	–	66,379
Serials	39,567	295	–	–	–	39,862
Short Title	4,617	19	–	–	–	4,636
Rare Books and Fine Prints	379,782	307	–	–	–	380,089
Total Alexander Turnbull Library Heritage Collections	846,173	2,952	–	–	–	849,125
Total Cost of Collections	1,292,018	5,669	–	–	–	1,297,687
Total Cost	1,314,499	6,694	–	–	–	1,321,193
Accumulated Depreciation						
<i>Property, Plant and Equipment</i>						
Buildings – Residential	198	198	–	–	–	396
Buildings – Commercial	451	138	–	–	–	589
Total Accumulated Depreciation	649	336	–	–	–	985
Net Book Value						
Property, Plant and Equipment	21,832	689	–	–	–	22,521
Collections	1,292,018	5,669	–	–	–	1,297,687
Total Net Book Value	1,313,850	6,358	–	–	–	1,320,208

* Transfers between Government Departments.

2012

Asset Class	Balance 1 July \$000	Additions \$000	Revaluation/ Impairments \$000	Disposals \$000	Transfers* \$000	Balance 30 June \$000
Cost or Valuation						
<i>Property, Plant and Equipment</i>						
Land	10,800	-	-	-	-	10,800
Buildings – Residential	6,841	-	-	-	(298)	6,543
Buildings – Commercial	4,515	325	-	-	298	5,138
Total Cost of Valuation of Property, Plant and Equipment	22,156	325	-	-	-	22,481
Heritage Collections						
Archives Heritage Collection	440,104	5,741	-	-	-	445,845
Total Archives Heritage Collection	440,104	5,741	-	-	-	445,845
Alexander Turnbull Library Heritage Collections						
Cartographic	24,711	15	-	-	-	24,726
Children's Historical	1,437	132	-	-	-	1,569
Drawing and Prints	63,322	203	-	-	-	63,525
Ephemera	4,613	59	-	-	-	4,672
Formed	446	-	-	-	-	446
General	99,171	10	-	-	-	99,181
Manuscript/Archives	72,508	290	-	-	-	72,798
Music	1,576	28	-	-	-	1,604
Newspapers	44,752	51	-	-	-	44,803
New Zealand and Pacific	29,253	371	-	-	-	29,624
Oral History	12,596	167	-	-	-	12,763
Others	429	-	-	-	-	429
Photographic	65,749	318	-	-	-	66,067
Serials	39,314	253	-	-	-	39,567
Short Title	4,583	34	-	-	-	4,617
Rare Books and Fine Prints	379,418	364	-	-	-	379,782
Total Alexander Turnbull Library Heritage Collections	843,878	2,295	-	-	-	846,173
Total Cost of Collections	1,283,982	8,036	-	-	-	1,292,018
Total Cost	1,306,138	8,361	-	-	-	1,314,499
Accumulated Depreciation						
<i>Property, Plant and Equipment</i>						
Buildings – Residential	-	198	-	-	-	198
Buildings – Commercial	311	140	-	-	-	451
Total Accumulated Depreciation	311	338	-	-	-	649
Net Book Value						
Property, Plant and Equipment	21,845	(13)	-	-	-	21,832
Collections	1,283,982	8,036	-	-	-	1,292,018
Total Net Book Value	1,305,827	8,023	-	-	-	1,313,850

* Transfers between Government Departments.

5. Financial Instruments

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

ACTUAL 2012 \$000		ACTUAL 2013 \$000
Financial assets at Fair Value Through Profit or Loss		
4,151	Shares	4,687
4,151	Total Financial assets at Fair Value Through Profit or Loss	4,687
Loans and Receivables		
139,749	Cash and Cash Equivalents	26,115
2,139	Debtors and other Receivables	259
141,888	Total Loans and Receivables	26,374
Financial Liabilities Measured at Amortised Cost		
110,207	Creditors and Other Payables	6,856
110,207	Total Financial Liabilities Measured at Amortised Cost	6,856

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

The Department's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Department has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Credit Risk

Credit risk is the risk that a third party will default on its obligations, causing a loss to be incurred. Credit risk arises from debtors and deposits with banks. Funds must be deposited with Westpac, a registered bank.

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.

Maximum Exposures to Credit Risk

ACTUAL 2012 \$000		ACTUAL 2013 \$000
139,749	Cash and Cash Equivalents	26,115
343	Accounts Receivable	259
4,151	Investment in Local Government Funding Agency	4,687
144,243	Total Exposure to Credit Risk	31,061

Cash and cash equivalents excludes any cash physically held including as petty cash as cash is not exposed to credit risk.

Liquidity Risk

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

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

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

	Total \$000	Less Than 6 Months \$000	Between 6 Months and 1 Year \$000	Between 1 Year and 5 Years \$000	Over 5 Years \$000
2013					
Creditors and Other Payables	6,856	6,856	-	-	-
2012					
Creditors and Other Payables	110,207	110,207	-	-	-

6. Creditors and Other Payables

ACTUAL 2012 \$000		ACTUAL 2013 \$000
19,846	Accrued Expenses	6,329
90,361	Accrued Canterbury Earthquake Expenses	148
-	Accrued Heritage Collection Purchases	379
110,207	Total Debtors and Other Receivables	6,856

The carrying value of creditors and other payables approximates their fair value. Other payables and Accrued Heritage Collection purchases are non-interest bearing and are normally settled on 30 day terms and Accrued Canterbury Earthquake expenses are expected to be settled through the course of 2012/13.

7. Provisions

The balance of the provisions account represents the estimated value of future benefits payable to Former Governors-General and Prime Ministers over their expected lives payable under the Civil List Act as at balance date.

Actuarial services were provided by Mercer Human Resource Consulting Ltd and were prepared by Mark Channon, Fellow of the New Zealand Society of Actuaries.

The measurement of the estimated future benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate and the consumer price index. Any changes in these assumptions will affect the carrying value of the liability.

	2012	2013
Discount Rate	3.58%	3.91%
Consumer Price Index	2.50%	2.50%

8. Revaluation of Plant, Property and Equipment

	Balance 1 July \$000	Revaluation Movement \$000	Balance 30 June \$000
2013			
Land and Buildings	10,735	–	10,735
Archives Heritage Collection	–	–	–
Alexander Turnbull Library Heritage Collections	285,388	–	285,388
Total Revaluation Reserves	296,123	–	296,123
2012			
Land and Buildings	10,735	–	10,735
Archives Heritage Collection	–	–	–
Alexander Turnbull Library Heritage Collections	285,388	–	285,388
Total Revaluation Reserves	296,123	–	296,123

Based on the advice of independent third parties and Department management that there have been no material changes to the carrying value of the Department's assets during the accounting period, full valuations as at 30 June 2013 have not been sought.

Land and Buildings

Ministerial Properties

Darroch Ltd, a Licensed Real Estate Agent (REAA 2008) and registered independent valuer, conducted a valuation of Non-Departmental Ministerial Properties land and buildings during May 2011 with valuations effective 30 June 2011.

The Ministerial Properties comprising Premier House, Vogel House and Bolton Street are restricted for Government use. The carrying value of the restricted use land and buildings is \$14.874m (2011/12: \$15.022m.)

Lake Taupo Boating and Building Facilities

Building Facilities

Building facilities were valued by Darroch Ltd, a Licensed Real Estate Agent (REAA 2008) and registered independent valuer, who conducted a valuation during May 2011 with valuations effective 30 June 2011.

Boating Facilities

Boating facilities were valued by DTZ New Zealand Ltd (MREINZ), a registered independent valuer, in May 2009 with valuations effective 30 June 2009.

National Archives Collection

The National Archives Collection was revalued as at 30 June 2011 by an independent valuer, Dunbar Sloane, through market assessments and from other collections of a similar nature to government archives.

The Treaty of Waitangi was revalued as at 30 June 2011 by an independent valuer, Sotheby's (London).

Other exceptional items are based on a valuation as at 30 June 2011 from Dunbar Sloane. These valuations were based on market assessments and from other collections of a similar nature.

Alexander Turnbull Library Heritage Collections

The Alexander Turnbull Library Heritage Collections were revalued as at 30 June 2011 by National Library staff. The revaluations were made based on an assessment of the change in the market price of similar collections between the date of the last valuation conducted on 30 June 2008 and 30 June 2011.

9. Explanation of Significant Variances against Budget

Variance between the Main Estimates and the Supplementary Estimates

Non-Departmental Appropriations

The significant variances for Appropriated Expenditure are explained below:

Charities – Administration

The decrease in the budget between the Main Estimates and the Supplementary Estimates of \$5.066m was due to the transfer of the Charities Commission functions to an operational unit within the Department from 1 July 2012.

Rates Rebate Scheme

The decrease in the budget between the Main Estimates and the Supplementary Estimates of \$5.000m reflects the forecast take up of the scheme.

Chatham Islands Council

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$2.141m was due to an expense transfer from 2011/12 to 2012/13 for the Chatham Islands Solid Waste Management.

Community Development Scheme

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$459,000 was due to an expense transfer from 2011/12 to 2012/13 due to delays in the development of Community-Led initiatives (increase of \$614,000), and was partially offset by an expense transfer from 2012/13 to 2013/14 to reflect the expected timing of the implementation of specific projects within the Community-Led initiatives (decrease of \$155,000).

Community Internship Programme

The decrease in the budget between the Main Estimates and the Supplementary Estimates of \$100,000 was due to a transfer of funding to the non-departmental appropriation, Support for Volunteering, to reflect a reprioritisation of funding to align with government priorities.

Crown-owned Assets at Lake Taupo – Maintenance Costs

The decrease in the budget between the Main Estimates and the Supplementary Estimates of \$645,000 was due to an expense transfer from 2012/13 to 2013/14 due to delays in the completion of the multi-year programme to remedy deferred maintenance of the Crown-owned assets at Lake Taupo (decrease of \$2.100m). This was partially offset by an expense transfer from 2011/12 to 2012/13 for Lake Taupo maintenance costs (increase of \$1.455m).

Debt Write-down

This appropriation of \$13,000 was created between the Main Estimates and the Supplementary Estimates due to a write-down of unrecoverable non-departmental debts relating to the Community Organisation Grants Scheme.

Emergency Expenses

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$11.875m was due to reimbursement of Christchurch City Council's response costs for the Canterbury Earthquakes (September 2010, February 2011, June 2011 and December 2011) (increase of \$8.340m), and expense transfers from 2011/12 to 2012/13 to reimburse local authorities for response and recovery costs incurred as a result of the 2012 Nelson-Tasman flood events (increase of \$2.000m) and to provide assistance to Environment Bay of Plenty for hazard mitigation work (increase of \$1.535m).

Executive Council and Members of the Executive – Salaries and Allowances PLA

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$240,000 was due to an increase in costs pursuant to the Parliamentary Salaries and Allowances Determination 2012.

February 2011 Christchurch Earthquake National Controller Costs

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$281,000 was due to an expense transfer from 2011/12 to 2012/13 for the costs incurred at the discretion of the National Controller Civil Defence for response costs after 21 March 2011 as part of the response to the 22 February 2011 Christchurch earthquake.

Former Governors-General – Annuities and Other Payments PLA

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$21,000 was due to an increase in costs based on forecast demand.

Former Prime Ministers – Annuities PLA

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$8,000 was due to the forecast increase in costs pursuant to the Parliamentary Annuities Determination 2013.

Pike River Royal Commission of Inquiry – Legal representation and assistance

The decrease in the budget between the Main Estimates and the Supplementary Estimates of \$520,000 due to a reduction in funding resulting from the completion of the Royal Commission of Inquiry on the Pike River Coal Mine Tragedy (decrease of \$670,000), and was partially offset by an expense transfer from 2011/12 to 2012/13 due to the deferral of some of the work programme to 2012/13 and the extended timeframe for the Royal Commission of Inquiry on the Pike River Coal Mine Tragedy (increase of \$150,000).

Public Inquiries

The budget did not change between the Main Estimates and the Supplementary Estimates however there was a reduction in funding due to the completion of the Royal Commission of Inquiry on the Pike River Coal Mine Tragedy and the Royal Commission of Inquiry into Building Failure caused by Canterbury Earthquakes (decrease of \$275,000), and was totally offset by expense transfers from 2011/12 to 2012/13 for the Royal Commission of Inquiry into Building Failure caused by Canterbury Earthquakes (increase of \$225,000) and the Royal Commission of Inquiry on the Pike River Coal Mine Tragedy (increase of \$50,000).

Support for Volunteering

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$100,000 was due to a transfer of funding from the non-departmental appropriation, Community Internship Programme, to reflect a reprioritisation of funding to align with government priorities.

Te Oneroa a Tōhē Beach Management

The increase in the budget between the Main Estimates and the Supplementary Estimates of \$100,000 was due to an expense transfer from 2011/12 to 2012/13 for the development of the Te Hiku Beach Management Plan.

Schedule of Non-Departmental Assets and Liabilities

The significant variances within the Schedule of Non-Departmental Assets and Liabilities are explained below:

The increase in the budget between the Main Estimates and the Supplementary Estimates reflects the closing balances as at 30 June 2012.

Variance between the Actual 2012/13 and the Supplementary Estimates

Actual expenditure was 2.6 per cent lower than the Supplementary Estimates. The overall under-expenditure of \$3.175m is primarily attributable to the following factors as outlined in the Vote commentary below.

Non-Departmental Appropriations

Chatham Islands Council

Actual expenditure was lower than Supplementary Estimates by \$0.987m mainly due to delays in the Chatham Islands Solid Waste Management programme, for which an in-principle expense transfer up to a maximum of \$1.050m to 2013/14 was approved.

Community Development Scheme

Actual expenditure was lower than Supplementary Estimates by \$0.857m mainly due to delays in the implementation of specific projects in the community-led initiatives, for which an in-principle expense transfer up to a maximum of \$1m to 2013/14 was approved.

Community Internship Programme

Actual expenditure was lower than Supplementary Estimates by \$0.084m mainly due to lower than anticipated demand for development grants.

Emergency Expenses

Actual expenditure was lower than Supplementary Estimates by \$3.035m mainly due to lower than expected level of response claims. In-principle expense transfers to 2013/14 were approved for the Response and Recovery for flooding in the Nelson-Tasman Region for up to a maximum of \$2.000m and the Governments' contribution towards Environment Bay of Plenty for hazard mitigation works for up to a maximum of \$0.627m.

February 2011 Christchurch Earthquake National Controller Costs

Actual expenditure was lower than Supplementary Estimates by \$0.240m mainly due to lower than anticipated costs incurred at the discretion of the National Controller Civil Defence for response costs after 21 March 2011 as part of the response to the 22 February 2011 Christchurch earthquake. An in-principle expense transfer for up to a maximum of \$0.265m was approved.

Former Prime Ministers – Annuities (PLA)

Actual expenditure was lower than Supplementary Estimates by \$0.009m mainly due to lower than anticipated increase in annuity as advised by Remuneration Authority.

Former Prime Ministers – Domestic Travel

Actual expenditure was lower than Supplementary Estimates by \$0.127m mainly due to lower than anticipated demand for travel.

Miscellaneous Grants – Internal Affairs

Actual expenditure was lower than Supplementary Estimates by \$0.040m mainly due to lower than anticipated demand for grants.

Pike River Royal Commission of Inquiry – Legal representation and assistance

Actual expenditure was lower than Supplementary Estimates by \$0.039m mainly due to lower than anticipated costs for legal representation.

Subsidies to Local Government

Actual expenditure was lower than Supplementary Estimates by \$0.097m mainly due to lower than anticipated level of claims for emergency management preparation through Resilience Fund. An in-principle expense transfer for up to a maximum of \$0.045m to 2013/14 was approved.

Te Oneroa a Tohe Beach Management

Actual expenditure was lower than Supplementary Estimates by \$0.400m mainly due to delays in closure of settlement negotiations between the Crown and Te Hiku. An in-principle expense transfer for up to a maximum of \$0.400m to 2013/14 was approved.

Schedule of Non-Departmental Revenue

Actual revenue was higher than Supplementary Estimates primarily reflecting the value of accessions of documents received by National Archives during 2012/13.

Schedule of Non-Departmental Assets and Liabilities

The actual cash balance as at 30 June 2013 was \$8.847m lower than Supplementary Estimates, primarily due to the high level of grants paid during the year.

10. Payments to or in respect of benefits and privileges of former Governors General

The terms of the appointment of a person as Governor-General may include an agreement for that person and his or her spouse or partner to be provided with specified benefits or privileges by way of payments in respect of domestic travel and the use of chauffeured cars when he or she no longer holds office as Governor-General.

This statement sets out the details of any benefits or privileges paid to or in respect of any former Governor-General under an agreement made under Section 11(1) or Section 27(1)(d) of the Governor-General Act 2010.

2012/13	FBT \$	Airfares \$	Surface Travel \$	Total \$
Lady Norma Beattie	1,831	2,424	3,820	8,075
Lady Jane Blundell	273	–	–	273
Lady Beverley Reeves	1,327	2,395	4,834	8,556
Dame Catherine Tizard	1,741	2,692	9,707	14,140
The Rt Hon Sir Michael Hardie-Boyes	–	–	3,957	3,957
Dame Sylvia Cartwright	1,043	1,622	2,933	5,598
The Rt Hon Sir Anand Satyanand	12,193	16,253	2,522	30,968
Total	18,408	25,386	27,773	71,567

11. Emergency Expenditure for Canterbury Earthquakes

The Canterbury region was significantly affected by two major earthquakes and a number of aftershocks during the 2010/11 and 2011/12 financial years, resulting in significant damage to property and infrastructure. The two major earthquakes were a magnitude 7.1 on 4 September 2010 and a magnitude 6.3 on 22 February 2011. Significant aftershocks that caused further damage occurred on 26 December 2010 and on 13 June 2011.

These Non-Departmental financial statements include expenses incurred in relation to these earthquakes, under Non-Departmental Other Expenses in Vote Emergency Management.

	Actual 2011 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual Since Feb 2011 \$000
National Controller Direct Response Expenses				
February 2011 Christchurch Earthquake National Controller Costs	3,324	362	41	3,727
Section 25 Public Finance Act	19,281	–	–	19,281
Total National Controller Direct Response Expenses	22,605	362	41	23,008
Canterbury Local Authorities' Response and Recovery Expenses				
Expenses recognised in respect of Indemnity for Response and Recovery Costs – Section 65ZG Public Finance Act	108,457	80,539	–	188,996
Emergency Expenses	15,849	46	9,840	25,735
Section 25 Public Finance Act	8,696	–	–	8,696
Total Canterbury Local Authorities' Response and Recovery Expenses	133,002	80,585	9,840	223,427
Total Canterbury Earthquake Expenses	155,607	80,947	9,881	246,435

National Controller Direct Response Expenses

Following the 22 February earthquake, and declaration of a State of National Emergency, the National Controller incurred necessary expenses in response to the emergency during 2010/11. These included expenses for freighting in emergency supplies and teams, chemical toilets, emergency fences and specialist equipment. The bulk of this expenditure was approved when the Minister of Finance invoked Section 25 of the Public Finance Act 1989 (expenses may be incurred in emergencies) immediately following the February earthquake.

National Controller Direct Response Expenses incurred in 2012/13 totalling \$0.041m (2011/12: \$0.362m, 2010/11: \$3.324m) have arisen as a result of claims against the Crown for actions incurred during the State of National Emergency.

Local Authorities' Response and Recovery Expenses

Under current Government policy settings, outlined in the National Civil Defence Emergency Management Plan ('the Plan') and Guide to the National Civil Defence Emergency Management Plan¹⁰⁹ ('the Guide'), the four affected Canterbury local authorities will be reimbursed, in whole or part, for certain types of response and recovery costs incurred as a result of the earthquakes. Under the Plan and the Guide, primary responsibility for managing these claims rests with the Department.

The Government provided an indemnity in favour of the four affected Canterbury authorities under 65ZD of the Public Finance Act 1989 for these costs. The indemnity formalises the implicit guarantee under the Guide.

In March 2012 the indemnity was extended to include CERA for recovery costs, along with transfer of the responsibility for assessment and management of these claims. The indemnity enables both the Department and CERA to recognise their respective obligations in respect of response and recovery costs without further appropriation.

The Department has therefore not recorded any liability for recovery costs at 30 June 2012.

¹⁰⁹ The Guide is issued by the Director of Civil Defence Emergency Management (CDEM) under Section 9 of the Civil Defence Emergency Management Act 2002.

Response Costs – Four Affected Canterbury Authorities

Under the Guide the standard financial support policy is for the Government to:

- » fully reimburse response costs associated with caring for displaced people; and
- » reimburse 60% of response costs associated with precautionary measures to reduce immediate danger and temporary repairs to essential infrastructure.

The Government subsequently decided to fully reimburse Christchurch City Council for costs associated with temporary repairs to essential infrastructure because of the earthquakes.

Response Costs – Other Councils Assisting

The Government has also agreed to reimburse costs totalling \$0.035m for other councils that provided assistance to the four affected Canterbury authorities in the immediate aftermath of the September 2010 and February 2011 earthquakes. The other Councils assisting were reimbursed for travel, accommodation, food and minor incidental costs for staff and volunteers who provided on-the-ground support during the immediate post-quake response periods.

Recovery Costs

Recovery costs shown by the Department are those that were settled with the affected Councils prior to transfer of responsibility to CERA. Following transfer of responsibility for the recovery cost claims process to CERA, the Department no longer records any liability for recovery cost claims.

Summary of Claims Lodged, Paid and Accrued

	Christchurch City Council \$000	Waimakariri District Council \$000	Environment Canterbury \$000	Selwyn District Council \$000	Other Councils Assisting \$000	Total \$000
2010/11						
Claims From Councils						
Emergency expenses	11,712	3,774	182	181	–	15,849
Response costs claims lodged	107,652	714	1,584	2,267	–	112,217
Estimated response costs	–	–	4,936	–	–	4,936
Total Claims	119,364	4,488	6,702	2,448	–	133,002
Payments made to Councils						
Emergency expenses	(11,712)	(3,774)	(182)	(181)	–	(15,849)
Response costs	(8,696)	–	–	–	–	(8,696)
Total Payments	(20,408)	(3,774)	(182)	(181)	–	(24,545)
Claims accrued at 30 June 2011	98,956	714	6,520	2,267	–	108,457
2011/12						
Accrued Claims carried forward	98,956	714	6,520	2,267	–	108,457
Claims From Councils						
Emergency expenses	–	–	11	–	35	46
Response costs claims lodged	81,156	588	–	–	–	81,744
Estimated response costs	22,236	–	–	–	–	22,236
Total Claims	103,392	588	11	–	35	104,026
Less claims declined or requiring special policy decisions	(17,516)	–	(3,703)	(2,222)	–	(23,441)
Payments made to Councils						
Emergency expenses	–	–	(11)	–	(35)	(46)
Payments made to Councils	(94,471)	(1,302)	(2,817)	(45)	–	(98,635)
Total Payments	(94,471)	(1,302)	(2,828)	(45)	(35)	(98,681)
Claims accrued at 30 June 2012	90,361	–	–	–	–	90,361
2012/13						
Accrued Claims carried forward	90,361	–	–	–	–	90,361
Claims From Councils						
Emergency expenses	8,340	–	129	–	–	8,469
Total Claims	8,340	–	129	–	–	8,469
Less claims declined and accruals reversed	(6,376)	–	–	–	–	(6,376)
Payments made to Councils						
Emergency expenses	(92,325)	–	–	–	–	(92,325)
Total Payments	(92,325)	–	–	–	–	(92,325)
Claims accrued at 30 June 2013	–	–	129	–	–	129

Trust Money Administered on Behalf of the Crown

Schedule of Trust Money Administered on Behalf of the Crown for the year ended 30 June 2013

The following trust money is administered on behalf of the Crown under Part VII of the Public Finance Act 1989.

Description of Trusts

Vogel House Trust:

This trust was established to hold bonds for the hire of Vogel House and Premier House.

Christchurch Earthquake Appeal Fund:

This trust was established by Government as a result of the Canterbury Earthquake of 22 February 2011. It is a registered charity and administers donations and grants made to affected people in Canterbury.

New Zealand 1990 Scholarships:

The New Zealand 1990 Scholarship Trust was established to provide scholarships for top overall students in University Bursaries examinations.

Macklin Bequest Fund:

The Macklin Bequest Fund is used to fund special projects relating to the National Library and may include collaborative projects between the National Library and other institutions in the galleries, libraries, archives and museum sector or between the National Library and other libraries that supplement and further the work of other libraries in New Zealand.

Interloans Billing System Fund:

The Interloans Billing System Fund is administered by the National Library. The trust manages the on-charging of fees for national inter-lending of books between participating New Zealand libraries and fees for Trans-Tasman inter-lending between participating New Zealand and Australian libraries.

Schedule of Trust Money

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.

These figures are subject to audit.

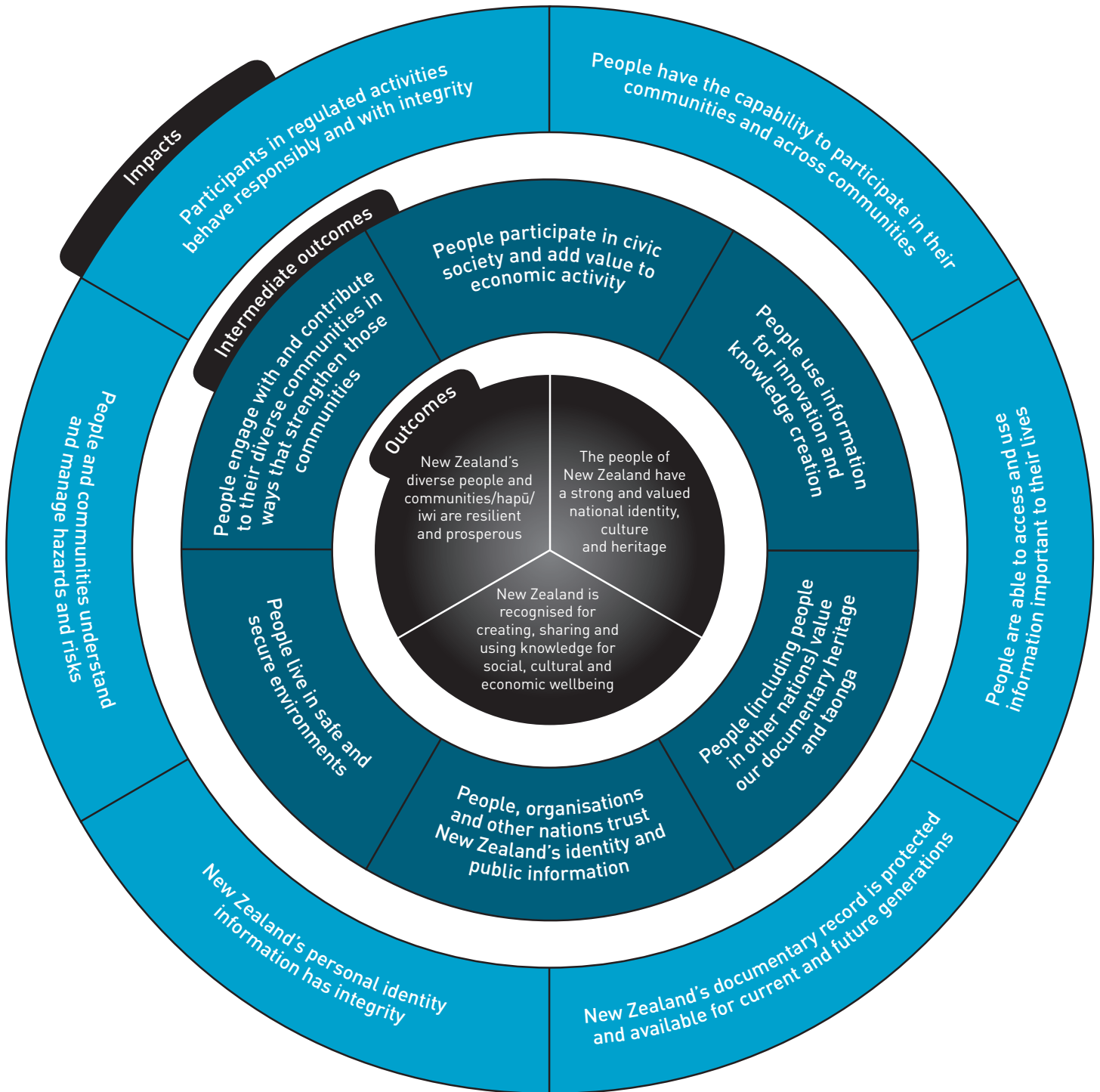
Trust	Open Balance \$000	Adjustment to Opening Balance* \$000	Contributions \$000	Distributions \$000	Revenue \$000	Expenses \$000	Closing Balance 2013 \$000
Vogel House	-	-	-	-	-	-	-
Christchurch Earthquake Appeal Fund	38,500	8,652	5,913	(32,231)	2,082	-	22,916
New Zealand 1990 Scholarships	724	-	-	-	19	-	743
Macklin Bequest Fund	262	-	15	-	13	-	290
Interloans Billing System Fund	7	-	-	-	438	(387)	58
Total Trusts	39,493	8,652	5,928	(32,231)	2,552	(387)	24,007

* The 2012 closing balance of the Christchurch Earthquake Appeal Fund shown in the 2011-12 Annual Report of the Department was unaudited. This figure has been adjusted by \$8.652m to reflect the audited result.

APPENDICES

PERFORMANCE FRAMEWORK:

The Department of Internal Affairs provides services to people and communities that contribute to the following outcomes:



The Department uses **outcomes** where it provides services directly to people or communities.

- Outcomes are a state or condition of society, the economy, or the environment and describe the long-term state or condition the government seeks to achieve, largely through the operations of its agencies.
- Intermediate outcomes are more specific statements of outcomes. Intermediate outcomes provide a bridge between outcomes and impacts.
- Impacts are the Department's contribution to an outcome by a specified set of services or actions, or both.

Outcomes and Objectives

The Department of Internal Affairs provides services to Government and public sector organisations that contribute to the following objectives:



The Department uses **objectives** where the services it provides are too distant to identify direct relationships with outcomes, or where the contribution is indirect (i.e. services to Government and public sector organisations).

- Lead objectives describe a long-term state or condition that results from providing 'enabling' services.
- Supporting objectives describe the Department's contribution to a lead objective by a specified set of services or actions, or both.

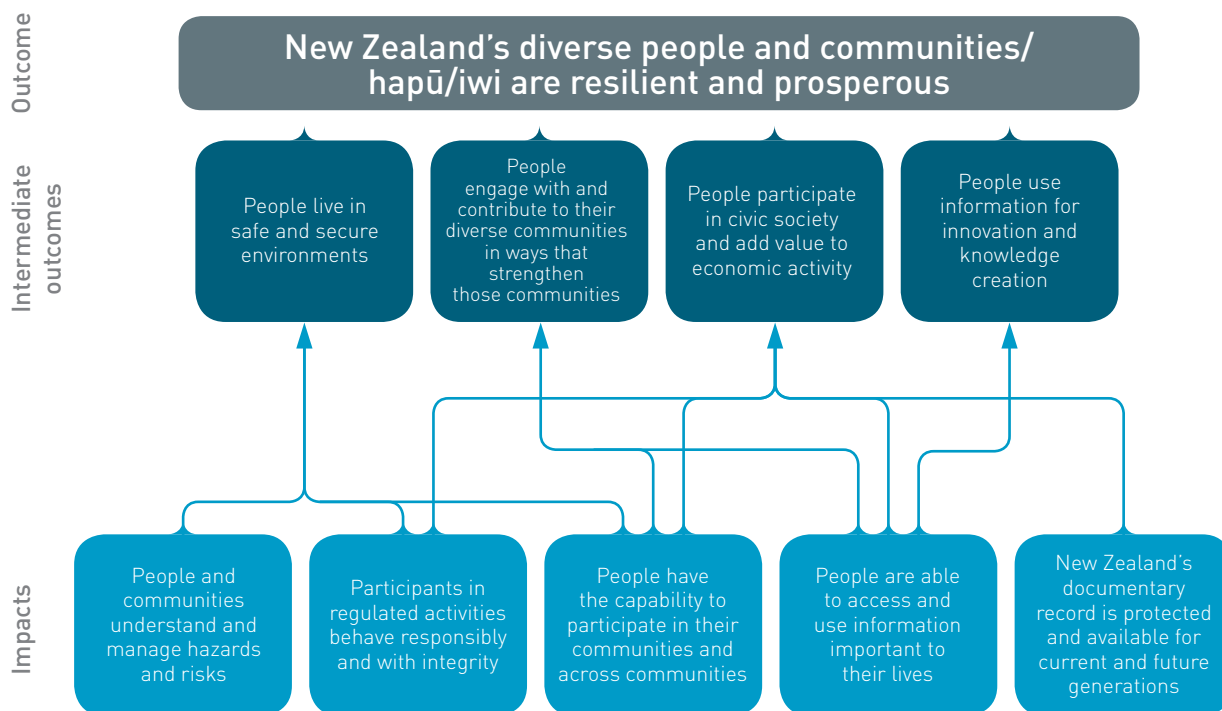
Note:

For the purposes of this framework, 'public sector organisations' are: the entities included in public service departments; non-public service departments; Offices of Parliament; Crown agents; autonomous Crown entities; independent Crown entities; statutory bodies; and territorial and local authorities. For these purposes, 'public sector organisations' included those in other jurisdictions, in particular Pacific Island countries.

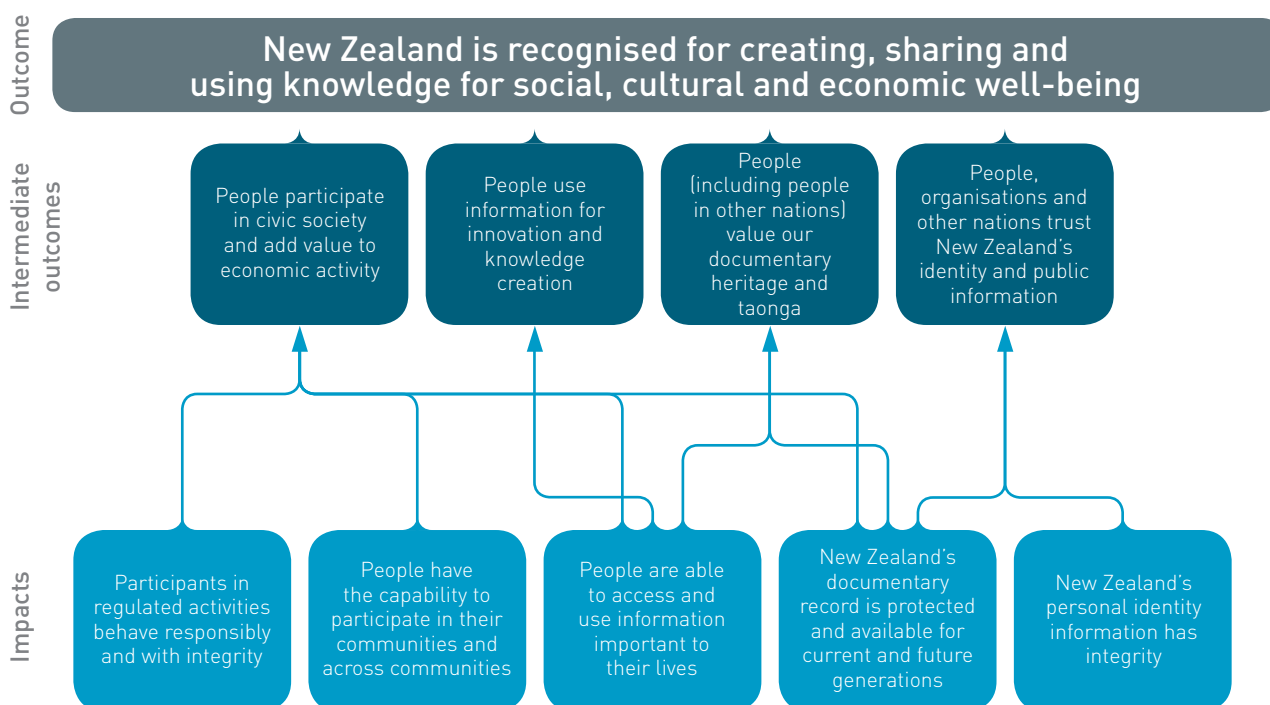
Appendix II

Links between impacts, intermediate outcomes and outcomes/objectives

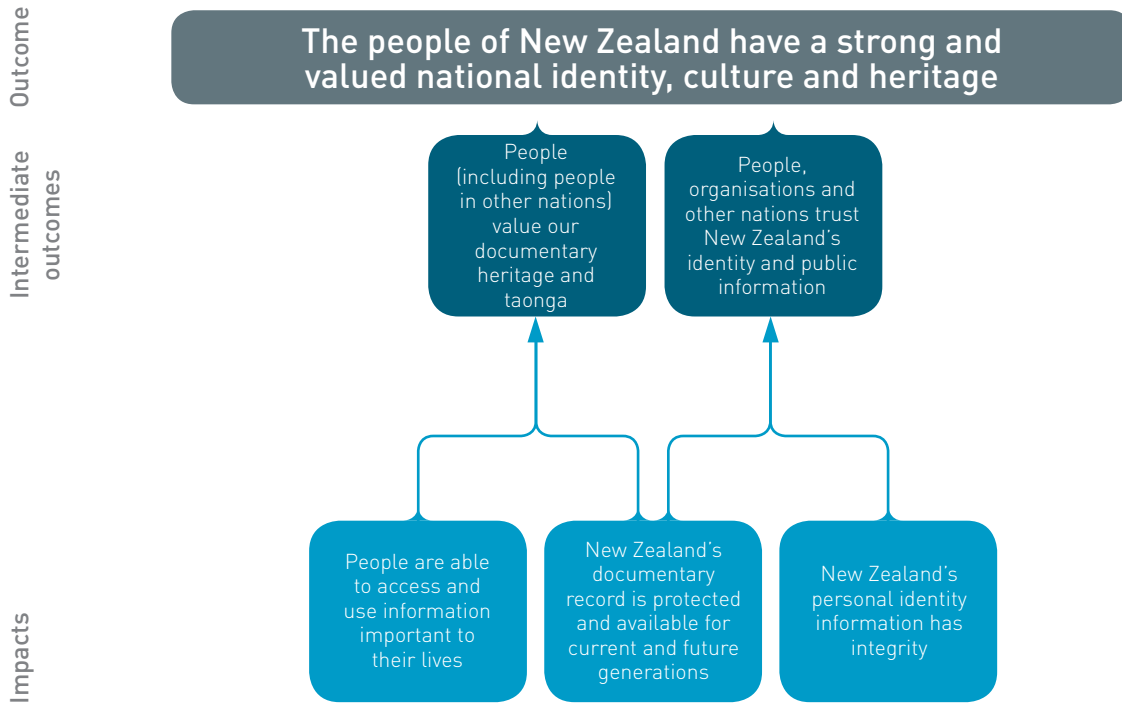
Outcome:



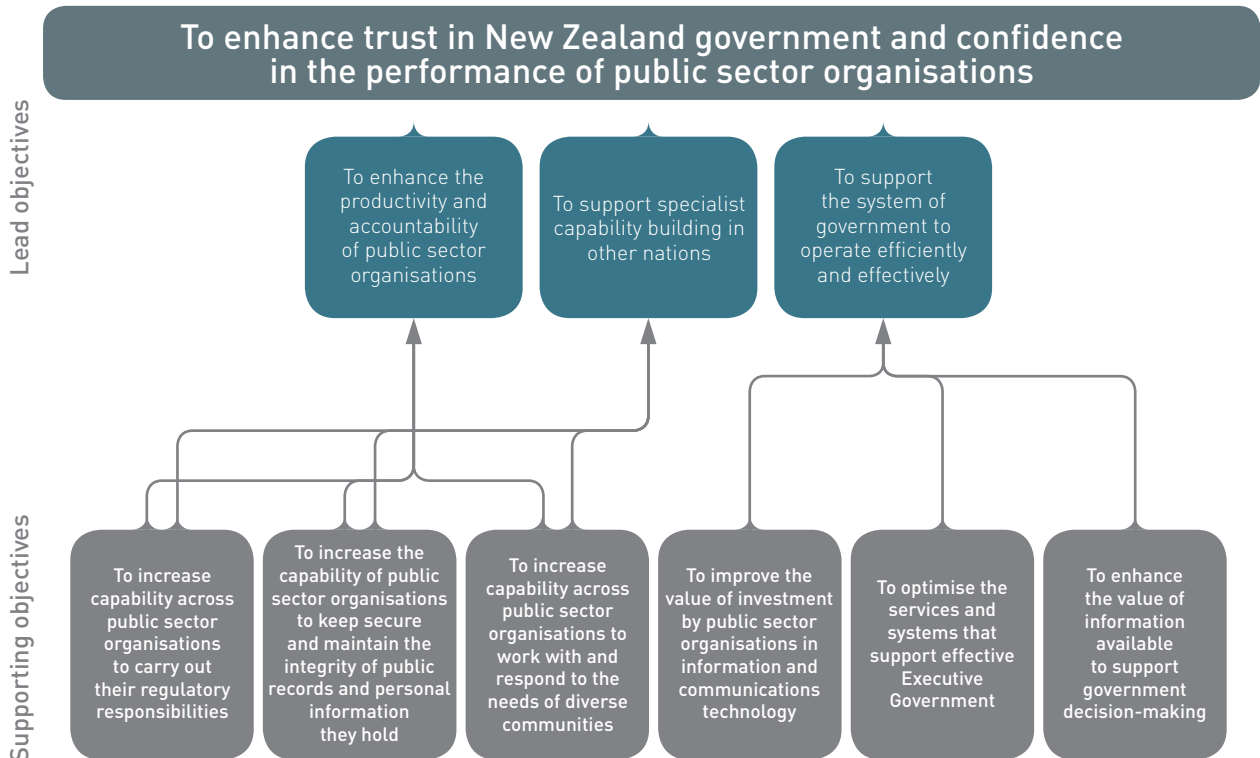
Outcome:



Outcome:



Objective:



Appendix III

Links Between Outcomes/Objectives and Vote Internal Affairs Appropriations

APPROPRIATION	INTERMEDIATE OUTCOMES/OBJECTIVES	OUTCOMES/OBJECTIVES
Administration of Grants	<p>People live in safe and secure environments</p> <p>People engage with and contribute to their diverse communities in ways that strengthen those communities</p> <p>People participate in civic society and add value to economic activity</p>	<p>New Zealand's diverse people and communities/hapū/iwi are resilient and prosperous</p> <p>New Zealand is recognised for creating, sharing and using knowledge for social, cultural and economic well-being</p>
Civic Information Services [MCOA]	<p>People live in safe and secure environments</p> <p>People engage with and contribute to their diverse communities in ways that strengthen those communities</p> <p>People participate in civic society and add value to economic activity</p> <p>People use information for innovation and knowledge creation</p> <p>People (including people in other nations) value our documentary heritage and taonga</p> <p>People, organisations and other nations trust New Zealand's identity and public information</p> <p>To enhance the productivity and accountability of public sector organisations</p> <p>To support specialist capability building in other nations</p>	<p>New Zealand's diverse people and communities/hapū/iwi are resilient and prosperous</p> <p>New Zealand is recognised for creating, sharing and using knowledge for social, cultural and economic well-being</p> <p>The people of New Zealand have a strong and valued national identity, culture and heritage</p> <p>To enhance trust in New Zealand government and confidence in the performance of public sector organisations</p>
Community Information and Advisory Services [MCOA]	<p>People live in safe and secure environments</p> <p>People participate in civic society and add value to economic activity</p> <p>People engage with and contribute to their diverse communities in ways that strengthen those communities</p> <p>To enhance the productivity and accountability of public sector organisations</p>	<p>New Zealand's diverse people and communities/hapū/iwi are resilient and prosperous</p> <p>New Zealand is recognised for creating, sharing and using knowledge for social, cultural and economic well-being</p> <p>To enhance trust in New Zealand government and confidence in the performance of public sector organisations</p>
Contestable Services (RDA)	<p>People engage with and contribute to their diverse communities in ways that strengthen those communities</p> <p>People participate in civic society and add value to economic activity</p>	<p>New Zealand's diverse people and communities/hapū/iwi are resilient and prosperous</p> <p>New Zealand is recognised for creating, sharing and using knowledge for social, cultural and economic well-being</p>
Emergency Management Services [MCOA]	<p>People live in safe and secure environments</p> <p>People engage with and contribute to their diverse communities in ways that strengthen those communities</p> <p>To enhance the productivity and accountability of public sector organisations</p> <p>To support specialist capability building in other nations</p>	<p>New Zealand's diverse people and communities/hapū/iwi are resilient and prosperous</p> <p>New Zealand is recognised for creating, sharing and using knowledge for social, cultural and economic well-being</p> <p>To enhance trust in New Zealand government and confidence in the performance of public sector organisations</p>

APPROPRIATION	INTERMEDIATE OUTCOMES/OBJECTIVES	OUTCOMES/OBJECTIVES
Information and Technology Services [MCOA]	<p>People engage with and contribute to their diverse communities in ways that strengthen those communities</p> <p>People participate in civic society and add value to economic activity</p> <p>People use information for innovation and knowledge creation</p> <p>People (including people in other nations) value our documentary heritage and taonga</p> <p>To enhance the productivity and accountability of public sector organisations</p> <p>To support the system of government to operate efficiently and effectively</p>	<p>New Zealand's diverse people and communities/hapū/iwi are resilient and prosperous</p> <p>New Zealand is recognised for creating, sharing and using knowledge for social, cultural and economic well-being</p> <p>The people of New Zealand have a strong and valued national identity, culture and heritage</p> <p>To enhance trust in New Zealand government and confidence in the performance of public sector organisations</p>
Local Government Services	<p>People live in safe and secure environments</p> <p>People participate in civic society and add value to economic activity</p> <p>People engage with and contribute to their diverse communities in ways that strengthen those communities</p> <p>To enhance the productivity and accountability of public sector organisations</p> <p>To support the system of government to operate efficiently and effectively</p>	<p>New Zealand's diverse people and communities/hapū/iwi are resilient and prosperous</p> <p>New Zealand is recognised for creating, sharing and using knowledge for social, cultural and economic well-being</p> <p>To enhance trust in New Zealand government and confidence in the performance of public sector organisations</p>
Ministerial Support Services [MCOA]	<p>To support the system of government to operate efficiently and effectively</p>	<p>To enhance trust in New Zealand government and confidence in the performance of public sector organisations</p>
Policy Advice [MCOA]	<p>To support the system of government to operate efficiently and effectively</p> <p>To support specialist capability building in other nations</p>	<p>To enhance trust in New Zealand government and confidence in the performance of public sector organisations</p>
Regulatory Services [MCOA]	<p>People live in safe and secure environments</p> <p>People participate in civic society and add value to economic activity</p> <p>People engage with and contribute to their diverse communities in ways that strengthen those communities</p> <p>To enhance the productivity and accountability of public sector organisations</p>	<p>New Zealand's diverse people and communities/hapū/iwi are resilient and prosperous</p> <p>New Zealand is recognised for creating, sharing and using knowledge for social, cultural and economic well-being</p> <p>To enhance trust in New Zealand government and confidence in the performance of public sector organisations</p>
Services Supporting the Executive [MCOA]	<p>To support the system of government to operate efficiently and effectively</p>	<p>To enhance trust in New Zealand government and confidence in the performance of public sector organisations</p>
Support for Statutory and Other Bodies [MCOA]	<p>To support the system of government to operate efficiently and effectively</p>	<p>To enhance trust in New Zealand government and confidence in the performance of public sector organisations</p>

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