



Te Tari Taiwhenua
Internal Affairs

G.7 (2021)

2021

Pūrongo Ā Tau Annual Report



Tō Mātou Whāinga

Ko tā Te Tari Taiwhenua he whakarato me te hono i ngā iwi, ngā hapori me te kāwanatanga ki te waihanga motu haumarū, tōnui, whai mana hoki

Our Purpose

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

Mātāpono – Our principles and behaviours

Mātāpono/principles are woven through the way we do things at the Department. They are linked to our Principles and Behaviours and underpin how we relate to one another.

Kotahitanga

Expresses values of togetherness, solidarity, collective action, reciprocity and respect. Strength in unity.

Manaakitanga

To manaaki is to show kindness, respect, and hospitality towards others. This principle is about maintaining and nurturing relationships and ensuring people are looked after.

We make it easy, we make it work

- Customer centred
- Make things even better

Whanaungatanga

Kinship and relationships. This principle is nurtured through shared experiences and working together, which provides people with a sense of belonging.

We're stronger together

- Work as a team
- Value each other

He Tangata

People are important to what we do and the culture we create. This principle is about all people, both internal and external, being important.

We take pride in what we do

- Make a positive difference
- Strive for excellence

Presented to the House of Representatives pursuant to Section 44 (1) of the Public Finance Act 1989.

ISSN: 1173-8979 (Print)

ISSN: 1173-9371 (Digital)



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Te Kāwanatanga o Aotearoa
New Zealand Government

CASE STUDY

Keep it Real Online: The Eggplant



The Eggplant was an immediate hit online. It has had over 300,000 episode streams across TVNZ OnDemand and YouTube, equating to over three million minutes of viewing. The trailer and other advertising has received over 4.5 million views from kiwi youth across TikTok, Facebook, Instagram and Snapchat, and feedback has been overwhelmingly positive.

Secondary school teachers let us know they are using *The Eggplant* as a teaching tool in their classrooms, leading to better conversations with rangatahi about these issues.

To reach this tough audience we decided classic advertising was not the way to go. Instead we developed an educational tool presented as a six-part mini-series of pure New Zealand comedy, based in a high school, using the classic 'whodunnit' format. It features some of the country's most well-known comedians, influencers, entertainers, and some very talented young actors.

Following the success of our Keep it Real Online awareness campaign targeted at parents and caregivers, Internal Affairs is now providing 13 – 18 year olds with access to the knowledge they need to keep themselves safe online, support their peers and know where to go for help if needed.

To ensure this approach was relevant and relatable, we consulted with young people on every step of the process. This collaboration helped inform everything from the tone, sense of humour, vernacular to casting and character development, giving the confidence that we were hitting all the right notes.

The narrative structure of the mini-series allowed us to explore the core themes of bullying, nudes, pornography and grooming in depth through the eyes of students.

Given *The Eggplant's* success, during the latest COVID-19 lockdown we launched a bonus 30 minute episode on the issue of mis-information. Within a few weeks this episode had over 20,000 views.

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01

He tirohanga arotake ki te tau kua hipa – Our year in review



Ngā Tīpako – Highlights

- ▶ Establishment of the Ministry for Ethnic Communities as a Departmental Agency.
- ▶ Supporting the smooth transfer of Government following the 2020 election, with 19 Ministerial changes, 29 office relocations and over 200 staff changes managed in the immediate period following the confirmation of the Executive.
- ▶ **Three Waters reforms:** establishment of the new water regulator Taumata Arowai and progressing the Three Waters reforms policy work.
- ▶ Following introduction of a new online first-time passport application system in late April 2021, applications for online first-time passports reached a 73% uptake. This is an increase from 50% and the increase means that only 27% of first time New Zealand passports are still being applied for using paper forms, thanks to the new online service.
- ▶ Embedding the Countering Violent Extremism function to reduce the impact of online harmful content on New Zealanders.
- ▶ Provided \$10.7 million in funding to six groups to deliver Digital Skills packages to over 900 individuals, whānau and small businesses owned by Māori, Pasifika, and disabled people as part of the COVID-19 recovery.
- ▶ Provided advice on improving legislation related to local governance and democracy, including changes to Māori wards legislation.
- ▶ Progressed a programme of work with two key components that are intended to support and enable an enhanced relationship between iwi/Māori and local government.
- ▶ Ethnic Communities Digital Inclusion Fund established as a contestable fund, as part of the wider Multilingual Information Network funding, aiming to contribute to increased confidence for ethnic communities to use digital technology and enable fuller participation in wider society.
- ▶ Collaborating with Ngā Taonga Sound and Vision to preserve the Crown’s audio-visual heritage collection.
- ▶ Delivering fit-for-purpose infrastructure to preserve, protect and give access to our recorded and documentary taonga.
- ▶ Providing the opportunity for people to explore 100 years of collecting at the Alexander Turnbull Library in the Mīharo Wonder exhibition.



He kupu nā te Tumu Whakarae – Secretary for Internal Affairs’ Foreword

*Ko to mātou mahi, ko to mātou aro ko Te Tari Taiwhenua,
ko ngā tangata, ko ngā hāpori katoa o Aotearoa.
Nā mātou te whiwhi ki te tūhonohono ki ngā whānau,
ngā hapū me ngā hāpori kei ngā ratonga mahi a te Tari Taiwhenua.
Kia noho haumaruru, kia noho māhara,
kia mākohia, kia atawhai tātou i a tātou*

Te Tari Taiwhenua serves and connects people, communities and government to build a safe, prosperous, respected nation.

Throughout the year, we have been quick to adapt when needed as New Zealand continues to respond to COVID-19. We have continued to deliver our important mahi for New Zealand throughout all alert levels, and I’m proud of the way the Department and our kaimahi have worked through the flow on effects from alert level changes and the wider impact of COVID-19 on Aotearoa. We also supported the system wide response, including helping government agencies to maintain critical digital services to deliver for New Zealanders, and working with local government as they support and respond to communities.

I’m proud to present this report and share the stories of how we’ve made a difference in the lives of New Zealanders and their communities across Aotearoa throughout the 2020/21 year, in our four outcome areas.

We play a leadership role in making it easy for New Zealanders to participate in the digital world. This year, our new online service for adults applying for their first passport without the need for a RealMe verification has been highly popular. In total, 73% of all first-time adult passport applications were done online. We are establishing a Digital Identity Trust Framework to enable a range of digital identity services to be developed that are responsive to the needs of New Zealanders.

We work with, and for, communities to make sure they’re safe and resilient, so they have the best opportunity to thrive and prosper. In response to the Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain we set up the Ministry for Ethnic Communities, which launched in July 2021 following an engagement process with over 600 ethnic community members.

The Digital Child Exploitation Filtering System, multi-award winning Keep it Real Online campaign, and proposed changes to the Films, Videos and Publications Classifications Act 1993, are a few of the ways we're preventing and minimising online harm in our communities.

We have significantly progressed the **Three Waters Reform programme** to ensure all New Zealanders have access to safe drinking water. We established Taumata Arowai, a dedicated water services regulator, and supported the introduction and progress of the Water Services Bill which comprehensively reforms the drinking water regulatory system and creates new national oversight of wastewater and stormwater.

A collective memory is important for New Zealanders to hold a shared sense of belonging and inclusion. *Utaina!* A joint initiative with Ngā Taonga Sound and Vision will preserve the Crown's audio-visual heritage collection, and Tāhuhu is delivering fit-for-purpose infrastructure to preserve, protect and give access to our recorded and documentary taonga. This year the Mīharo Wonder exhibition provided the opportunity for people to explore 100 years of collecting at the Alexander Turnbull Library.

This year, we supported two Royal Commissions, including the Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions. The Terms of Reference for this Royal Commission were amended to strengthen a survivor-centric approach and ensure a completion date of June 2023.

We are progressing the Future for Local Government review, which considers how our system of local democracy and governance needs to evolve over the next 30 years to improve the wellbeing of communities, the environment, and actively embody the Treaty partnership. To increase Māori representation and provide a Māori voice in local decision making, legislation was passed in February 2021 to remove the binding poll provision for councils wanting to establish Māori wards for the 2022 local elections.

Throughout the following pages, you'll read about the various ways our kaimahi have supported and connected people, communities and government to make New Zealand better for New Zealanders over the past year.

Our people are what make us a high performing organisation and a great place to work, and I'm grateful for their commitment, mahi and dedication to our spirit of service.

Ngā mihi mahana



Paul James

Te Tumu Whakarae mō te Tari Taiwhenua
Secretary for Internal Affairs

Te āhua me te momo o ā mātou mahi – Nature and scope of our functions

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 Purpose

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

Our purpose remains consistent, even as the functions and services we perform evolve to meet the changing needs and expectations of New Zealanders and the Government.

We work with people, communities, and government – both central and local – to make New Zealand better for New Zealanders.

Our Ministerial Portfolios

We are responsible to six Ministers, administering seven Portfolios within the single Vote Internal Affairs¹. The Minister of Internal Affairs is the Vote Minister and the Responsible Minister overseeing the Government's ownership interests in Internal Affairs. Portfolios and Responsible Ministers for 2020/21 were:

Internal Affairs	Hon. Jan Tinetti
Community and Voluntary Sector	Hon. Priyanca Radhakrishnan
Diversity, Inclusion and Ethnic Communities	Hon. Priyanca Radhakrishnan
Digital Economy and Communications	Hon. Dr David Clark
Local Government	Hon. Nanaia Mahuta
Ministerial Services	Rt. Hon. Jacinda Ardern
Racing	Hon. Grant Robertson

Internal Affairs operates under a single Vote to support activities under the seven Portfolios.

¹ Internal Affairs was also responsible for the Office of Ethnic Communities, which supported ethnic communities across Aotearoa and the benefits their diversity brings to New Zealand. The Office of Ethnic Communities became the Ministry for Ethnic Communities on 1 July 2021 and now operates as a Departmental Agency.

Internal Affairs has a broad range of responsibilities and functions that span information and communication technologies (ICT) investment, information management, working with communities, ensuring effective regulatory frameworks are in place, supporting the Executive and local government and delivering a range of services to support and foster New Zealand's cultural identity.

System leadership roles include the Government Chief Digital Officer (GCDO) and the Government Chief Privacy Officer (GCPO) to lead the digital transformation of government across the public sector. We support our public sector colleagues to transform their services through better investment in ICT and to maintain the privacy of New Zealanders' government-held information.

We also play a system leadership role for local government. We link central and local government more effectively to achieve improved outcomes for citizens and communities.

Internal Affairs is responsible for the National Library of New Zealand Te Puna Mātauranga o Aotearoa and Archives New Zealand Te Rua Mahara o te Kāwanatanga, which play an important role in preserving New Zealand's documentary heritage and ensuring a full and accurate public record is created and maintained.

The Chief Archivist has a system leadership and regulatory role in administering the Public Records Act 2005, which establishes the statutory framework for information and records management across the public sector to:

- enable the government to be held accountable by ensuring that full and accurate records of central and local government are created and maintained
- preserve and manage, and provide access to, records of long-term value, and
- enhance public confidence in the integrity of public and local authority records.

The National Librarian has a system leadership role in the preservation, protection, development, and accessibility of New Zealand's documentary heritage. This involves:

- Collecting, preserving, and protecting documents, particularly those relating to New Zealand, and making them accessible for all the people of New Zealand, in a manner consistent with their status as documentary heritage and taonga
- Supplementing and furthering the work of other libraries in New Zealand, and
- Working collaboratively with other institutions having similar purposes, including those forming part of the international library community.

Our wider Internal Affairs functions include:

- Managing and protecting the integrity of national identity information, including life events such as births, deaths, marriages, citizenship and issuing passports
- Regulating activities in several sectors including: gambling, censorship, countering violent extremism, government recordkeeping, charities, unsolicited electronic messages, anti-money laundering, private security personnel and private investigators
- Providing policy advice to Government on local government, ethnic communities, community and voluntary sector, fire and emergency services, identity, information and communications technology, information management, digital safety, gambling and racing
- Providing information, resources and advice to communities to support their aspirations
- Administering grant funding schemes and promoting trust and confidence in the charitable sector
- Supporting Ministers to ensure Executive Government operates efficiently and effectively
- Coordinating and managing official guests of Government visits to New Zealand and arranging national commemorative events
- Supporting public and Government inquiries and reviews, including Royal Commissions of Inquiry
- Administering a range of statutory functions for the Minister of Local Government, including for Lake Taupō and offshore islands
- Leadership in the direction and operational approach for digital across the core public service.

We administer 112 Acts of legislation. We monitor the performance of three Crown entities (Fire and Emergency New Zealand, the Office of Film and Literature Classification and Taumata Arowai) and manage the appointment process for members of a range of trusts, committees and boards.

Ngā arotau a te Kāwana – Government priorities

Tā mātou mahi tautoko i ngā arotau a te Kāwana – How we support Government's priorities

As part of the New Zealand public service, Internal Affairs contributes to Government's outcomes and objectives. We focus our efforts to support the Government of the day to achieve its priorities.

The previous Government's priorities were:

An economy that is growing and working for all of us

- Support thriving, sustainable regions
- Govern responsibly.

Improving the wellbeing of New Zealanders and their families

- Ensure that everyone who can is earning, learning, caring or volunteering
- Support healthier, safer and more connected communities
- Make New Zealand the best place in the world to be a child.

Making New Zealand proud

- Deliver open, transformative and compassionate Government
- Build closer partnerships with Māori
- Value who we are as a country
- Create an international reputation we can be proud of.

After the 2020 election, the Government's priorities for the next three years are:

- Continuing to keep New Zealand safe from COVID-19
- Accelerating the recovery and rebuild from the impacts of COVID-19
- Laying the foundations for the future, including addressing key issues such as our climate change response, housing affordability, and child poverty.

He papa whāinga – Our Outcomes Framework

In our 2019–2023 Strategic Intentions, we described our new Outcomes Framework.

We have four outcomes to achieve our common purpose. These outcomes support each other and overlap. Contributing to the achievement of the outcomes are 16 intermediate outcomes that represent more specifically the impact we will have.

During 2020 and early 2021, a new outcome was developed that outlines our commitment to Māori/Crown relationships. The outcome is 'Oranga, hapū, iwi and Māori is improved through and enduring, equitable and positive Māori/Crown relationship.

People can easily access the services and information they need

Intermediate outcomes

- Barriers to digital inclusion are reduced
- People's access to government is enhanced
- People's identity can be easily and securely verified
- Taonga tuku iho rights are protected

Iwi, hapū and communities across New Zealand are safe, resilient and thriving

Intermediate outcomes

- Regulated activities minimise harm and maximise benefits to people and communities
- Māori are supported to realise their aspirations
- Communities are supported to develop and prosper

People's sense of belonging and collective memory builds an inclusive New Zealand

Intermediate outcomes

- Collective memory is enhanced by New Zealand's documentary heritage
- A culture of reading enhances literacy and knowledge
- New Zealand's national and cultural identity is fostered and respected
- Trusted citizenship and identity documents contribute to a sense of belonging
- Taonga tuku iho is preserved and valued

New Zealand is a well-functioning democracy across central and local government

Intermediate outcomes

- Executive Government functions well through support, services and advice
- Engagement between Māori and local government is strengthened
- Government transparency is upheld
- Local government works collectively to address national objectives

Outcome Indicators

Internal Affairs uses indicators to demonstrate the impact of the work we do to benefit New Zealand and those who live here. We identified a range of outcome indicators in 2019 to illustrate whether there is positive or negative movement over time towards achieving the outcomes. Indicators can only illustrate an aspect of an outcome and the influence of the Department over any indicator will only be partial.

To the extent that we can, we will continue to show the trend in movement but for a significant proportion of the indicators recent data has not been available. This has been due to some surveys or reports being discontinued or delayed due to disruptions caused by the COVID-19 pandemic. Of the data that is available, the trend line has generally remained consistent, indicating stable performance.

02

E ora ai a Aotearoa, ka ora ai tātou katoa – Making New Zealand better for New Zealanders



Ka māmā noa tā te iwi whai wāhi ki ngā ratonga me ngā mōhiohio e hiahiatia ana – People can easily access the services and information they need

People’s ability to access services and information affects their lives and wellbeing.

We work across government to identify opportunities to make services and information more easily accessible to those who need them.

Making it easy for people to verify their identity and reducing or eliminating digital barriers enhances people’s ability to participate in society – through jobs, education, community work, and recreation.

Intermediate Outcomes

- Barriers to digital inclusion are reduced
- People’s access to government is enhanced
- People’s identity can be easily and securely verified
- Taonga tuku iho rights are protected.

Ngā Tipako - Highlights

- ▶ Provided \$10.7 million in funding to six groups to deliver Digital Skills packages to over 900 individuals, whānau and small businesses owned by Māori, Pasifika, and disabled people as part of the COVID-19 recovery.
- ▶ New online service enables an increase to 73% of first-time passport applications being completed online this year, an increase from 50%.
- ▶ 8,925 individual archives, over 272,000 pages, have been digitised over the past year.
- ▶ The Office of Ethnic Communities supported the Department of Prime Minister and Cabinet to host 33 regional community hui with Muslim and wider ethnic and faith-based communities following the release of the *Ko tō tatou kāinga tēnei* report, to discuss and gain feedback on the report and its recommendations.

Barriers to digital inclusion are reduced

The world is becoming more digital each day, and the move to online has been accelerated in the COVID-19 environment, meaning digital inclusion is more important than ever.

Internal Affairs plays a system leadership role in digital transformation. We provide an All of Government approach to compliance with the 2003 Cabinet-mandated Web Standards, including upskilling, guidance and assurance, and supporting agencies to improve service design for digital and non-digital channels.

Ensuring that Government agencies have the capability and expertise to deliver digital services is one part of increasing digital engagement, the other key component is reducing barriers to digital inclusion. Digital inclusion is more than being able to connect to the internet – it's about having the access, skills, motivation and trust to interact in the digital world.

The rapid increase of digital delivery channels during the COVID-19 response highlighted the impact of digital exclusion on some New Zealanders. Internal Affairs was already working towards its services being more digitally accessible to New Zealanders, such as people outside of main centres and those unable to travel to Internal Affairs' sites.

In 2020/21, as part of the COVID-19 recovery, Internal Affairs provided \$10.7 million in funding to six groups to deliver digital skills packages to over 900 individuals, whānau and small businesses owned by Māori, Pasifika, and disabled people, enabling them to more confidently interact in the digital world.

Internal Affairs is taking an active lead and co-ordination role across government agencies to progress thinking on how to increase digital inclusion so that everyone has the confidence, resources and skills to participate in the digital world.

Supporting the delivery of Digital Skills

People who are digitally excluded are at higher risk of being negatively impacted by the COVID-19 pandemic. To help address this, in 2020/21 Internal Affairs funded a digital skills training programme for individuals and whānau, delivered by the Manaiakalani Education Trust.

3,068 people benefited from this training during 2020/21. This programme continues until December 2021 and will stand participants in good stead if we see further COVID-19 lockdowns.

While the programme evaluation will not be completed until after the end of December 2021, feedback from participants has been positive about the impact that training has had on their ability and confidence to access services and communicate online.

Improving digital inclusion in ethnic communities

In May 2020, the Government agreed to fund the Ethnic Communities Multilingual Information Network as part of the COVID-19 Response and Recovery Fund. This included \$200,000 non-departmental funding in each of the 2020/21 and 2021/22 financial years to improve digital inclusion for ethnic communities in Aotearoa, which became the Ethnic Communities Digital Inclusion Fund (ECDIF).

The ECDIF is a contestable fund that aims to increase capability and confidence of ethnic communities to use digital technologies to more fully participate in New Zealand society.

The priorities of the ECDIF are to ensure communities have the skills to use digital technology, understand how the digital world can help them connect and access opportunities, and foster trust, confidence and digital literacy in managing personal information online.

Requests to the fund were open from 24 February to 28 April 2021. 41 requests were received, and the full funding available was distributed by 30 June 2021.

Multi-lingual Information Network enables access to services and information

The Multilingual Information Network (the Network) shares information with ethnic community members in ways they have told us they need, succinctly and in their primary languages.

Information Facilitators are well connected in their communities, understand their communities' needs, and have expressed an interest in partnering to improve community outcomes.

The Network has shared information related to COVID-19, the General Election 2020 and referendums, the emergency benefit for temporary visa holders and the Ethnic Communities Digital Inclusion Fund.

The Network complements existing professional services by utilising the language proficiency and connections of its Information Facilitators, to ensure that professionally translated government information reaches ethnic communities. Information Facilitators complete feedback surveys after each message, and their feedback helps inform and improve future messages.

People's access to government is enhanced

Te Ara Manaaki – supporting online uptake of services

The Te Ara Manaaki programme continues to reimagine the way we deliver life event and identity services around the needs of our customers.

This year, following introduction of a new online first-time passport application system in late April 2021, applications for online first-time passports reached a 73% uptake. This is an increase from 50% and means that just 27% of first time New Zealand passports are still being applied for using paper forms, thanks to the new online service.

The newest service, delivered as part of the Te Ara Manaaki modernisation programme, joins verified RealMe as an online option for adults applying for their first New Zealand passport. Customers go through an online identity checker that can be accessed anywhere, anytime.

The new option has proven popular with customers and is being expanded to children and family groups in 2021/22.

In addition, Internal Affairs is planning of new online citizenship services to be delivered which enable citizenship applications to be made online.

Engagement with ethnic and faith communities and government

The Office of Ethnic Communities has worked in and with ethnic and faith communities across New Zealand to increase people's access to government.

Over the last year, the Office focused on supporting central and local government agencies and ethnic and faith communities to connect and engage with each other, as well as holding regular stakeholder meetings to help the Office to grow its knowledge of, and relationships with, ethnic and faith communities. The Office was also committed to developing a greater regional presence and regularly shared information with community members through various communications channels.

Of particular note, was the Office's support to the Department of Prime Minister and Cabinet to host 33 regional community hui with Muslim and wider ethnic and faith communities following the release of the *Ko tō tātou kāinga tēnei* report from the Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain on 15 March 2019, to gain feedback on the report and its recommendations.

Targeted COVID-19 response for ethnic communities

The Office of Ethnic Communities played a pivotal role in engaging with ethnic and faith communities to share COVID-19 information from the All-of-Government communications group led by the Department of the Prime Minister and Cabinet.

The Office helped to connect people with information about available support and provided feedback about the experiences ethnic communities had accessing government information and support.

The Office partnered with the Ministry of Health to respond to challenges in rolling out the COVID-19 vaccine to ethnic communities, including arranging a Zoom meeting with 130 ethnic community leaders and Dr Ashley Bloomfield, Director-General of Health, as well as identifying a number of initiatives to better target information to ethnic communities to improve vaccination outcomes.

People's identity can be easily and securely verified

Digital Identity Trust Framework

In May 2020, the Government approved proposals to establish a Digital Identity Trust Framework in legislation.

A Cross-Government biometrics group has begun work to review the guiding principles for use of biometric technologies by government. Facial Recognition Technology is one of the biometric technologies covered by the principles.

The Framework will enable a wider range of digital identity services to be developed that are more responsive to the needs of New Zealanders and provide assurance that those services meet high standards for security, information management and privacy.

It will also give New Zealand's tech sector a solid reference for how they can innovate and grow, ensuring different systems are readily able to connect and exchange information with one another in a trustworthy way.

The Trust Framework rules, which Internal Affairs is developing alongside industry and other key stakeholders, will continue to be developed.

Taonga tuku iho rights are protected

Enhancing digital access to archival holdings

Archives New Zealand is creating digital copies of archival holdings to provide New Zealanders with free online access to important records from our past. Over the past year, 12,499 archives have been digitised (8,399 items from business as usual digitisation and 4,100 from the Royal Commission of Inquiry). Within those archives, 823,517 images have been digitised (307,375 from business as usual digitisation and 516,142 from the Royal Commission of Inquiry).

Digitisation helps to preserve unique, precious archives by reducing physical handling and wear. By making backup copies, digitisation also improves the resilience of the holdings against catastrophic events.

In 2020, Archives implemented an enhanced digitisation model, to improve systems and processes and achieve optimal productivity. The digitisation programme prioritises high-value, high-use records that align with strategic priorities. Current strategic priorities include:

- digitising archives that will support the new history curriculum and Maihi Karauna (the shared vision for te reo Māori);
- developing an on-demand service for government agencies; and
- digitising fragile materials as identified in the Archives Preservation Plan.

Archives also prioritises support to other digitisation initiatives including the Royal Commission into Abuse in Care and Utaina! which will preserve historical magnetic audio-visual records.

What are our indicators telling us?

Recent indicator results show continued high levels of satisfaction with the ease of access to or use of key services from the Department such as the issuing of passports, births, deaths and marriage registration and the processing of citizenship applications.

We are also seeing a high proportion of people having their expectations met when making online transactions with the public service and expressing trust and confidence in digital identity. For examples of this refer to the sections on barriers to digital inclusion reduces (p17), People's access to government is enhanced (p19), and People's identity can be easily and securely verified (p20). At the same time, people are accessing more of the Department's services online. The results for performance measures 3.46, 3.48, 3.49 (the details of which are shown in Section 4 of the report at page 184) have all increased significantly over the past year. An example is that applications for online first-time passports reached a 73% uptake, an increase from 50%.

Results for one of the indicators, from the Kiwis Count survey is not available due to changes in the survey timings and methodology.

Outcome indicator ID and description	Source	Metric	Indicator information					
			15/16	16/17	17/18	18/19	19/20	20/21
SI1. The % of people whose expectations are met when transacting online with the public services increases	Kiwis Count Survey ²	%	84	85	84	90	88	Data not available ³
SI2. Ease of getting passport services is maintained or increases	DIA Customer Experience Survey ⁴	%	85	87	88	86	86	90
SI3. Ease of getting BDM services is maintained or increases	DIA Customer Experience Survey	%	87	84	84	87	91	91
SI4. Ease of getting citizenship services is maintained or increases	DIA Customer Experience Survey	%	89	85	90	87	88	89
SI5. People's trust and confidence in digital identity is improved	DIA Customer Experience Survey	%	91	91	92	91	94	93

2 The Kiwis Count Survey and information about its methodology can be found at <https://www.publicservice.govt.nz/resources/kiwis-count-highlights-satisfaction-with-public-services/>.

3 The data for this indicator has not been reported for the 20/21 year.

4 The DIA Customer Satisfaction Survey is run annually by Research New Zealand on behalf of the Department, using a sample of customers who have used services in the previous 12 months.

Kei te haumaruru, kei te pakari, kei te ora te hunga o Aotearoa – Iwi, hapū and communities across New Zealand are safe, resilient and thriving

Communities are important to people's wellbeing. People have the best opportunity to thrive and prosper when the communities they live in are safe and resilient.

While risk and harm cannot be eliminated completely, they can be reduced, and communities can be supported to manage risks and challenges and empowered to form and realise their own aspirations.

The aspirations of iwi, hapū and Māori are important for social wellbeing, and the Crown has a responsibility to support those aspirations as a partner in the Treaty of Waitangi.

Resilient infrastructure is important to communities and their long-term wellbeing. Addressing the planning for and funding of infrastructure ensures communities have the facilities that allow our regions to thrive and prosper.

Intermediate Outcomes

- Regulated activities minimise harm and maximise benefits to people and communities
- Māori are supported to realise their aspirations
- Communities are supported to develop and prosper.

Ngā Tipako – Highlights

- ▶ Mana Ōrite agreement signed between the Department of Internal Affairs/Government Chief Digital Officer and the Data Iwi Leaders Group to commit to a partnership on Digital Public Service kaupapa.
- ▶ Final two phases of the Keep It Real Online campaign, Eggplant and the Interyeti respectively, focused on minimising online harm to tamariki and rangatahi, were released this year.
- ▶ Supported the development and implementation of the Government's \$217 million investment in shovel-ready flood protection work.

CASE STUDY

Building authentic partnerships with mana whenua that respect their connection to people and place

Building stronger partnerships with whānau, hapū, iwi and Māori is a critical to the work of National Library and Archives New Zealand. Our approach is to be proactive in our relationships, grow our understanding of whānau, hapū and iwi aspirations and enable kaitiakitanga to the collections, taonga and mātauranga that we hold.



Relationship building has included meeting with iwi in their rohe to understand how we can support them to meet their culture and heritage aspirations. We are also hosting iwi in our institutions to undertake research and access their taonga and mātauranga.

Several iwi, hapū and whānau have begun conservation and preservation work on priority collections that are of significance to them. They are taking a sector approach to this and are seeking support from our heritage institutions to partner in training and development programmes.

Mana whenua have been integral to the development and design of the new Archives building.

We are building the foundation for a future partnership where we share control with Māori and recognise the unique rights and interests they have over the collections and knowledge we hold.

How we are driving change to deliver our intermediate outcomes

Regulated activities minimise harm and maximise benefits to people and communities

Modernising media regulation and providing greater protection against online harms

– Keep it Real Online campaign

As the online world continues to advance, so do the risks associated with it. With new apps, websites and ways of interacting online popping up every day, it's important that tamariki and rangatahi across New Zealand are aware of, can identify, and know how to manage the risks they face when online.

Internal Affairs has led the Keep It Real Online campaign, with support from Netsafe, the Office of Film and Literature Classification, and the Ministry of Education, to help minimise online risk to young people.

The campaign aims to raise awareness of the online harms faced by children and young people, and equip them with the advice, tools and support they need to face these issues.

The successful first phase launched in 2019/20, reached over 870,000 parents and caregivers and data showed a steadily declining number of attempts to access pornography on school devices while the campaign was running.

Two further phases of the campaign have been released this year.

The Eggplant, released in December 2020, was a six-part mini-series aimed at young people aged 13 to 18 to raise awareness and provide support for dealing with online issues such as pornography, grooming, bullying and requests for nude photos. *The Eggplant* has had over 300,000 episode views on YouTube and TVNZ OnDemand, consisting of over 3.3 million minutes of viewing time, and over 4 million views of scenes and trailers across TikTok, Facebook, Instagram and Snapchat.

The third phase of the campaign is *The Inter-Yeti*, an online interactive storybook which was released in June 2021 and aims to equip 5 to 11-year-olds with the tools to help them understand and start to navigate online issues and harms.

A website was also developed to provide parents, caregivers and young people with information, tools and advice on online harm and the issues they might face. The parent and caregiver section of the website was translated into four languages – Te Reo, Samoan, Hindi and simplified Mandarin. The Keep it Real Online website has had over 400,000 unique visits.



Countering Violent Extremism Online – reducing harmful content online

Following the Christchurch terror attack, it was clear more needed to be done to counter and prevent violent extremism online to help keep communities across Aotearoa safe.

On 8 December 2020, the Report of the Royal Commission of inquiry into the terrorist attack on Christchurch masjidain, *Ko tō tātou kāinga tēnei*, was released. It made 44 recommendations covering national security and wider social and community matters.

In response to the attacks and the report, Te Tari Taiwhenua stood up the Countering Violent Extremism Online team, and developed the Films, Videos, and Publications (Urgent Interim Classification of Publications and Prevention of Online Harm) Amendment Bill to address gaps in powers to prevent and mitigate harms caused by “objectionable” publications. The Bill had its first reading in February 2021 and has since been progressing through the Select Committee process. The Bill is anticipated to be passed by December 2021.

The Bill focuses on online publications and proposes powers such as making livestreaming of objectionable content a criminal offence, allowing for take-down notices to remove objectionable content online, and allowing the Chief Censor to make swift time-limited interim classification assessments.

CASE STUDY

Three Waters Reform – Taumata Arowai

Safe drinking water for all people in New Zealand is essential, and high-performing drinking water, wastewater and stormwater services are vital for the protection of public health and the environment.



In August 2016, a widespread outbreak of gastroenteritis in Havelock North, later found to be linked to campylobacter in the public water supply, made 5,000 people ill, and was linked to four deaths.

To ensure this does not happen again, Internal Affairs has supported the three pou, pillars, of the Government's three waters review – establishment of Taumata Arowai, regulatory reform and service delivery reform.

Taumata Arowai became a new Crown entity in March 2021 and will take over from the Ministry of Health as the new water services regulator for Aotearoa when the Water Services Bill passes, expected in the second half of 2021.

Taumata Arowai serves as a reflection point between wai and tangata – water and people. It will be committed to ensuring all communities have access

to safe drinking water and will have an oversight role in protecting the environment from the impacts of wastewater and stormwater.

The Taumata Arowai–the Water Services Regulator Act 2020 requires Taumata Arowai to give effect to Te Mana o te Wai. Te Mana o te Wai protects the mauri of the wai and is about restoring and preserving the balance between the wai, the wider environment and the community. This is the first piece of legislation to do this.

The Water Services Bill will strengthen the drinking water regulatory framework and shine a light on the system by providing oversight of the performance of wastewater and stormwater networks.

Three Waters Reform – Infrastructure Investment and Service Delivery Programme

Over the past year, there has been significant progress with the Three Waters service delivery reforms. We have developed and obtained Cabinet agreement to a suite of Cabinet papers to transform the Three Waters service delivery system, including:

- providing a comprehensive package of policy advice, evidence, and analysis to inform discussions with Ministers about complex policy topics;
- working with the local government sector to address a historic information deficit and using the data collected to contribute to robust policy advice to inform decision making and the case for change;
- working with and advising the Joint Central/Local Government Three Waters Steering Committee; and
- supporting the Minister of Local Government and Minister of Finance to develop and confirm \$761m post COVID-19 stimulus funding and a \$2.5 billion financial support package, working closely with Local Government New Zealand.

To inform our policy advice, we have held extensive engagement with local government, iwi/Māori, and industry professionals throughout the reform programme.

Keeping our community safe at Lake Taupō – Lake Taupō navigational safety

The Lake Taupō Harbourmaster is a reassuring navigational safety presence on Taupō Moana that aims to keep people safe on the water.

The Harbourmaster enforces safe boating rules, issues permits, and provides information on the use of Taupō Moana. The team also maintains facilities, so they are accessible to the public.

This role relies on partnership with iwi, and relationships with councils, power companies, and emergency and rescue agencies.

In 2020/21, Internal Affairs contributed to safety on the lake by progressing removal of the unsafe Tokaanu Marina and worked alongside emergency services to help people who experienced difficulty on Taupō Moana.

This mahi enables our communities to safely utilise the benefits and joys of Taupō Moana, and ensures iwi, hapū and communities around Lake Taupō are safe, resilient and thriving.

Māori are supported to realise their aspirations

Data iwi leaders' agreement signed



Internal Affairs signed a Mana Ōrite agreement with the Data Iwi leaders' group, establishing a mana to mana relationship with Internal Affairs between Internal Affairs/Government Chief Digital Officer and the Data Iwi Leaders Group (DILG), (a group authorised by the National Iwi Chairs Forum to speak on its behalf regarding Digital and Data).

The agreement establishes a relationship through which Internal Affairs and DILG can find new ways to engage and work together on digital public services, so they are more responsive, accessible and enable better outcomes for Māori.

This agreement was 15 months in the making and was signed on 22 June 2021 at a ceremony held in front of Te Tiriti o Waitangi at the He Tohu exhibit in the National Library.

Iwi advice on approaches to affiliation – Iwi affiliation hui held with several iwi to learn how they think identity information should be recorded

In May 2021, Te Ara Manaaki began a series of hui asking iwi how they manage decisions about affiliation, which will continue throughout 2021/22. Iwi and hapū affiliations have not been systematically recorded in the birth, death and marriage registers since 1962, when the Māori register was discontinued, and Māori were included in the general registers.

Modernisation of the birth, death and marriage systems provides an opportunity to capture this information more accurately, and work is underway to test iwi interest in developing this further.

Individuals can record the iwi of their pēpi on existing birth certificate forms, but information is not systematically recorded, and the forms may not provide enough space if there is affiliation to several iwi.

Advice received from iwi so far has been varied. Some iwi face high demand from people wanting to register as members and follow detailed procedures for validating those claims. Others rely on validation at marae/hapū level by whakapapa experts. There's also variation as to whether membership is restricted to blood affiliation or whether whāngai (adoption) is accepted.

Internal Affairs will invite iwi to participate in a working group to determine what, if any, affiliation should be included in Crown records, and how that information could most helpfully be shared with iwi.

Ngāi Tahu Archive and Archives New Zealand partnership

For over a decade Ngāi Tahu and Archives New Zealand have built a collaborative partnership in Ōtautahi, Christchurch to preserve, protect and make accessible taonga of significance to Ngāi Tahu.

From November 2020, the Ngāi Tahu Archives Team has been co-located with Archives in their new building in Wigram, Christchurch. This provides an opportunity to deepen the partnership and share knowledge in new ways. This is an example of an active, mutually beneficial Māori-Crown partnership, based on working towards shared goals, in that:

- Archives aims to support iwi and Māori to preserve archival taonga for the heritage and identity of their people, and to make Archives holdings more accessible for Māori, and
- Ngāi Tahu Archives wished to collaborate with Archives to advance their archival programme while retaining rangatiratanga of their taonga.

A common goal is to share mātauranga Ngāi Tahu in a culturally appropriate manner and make this knowledge available to all New Zealanders.

Communities are supported to develop and prosper

Community resilience and natural hazards

Communities throughout New Zealand are exposed to a range of natural hazard risks which are being exacerbated by the effects of climate change.

Local Government, as the manager of many of the country's natural hazard risks, seeks support and partnership with central government to address these challenges.

Since 2018, Internal Affairs has been leading an all of government approach to community resilience in partnership with local government.

Flood risk management, as New Zealand's most frequent natural hazard, was chosen to test policy settings and increase the resilience of our communities. Internal Affairs has supported the development and implementation of the Government's \$217 million investment in shovel ready flood protection.

In addition, Internal Affairs has worked with the Local Government New Zealand River Managers' Special Interest Group on the case for co-investment in flood risk management and the development of regulatory settings to enable more risk informed planning practices.

During the year, the Community Resilience work programme was refocused to develop options to enable the Land Information Memorandum system to more effectively disclose information on natural hazard risk.

Internal Affairs has contributed to the development of the National Adaptation Plan as part of Government's response to the first National Climate Risk Assessment and is bringing a community resilience perspective to the Resource Management System reforms. This includes development of the Climate Adaptation Act based on Internal Affairs experience with the managed retreats at Matatā and Kaikōura.

Internal Affairs contributes to the National Security System through its participation on the Hazard Risk Board, leading work on water security along with other agencies, including the Ministry for Primary Industries and the National Emergency Management Agency.

This mahi helps to ensure our communities have the infrastructure and processes in place to support them to be resilient.

Review of the Charities Act

Officials engaged with approximately 100 targeted stakeholders, as well as the Charities Sector Group and the review's Core Reference Group. Topics that were included for engagement were reporting requirements for small charities, accumulation of funds and business activities, the appeals and decision-making framework, regulator powers, and responsibilities of officers.

Ngā Ratonga Kaupapa Atawhai | Charities Services – improvement in timeframes for decisions on applications

Internal Affairs acts on behalf of the independent Charities Registration Board to make decisions on applications from entities that choose to register as charities. Registration as a charity brings many benefits, including income tax exemptions and potentially broader access to grant funding.

Last year Ngā Ratonga Kaupapa Atawhai | Charities Services focused on improving the timeliness of our decisions on registration applications. New risk-based processes were introduced which enabled over 1,700 applications to be decided, with the average timeframe for decisions dropping from 59 to 33 working days over the year.

This arises from decisions on straight-forward applications being made more quickly, allowing staff to focus resources on more complex, and higher-risk applications.

Refugees, Recent Migrants and Ethnic Communities Employment Action Plan

The Employment Action Plan (EAP) for refugees, new migrants and ethnic communities, is one of seven plans under the All-of-Government Employment Strategy released in August 2019 and is jointly lead with Immigration New Zealand and the Ministry of Social Development.

The plan brings together current, planned and new programmes of work to support refugees, recent migrants and ethnic communities to improve their labour market outcomes.

It has been updated to reflect the impact of COVID-19, the *Ko tō tātou kāinga tēnei* report from the Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain on 15 March 2019, and to take into account women's employment. Consultation on the draft EAP was paused due to COVID-19, but has now begun and will continue until the end of October 2021.

Ethnic Communities Development Fund

Internal Affairs provided direct funding to support initiatives led by ethnic communities. Ethnic communities continued to be directly supported through the Ethnic Communities Development Fund (ECDF), with \$4.2 million of funding being fully disbursed to support a wide range of projects including multicultural events and initiatives relating to leadership and capability building, community sport, youth, language, and refugee and migrant services.

Information on all requests that receive funding is published on the Ministry of Ethnic Community's website⁵, and clearly reflect a growing diversity of groups, ideas and regions that are directly benefitting from this funding.

Racism is No Joke campaign

The Office of Ethnic Communities partnered with the Human Rights Commission to launch the "Racism is No Joke" campaign in July 2020, alongside the Human Rights Commission campaign "Give Nothing to Racism". The campaign focused on addressing online racism, raising awareness of the impact on Chinese and Asian New Zealanders, and encouraging people to stop sharing Asian 'jokes'.

The campaign established two social media platforms (on Facebook and WeChat) for communication with, and feedback from, Asian communities entitled "New Zealand is our home too". The now-closed Facebook page had pan-Asian membership of 115 members and the WeChat group currently has 168 participants and is focused primarily on the Chinese community.

Initially, three videos were posted with 7,500 views and 175 shares. Static posts and videos continue to be shared, with several media outlets, including Radio New Zealand, picking up the posts. "Community Voices" videos feature community members talking about their experiences of racism.

By October 2020, 35 videos and static image posts were, on average, viewed by 121,000 people a day visiting the Facebook page. This saw a total of 7,936 post reactions. The focus audience of white middle-class New Zealanders was reached by the campaign 1.15 million times. The closed Facebook and WeChat groups continue to enjoy strong interest.

⁵ <https://www.ethniccommunities.govt.nz>

Managing our community grant funding programme through the COVID-19 pandemic

Internal Affairs manages a significant programme of community. Last year, 10,339 grant applications were processed and considered across 30 funds. 7,248 of these applications were successful, and applicants received a total of over \$201 million in grants funding, including funding administered on behalf of the Lottery Grants Board. Managing this portfolio of funds also requires Internal Affairs to support around 68 funding decision-making committees.

The \$40 million Lottery COVID-19 Community Wellbeing Fund (the Fund) was developed and approved by the Lottery Grants Board to support community and social initiatives that increase the strength and resilience of communities impacted by COVID-19. One-off grants were provided to impacted hapū, iwi and community organisations and for innovative responses to meet pandemic-related needs in their communities.

Internal Affairs led the design and implementation of the Fund, which opened for applications in October 2020. The \$40 million Fund was fully expended by June 2021. The fund received 1,819 applications requesting a total amount of \$127,217,000. Out of these applications, 1,100 were approved.

To enable easy access to the Fund and increase its responsiveness, changes to the standard funding application process and the way funding decisions are made were introduced before the Fund opened. These changes included a simplified request form and grant approval process, close collaboration with other funders, and the removal of opening and closing dates. Insights from the streamlined process are now being integrated to the way other funds are managed.

Ethnic Communities Graduate Programme

The Ethnic Communities Graduate Programme (ECGP) provides a meaningful first employment opportunity in the public service for skilled graduates. The first intake of 23 graduates began their employment with 12 agencies on 14 July 2021.

The programme aims to directly address the low representation of ethnic communities, and increase the diversity of knowledge and experience, within the public sector.

Development of the Racing Industry

Passage and implementation of the new Racing Industry Act 2020, and support for the racing community to respond to the challenges of COVID-19, were focus areas in 2020/21.

New boards were appointed for TAB NZ and the Racing Integrity Board (RIB) and regulations developed to distribute savings from the repealed betting duty, allow for a Point of Consumption Charge, and operationalise the RIB.

Work was also completed to enable Internal Affairs to fulfil its new role as the Designated Authority for Offshore Charges under the Act.

Hon Sir Bruce Robertson was commissioned to review the greyhound industry's response to the recommendations in Hon Rodney Hansen's 2017 report on animal welfare. Sir Bruce found that improvements in animal welfare and transparency should be made but the point has not been reached where immediate action by the Minister must be taken. He recommended that the RIB should monitor progress and report back in 18 months. The Minister has requested that the RIB report to him by the end of 2022.

Advice was provided on the ongoing implications of COVID-19 on the racing industry, with the Government's \$72.5 million support package successful in restoring TAB NZ to a sound financial footing.

What are our indicators telling us?

BNZ released data that showed public credit card spending on donations to charities is down⁶, with mixed responses from funders around this over the past year. Funders reported the exhaustion that many community groups they engage with are feeling and that this has become far more visible in the latest COVID-19 lockdown.

Statistics NZ report⁷ that the majority of New Zealanders continued to rate their overall life satisfaction highly in the December 2020 quarter, with 86 percent giving a rating of 7 or higher (on a 0–10 scale, where 0 is completely dissatisfied and 10 is completely satisfied). Thirty-seven percent of people aged 18 years or older rated their overall life satisfaction very highly (a rating of 9 or 10), up from 33 percent in the September 2020 quarter. The average life satisfaction rating was 8.0 out of 10, up from 7.8 in the September 2020 quarter. The majority of those with little or no control over how their work is organised were still satisfied with their job (77 percent). However, for those with a lot of control over how their work is organised, the level of satisfaction was much higher at 92 percent.

The proportion of people rating their overall life satisfaction as high increased slightly compared to the 2016/17 result, with more than 8 in 10 (85%) being satisfied. Overall life satisfaction rose to 8 out of 10 in the December quarter, perhaps reflecting how accustomed New Zealanders had become to living with the COVID-19 pandemic. While there were further episodes of community transmission in February 2021, which saw the country move in and out of higher alert levels, the mean overall life satisfaction was steady in the March 2021 quarter, according to Statistics NZ⁸.

6 <https://philanthropy.org.nz/the-funder-view-a-snapshot-of-covid-19-impacts/>

7 <https://www.stats.govt.nz/information-releases/wellbeing-statistics-december-2020-quarter#overall>

8 <https://www.stuff.co.nz/business/industries/125595994/covid19-hasnt-dampened-our-satisfaction-with-life-stats-nz-data-shows>

The proportion of people reporting that they have experienced discrimination has remained static with 17.5% having experienced discrimination in the last 12 months.

Results for some outcome indicators for 2020/21 are not available due to changes in survey timings and methodologies. For example, the New Zealand General Social Survey (NZGSS) has been delayed until 2022, so there are no results for the 2020/21 to report from this source this year, except for some specific topics that are surveyed more frequently.

Outcome indicator ID and description	Source	Metric	Indicator information					
			15/16	16/17	17/18	18/19	19/20	20/21
SI6. Public perception of crime is reducing	MOJ Perceptions of Crime Survey ⁹	%		5%				Data not available ¹⁰
SI7. The rate of volunteers and donation is maintained or increases	General Social Survey Statistics NZ ¹¹	%		55%				Data not available ¹²
SI8. Overall life satisfaction is maintained or increases	General Social Survey Statistics NZ	%		83%		81%		85% ¹³
SI9. Experience of discrimination decreases	General Social Survey Statistics NZ	%		17%		17%		17.5%
SI10. People' sense of purpose is maintained or increased	General Social Survey Statistics NZ	%		87%		86%		Data not available ¹⁴

9 The Ministry of Justice Perceptions of Crime Surveys can be found at <https://www.justice.govt.nz/justice-sector-policy/research-data/nzcass/survey-results/results-by-subject/public-perceptions/#neighbourhood>.

10 There is no reported result from the Ministry of Justice Perceptions of Crime Surveys since 2016.

11 The Statistics New Zealand General Social Survey (NZGSS) can be found at <https://www.stats.govt.nz/information-releases/wellbeing-statistics-2018>. The NZGSS has been delayed until 2022, so there are no results for the 2020/21 to report from this source this year, except for some specific topics that are surveyed more frequently. The 2020/21 results that are available can be found at <https://www.stats.govt.nz/information-releases/wellbeing-statistics-june-2020-quarter#overall>

12 The General Social Survey has historically been carried out every two years. The question sets included in the survey vary each time the survey is run. The Statistics New Zealand General Social Survey (NZGSS) can be found at <https://www.stats.govt.nz/information-releases/wellbeing-statistics-2018>. The NZGSS has been delayed until 2022, so there are no results for the 2020/21 to report from this source this year,

13 This result is based on survey respondents 18 years and over while past results were based on 15+ years and over.

14 The General Social Survey has historically been carried out every two years. The question sets included in the survey varied each time the survey is run, and this question was not included in the last survey. The Statistics New Zealand General Social Survey (NZGSS) can be found at <https://www.stats.govt.nz/information-releases/wellbeing-statistics-2018>. The NZGSS has been delayed until 2022, so there are no results for the 2020/21 to report from this source this year.

The results of the last General Social Survey were reported upon in 2018.

NZ Police reported¹⁵ in December 2020 that theft victimisations decreased by 10.1% compared with the previous 12 months. This meant there were 15,216 less victimisations for theft. Burglary victimisations decreased by 14.6% (-10,042) compared with the previous 12 months, and assault victimisations increased by 12.4% (+6,750) compared with the previous 12 months.

While the Ministry of Justice Perceptions of Crime Survey was not run during the 2020 COVID-19 lockdown, the Ministry reported in June 2020¹⁶ that during all Alert Levels the overwhelming majority of respondents (95% or more) felt safe or very safe at home. Only 2% of adults felt unsafe or very unsafe for Alert Level 4 and this proportion reduced to 0.3% for Alert Level 1. Perceptions about what is needed to feel safer were changing over time. As the alert levels reduced from Alert Level 4 through to Alert Level 1, respondents perceived that factors like pandemic control, strict following the rules, staying home and certainty about the future became less critical whereas the perceived importance of factors like home security and a safer neighbourhood steadily increased.

In May 2021, Volunteering NZ reported¹⁷ that that New Zealand has been recognised in international reports as traditionally having a high volunteer rate compared with the rest of the world. Around 2.5 million people actively support organisations and other people through volunteering, social action and mahi aroha. This adds up to a voluntary contribution of 159 million hours per year to enable the not-for-profit sector to operate and contributes \$4 billion to the economy.

Research also shows that communities with high levels of volunteering, subjective wellbeing will tend to be increased by the goodwill and social capital building being achieved thus reinforcing peoples' sense of purpose.

¹⁵ <https://www.police.govt.nz/sites/default/files/publications/crime-at-a-glance-dec2020.pdf>

¹⁶ <https://www.justice.govt.nz/assets/Documents/Publications/Pulse-survey-report-9.pdf>

¹⁷ <https://www.scoop.co.nz/stories/AK2105/S00555/value-volunteering-during-national-volunteer-week.htm>

Mā te toi whenua me ngā maumahara tōpū o te hunga e piki ai te wairua manaaki o te katoa – **People’s sense of belonging and collective memory builds an inclusive New Zealand**

A strong sense of belonging is important for New Zealand to be a welcoming and inclusive place for everyone.

Many factors influence people’s sense of belonging and connection. When people lack a sense of belonging and feel excluded there are high social costs, for individuals, communities and society.

A collective memory contributes to a sense of belonging through knowledge and understanding of our history and culture. A vibrant cultural and national identity also helps to give a collective sense of belonging. People benefit from the social capital that documentary heritage, symbols of national identity, national events and culture provide.

Intermediate Outcomes

- Collective memory is enhanced by New Zealand’s documentary heritage
- A culture of reading enhances literacy and knowledge
- New Zealand’s national and cultural identity is fostered and respected
- Trusted citizenship and identity documents contribute to a sense of belonging
- Taonga tuku iho is preserved and valued.

Ngā Tīpako – Highlights

- ▶ Agreements with local councils as part of the New Zealand Libraries Partnership Programme have committed funding to upskill 205 existing and new library staff through to June 2022. The programme has confirmed 174 people in fixed-term library roles who are already making an impact in their community. Eleven Strategic Partnership Grants have been awarded so far, totalling \$5.024 million.
- ▶ Distribution of more than 15,000 books in languages reflecting the diversity of the community for whānau to keep and share for the Communities of Readers Project.
- ▶ Creation of guided experience in New Zealand Sign Language for the He Tohu exhibition to improve accessibility for Deaf people.
- ▶ The Australian Aid funded Pacific Virtual Museum pilot team launched digitalpasifik.org in November 2020. The site aims to provide visibility and access to digitised heritage for people of the Pacific. Currently, nearly 200,000 records, from over 50 content partners, including museums, libraries, archives, galleries, Non-Government Organisations (NGOs) and community organisations are available.
- ▶ Purchase of land in Taitoko/Levin for a specialised storage facility to meet the growing storage needs of the collections and taonga held by National Library, Archives New Zealand and Ngā Taonga Sound and Vision. This will ensure the protection and preservation of this taonga, ensuring access for current and future generations.

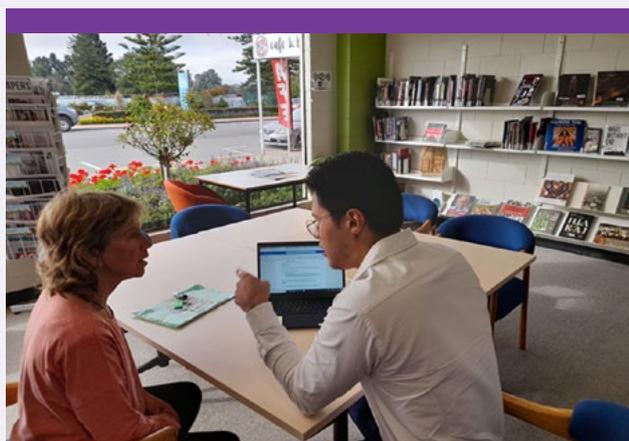
How we are driving change to deliver our intermediate outcomes

Collective Memory is enhanced by New Zealand's documentary heritage

CASE STUDY

New Zealand Libraries Partnership Programme

Local libraries are safe spaces that support lifelong learning and offer access to essential online services.



The New Zealand Libraries Partnership Programme is part of the COVID-19 recovery programme and supports the retention and development of librarians and library services. The Programme aims to enable libraries to play a key role in supporting their communities and people seeking jobs as part of the recovery.

The programme also supports free and easy access to online information. By waiving fees for public libraries to the Aotearoa People's Network Kaharoa (APNK) services, public libraries can offer free access to the internet to support digital inclusion, literacy, and career development.

Eleven Strategic Partnership Grants have been awarded so far, totalling \$5.024 million. The collaborative works funded include Mātauranga Māori professional development, strengthening the library and information workforce, and a programme of work to achieve better outcomes for Māori communities through improved library service design.

Agreements with local councils as part of the Programme have committed funding to upskill 205 existing and new library staff through to June 2022. The programme has confirmed 174 people in fixed-term library roles who are already making an impact in their community. Practical support offered to communities by libraries includes digital literacy classes, te reo Māori support groups, crafts and reading programmes, job seeking and CV writing.

Making Our Iconic Documents Accessible – He Tohu New Zealand Sign Language Guide

After the successful development of the He Tohu Audio Guide, the National Library has developed a guided experience in New Zealand Sign Language (NZSL) to improve accessibility for people in the Deaf community.

The He Tohu NZSL Guide was co-designed with a Deaf focus group, with the content of the original audio guide adapted to be presented in NZSL.

The guided experience takes 30 minutes and starts at the entry of the National Library. This work supports the Library's goal to share knowledge with New Zealanders to spark the creation of new knowledge and ideas.

The He Tohu exhibition experiences are now available in English, Te Reo Māori, Mandarin, French, German, Portuguese and NZSL, providing access in all three of New Zealand's official languages.

This allows wider audiences to experience the stories of the iconic constitutional documents that shape Aotearoa: Te Tiriti o Waitangi, He Whakaputanga the Declaration of Independence and Te Petihana Whakamana Pōti Wahine the Women's Suffrage Petition.

A culture of reading enhances literacy and knowledge

Establishment and appointment of Te Awhi Rito reading ambassador role



Ben Brown (Ngāti Mahuta, Ngāti Koroki, Ngāti Paoa) is New Zealand's first Te Awhi Rito Reading Ambassador. The Ambassador advocates for and champions the importance of reading in the lives of young New Zealanders, their whānau, and communities, and is helping to create a nation of readers.

Reading for pleasure is a key strategic goal for the National Library, and the Te Awhi Rito Reading Ambassador initiative is undertaken in collaboration with four foundation partners: Te Puna Foundation, Read New Zealand Te Pou Muramura, Creative New Zealand Toi Aotearoa, and Storylines Children's Literature Charitable Trust Te Whare Waituhi Tamariki o Aotearoa.

Communities of Readers – South Dunedin Project

Communities of Readers is a National Library initiative engaging children and young people with reading for pleasure and wellbeing. There are currently four community partnership projects across Aotearoa New Zealand, made possible with funding from Te Puna Foundation.

The South Dunedin project focuses on tamariki aged three to seven, and their whānau. A communications campaign called Read Share Grow, Te Manu O Te Kupu was launched in October 2020 with a strong local theme that acknowledges the area, land, water and community. More than 15,000 books in languages reflecting the diversity of the community have been distributed for whānau to keep and share. These are available in more than 120 community organisations connected to the project.

Engagement activities are building an understanding of the lifelong value and impact of reading for pleasure. As noted by a local partner "It's not just about books, it's about people... it's the people that are going to make it connect".

New Zealand's national and cultural identity is fostered and respected

Miharo Wonder – 100 years of Alexander Turnbull Library

In February 2021, the exhibition *Miharo* | Wonder opened in the National Library Gallery in Wellington. This was made possible with substantial financial support from Te Puna Foundation and the Turnbull Endowment Trust.

With displays from a knife and fork purported to be from Captain Cook's table to a fragment of a Gutenberg bible, the contents of *Miharo* | Wonder attracted excellent visitor numbers and reviews.

Several of the exhibited treasures feature in the publication *Te Kupenga, 101 Stories of Aotearoa* from the Turnbull, published by Massey University Press and the Turnbull Endowment Trust. A complimentary copy of the book will be available to every high school in the country as New Zealand history becomes a core curriculum subject.

The show celebrated the centenary of the Alexander Turnbull Library with some 200 items assembled to inspire fascination and wonder. The exhibition and book concluded a celebration that started in 2018, with the anniversary of Alexander Turnbull's founding bequest and continued through 2020 to mark the centenary of the Library's opening.

Dominion Post reviewer, Mark Amery described *Miharo* as impressive, curated "with intelligence, wit and care for the stories behind the objects." Notwithstanding reduced opening hours due to changing COVID-19 alert levels, the exhibition and events programme attracted some 12,000 visitors in its first three months, with many more enjoying the show online.

***Utaina!* AV Preservation programme**

The National Library holds 100,000 currently undigitised original audio-visual collection items in dozens of historical formats, and Archives New Zealand holds 15,000 items. This documentary heritage is threatened by obsolescence of playback equipment and age-related decay of audio-visual media. These threats make it very difficult and expensive to source and maintain playback equipment to digitise and preserve these fragile formats.

National Library, in conjunction with Ngā Taonga Sound and Vision have established a project address this challenge, called *Utaina!* This name comes from the catch cry coined by Sir Apirana Ngata, for the preservation of Māori language and heritage; meaning 'load the precious cargo on board'.

Planning is underway, and the collections are being prepared for digitisation, which will begin in early 2022.

Internal Affairs has procured a world class international vendor, Memnon, who will establish their business in New Zealand to digitise and preserve our collections to ensure they're available for future generations.

Books in Māori Digitisation project

Between 1815 and 1900 over 1,600 publications were printed in te reo Māori. This rich source of nineteenth century te reo Māori includes posters, journals, bibles and dictionaries.

In 2020, the Library began to digitise publications that are unique to the Turnbull Library. The success of this pilot means that work is now underway to digitise the remaining publications.

A critical part of the work is consultation with descendants of individuals who wrote or who are the main subject of the publications.

Hand-in-hand with the digitisation and consultation work is development of the highly regarded Papers Past platform to deliver the content through a Te Ao Māori lens. Offering new methods of accessing taonga allows the understanding and sharing of New Zealand's history and the creation of new knowledge that is reflective of the diversity in New Zealand.

Pacific Virtual Museum

Funded by the Australian government, the National Library of New Zealand, in collaboration with the National Library of Australia, is working across the Pacific to develop an online place for Pacific peoples to connect with their cultural heritage from around the world.

The Pacific Virtual Museum pilot team launched digitalpasifik.org in November 2020. Over 50 content partners, including museums, libraries, archives, galleries, NGOs and community organisations are sharing nearly 200,000 records, giving visibility and access to digitised heritage. Work continues to support existing partners and bring on new partners.

The site was built using Supplejack, the open source infrastructure developed by the National Libraries and co-designed with a range of Pacific experts completely online during the 2020 COVID-19 lockdown.

The project aims to empower people in, and of, the Pacific Islands, enabling them to see, discover and explore items of digitised cultural heritage that are held in collections around the world. People of the Pacific may not be aware these items or records exist, and the primary goal is to support their connection to these aspects of their own culture and history.

Taonga tuku iho is preserved and valued

Tāhuhu programme – Levin land purchase, Wellington Archive design, and Wairere House exit

The Tāhuhu Programme has recently acquired land in Taitoko/Levin for the development of a new specialised storage facility. This new building will help meet the growing storage needs of the National Library, Archives New Zealand and Ngā Taonga Sound & Vision. The new facility will hold low-use documentary heritage, including collection items that have been digitised and are accessible online, it will also cover audio-visual material, government records, books, microfilm, films and much more.

The Tāhuhu Programme has also progressed the design of a new Heke Rua Archives Wellington facility – located adjacent to the National Library.

Developing enduring relationships with mana whenua and iwi is critical to ensuring the unique rights and interests of tangata whenua are actively acknowledged and represented across the Tāhuhu work programme. This work has included:

- A co-design partnership with Taranaki Whānui Te Atiawa and Pūkenga Toi Rangi Kipa on the Heke Rua Archives project.
- Engaging with the Muaūpoko Tribal Authority in Taitoko to develop a memorandum of understanding to ensure mana whenua are represented throughout all phases of the Regional Shared Repository development.

What are our indicators telling us?

Results for some outcome indicators for 2020/21 are not available due to changes in survey timings and methodologies. We have sought alternative indicators wherever possible.

People's sense of belonging to New Zealand comes from a sense of cohesion in the community and connection to local community. This means supporting our diversity and creating a New Zealand where all people feel safe, have equal access to opportunities and do not experience discrimination. "Building social cohesion, inclusion and valuing diversity can also be a powerful means of countering the actions of those who seek to spread or entrench discrimination and hatred"¹⁸.

Following recommendations made by the Royal Commission of Inquiry into the Attack on Christchurch Mosques on 15 March 2019, the Office of Ethnic Communities was established as the Ministry for Ethnic Communities from 1 July 2021, as chief advisor to the Government on ethnic diversity, and the inclusion of ethnic communities in wider society. The Ministry was established with the view to build capability to support analysis and provide advice on the implications of New Zealand's rapidly changing society, inform better policy making and enhance policy evaluation.

Ethnic communities in New Zealand continued to be directly supported through the Ethnic Communities Development Fund (ECDF), with \$4.2 million of funding being fully disbursed to support a wide range of projects including multicultural events and initiatives relating to leadership and capability building, community sport, youth, language, and refugee and migrant services (refer to Ethnic Communities Development Fund on page 33). Over 2020-21, the Office of Ethnic Communities focused on supporting central and local government agencies and ethnic and faith communities to connect and engage with each other, as well as holding regular stakeholder meetings to help the Office grow its knowledge of, and relationships with, ethnic and faith communities (refer to Engagement with ethnic and faith communities and government on page 19). These activities build connections to, and cohesion within, local communities.

Internal Affairs is seeking to amend the definition of 'objectionable' in the Films, Videos, and Publications Classification Act 1993, to include racial superiority, racial hatred and racial discrimination.

The Community-led Development Programme (CLDP) is based on a community and Internal Affairs signing a five-year partnering agreement to work together on the community's aspirations. In this partnership the Internal Affairs offers advice and support and works with other government agencies, tangata whenua, local authorities, funders, businesses and local organisations to support the community achieve their locally-led goals. As partnership communities put their community plans in place, they can request investment from the Community-led Development Fund to support them with their local initiatives and goals.

There are many examples of initiatives within CLDP that have built community connection and cohesion, including funding the Whanganui Awa to support the hapū to be connected via two-way radios and generators so that they are not isolated and are able to communicate effectively in the event of flooding or other events. In addition, a community safety project at Randwick Park, Manurewa that sought to make a local subway safer and reduce illegal dumping. The clean-up and associated street party resulted in

¹⁸ Minister for Justice Kris Faafoi; 13 July 2021, https://nzfvc.org.nz/news/government-seeking-feedback-social-cohesion-and-proposals-address-hate-speech?utm_source=dlvr.it&utm_medium=twitter

neighbours meeting each other for the first time, despite some of them living in the area for nine years. They are now planning regular clean-ups, Neighbours Day activities and neighbourhood watch. Through CLDP Internal Affairs directly invests \$4.5 million into communities and provides intensive community advisory support to the 18 communities with which it currently partners.

Internal Affairs has funded community activity through its Community Funding Schemes designed to support communities and voluntary sector organisations, so they become stronger, more cohesive and resilient, by providing financial support for communities and organisations for community development. The scheme made 2,952 grants through its 37 Local Distribution Committees, with a total of 3,861 requests considered. Examples of grants made include Te Herenga Waka o Orewa, a community marae which offers a unique opportunity for all community members regardless of ethnicity to participate in marae activities, and the Foundation Charitable Trust (Lifeline Aotearoa Helplines) to support operational costs to continue to provide free telephone counselling services to every New Zealander who requires it, 24 hours a day, 365 days a year. (Refer to Performance indicator 3.13 at page 173).

The role of the National Library includes contributing to the collection, management and provision of access to knowledge and information for New Zealand and support to government accountability, including the collection, preservation, accessibility and integrity of New Zealand's government and heritage information. During 2020-21 over 31.7 million items that are held by National Library and Archives New Zealand were accessed by the community (target 26.5 million) (see performance indicator 3.42 at page 183).

Reading is a foundation for all literacies including digital literacy. Reading for pleasure, particularly for children, provides benefits such as literacy development, improved wellbeing and educational and employment success. Increases in literacy levels will improve creativity leading to new knowledge and potential innovation. National Library of New Zealand - Te Puna Mātauranga o Aotearoa has helped support literacy in schools through the services-to-schools programme (see Performance indicators 3.59, 3.60, and 3.61 at page 183). The National Library's Communities of Readers initiative includes research that will provide insights into successful reading engagement strategies for young people in different schools and communities.

Internal Affairs has promoted a growing sense of belonging and improving literacy within New Zealand through its agreements with local councils as part of the New Zealand Libraries Partnership Programme. This has committed funding to upskill 205 existing and new library staff through to June 2022. The programme has confirmed 174 people in fixed-term library roles who are already making an impact in their community. Eleven Strategic Partnership Grants have been awarded so far, totalling \$5.024 million. (Refer to Case Study: New Zealand Libraries Partnership Programme on page 39).

The National Library is carrying out an extensive digitisation programme to enable publications and audio-visual content to be made readily accessible to the public, on-line, thus connecting them to their heritage. In 2020, the Library began to digitise publications that are unique to the Turnbull Library (Refer to Books in Māori Digitisation project on page 42). The success of this pilot means that work is now underway to digitise the remaining publications. In addition, the National Library holds 100,000 currently un-digitised original audio-visual collection items in dozens of historical formats, and Archives New Zealand holds 15,000 items. National Library, in conjunction with Ngā Taonga Sound and Vision have established a project address this challenge, called *Utaina!* (Refer to *Utaina!* AV Preservation programme on page 42) to preserve the collection and to enable the content to be made more readily accessible to the public.

Most New Zealanders preferred to engage in arts, culture and heritage in person rather than online. This preference for in-person engagement is especially strong among Māori and Pacific peoples, as well as women¹⁹. The Ministry of Culture and Heritage reports that 86% of adult New Zealanders watched a New Zealand-made news or sports broadcast, 79% watched a New Zealand-made programme, series or documentary, and 61% watched a New Zealand-made movie. In addition, 49% visited a library, 8% took part in a workshop or class to learn about a cultural activity, and 6% attended a literary arts event or book reading. The proportion of New Zealanders accessing locally created content could indicate increasing connection to the New Zealand community.

Satisfaction with citizenship services provided by Internal Affairs remains at a very high level, with nine out of ten rating their experience as satisfied or better²⁰.

¹⁹ <https://mch.govt.nz/sites/default/files/projects/cultural-participation-research-2020.PDF>

²⁰ Satisfaction is rated on a scale from 1 to 5 with 1 = "Very Dissatisfied" and 5 = "Very Satisfied".

Outcome indicator ID and description	Source	Metric	Indicator information					
			15/16	16/17	17/18	18/19	19/20	20/21
SI11. People's sense of belonging to New Zealand increases	General Social Survey Statistics NZ	%		89%				Data not available ²¹
SI12. People spend more time reading	Time Use Survey	NA					NA	Data not available ²²
SI13. People's participation in cultural activities increases	General Social Survey Statistics NZ	%		78%				Data not available ²³
SI14. Satisfaction with citizenship services is maintained or increases	DIA Customer Experience Survey	%	92%	90%	88%	90%	90%	90%

Read NZ – Te Pou Muramura²⁴ reported, in 2018, that 442,600 Kiwis didn't read a book in the past year, with fewer men reading books. The study reported that 86% of New Zealand adults had read or started to read at least one book in the past year, down from 88% the year before. The participants in this study reported reading more online sources than print, regardless of their age or gender. However, while online reading displaced traditional reading, it was not replacing it. Both formats continue to be read by most readers every week. The growth of online sources may help to grow reading. One in three participants in this study believed they were reading more now than ever before, because of the availability of online content and the ease and enjoyment gained from switching between materials. Others also reported finding online reading pleasurable.

21 The General Social Survey has historically been carried out every two years. The question sets included in the survey vary each time the survey is run. The Statistics New Zealand General Social Survey (NZGSS) can be found at <https://www.stats.govt.nz/information-releases/wellbeing-statistics-2018>. The NZGSS has been delayed until 2022, so there are no results for the 2020/21 to report from this source this year.

22 This Survey is carried out every 10 years. No alternative data sources have been found to provide more recent results.

23 The General Social Survey has historically been carried out every two years. The question sets included in the survey vary each time the survey is run. The Statistics New Zealand General Social Survey (NZGSS) can be found at <https://www.stats.govt.nz/information-releases/wellbeing-statistics-2018>. The NZGSS has been delayed until 2022, so there are no results for the 2020/21 to report from this source this year,

24 https://www.read-nz.org/advocacy/research/?_sm_pdc=1&_sm_rid=3FPf1r2DJQjrts4MZQRdV5ZJNPvSF1rPTSJSrP

He whenua manapori pai a Aotearoa, kāwanatanga mai, kaunihera ā-rohe mai – New Zealand is a well-functioning democracy, across central and local government

Both central and local government have big impacts on the lives of New Zealanders. The smooth running of New Zealand's democratic institutions is important to the accountability and transparency that gives people trust and confidence in democracy.

The mechanisms and support needed to make government functional contribute to people's willingness and ability to participate in society.

Addressing complex issues requires co-operation and co-ordination across all of government, to be better able to tackle issues and pursue national objectives.

Intermediate Outcomes

- Executive government functions well through support, services and advice
- Engagement between Māori and local government is strengthened
- Government transparency is upheld
- Local government works collectively to address national objectives.

Ngā Tīpako – Highlights

- ▶ Establishment of the Ministry for Ethnic Communities as a Departmental Agency to better deliver for the ethnic communities in New Zealand.
- ▶ Supporting the smooth transfer of Government following the 2020 election with 19 Ministerial changes, 29 office relocations and over 200 staff changes managed in the immediate period following the confirmation of the Executive.
- ▶ Establishment of the Ministerial review into the Future for Local Government.
- ▶ 86% of alumni from the Digital Graduates programme are employed by government.
- ▶ The proportion of electric vehicles in the Crown Fleet increased from 30% to 60% which reduced the CO₂ emissions profile from 99CO₂ gm/km to 59.84CO₂ gm/km.

How we are driving change to deliver our intermediate outcomes

Executive government functions well through support, services and advice

CASE STUDY

All-of-Government and Cloud Digital Services

Internal Affairs provides information technology and support to Public sector investments in Digital data and Information.

Over the last few years Internal Affairs has been establishing All-of-Government (AOG) and Cloud digital services with the goal of transforming the way services can be delivered and consumed.

During the COVID -19 lockdowns, the Ministry of Housing and Urban Development (HUD) leveraged the information and technology and support provided by Internal Affairs, such as cloud capabilities and adapted its use of digital tools to continue core business and connect remotely in new ways.

Internal Affairs provided support to HUD which utilised digital data and information to adapt to the challenges faced by COVID-19 in a well-planned, efficient, cost-effective and customer focused manner. COVID-19 presented HUD with the opportunity to leverage digital data and information to be well-planned, efficient, cost-effective and customer focused manner. The COVID-19 lockdown challenged people's conventional thinking about how they could use digital data and information.

Internal Affairs supported HUD during inter-agency meetings, with Internal Affairs hosting two to three meeting per week from as early as 2019, and hearing some of the challenges of other agencies was confronting. Internal Affairs support helped HUD avoid the challenges other agencies experienced.

Being a new organisation enabled HUD to adopt a cloud-based environment in a planned manner without the need to divest inhouse systems, this meant that most of their work could be done remotely using existing devices. HUD could still access their digital data and information when COVID-19 lockdowns necessitated working from home.

For instance, HUD had just arranged a big phase of engagement, with building industry stakeholders, before beginning consultation. When COVID-19 hit, HUD went digital and ran eight online workshops, and was able to include a focus on iwi engagement.

HUD now regularly meets with the Chief Executives of all the community housing providers around the country, using Zoom and Teams now means that these forums are now bigger and more customer focused.

More information on the All-of-Government and Cloud Digital Services is available here:

<https://www.digital.govt.nz/showcase/benefiting-from-a-modern-cloud-based-work-during-covid-19/>.

ICT Assurance/Cybersecurity – policies, standards, and responding to incidents like ransomware.

Following the high-profile cyber-attacks on the NZ Stock Exchange, the Reserve Bank of New Zealand and Waikato District Health Board, Internal Affairs has supported the Public Service by providing assurance oversight across the system.

Internal Affairs, guided by the National Cyber Security Centre, operates in close collaboration with the Security Agencies to make sure that all agencies across the wider state sector are notified of potential threats and what actions they should take.

Internal Affairs also maintains direct contact to ensure that suppliers are taking all proactive measures to minimise impact on any or all agencies.

During these sorts of events, Internal Affairs uses its central position between suppliers and agencies to identify trends and weaknesses that require a system response so that agencies can respond appropriately.

Digital Graduates Programme

The Digital Graduates Programme aims to help build the information, technology and digital talent pipeline for government, part of the leadership role of the Government Chief Information Officer.

Internal Affairs led the initiative, collaborating with six agencies to co-design the programme – Ministry for Business, Innovation and Employment, Ministry of Education, Ministry for Primary Industries, NZTA, Statistics NZ, and Inland Revenue. Over two years, these agencies have hosted the graduates, providing them with unique opportunities to try out their skills and grow into digital leaders.

This year, 86% of alumni from the programme are employed by government.

All-of-Government Payroll programme

In April 2021, a Common Process Model unit was established and homed at Internal Affairs, following an agreement by the Digital Government Leaders Group. The Common Process Model helps other Government agencies when they want to replace their HR, Payroll, Financial Management, Asset Management, Procurement, and Health and Safety systems.

Internal Affairs has worked to improve Government payroll systems by ensuring agencies have better payroll processes, establishing a panel of providers, and providing assurance and investment advice.

This has involved providing oversight of agency payroll projects and improving agency practices in applying the Holidays Act, co-ordinating an approach to the market to ensure payroll systems align with a common payroll process. Nine agencies are in various stages of replacing their payroll systems, with some including payroll as part of their back-office (HR and Finance) system replacement projects.

Maintaining the integrity and stability of New Zealand's financial system

Internal Affairs has issued its first formal warnings to a law firm and real estate agent (both in January 2021) under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT Act). Issuing a formal warning is a way of ensuring that New Zealand businesses have adequate policies and procedures to protect themselves and the public from those wishing to launder money or finance terrorism.

This action by Internal Affairs demonstrates the effective use of regulatory tools under the AML/CFT Act that serve to maintain the trust and integrity of the New Zealand financial system. Since those warnings, Internal Affairs has worked closely with the New Zealand Law Society to facilitate the closing of the law firm. The real estate agent took immediate action to address all areas of non-compliance demonstrating the effectiveness of these regulatory responses.

Supporting the transition to the incoming Executive following the 2020 General Election

Supporting the smooth transfer of Government following an election is central to a well-functioning democracy.

Following the 2020 General Election our Ministerial Services team supported the efficient transition of incoming and outgoing Ministers and office staff. This helped to ensure that the incoming Executive was able to begin delivering on its priorities as quickly as possible following the commencement of the 53rd Parliament in November 2020.

This represented a significant logistical exercise, with 19 Ministerial changes, 29 office relocations and over 200 staff changes managed in the immediate period following the formation of the Government and confirmation of the Executive.

We worked closely with the Parliamentary Service to incorporate lessons from the Francis Review, COVID-19 response, and previous election processes into our preparations to ensure Ministers and staff were well informed and supported through the transition. This included placing experienced transitional staff in key positions from day one; ensuring the set-up of ICT equipment and profiles was completed quickly and seamlessly; and implementing tailored guidance and induction information for staff.

Modernising the Crown Fleet

Internal Affairs supports Ministers and other official dignitaries such as the Speaker, the Leader of the Opposition, and Chief Justice and other senior judiciary, to conduct their business efficiently by providing safe, secure and trusted transport services.

As part of this work we manage the Crown Fleet of approximately 80 vehicles. In 2019 we began implementing a strategy of transitioning to an emissions-free Crown Fleet by 2025/26. We are progressively replacing the existing diesel or petrol-powered vehicles in the Crown Fleet with electric capable options and investing in charging infrastructure at our depots.

By 30 June 2021, we had increased the proportion of electric vehicles in the Crown Fleet from 30% to 60% and reduced our CO₂ emissions profile from 99CO₂ gm/km to 59.84CO₂ gm/km.

Engagement between Māori and local government is strengthened

Enhancing relationships between Iwi and Local Government

Internal Affairs has progressed a programme of work with two key components intended to support and enable an enhanced relationship between iwi/Māori and local government:

- **Kaupapa Reorua** – supporting councils and tangata whenua to partner on the development and implementation of a joint strategy (rautaki) to create more bilingual, reo Māori and English, public spaces that reflect the local stories and dialect of their towns and cities. We have worked with three pilot centres (councils and their tangata whenua partners) and the Minister will be formally launching this initiative in September 2021.
- **Co-Governance Data Portal** – We are developing a digital portal that brings together publicly available data and information that can assist both tangata whenua and local government to make informed decisions about the natural resource over which there is a co-governance arrangement. This will be provided at no cost to co-governance partners.

Local Electoral (Māori Wards and Māori Constituencies) Amendment Act

We supported the Government to pass urgent legislation through the Local Electoral (Māori Wards and Māori Constituencies) Act 2021.

The statutory provisions for holding binding polls on establishing Māori wards for local government elections were identified as an almost insurmountable barrier to improving Māori representation in local government. This Act repealed the poll provisions and extended the period in which councils could make decisions about establishing Māori wards for the 2022 local elections.

This has enabled 32 new councils to adopt Māori wards or constituencies in time for the 2022 local election, increasing the number of councils with Māori wards or constituencies from three to 35.

Government transparency is upheld

Annual Reporting and Audit Time Frames Extensions Legislation Act 2021

A three-month extension was enacted for the next two financial years to Annual Reporting deadlines in the Local Government Act 2002. The changes were made to not disadvantage any Council and their subsidiaries who may experience a delay preparing their annual reports due to a national auditor shortage.

Supporting statutory inquiries and Royal Commissions

Internal Affairs continues to develop and maintain the cross-government system of inquiries. We have enhanced trust in government and improved transparency by supporting statutory inquiries and Royal Commissions which investigate matters of national significance and effect positive change for New Zealanders.

During the year, we provided administrative support to two Royal Commissions:

- the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions, and
- the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Masjidain.

Royal Commission of Inquiry into Abuse in State Care and the Care of Faith-based Institutions – Interim and administrative report

Internal Affairs continues to provide advice on, and support services to, the Royal Commission. The Royal Commission provided its substantive and administrative interim reports in December 2020. Cabinet directed the Royal Commission to complete its work no later than June 2023.

The Terms of Reference for the Royal Commission have been amended to reflect the new timeframe, strengthen the existing reporting requirements, and clarify the requirements to adopt a survivor-central approach and avoid an overly legalistic approach. The revised Terms of Reference have been gazetted and came into force at the end of July 2021.

Establishing the Ministry for Ethnic Communities as a Departmental agency, including consultation with ethnic communities to determine immediate priorities

Ethnic communities have, over the years, consistently called for the Office of Ethnic Communities to be replaced by a Ministry.

The establishment of the Ministry for Ethnic Communities in response to Recommendation 30 of the *Ko tō tātou kāinga tēnei* report from the Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain on 15 March 2019, marks a significant milestone in Aotearoa New Zealand's history.

The new Ministry will have the leadership, mana and visibility to influence decision-making across government to ensure better outcomes for ethnic communities – nearly 1 million people, or around 20 per cent of the population, as recorded in the 2018 Census.

Cabinet agreed the role, mandate and immediate priorities of the Ministry, which were developed through an extensive engagement process with over 600 members of ethnic communities nationwide. The Ministry will:

- take action to promote the value of diversity and improve inclusion of ethnic communities within wider society,
- ensure equitable provision of, and access to, government services for ethnic communities,
- develop and support initiatives to improve economic outcomes for ethnic communities, including addressing barriers to employment, and
- work to connect and empower ethnic community groups.

“The sense of belonging and the respect to diversity make this country unique and very special and, together with the new Ministry, we can make and achieve wonders”

Ethnic Communities – Budget 2021

In June 2021, following the release of Budget 2021, the Office for Ethnic Communities hosted a Zoom meeting with over 80 stakeholders from ethnic communities, at which the Minister of Finance Hon Grant Robertson, provided a high-level overview of the Budget; and the Minister for Diversity, Inclusion and Ethnic Communities Hon Priyanca Radhakrishnan provided an overview of the specific funding for the portfolio.

This also provided an opportunity for stakeholders to engage with Ministers directly, and topics addressed included the COVID-19 vaccination rollout, business recovery, and support for struggling communities; the housing crisis; health and wellbeing; and support for small businesses.

Local government works collectively to address national objectives

CASE STUDY

Three Waters Stimulus Programme – Taupō District Council

COVID-19 exacerbated the Three Waters challenges already facing the local government sector. Without support, many councils would have struggled to respond to immediate three waters challenges given the competing claims of other investment priorities.



In July 2020, the Government announced a funding package of \$761 million to provide immediate post-COVID-19 stimulus to local authorities to maintain and improve three waters infrastructure, support the [Three Waters Reform Programme](#), and underpin the operation of new water services regulator Taumata Arowai.

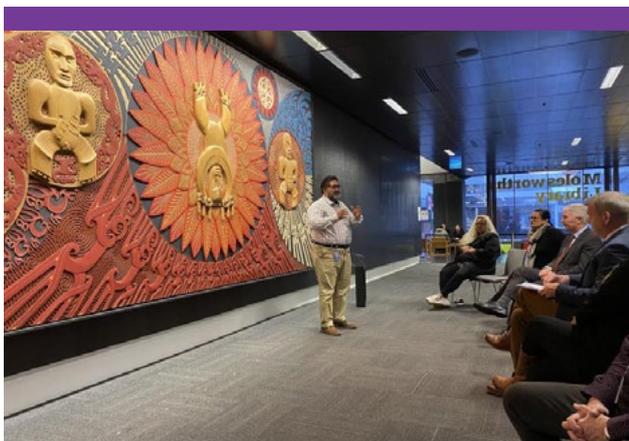
As a part of this stimulus package delivered through Internal Affairs, Taupō District Council submitted a work programme to improve its three waters infrastructure with an estimated cost of \$8.32 million. At a high level, the projects included:

- Upgrading six drinking water schemes with ultra-violet disinfection;
- Renewing water mains and installing zone flow meters;
- Wastewater network renewals and assessing infiltration and inflow to reduce sewer overflows;
- Upgrading systems to improve the reliability of data from remote water and waste water facilities;
- Installing treatment devices to improve quality of storm run-off into Lake Taupō.

The works have prioritised delivering strongly across the Government’s stimulus objectives, with all projects focused on the objective of significantly improving the safety, quality and resilience of drinking water services, and the environmental performance of wastewater and stormwater systems.

Crown Infrastructure Partners (CIP) supported Internal Affairs in the oversight of this programme. As at 30 June 2021, CIP reported Taupō District Council had completed 60 per cent of works and had invested \$4.85 million of the \$8.32 million allocated. In addition, 84 per cent of the funds were committed and in progress with contractors to continue with the planned works.

A Systems-led Approach to Local Government/Central Government Collaboration



Internal Affairs aims to achieve a collaborative system-wide, public service approach in which central and local government work together for the benefit of people, communities, business and the environment.

The Local Government sector is facing a significant period of change, challenge and opportunity. Ensuring the sector is well prepared for the future will be a marker of success for Internal Affairs as stewards of the local government system.

To help meet this challenge, on 26 January 2021 a new Local Government Branch – Ue te Hīnātore, (photo) was established by Internal Affairs. The new Branch combined functions from our Policy, Regulation and Communities Branch, and the Central/Local Government Partnerships Group to better align and coordinate policy advice across the Local Government Portfolio. Stewards of the Local Government system, we provide a long-term vision of what is needed to ensure its effective operation and delivery for the people of New Zealand.

Central to our system stewardship role are our Partnership Directors. They have strengthened connections with the sector by building direct relationships with Local Government Chief Executives and Mayors. They also continue to navigate and make pathways for understanding with local government, iwi / Māori. This positive change is critical for the implementation of the Government reform agenda of:

- The Three Waters Reform (refer to page 27)
- The Future for Local Government Review
- The Resource Management Act Reform (refer to page 57)
- Climate Change (refer to page 30).

Future for Local Government Review

From November 2020 to April 2021, Internal Affairs provided advice to the Minister of Local Government to support the establishment of a Ministerial review into the Future for Local Government (the Review), which commenced in May 2021.

The overarching purpose of the Review is to identify how our system of local democracy and governance needs to evolve over the next 30 years, to improve the wellbeing of our communities and environment, and actively embody the Treaty partnership. The role and representation of iwi/Māori in the local government system is to be across all aspects of the Review.

The Review will run until 30 April 2023, when the final report is due to the Minister of Local Government. Other key deliverables include an interim report due in September 2021, and a draft report for public consultation due in September 2022.

Resource Management Act Reform

The Ministry for the Environment is leading a review and replacement of the Resource Management Act. The changes being proposed will have a significant impact on the Local Government sector, particularly local councils who will have to implement the new legislation. Internal Affairs has been supporting the Ministry for the Environment in understanding the impact of the proposals on the sector, supporting the local government sector to understand the proposals being put forward and to inform the local government sector role in the new system.

Internal Affairs has facilitated regular engagement by the Ministry with a forum of local government Chief Executives and maintains ongoing communication with the local government sector through the Partnership Director function.

What are our indicators telling us?

The level of trust from the New Zealand public for the New Zealand Parliament has increased. This is also reflected internationally with most recent Transparency International corruptions perceptions index showing a perception of low corruption in New Zealand.

The Public Service Commission²⁵ reported that results from 2020 identified a spike in trust and confidence in the government and whilst some of this may be attributed to a recent change in methodology, some of it is likely to be related to COVID-19 as the public service was core to the national response to the pandemic in 2020. The expected 'normalisation' of the results as the NZ COVID-19 context has moderated is likely to be behind the reduction in the trust and confidence score, although it is still higher than before COVID-19. There is a gap in the survey results for 2020 due to the COVID-19 lockdown and a number of technical issues that prevented the survey from running. However, at July 2021, the Public Service Commission reported that:

- 81% of New Zealanders trust public services based on their personal service experience,
- Trust in the public service brand sits at 63% – the same as last quarter and whilst down from 69% last year represents a strong result in comparison to the 51% pre COVID-19,
- Trust in public services demonstrates a continuing trend of improvement, reflecting increased trust and confidence in public services.

25 <https://www.publicservice.govt.nz/our-work/kiwis-count-survey/>

Results for some outcome indicators for 2020/21 are not available due to changes in survey timings and methodologies. The existing trend data for these indicators shows maintenance of results for open government, satisfaction with local government and institutions trust.

Outcome indicator ID and description	Source	Metric	Indicator information					
			15/16	16/17	17/18	18/19	19/20	20/21
SI15. The level of institutional trust is maintained or increased	General Social Survey Statistics NZ	%		38%		41%		58%
SI16. Perceptions of government effectiveness are maintained or increased	Oxford International Civil Services Effectiveness Index ²⁶	Score out of 1			0.95		0.98	Data not available ²⁷
SI17. Perceptions of corruption are maintained or decreased	Transparency International Corruptions Perceptions Index ²⁸	Score out of 100	91	90	89	87	87	88
SI18. Satisfaction with local governance is maintained or increased	Kiwis Count Survey	Score out of 100	74	71	73	73	73	Data not available ²⁹
SI19. Perceptions of Open Government are maintained or increased	Open Data Barometer Report ³⁰	Score out of 100	61	61	68			Data not available ³¹

26 The Oxford Internal Civil Service Effectiveness Index can be found at <https://www.bsg.ox.ac.uk/about/partnerships/international-civil-service-effectiveness-index-2019>.

27 The most recent data available from the Oxford Internal Civil Service Effectiveness Index is the 2019 report.

28 The Transparency International Corruptions Perceptions Index can be found at <https://www.transparency.org/en/cpi>.

29 This data is not available for 2020/21. Refer to the comments above regarding trust in public service.

30 The Open Data Barometer report can be found at https://opendatabarometer.org/country-detail/?_year=2017&indicator=ODB&detail=NZL.

31 The latest available data from the Open Data Barometer is from the 4th edition (2017).

03

He wāhi rawe ki te mahi, ā, he whaka-
haere e eke ana ki te taumata teitei

**A high-performing organisation and a
great place to work**



He wāhi rawe ki te mahi, ā, he whaka- haere e eke ana ki te taumata teitei – A high-performing organisation and a great place to work



We continue to build on the strong organisational capabilities which support us to deliver results for New Zealanders and make Internal Affairs a great place to work.

The people and communities we serve are diverse. Building a workforce that reflects the communities we serve and puts our customers at the centre supports us to fulfil our 'spirit of service' and make New Zealand better for New Zealanders.

Ngā Tipako – Highlights

- ▶ Extended and improved our Flexible Working programme
- ▶ Established our multi-year Wellbeing, Health & Safety Maturity Uplift Programme
- ▶ Completed our Taura Herenga Waka, our Inclusion and Diversity strategy
- ▶ Launched Avei'a Pacific Leadership Programme and initiated our Pasifika Career Broker
- ▶ Hosted our National Māori Hui at Hirangi marae, themed around whai oranga – in pursuit of wellbeing
- ▶ Assurance Policy and Framework was refreshed in 2021
- ▶ Successful implementation of Rehutai, our new finance system

Tō mātou kaihautūtanga me te kāwana – Our leadership and governance

The Department's Executive Leadership Team (ELT) includes the Secretary for Internal Affairs, seven Deputy Chief Executives and the Director of the Office of the Chief Executive. The Executive Director, Office of Ethnic Communities was also a Tier 2 role reporting to the Secretary for Internal Affairs but was not part of the Executive Leadership Team.



Paul James

Secretary for Internal Affairs, Chief Executive, Secretary for Local Government, Government Chief Digital Officer



Ann-Marie Cavanagh

Deputy Chief Executive, Digital Public Service, Deputy Government Chief Digital Officer



Hoani Lambert

Deputy Chief Executive, Enterprise Partnerships



Kim Chambers

Director, Office of the Chief Executive



Maria Robertson

Deputy Chief Executive, Service Delivery and Operations



Kate Wareham

Deputy Chief Executive, Organisational Capability and Services



Marilyn Little

Deputy Chief Executive, Policy Regulations and Communities



Michael Lovett

Deputy Chief Executive, Local Government



Karl Le Quesne

Deputy Chief Executive, Organisational Strategy and Performance

The ELT ensures the focus of our efforts and resources. and its operating model supports this strategic governance role.

Our governance

Internal Affairs' governance system ensures Internal Affairs delivers on its purpose, strategic priorities and focus on stewardship, through sound and sustainable long-term decision-making.

Collectively led by the Executive Leadership Team (ELT), and supported by three governance sub-committees with well-established governance principles and protocols, which includes clear and understood terms of reference and a comprehensive declarations of interest process.

Our three governance sub-committees are:

- **Finance and Performance Governance Group:** Provides assurance that Internal Affairs has the capabilities required to deliver on its strategy and maintain stewardship over Internal Affairs' financial management and organisational performance under the Public Finance Act 1989.
- **Risk and Assurance Governance Group:** Supports the ELT by providing direction on, and overseeing Internal Affairs' approach to, strategic risk management and assurance including the Department's strategic risk framework, key risk registers, audit programmes, and insurance renewals.
- **Investment Governance Group:** Supports ELT by providing direction on, and oversight of Internal Affairs' investment system and portfolio, reviewing and approving or endorsing to ELT (in line with its delegated authority) project and programme business cases and investment-related matters

Internal Affairs also has an External Advisory Committee, made up of five independent members, that provides advice to the Secretary for Internal Affairs and ELT from an external perspective.

Information, privacy and security

We continue to support staff to raise awareness and ensure we all understand our obligations in relation to information, privacy and security, embedding this into our culture and how we do things. All staff are required to complete training modules in these areas and it is mandatory for all people to complete them annually. Ensuring that we value and understand the information we hold and work with, and knowing how to seek advice, is fundamental to our success.

Risk and assurance

Risk and Assurance is a key component of effective governance. Good assurance supports governance bodies in their decision-making, provides evidence of how well business risks are being managed, whether opportunities are being taken, and how well the business is performing. Good risk management practice helps identify key risks to delivery and enables early intervention before risks start to impact on outcomes. Applying more consistent risk and assurance advice and support over our priority and/or higher-risk projects and programmes is helping to further embed good risk management practices as integral to our mahi, and ensure we are focused on the right things. Our Assurance Policy and Framework supports an integrated view of assurance across Internal Affairs.

Te Aka Taiwhenua Māori Strategic Framework

He Waka Eke Noa 2020 – 25

Our Māori Strategic Framework for Internal Affairs - Te Tari Taiwhenua, Te Aka Taiwhenua is progressing as the commitment to journey from the ceremonial to the more meaningful and improved outcomes for Māori. With the development of a plan, *He Waka Eke Noa 2020 – 25*, we have a long-term focus to achieve equitable, positive and improved outcomes for hapū, iwi and Māori. The journey is connected using three distinct workstreams, with each area overseen by two Deputy Chief Executives respectively. The three workstreams are:

- Te Tiriti
- Te Reo Māori me ōna Tikanga
- Te Ao Māori.

Lifting te ao Māori capability within Te Tari Taiwhenua has seen the introduction of the Mataora Programme and also a te ao Māori approach taken to te reo Māori naming conventions. Te reo Māori continues to be a Departmental commitment and requirement, with Branches initiating regular in-house te reo Māori classes and kura wānanga (Māori approach to learning).

An enterprise approach to manage our Tiriti o Waitangi obligations and Māori Crown relations will increasingly become a focus over the coming year.

CASE STUDY:

Flexible Working – High Performing Organisation, Great Place to Work

Internal Affairs actively encourages and supports ways of working that are positive for our people, our teams and our organisation and that helps us deliver services to New Zealand. We do this in line with Te Kawa Mataaho Public Service Commission's Flexible Work by Default guidance.

Working flexibly gives Internal Affairs opportunity to flex and reconfigure to meet the service delivery needs of New Zealanders. The approach also gives our kaimahi real choice in managing and balancing their mahi, family and personal life.

With the outbreak of COVID-19 in March 2020, our people were required to mostly work remotely, almost instantly, and continue throughout the various lockdown phases. Faced with the challenge of working in a completely new way, we worked together utilising technology to continue to best provide services to New Zealanders.

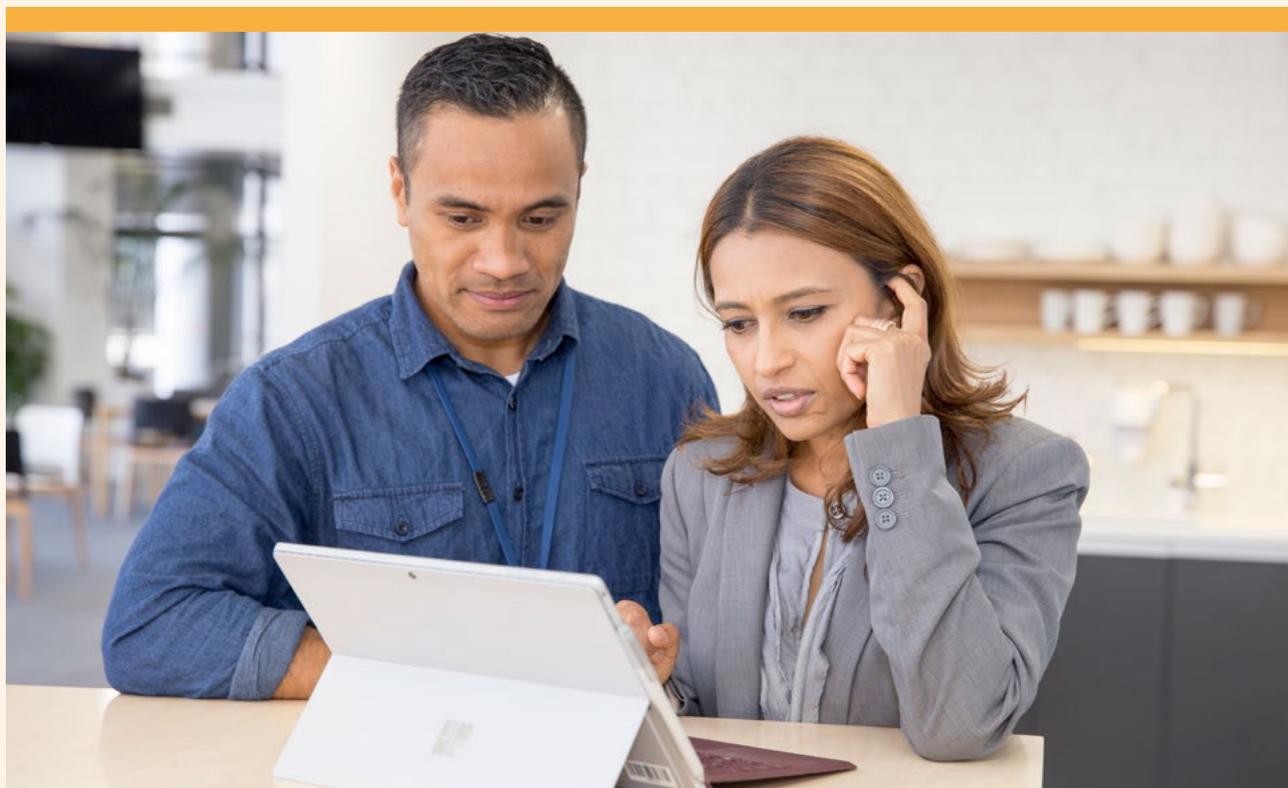
In June 2020, our Executive Leadership team agreed that Internal Affairs supports ways of working that are positive for our teams, our people and our organisation to serve and deliver for New Zealand and that our approach would be guided by the following four principles:

- Needs to work for everyone
- Not one size fits all
- Part of who we are
- Leaders lead out.

These four principles are at the heart of flexible working, providing guidance which supports the diversity of Internal Affairs. Our flexible working journey led us to develop tools, guidance, and workshops to ensure people leaders were supported in flexible working conversations with their people, and their people felt supported to work flexibly.

Branch experiments followed, enabling branches to explore how flexible working could be used as a lever to help address business challenges and enabled branches and teams the opportunity to measure impact of flexible working in their teams.

The pandemic has given us the opportunity to accelerate our flexible working objectives, particularly in relation to delivering services for New Zealanders.



Creating employee value

Flexible working helps too to create a more inclusive workplace where everyone can contribute to Internal Affairs' success. Our approach to flexible working continues to develop; our approach has matured, and flexible working is now embedded into "how we do things around here" to deliver our services to New Zealanders.

Because of the diverse work of Internal Affairs, flexibility looks different across teams, for individuals and in different jobs. Flexibility includes the ability to work from home, differing start and finish times, part-time work, job sharing, and phased retirement.

Internal Affairs has supported its people by creating a flexible working toolkit with practical tools and guidance, including a workshop to support managers to have flexible working conversations with their people, a template for a team charter, guidance for managing remote teams and collaboration tools that enable people to stay connected.

Our people value flexible working highly and we understand that flexible working looks different for each branch, team, and person, and it's about finding what works for everyone to ensure we continue to provide our excellent mahi to the communities of Aotearoa.

Feedback from Internal Affairs' annual Whakahoki Kōrero - Your Feedback Survey found that 96% of kaimahi felt that flexible working was important to them. 80% of respondents also said their manager supports them to work flexibly and 75% said they are encouraged to maintain a healthy work-life balance.

Te Hāpai Ō - ‘the leader at the front, the workers in the back’

Our Te Hāpai Ō programme is focussed on driving and supporting the success of our people at Te Tari Taiwhenua to deliver great outcomes for Aotearoa. by securing better tools to enable us to efficiently manage our money and our people, deliver on our central responsibilities, like health and safety, and respond to changing needs.

Implementation of Rehutai, our new finance system

In 2020/21 we have been focussed on Pūnaha Whakahaere Tahua; improving our financial systems, processes and capabilities across the organisation so we can manage our money better and more efficiently, helping us focus more on strategic outcomes.

Previously Inland Revenue provided accounts payable and accounts receivable services to Internal Affairs through support and access to their SAP financial system. Planning through the 2020/21 year enabled this outsourced arrangement to terminate on 30 June 2021 and implementation of our new system – Rehutai – from 12 July 2021 (an Oracle-based system) allows Internal Affairs to now hold all its financial capability under one system.

Wellbeing, health and safety

We have established our multi-year Wellbeing, Health & Safety Maturity Uplift Programme which focuses on empowering our people to play a more active role in health and safety initiatives, lifting governance and leadership capabilities of our leaders, and managing our health and safety risks more effectively.

We have a unique and diverse range of health, safety and wellbeing risks. With this in mind, the first phase of this programme includes the establishment of a fully resourced wellbeing health and safety team, and the engagement and commitment of the Executive Leadership Team.

The new Health & Safety team are committed to supporting Internal Affairs in a more consistent and sustainable way. We are focused on understanding that our core risks and associated needs include the development and transition of the Ministry for Ethnic Communities’ health and safety management system³².

Additionally, in the last year we have:

- implemented GPS fleet monitoring to encourage and support safe driving, and
- successfully delivered training to 15 Senior Leaders within Internal Affairs to support our goal of lifting governance and leadership capabilities of our leaders.

Incidents and hazards reporting

We are actively working on improving the data accuracy and reporting process for our incidents and hazards. The current reporting system within Internal Affairs doesn’t lend itself to these incidents being coded effectively (Hazard vs Incident) when they are submitted by the user. This is a high priority of the Wellbeing Health & Safety Maturity Uplift programme. In addition, with the increased capacity within the Safety & Wellbeing team, further education will be able to be provided to kaimahi.

32 The Ministry for Ethnic Communities became a departmental agency with effect from 1 July 2021.

Our investment and asset performance

Internal Affairs continues to invest in our digital assets as part of our medium-term plan to modernise services. These investments are heavily focussed around digital platforms and cloud capability, to ensure our staff can build on their flexible and collaborative working practices and our public facing services becoming more flexible, secure and data driven.

The investments include digital collaboration software, a seamless network experience, and technology that is available for all people to work from home. This flexible environment is well valued by our kaimahi.

The majority of our people could work remotely, while many essential workers were still able to access the office safely. More specifically, during FY 20/21 there were some Level 3 lockdowns in Auckland where we had almost 1,600 staff working remotely at the peak.

Asset condition performance narrowly missed target this year due to resourcing constraints across our supplier base. This was due to the tight workforce market, driven by the national border restrictions in place this year due to COVID-19.

No additional works outside of critical/reactive maintenance and approved planned preventative maintenance works were undertaken during COVID-19 L4 and L3 lockdowns in any regions. This was due to following Government guidelines of closing our buildings (AL4) and reducing any possible spread of the virus through people movements (AL3), Tradespeople were included in following guidelines to stay at home and to reduce movements not deemed essential.

Major works require detailed planning and funding, and both are unable to be accessed in the short notice period that a snap lockdown gives.

All buildings were given a deep-clean under Level 3 to prepare for staff to return to work sites. Cleaners are an essential service and are able to work in AL3.

Property Investment Programme

A four-year \$60 million asset replacement and renewal programme responding to our building assets and components having reached or passed their useful physical and/or economic life was initiated during this year. This covers buildings across New Zealand in Auckland, Taupō, Whanganui, Wellington, Christchurch and Dunedin. These include Archival and Library facilities, a Harbourmaster site and two Ministerial properties.

These replacements and upgrades help us provide a safe and secure and fit for purpose workplace environment for our people, reduce the risk of operational failure and reduce the risk of damage to, or loss of taonga.

Inclusion and Diversity

We are actively building our workforce to reflect the diversity of the communities we serve.

Currently, our permanent workforce includes 1781 full-time and 178 part-time employees across 40 locations in New Zealand, London and Sydney. Our largest locations are in Wellington (including staff at the Parliamentary Precinct) and Auckland. Some locations are co-located with other agencies and may be 1 or 2 employees. Approximately 888 of those roles focus on delivery. Other key roles that are significantly represented include Policy, Corporate and Information Management.

Our employees identify as women in the majority (61%). Ethnically our people are predominantly self-identified as New Zealand European (69.5%), with Māori (11.3%), Pacifica (8.8%) and Asian (12.1%) significantly represented. In terms of our core turnover we have reduced our rate to 10.3 % from 11.6% in the last year and just over 3% in the last 4 years.

Details of Internal Affairs workforce profile are contained in Appendix A of this report, at page 203.

Taura Herenga Waka – Our inclusion and diversity strategy

Embedding an inclusive and diverse culture is an organisational priority. In 2020/21 we finalised Taura Herenga Waka, our Inclusion and Diversity strategy. This strategy reflects the five priority areas of Papa Pounamu:

- addressing bias and discrimination
- strengthening cultural competency
- building inclusive leadership
- developing relationships that are responsive to diversity
- supporting and engaging with employee-led networks.

Our vision is to grow and celebrate our people's mana by being respectful and inclusive in our diversity. Through our mātapono and Taura Herenga Waka our kaimahi will experience an inclusive, high performing workplace where they are supported to perform at their best, so they can make a difference for New Zealanders.

The Secretary for Te Tari Taiwhenua, Internal Affairs is the sponsor for this work.

As a long standing Alliance Partner with Diversity Works, Internal Affairs is committed to be a role model of workplace diversity and inclusion best practice.

Addressing bias and discrimination

Our leaders are encouraged to lead by example, completing unconscious bias training and using this learning in their day-to-day activities. Over 110 of our senior kaimahi completed our Unconscious Bias workshop developed by Diversity Works in 2020/21.

Recruitment workshops have been updated to include discussions to help people leaders understand the impact of unconscious bias, and how that bias can be removed or mitigated throughout the recruitment process. People leaders are encouraged to take positive action to mitigate bias when convening recruitment panels, shortlisting for interviews and making recruitment decisions.

Compared to feedback in 2020, the recently completed people survey Whakahoki Kōrero – Your Feedback Survey, showed an average 7.5% increase in people agreeing that they are treated fairly, regardless of their disability, religious beliefs, gender identity and sexual orientation. In addition, fewer people said they have been subject to or witnessed exclusion, bias, bullying, discrimination and/or sexual harassment over the last 12 months.

Unconscious bias e-learning has also been made available to all employees.

Strengthening cultural competency

Our National Māori Hui at Hirangi marae, under the theme of the hui was whai oranga – in pursuit of wellbeing, provided our kaimahi Māori an opportunity to kōrero about issues that affect them and how we engage and partner with them to uplift our Te Ao Māori capability, deliver our Te Aka Taiwhenua strategy and achieve our Tō Tātou Mahi³³ strategic outcomes.

In January 2021 we held our first Te Reo wānanga. The wānanga enabled 41 of our kaimahi (Māori and non-Māori) to build their confidence and increase Te Reo Māori utilisation in their mahi, with the people they interact with, on a daily basis.

The Mataora programme equips our kaimahi to bring Te Ao Māori ways of working and thinking to their mahi through Mahi ā Atua, an indigenous strategic framework, grounded in indigenous knowledge, active learning and feedback.

In addition, we have begun the roll out of Mana Āki, an intercultural competency learning programme to all kaimahi in May 2021. 977 (37%) of our kaimahi have either completed or begun the programme. All kaimahi are expected to complete the programme by November 2021, and new starters will complete these modules as part of their induction programme.

33 This has been subsequently renamed Ā Mātou Mahi.

Building inclusive leadership

Leaders have a significant role to play in ensuring Internal Affairs is a diverse and inclusive organisation that reflects the communities we serve.

Inclusive leadership is embedded in the core leadership programmes Introduction to People Leadership and Te Hunga Kōhuri. Over the last 12 months 67 of our people leaders have completed these programmes. In 2021, we are extending the inclusive leadership programme to include workshops to support senior leaders to understand the four-factor model of Inclusive Leadership.

Our first cohort of Te Aka Matua, a new Māori leadership programme, aims to increase the number of Māori in leadership roles within Te Tari Taiwhenua and the wider public sector.

The framework to deliver the programme is the pūrākau (story) of Tāne and the three kete (baskets) of knowledge. Te Aka Matua is the parent vine Tāne used on his ascent to retrieve this knowledge and the programme learning modules provide the tools and resources for participants to support them on their journey towards becoming influential leaders and role models.



Te Aka Matua cohort 1.



Internal Affairs has also continued to develop our Pasifika leadership through Avei'a, our Pacific leadership and development programme. This programme focuses on five components: identity, wellbeing, inner strength and outward confidence, understanding Pacific peoples' context in Aotearoa and achieving career or personal goals.

Developing relationships that are responsive to diversity

There are many ways we build an inclusive and diverse culture, from championing accessibility to encouraging the use of pronouns, we've taken steps to be more responsive to diversity.

As a signatory of the Accessibility Charter, we work to ensure the public sector is accessible for everyone and inclusive of disabled people. With sponsorship from our senior leadership team we have appointed a champion for accessibility, and development of a work programme is underway.

To increase the representation of ethnically diverse people and reduce the barriers they face to access employment in the public sector, the Office of Ethnic Communities (now the Ministry for Ethnic Communities from 1 July 2021) developed the Ethnic Communities Graduate Programme. This programme focuses on attracting Middle Eastern, Latin American, African, Asian, or Continental European graduates to start a career in the public service. 450 applications were received, and 23 graduates have been selected to work across 12 participating agencies.

Internal Affairs was a partner agency in the Tupu Tai Pasifika internship programme in 2020/21 through the Ministry of Business, Innovation and Employment. This interagency government initiative provides the opportunity for Pasifika students to explore career pathways, build confidence as a Pasifika professional and witness the machinery of government in action. Tupu Tai provides a mechanism for Pacific voices to be present in important decisions that affect Pacific communities and for agencies to utilise the unique perspective and skillsets of Pacific peoples in their own work to benefit all New Zealanders.

Employee-led networks

Internal Affairs' employee-led network groups include the Authentic Self Network (LGBTQI+), Tangata Whenua Network, Taha Moana Pacific Network, and Women's Network. These strengthen the voices of rainbow, Māori, Pasifika and women employees.

Kamahi are invited to participate in building their diversity capability through Te Reo workshops, Te Wiki o Te Reo Māori, our Leo o Te Pasifika programme (celebrating the languages of Pacific peoples,) taking part in New Zealand Sign Language Week, Pink Shirt Day and other activities that build confidence and celebrate diversity.

Addressing the gender pay gap.

We continue to reduce our gender pay gap – measured as the difference between the average salary for women and for men at 30 June 2021, the gender pay gap was 12.1%, a reduction of 1.8% from 30 June 2020. The primary driver for the gender pay gap continues to be the high proportion of women in lower and mid-level positions.

CASE STUDY

Pasifika Career Broker

Our gender pay-gap analysis helped us identify that our Pasifika people are clustered in lower paying jobs and have a significantly lower average salary of all our ethnic groupings.



At our Pacific Fono in 2019 and through workshops we interrogated the factors that prevent our Pasifika kaimahi from being considered for and moving into different jobs.

In response we have created a Pasifika Career Broker role, who will:

- Help to encourage career development and progression to more senior positions, and to build and develop the skills and confidence of our Pasifika people,
- Provide support and guidance on exploring career and development opportunities, talent management and placement, alongside advice on effective CV writing and interview preparation, and
- Provide advice to managers on improving and adapting their recruitment and interview practices to mitigate unconscious bias to ensure our people, regardless of gender, ethnicity, age and disability, experience a fair and positive recruitment process.

In addition, we are reviewing our recruitment processes to ensure that our processes provide

our Pasifika people with greater and fairer opportunities for career progression.

This initiative has the support and sponsorship of a Deputy Chief Executive.

Guidance has been implemented to support managers to make appropriate decisions on starting salaries without gender bias. We continue to monitor this by actively tracking starting salary data.

04

Ngā otinga pūtea me te pūtea kore Financial and non-financial results



Te Tauākī Noho Haepapa – Statement of Responsibility

I am responsible, as Secretary for Internal Affairs, for:

- the preparation of the Department of Internal Affairs' financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them;
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting;
- ensuring that end-of-year performance information on each appropriation administered by Department of Internal Affairs is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this annual report; and
- the accuracy of any end-of-year performance information prepared by Department of Internal Affairs, whether or not that information is included in this annual report.

In my opinion:

- the annual report fairly reflects the operations, progress, and the organisational health and capability of the Department,
- the financial statements fairly reflect the financial position of Department of Internal Affairs as at 30 June 2021 and its operations for the year ended on that date; and
- the forecast financial statements fairly reflect the forecast financial position of Department of Internal Affairs as at 30 June 2022 and its operations for the year ending on that date.



Paul James

Secretary for Internal Affairs
30 September 2021



Sharyn Mitchell

Chief Financial Officer
30 September 2021

Te Pūrongo a te Kaiarotake – Independent Auditor’s report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor’s Report Te Pūrongo a te Kaiarotake tū Motuhake

To the readers of the Department of Internal Affairs’ annual report for the year ended 30 June 2021

The Auditor-General is the auditor of the Department of Internal Affairs (the Department) and group. The Auditor-General has appointed me, Stephen Lucy, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- the financial statements of the Department and group on pages 80 to 121, that comprise the statement of financial position, statement of commitments, and statement of contingent assets and liabilities as at 30 June 2021, the statement of comprehensive revenue and expense, statement of changes in equity, 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 performance information prepared by the Department and group for the year ended 30 June 2021 on pages 15 to 58 and 159 to 202;
- the statements of expenses and capital expenditure of the Department for the year ended 30 June 2021 on pages 144 to 158; and
- the schedules of non-departmental activities which are managed by the Department on behalf of the Crown on pages 122 to 143 that comprise:
 - the schedules of assets; liabilities; commitments; and contingent assets and liabilities as at 30 June 2021;
 - the schedules of expenses; and revenue for the year ended 30 June 2021;
 - the statement of trust monies for the year ended 30 June 2021; and
 - the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- the financial statements of the Department and group on pages 80 to 121:
 - present fairly, in all material respects:
 - their financial position as at 30 June 2021; and

- their financial performance and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards.
- the performance information of the Department and group on pages 15 to 58 and 159 to 202:
 - presents fairly, in all material respects, for the year ended 30 June 2021:
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
 - complies with generally accepted accounting practice in New Zealand.
- the statements of expenses and capital expenditure of the Department on pages 144 to 158 are presented fairly, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- the schedules of non-departmental activities which are managed by the Department on behalf of the Crown on pages 122 to 143 present fairly, in all material respects, in accordance with the Treasury Instructions:
 - the assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2021; and
 - expenses; and revenue for the year ended 30 June 2021; and
 - the statement of trust monies for the year ended 30 June 2021.

Our audit was completed on 30 September 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Secretary for Internal Affairs and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Secretary for Internal Affairs for the information to be audited

The Secretary for Internal Affairs is responsible on behalf of the Department and group for preparing:

- financial statements that present fairly the Department and group's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand.
- statements of expenses and capital expenditure of the Department, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989.
- schedules of non-departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by the Department on behalf of the Crown.

The Secretary for Internal Affairs is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Secretary for Internal Affairs is responsible on behalf of the Department and group for assessing the Department and group's ability to continue as a going concern. The Secretary for Internal Affairs is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Department and group, or there is no realistic alternative but to do so.

The Secretary for Internal Affairs's responsibilities arise from the Public Finance Act 1989.

Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Department's Strategic Intentions 2019-2023, Estimates and Supplementary Estimates of Appropriations 2020/21 for Vote Internal Affairs, and the 2020/21 forecast financial figures included in the Department's 2019/20 Annual Report.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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 and group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary for Internal Affairs.
- We evaluate the appropriateness of the reported performance information within the Department and group's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Secretary for Internal Affairs and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department and group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Department and group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the group to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible solely for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Secretary for Internal Affairs regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Secretary for Internal Affairs is responsible for the other information. The other information comprises the information included on pages 1 to 14, 59 to 74 and 203 to 217, but does not include the information we audited, and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Department and group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Department or its controlled entity.



S B Lucy
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Ngā Tauākī Pūtea ā Tari – Financial Statements – Departmental

Financial Statements 2020/21

Departmental

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Statement of comprehensive revenue and expense

for the year ended 30 June 2021

Parent and group

Actual 2020 \$000		Note	Actual 2021 \$000	Unaudited Budget 2021 \$000	Unaudited Forecast 2022 \$000
	Revenue				
316,259	Revenue Crown	2	413,336	344,323	382,395
185,671	Other revenue	2	115,981	132,271	126,044
-	Gain on sale of Property, plant and equipment		1,134	-	-
501,930	Total revenue		530,451	476,594	508,439
	Expenses				
248,350	Personnel costs	3	262,185	272,404	295,488
45,631	Depreciation, amortisation and impairment expense	9, 11	53,890	52,378	55,949
22,770	Capital charge	18	18,052	22,549	18,857
408	Finance costs	19	564	348	600
167,010	Other operating expenses	4	201,823	186,910	199,203
484,169	Total expenses		536,514	534,589	570,097
17,761	Operating surplus/(deficit)		(6,063)	(57,995)	(61,658)
	Other comprehensive revenue and expense				
	<i>Item that will not be reclassified to net surplus</i>				
(392)	Asset revaluation gains/(losses)	9, 21	-	-	-
17,369	Total comprehensive revenue and expense		(6,063)	(57,995)	(61,658)

Explanations of significant variances against budget are detailed in Note 26.
The accompanying notes form part of these financial statements.

Statement of financial position

as at 30 June 2021

Parent and group

Actual 2020 \$000	Note	Actual 2021 \$000	Unaudited Budget 2021 \$000	Unaudited Forecast 2022 \$000
Assets				
<i>Current assets</i>				
42,900	6	47,933	21,030	25,037
83,669		78,119	-	31,456
12,790	7	13,678	13,392	14,135
1,080	8	1,399	1,200	1,318
5,287		8,223	5,604	5,486
1,904	10	-	-	-
147,630		149,352	41,226	77,432
<i>Non-current assets</i>				
89		233	-	-
236,396	9	236,813	255,094	249,188
168,644	11	194,113	200,178	219,379
405,129		431,159	455,272	468,567
552,759		580,511	496,498	545,999
Liabilities and taxpayers' funds				
<i>Current liabilities</i>				
36,943	12	47,657	33,141	33,721
4,012	13	1,911	1,823	3,670
8,263	14	15,714	12,000	11,790
13,966	15	15,307	15,913	15,581
2,925	17	406	406	431
478	20	626	-	-
16,474	16	43,706	-	-
83,061		125,327	63,283	65,193
<i>Non-current liabilities</i>				
482	13	424	5,817	5,003
3,280	15	3,350	3,680	2,875
8,486	17	8,080	8,080	7,648
6,011	20	5,231	-	-
18,259		17,085	17,577	15,526
101,320		142,412	80,860	80,719
451,439		438,099	415,638	465,280
Equity				
308,124	21	344,553	365,764	415,818
93,854	5	44,085	-	-
49,461	21	49,461	49,874	49,462
451,439		438,099	415,638	465,280

Explanations of significant variances against budget are detailed in Note 26.
The accompanying notes form part of these financial statements.

Statement of changes in equity

for the year ended 30 June 2021

Parent and group

Actual 2020 \$000		Note	Actual 2021 \$000	Unaudited Budget 2021 \$000	Unaudited Forecast 2022 \$000
472,256	Balance at 1 July		451,439	451,853	444,292
17,761	Operating surplus/(deficit) for the year		(6,063)	(57,995)	(61,658)
(392)	Other comprehensive revenue and expense		-	-	-
17,369	Total comprehensive revenue and expense		(6,063)	(57,995)	(61,658)
	Owner transactions				
16,008	Capital injections	22	36,429	21,780	82,646
(37,720)	Capital withdrawal	22	-	-	-
(16,474)	Return of operating surplus	16	(43,706)	-	-
(38,186)	Total owner transactions		(7,277)	21,780	82,646
451,439	Balance at 30 June		438,099	415,638	465,280

Explanations of significant variances against budget are detailed in [Note 26](#).

The accompanying notes form part of these financial statements.

Statement of cash flows

for the year ended 30 June 2021
Parent and group

Actual 2020 \$000		Actual 2021 \$000	Unaudited Budget 2021 \$000	Unaudited Forecast 2022 \$000
	Cash flows from operating activities			
297,277	Receipts from the Crown	418,884	427,992	409,770
184,953	Receipts from third parties	122,189	131,365	123,940
145	Net goods and services tax	(496)	596	(4)
(415,017)	Payments to suppliers and employees	(458,116)	(461,661)	(495,063)
(22,770)	Payments for capital charges	(18,051)	(22,549)	(18,857)
44,588	Net cash flows from operating activities	64,410	75,743	19,786
	Cash flows from investing activities			
36,785	Receipts from sale of property, plant and equipment	3,606	1,904	480
(30,082)	Purchase of property, plant and equipment	(23,111)	(39,029)	(28,414)
(63,471)	Purchase of intangible assets	(56,902)	(62,463)	(54,555)
(56,768)	Net cash flows from investing activities	(76,407)	(99,588)	(82,489)
	Cash flows from financing activities			
16,008	Capital injections	36,429	21,780	82,646
(37,720)	Capital withdrawals	-	-	-
(1,317)	Repayment of surplus to the Crown	(16,474)	(16,474)	(23,350)
7,082	Payments on finance leases	(2,925)	(3,331)	(407)
(15,947)	Net cash flows from financing activities	17,030	1,975	58,889
	Movement in cash			
71,027	Opening cash and cash equivalents	42,900	42,900	28,851
(28,127)	Net increase/(decrease) in cash	5,033	(21,870)	(3,814)
42,900	Closing cash and cash equivalents	47,933	21,030	25,037

Explanations of significant variances against budget are detailed in Note 26.
The accompanying notes form part of these financial statements.

Statement of cash flows (continued)

for the year ended 30 June 2021

Parent and group

Reconciliation of the net surplus cash flow from operating activities

Actual 2020 \$000		Actual 2021 \$000
17,369	Total comprehensive revenue and expense	(6,063)
	Add/(deduct) non-cash items	
44,512	Depreciation and amortisation expense	49,442
392	Asset revaluation gains	-
1,119	Impairment expense	4,448
-	Transfer to taxpayers' funds on disposal	-
(250)	Acquisition of donated assets	(239)
45,773	Total non-cash items	53,651
	Add/(deduct) items classified as investing activities	
601	Losses/(gains) on sale of property, plant and equipment	(1,125)
601	Total investing or financial activities	(1,125)
	Add/(deduct) movements in Statement of financial position items	
(13,096)	(Increase)/ decrease in debtors and other receivables	4,560
587	(Increase)/ decrease in other current assets	(3,399)
(4,531)	Increase/ (decrease) in other current liabilities	6,001
385	Increase/ (decrease) in non-current liabilities	70
(2,500)	Increase/ (decrease) in creditors and other payables	10,715
(19,155)	Total net movement in working capital items	17,947
44,588	Net cash flows from operating activities	64,410

The accompanying notes form part of these financial statements.

Statement of commitments

as at 30 June 2021

Parent and group

Actual 2020 \$000		Actual 2021 \$000
	Capital commitments	
3,605	Intangible assets	7,781
2	Non-residential buildings	263
-	Plant and equipment	4,985
-	Furniture and fittings	-
-	Leasehold improvements	-
3,607	Total capital commitments	13,029
	Non-cancellable operating commitment leases as lessee	
	<i>The future aggregate minimum lease payments to be paid under non-cancellable operating leases</i>	
18,626	No later than one year	17,823
17,923	Later than one and not later than two years	15,145
43,881	Later than two and not later than five years	40,703
95,466	Later than five years	81,858
175,896	Total non-cancellable operating commitment leases as lessee	155,529
179,503	Total commitments	168,558

Capital commitments

Capital commitments are the cumulative amount of capital expenditure where the department entered into a contract for the acquisition of property, plant and equipment and intangible assets that have not been paid for, or are not recognised as a liability, at the financial year end.

Cancellable capital commitments are reported at the lower of the remaining contractual commitment or the early exit costs explicit in the exit clause of the agreement.

Non-cancellable operating commitment leases as lessee

The Department leases property, plant and equipment in the normal course of its business of which the majority are for premises across New Zealand. These lease amounts are disclosed as future commitments based on current rental rates extrapolated to future years. The non-cancellable leasing period for these leases varies.

The Department's non-cancellable operating leases have varying terms, escalation clauses, and renewal rights. There are no restrictions placed on the Department by any of its leasing arrangements.

The total of minimum future sub-lease payments expected to be received under non-cancellable sub-leases at balance date is \$1.156 million (2019/20: \$0.876 million).

The accompanying notes form part of these financial statements.

Statement of contingent assets and liabilities

as at 30 June 2021
Parent and group

Quantifiable contingent assets

As at 30 June 2021, the Department had no quantifiable contingent assets (2019/20: nil).

Unquantifiable contingent assets

As at 30 June 2021, the Department had no unquantifiable contingent assets (2019/20: nil).

Quantifiable contingent liabilities

As at 30 June 2021, the Department had:

- One quantifiable contingent liability of \$18.063 million for costs associated with the concept design phase of the new Wellington Archives, should the development not proceed (2019/20: \$5.192 million).
- Two quantifiable contingent liabilities totalling \$0.340 million relating to employment issues (2019/20: \$0.045 million).

Unquantifiable contingent liabilities

As at 30 June 2021, the Department had no unquantifiable contingent liabilities (2019/20: nil).

Employment issue and personal grievances

On occasion, employment issues or personal grievances arise. The Department works within its policies to resolve all issues raised in good faith. Where this is not possible a mediated settlement may be agreed.

The accompanying notes form part of these financial statements.

Notes to the financial statements

Basis of reporting

1. Statement of accounting policies

Reporting entity

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

The Department's primary objective is to serve and connect people, communities and government to build a safe, prosperous and respected nation.

The Department does not operate to make a financial return and is also regarded as a Public Benefit Entity (PBE) for the purposes of complying with New Zealand generally accepted accounting practice (NZ GAAP).

The Department also reports on the Non-Departmental (Crown) activities and Trusts that it administers.

The Group consists of the Department and its subsidiary, Te Puna Foundation (the Foundation).

The Foundation is a Charitable Trust, which is controlled by the Department to provide support to the National Library of New Zealand in accordance with the National Library of New Zealand (Te Puna Mātauranga o Aotearoa) Act 2003. The consolidation is required for financial reporting purposes only. The Department and the Foundation operate independently.

Reporting period

The reporting period for these financial statements is the year ended 30 June 2021 with comparative figures for the year ended 30 June 2020. The financial statements were authorised for issue by the Chief Executive of the Department of Internal Affairs on 30 September 2021.

Basis of preparation

These financial statements have been prepared on a going-concern basis, and the accounting policies have been applied consistently throughout the year.

Statement of compliance

The financial statements also comply with the requirements of the PFA 1989, which include the requirement to comply with NZ GAAP and Treasury Instructions. These financial statements have been prepared in accordance with and comply with Tier 1 PBE International Public Sector Accounting Standards (PBE IPSAS).

Presentation currency and rounding

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

Measurement base

The financial statements have been prepared on an historical cost basis, adjusted by the revaluation of land and buildings, antiques and art, actuarial valuations of long service and retirement leave liabilities, and the fair value of certain financial instruments.

Changes in accounting policies

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

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.

Standards issued and not yet effective

No standards or amendments that are relevant to the Department's financial reporting have been issued but are not yet effective.

Significant accounting policies

Significant accounting policies are included in the notes to which they relate. Policies that do not relate to a specific note are outlined below.

Foreign currency transactions

Foreign currency transactions (including those for which the Department holds forward exchange contracts) 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 revenue and expense.

Taxation

The Department is exempt from the payment of income tax. Accordingly, no provision has been made for income tax. 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 net amount of GST owing at balance date, being the difference between output GST and input GST, is included in either receivables or payables in the Statement of financial position.

The net GST paid or received, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of cash flows. It reflects the net GST paid or received during the year. The GST components have been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

Budget and forecast figures

Basis of the budget and forecast figures

The 2020/21 budget figures (Unaudited Budget 2021) are for the year ended 30 June 2021. They are consistent with the Department's best estimate financial forecast information submitted to the Treasury for the Pre-election Economic and Fiscal Update (PREFU) for the year ending 2020/21.

The 2021/22 forecast figures (Unaudited Forecast 2022) are for the year ending 30 June 2022, which are consistent with the best estimate financial forecast information submitted to the Treasury for the Budget Economic and Fiscal Update (BEFU) for 2021/22. The forecast financial statements have been prepared as required by the PFA 1989 to provide forecast financial information for accountability purposes.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

Significant assumptions used in preparing the forecast financial information

The 30 June 2022 forecast figures have been prepared in accordance with and comply with PBE Financial Reporting Standards (FRS) 42 Prospective financial statements. The forecast figures contained in these financial statements reflect the Department's purpose and activities and are based on several assumptions about what may occur during 2021/22. The forecast figures have been compiled based on existing government policies and ministerial expectations at the time the Main Estimates were finalised.

The main assumptions are as follows:

- the Department's activities will remain substantially the same as for the previous year focusing on the Government's priorities,
- personnel costs are based on full-time equivalent staff, and take into account staff turnover,
- remuneration rates are based on current wages and salary costs, adjusted for anticipated remuneration changes,
- operating costs are based on the best estimate at the time the financial statements are finalised,
- no impact on the revaluation of land and buildings has been assumed in the forecast,
- capital commitments will realise as planned, and
- estimated year end information for 2020/21 is used as the opening position for 2021/22 forecasts.

The actual financial results achieved for 30 June 2022 are likely to vary from the forecast information presented, and the variations may be material. Factors that could lead to material differences between the forecast financial statements and the 2021/22 actual financial statements include:

- further operating impacts associated with the COVID-19 pandemic,
- capability resource availability,
- efficiency or productivity gains,
- changes to the baseline because of technical adjustments, and
- demand driven volume changes.

Any changes to budgets during 2021/22 will be incorporated into the Supplementary Estimates of appropriations for the Government of New Zealand for the year ending 30 June 2022.

Authorisation statement

The forecast financial statements were approved for issue by the Chief Financial Officer on 7 April 2021. The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures. While the Department regularly updates its forecasts, updated forecast financial statements for the year ending 30 June 2022 will not be published.

The purpose of the forecast financial statements is to facilitate Parliament's consideration of appropriations for, and planned performance of, the Department. These forecast financial statements may not be appropriate for other purposes.

Critical accounting estimates, assumptions and critical judgements in applying accounting policies

In preparing the financial statements in conformity with PBE accounting standards, critical judgements, estimates and assumptions have been made concerning the future and these may differ from the subsequent actual results. The estimates and associated assumptions are continually evaluated and are based on historical experience and various other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the progress of applying the accounting policies, the Department has made several judgements and applied estimates of future events. Judgements and estimates which are material to the financial report are found in the following notes:

Notes	Judgements, estimates and assumptions
Note 11 – Intangible assets	Assessing the useful lives of software
Note 15 – Employee entitlements	Measuring long service leave and retirement gratuities
Note 17 – Finance leases	Classification of leases
Note 21 – Equity	Estimating the fair value of land and building

Results for the year

2. Revenue

Accounting policy

Revenue is measured at the fair value of consideration received or receivable. The specific accounting policies for significant revenue items are explained below.

Revenue – non-exchange transactions

Revenue Crown

Revenue Crown consists of amounts appropriated to departmental appropriations for the year, adjusted for any formal additions and reductions. The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised considers any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding from the Crown. However, the Department can incur expenses only within the scope and limits of its appropriations.

The fair value of revenue Crown has been determined to be equivalent to the funding entitlement.

Donated or subsidised assets

When 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 revenue and expense.

Revenue – exchange transactions

Grants

Grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if the conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when the conditions of the grant are satisfied.

Third party revenue

The Department derives revenue from third parties through the provision of outputs (products or services). 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.

The Department uses memorandum accounts to record the accumulated balance of surpluses and deficits incurred in the provision of third party fully-cost-recovered outputs. These memorandum accounts separately disclose the net cost of such outputs, as otherwise this information would be aggregated as part of the Department's Statement of financial position.

Rental revenue from sub-leases

Rental revenue under an operating sub-lease is recognised as revenue on a straight-line basis over the lease term.

Breakdown of other revenue and further information

Actual 2020 \$000		Actual 2021 \$000	Unaudited Budget 2021 \$000	Unaudited Forecast 2022 \$000
	Other revenue from non-exchange transactions			
250	Other third-party revenue	239	-	-
250	Total other revenue from non-exchange transactions	239	-	-
	Other revenue from exchange transactions			
91,117	Passport fees	22,114	28,785	29,494
18,060	Non-casino gaming licences and fees	20,525	20,647	20,211
13,767	Birth, death, marriage and civil union fees	13,952	15,256	15,256
11,973	Citizenship fees	10,423	17,508	14,351
11,034	Recovery from New Zealand Lottery Grants Board	10,901	10,513	11,025
8,771	VIP transport	8,651	9,000	9,000
8,533	e-Government development and operations	8,678	7,360	7,360
4,651	Casino operators' levies	5,333	6,948	5,400
3,718	Electronic purchasing in collaboration	1,298	3,595	1,190
2,308	Kōtui library services	2,399	2,199	2,199
1,792	Translation services	2,386	1,000	2,000
1,746	RealMe	1,812	2,068	2,068
1,511	Te Puna catalogue and inter-loan library services	63	1,495	1,407
911	Lake Taupō boating facilities	1,038	980	980
830	Charities registrations	889	852	852
757	New Zealand Gazette	884	844	844
400	Language line interpreter services	-	-	-
400	National dog database levy	400	400	400
384	Rental revenue from sublease	459	350	350
141	National Library auditorium	166	210	-
11	Net foreign exchange gain	-	-	-
2,606	Other third-party revenue	3,371	2,261	1,657
185,421	Total other revenue from exchange transactions	115,742	132,271	126,044
185,671	Total other revenue	115,981	132,271	126,044

3. Personnel costs

Accounting policy

Salaries and wages and employee entitlements

Employee entitlements to salaries and wages, annual leave, long service leave, retiring leave, and other similar benefits are recognised in the Statement of comprehensive revenue and expense when they accrue to employees.

Defined contribution superannuation schemes

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

Restructuring costs

Restructuring costs are recognised in the Statement of comprehensive revenue and expense only when there is a demonstrable commitment to either terminate employment prior to normal employment date or to provide such benefits because of a position becoming redundant.

Breakdown of personnel costs

Actual 2020 \$000		Actual 2021 \$000
234,988	Salaries, wages and contractor expenses	248,113
6,727	Employer contribution to defined contribution plans	7,165
-	Restructuring costs	2,211
3,624	Increase in employee entitlements	1,421
3,011	Other personnel costs	3,275
248,350	Total personnel costs	262,185

4. Other operating expenses

Accounting policy

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 payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised evenly over the term of the lease as a reduction in rental expense (refer to [Note 20](#)).

Other expenses

Other expenses are recognised as goods and services as received.

Breakdown of other operating expenses

Actual 2020 \$000	Note	Actual 2021 \$000	Unaudited Budget 2021 \$000	Unaudited Forecast 2022 \$000
58,932		67,619	63,669	68,000
25,313		29,037	29,445	30,000
16,399		33,579	21,630	37,000
13,152		599	12,399	1,971
12,044		9,616	12,436	11,023
8,545		6,850	9,885	7,500
7,741		7,254	8,084	7,500
7,303		9,227	8,358	8,500
4,958		5,424	4,666	5,609
2,379		3,303	5,169	3,412
1,710		2,053	1,367	2,100
757		4,232	1,298	4,300
601		8	-	-
405		413	434	413
-		23	-	-
39	7	14	-	-
37		7	-	-
13		20	-	-
-	13	515	-	-
6,682		22,030	8,070	11,875
167,010		201,823	186,910	199,203

5. Memorandum accounts

Accounting policy

Memorandum accounts reflect the cumulative surplus/ (deficit) on those departmental services that are intended to be fully cost recovered from third parties through fees, levies, or charges. The accounts are intended to provide a long-run perspective to the pricing of outputs. The balance of each memorandum account is expected to trend toward zero over time, with interim deficits being met either from cash from the Department's Statement of financial position or by seeking approval for a capital injection from the Crown. Capital injections will be repaid to the Crown by way of cash payments throughout the memorandum account cycle.

Summary of memorandum accounts

Actual 2020 \$000		Actual 2021 \$000
(232)	New Zealand Gazette	(109)
(253)	Use of facilities and access to Lake Taupō by boat users	(152)
83,010	Passport products	31,563
16,425	Citizenship products	9,893
210	Marriage and civil union products	516
1,358	Issue of birth, death and marriage certifications and other products	2,506
8,608	Gaming	15,127
1,063	Kōtui library services	1,347
70	Electronic Purchasing in Collaboration (EPIC)	88
(17,479)	Common capability products	(17,848)
1,074	National dog control information database	1,154
93,854	Balance at 30 June	44,085

Breakdown of memorandum accounts and further information

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: A fee review was delayed from the first quarter of 2021, and is now expected to commence October 2021

Actual 2020 \$000		Actual 2021 \$000
New Zealand Gazette		
(238)	Balance at 1 July	(232)
757	Revenue movement for the year	884
(751)	Expense movement for the year	(761)
6	Net memorandum account surplus for the year	123
(232)	Balance at 30 June	(109)

Use of facilities and access to Lake Taupō by boat users (Established 30 June 2002)

Purpose: The Department manages berths, jetties and boat ramps located at Lake Taupō. 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.

Actions: In 2020/21 revenue from Lake Taupō boating facilities increased as a result of the new fees introduced in November 2019 and higher utilisation of boat ramps facilities. Revenue in 2019/20 was affected by COVID-19 restrictions which caused a reduction in temporary permits issued. The next fee review is scheduled to be undertaken in 2021/22.

Actual 2020 \$000		Actual 2021 \$000
Use of facilities and access to Lake Taupō by boat users		
(158)	Balance at 1 July	(253)
911	Revenue movement for the year	1,038
(1,006)	Expense movement for the year	(937)
(95)	Net memorandum account (deficit)/surplus for the year	101
(253)	Balance at 30 June	(152)

Passport products (Established 30 June 2002)

Purpose: To support a strategy to stabilise fees based on full cost recovery over a ten-year planning horizon. This strategy supports the introduction of new technologies, including the replacement of the ageing passport system within that timeframe.

Actions: The full implications of the COVID-19 pandemic on passport volumes are unknown and will be greatly affected by the timing of borders re-opening and international travel restarting. The Department is modelling various scenarios and will refine them as the situation becomes more certain. The next passport fees review is currently planned for November 2021 when the impact of the pandemic on passport application volumes may be clearer.

Actual 2020 \$000		Actual 2021 \$000
Passport products		
78,492	Balance at 1 July	83,010
91,178	Revenue movement for the year	22,163
(86,660)	Expense movement for the year	(73,610)
4,518	Net memorandum account surplus/ (deficit) for the year	(51,447)
83,010	Balance at 30 June	31,563

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 Department is undertaking work as part of the Te Ara Manaaki programme to modernise systems for identity-related products. The surplus will contribute to the costs of replacing aging technology.

Actual 2020 \$000		Actual 2021 \$000
Citizenship products		
20,279	Balance at 1 July	16,425
11,972	Revenue movement for the year	10,423
(15,826)	Expense movement for the year	(16,955)
(3,854)	Net memorandum account (deficit) for the year	(6,532)
16,425	Balance at 30 June	9,893

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 Department is undertaking work as part of the Te Ara Manaaki programme to modernise systems for identity-related products. The surplus will contribute to the cost of replacing aging technology.

Actual 2020 \$000		Actual 2021 \$000
Marriage and civil union products		
436	Balance at 1 July	210
3,740	Revenue movement for the year	3,794
(3,966)	Expense movement for the year	(3,488)
(226)	Net memorandum account (deficit)/surplus for the year	306
210	Balance at 30 June	516

Issue of birth, death and marriage certifications 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 Department is undertaking work as part of the Te Ara Manaaki programme to modernise systems for identity-related products. The surplus will contribute towards the cost of replacing aging technology.

Actual 2020 \$000		Actual 2021 \$000
Issue of birth, death and marriage certifications and other products		
1,683	Balance at 1 July	1,358
10,015	Revenue movement for the year	10,159
(10,340)	Expense movement for the year	(9,011)
(325)	Net memorandum account surplus/(deficit) for the year	1,148
1,358	Balance at 30 June	2,506

Gaming (Established 30 June 2002; amended to include Casino Fees on activities, July 2014)

Purpose: Fees established to recover the cost of administration and regulation of casino and non-casino gaming are reflected in gaming machine fees, compliance fees, license fees and similar charges for differing types of gambling activity, in addition to charges relating to the electronic monitoring of non-casino gaming machines.

Actions: On 1 July 2020 regulatory amendments were introduced to mitigate the impact of COVID-19 on the gambling sector. These amendments waived certain fees for the period from 25 March to 30 June 2020 and cancelled the fee increase planned for 1 July 2020. The overall impact on revenue was \$5.4 million in 2019/20. The next fee review will be undertaken in 2021/22 and expected to come into effect in 2022/23.

Actual 2020 \$000		Actual 2021 \$000
Gaming		
4,526	Balance at 1 July	8,608
21,755	Revenue movement for the year	25,271
(21,279)	Expense movement for the year	(18,752)
476	Net memorandum account surplus for the year	6,519
3,606	Transfers	-
8,608	Balance at 30 June	15,127

Gambling Commission and Censorship revenue and expenditure are not included in the Gaming memorandum account, because they are policy monitoring related, not administration and regulation.

Kōtūi library services (Established 30 January 2011)

Purpose: Kōtūi is a shared service of integrated library management and resource discovery systems for public libraries. The business model is a subscription service where public libraries pay a one-off software installation and enhancement fee, followed by annual charges. The Kōtūi shared library and resource discovery service was launched to public libraries in 2011/12. This memorandum account was established to enable the provision of the Kōtūi Library Management System, which is designed to be funded 100% by member contributions. The cost model for the Kōtūi memorandum account will be reviewed in 2021/22.

Actions: Subscription fees are reviewed annually to ensure recovery of full costs.

Actual 2020 \$000		Actual 2021 \$000
Kōtūi library services		
1,196	Balance at 1 July	1,063
2,309	Revenue movement for the year	2,399
(2,442)	Expense movement for the year	(2,115)
(133)	Net memorandum account (deficit)/surplus for the year	284
1,063	Balance at 30 June	1,347

Electronic Purchasing in Collaboration (EPIC) (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: As part of the COVID-19 Response and Recovery Package, time-limited Crown funding was provided to enable temporary relief to New Zealand public libraries by way of waiving user charges for two years. Fees are reviewed annually and are based on member uptake and vendor costs

Actual 2020 \$000		Actual 2021 \$000
Electronic Purchasing in Collaboration (EPIC)		
303	Balance at 1 July	70
3,706	Revenue movement for the year	1,298
(3,939)	Expense movement for the year	(1,280)
(233)	Net memorandum account (deficit)/surplus for the year	18
70	Balance at 30 June	88

Common capability products (Established 2013; amended to include Infrastructure as a Service (IaaS) and All-of-Government adoption of cloud computing memorandum accounts with effect from 1 July 2015)

Purpose: This memorandum account was established to record both the amount of revenue received from agencies for Government ICT Common Capability (GCC) products, not otherwise accounted for via separate memorandum accounts, and the amount of expenses incurred in supporting the development (where not funded separately), delivery, operation and renewal of these GCC products.

Actions: The memorandum account was forecast to break even from 2020/21. Break even did not occur in 2020/21 and updated projections now indicate the breakeven position will not occur in outyears. Fee charging mechanisms are being reviewed as part of the ongoing work on identifying options for a sustainable operating and funding model.

Actual 2020 \$000		Actual 2021 \$000
Common capability products		
(14,898)	Balance at 1 July	(17,479)
8,553	Revenue movement for the year	8,677
(11,134)	Expense movement for the year	(9,046)
(2,581)	Net memorandum account (deficit) for the year	(369)
(17,479)	Balance at 30 June	(17,848)

National dog control information database (Established 2014)

Purpose: This memorandum account was established to track the revenue and expenditure associated with administering the national dog control information database.

Actions: A period of higher expenditure is expected in 2021/22 associated with reviewing and renewing the National Dog Control Information Database operation and support contract. This expenditure is expected to utilise the accumulated surplus.

Actual 2020 \$000		Actual 2021 \$000
National dog control information database		
946	Balance at 1 July	1,074
400	Revenue movement for the year	400
(272)	Expense movement for the year	(320)
128	Net memorandum account surplus for the year	80
1,074	Balance at 30 June	1,154

Operating assets and liabilities

6. Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash on hand, cash in transit, and funds on deposit with banks with an original maturity of no more than three months. The Department is only permitted to expend its cash and cash equivalents within the scope and limits of its appropriations.

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

A trust bank account is defined in the Regulatory Systems (Commercial Matters) Amendment Act 2017. This requires all retentions on commercial contracts to be held in a trust bank account. This account holds the money that is deposited with the Department, pending practical completion of a transaction or dispute and which may become payable to the supplier.

Breakdown of cash and cash equivalents and further information

Actual 2020 \$000		Actual 2021 \$000
41,143	New Zealand bank accounts	46,896
	Overseas bank accounts	
1,091	Australian bank accounts	586
362	United Kingdom bank accounts	405
	Trust bank account	
304	Retention trust account	46
42,900	Total cash and cash equivalents	47,933

7. Debtors and other receivables

Accounting policy

Debtors and other receivables are recorded at face value, less an allowance for credit losses. The Department has applied the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, debtors and other receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Debtors and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Provision for expected lifetime credit loss

The provision for expected lifetime credit loss consists of specific individual impairment provisions, based on review of overdue receivables, and a collective impairment provision based on an analysis of past collection history and debt write-offs.

There have been no changes, during the reporting period, to the estimation techniques or significant assumptions used to measure the provision.

Breakdown of receivables and further information

Actual 2020 \$000		Actual 2021 \$000
12,908	Gross trade receivables	13,754
(118)	Less provision for expected lifetime credit loss	(76)
12,790	Total accounts receivables	13,678
Total receivables comprise:		
12,790	Receivables from exchange transactions	13,678
12,790	Total receivable	13,678

All receivables more than 30 days in age are past due. As at balance date, all receivables have been assessed for impairment, and appropriate provisions applied, as detailed below.

2020				2021		
Gross \$000	Lifetime expected credit loss \$000	Net \$000		Gross \$000	Lifetime expected credit loss \$000	Net \$000
9,242	(9)	9,233	Not past due	11,276	(6)	11,270
378	(1)	377	Past due 1-30 days	2,066	(18)	2,048
1,467	(14)	1,453	Past due 31-60 days	73	(1)	72
694	(12)	682	Past due 61-90 days	137	(7)	130
1,127	(82)	1,045	Past due > 91 days	202	(44)	158
12,908	(118)	12,790	Total accounts receivables	13,754	(76)	13,678

Movements in the provision for expected lifetime credit loss are as follows:

Actual 2020 \$000		Actual 2021 \$000
(85)	Opening expected lifetime credit loss as at 1 July	(118)
(118)	Additional provisions made during the year	(76)
85	Provisions released during the year	118
(118)	Closing expected lifetime credit loss as at 30 June	(76)

8. Inventories

Accounting policy

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.

Any write-down from cost to net realisable value or for the loss of service potential is recognised in the Statement of comprehensive revenue and expense in the year of the write-down.

Breakdown of inventories and further information

Actual 2020 \$000		Actual 2021 \$000
	Birth, death and marriage certificates	
50	Stock on hand	91
	Citizenship	
21	Stock on hand	9
636	Work in progress	783
	Film preservation laboratory	
41	Stock on hand	107
	National Library	
25	Stock on hand	25
	Passports	
89	Stock on hand	84
218	Work in progress	300
1,080	Total inventories	1,399

No inventories have been written down during the year (2019/20: nil).

No inventories are pledged as security for liabilities (2019/20: nil). However, some inventories are subject to retention of title clauses.

9. Property, plant and equipment

Accounting policy

Property, plant and equipment consists of land, buildings, antiques and works of art, plant and equipment, leasehold improvements, furniture and fittings, collections, IT equipment, motor vehicles, and leased assets.

Additions

Items of property, plant and equipment costing more than \$3,000 are initially capitalised and recorded at cost if it is probable that future economic benefits or service potential will flow to the Department. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at its fair value on the date of acquisition. Work in Progress is recognised at cost less impairment and is not depreciated.

Under the Department's assets accounting policy, plant and equipment that individually costs less than \$3,000 and is acquired as a group purchase with a total cost of more than \$30,000 will be treated as a capital acquisition and capitalised as a fixed asset.

Subsequent costs

Subsequent costs are capitalised when it is probable that future economic benefits or service potential associated with the item will flow to the Department and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the Statement of comprehensive revenue and expense as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised in the Statement of comprehensive revenue and expense in the period the transaction occurs. Any associated gains and losses on revalued assets are transferred from the revaluation reserve.

Impairments

The Department does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Property, plant, and equipment held at cost that has a finite useful life is reviewed for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impaired asset's carrying amount is written down to its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is recognised immediately in the Statement of comprehensive revenue and expense, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value-in-use depends on the nature of the impairment and availability of information.

The reversal of an impairment loss is recognised as part of the Statement of comprehensive revenue and expense.

Revaluations

Revaluations are carried out on several 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 are revalued at least once every three years or whenever the carrying amount differs materially to fair value which is assessed every year by an independent registered valuer. Unrealised gains and losses arising from changes in the value of property, plant and equipment are recognised as at balance date and are recognised as other comprehensive revenue and expense in the Statement of comprehensive revenue and expense.

A gain is credited to the Statement of comprehensive revenue and expense to the extent that it reverses a loss previously charged to the Statement of comprehensive revenue and expense for the asset class. Otherwise, gains are credited to an asset revaluation reserve for that class of asset. Any loss is debited to the reserve to the extent that there is a balance in the asset revaluation reserve for that asset class. Otherwise, losses are reported in the Statement of comprehensive revenue and expense.

Accumulated depreciation at revaluation date is eliminated against the gross carrying amount so that the carrying amount after revaluation equals the revalued amount. The useful life of an asset is reassessed following revaluation.

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, antiques, 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
Non-residential buildings	30 - 90 years
Leasehold improvements	Shorter of lease period or estimated useful life of the improvements
Furniture and fittings	5 - 50 years
National library general and schools' collections	5 - 50 years
Motor vehicles	3 - 15 years
Plant and equipment	5 - 100 years
IT equipment	3 - 15 years
Leased assets	15 years

Breakdown of property, plant, and equipment and further information

2021

Cost or valuation

Asset class	Balance at 1 July \$000	Additions \$000	Revaluation/ Impairment \$000	Disposals \$000	Transfers* \$000	Balance at 30 June \$000
Land	14,170	4,900	-	-	-	19,070
Non-residential buildings	136,948	6,469	(125)	(149)	(109)	143,034
Leasehold improvements	48,519	1,268	-	(516)	(491)	48,780
Antiques and works of art	959	-	-	-	-	959
Furniture and fittings	32,045	3,333	-	(342)	713	35,749
General collections	32,938	489	-	-	(192)	33,235
Schools collections	18,741	818	-	(1,466)	98	18,191
Motor vehicles	8,360	1,531	-	(1,315)	275	8,851
Plant and equipment	14,608	4,154	-	(4)	(479)	18,279
IT equipment	40,724	406	-	-	169	41,299
Leased assets	15,630	-	-	-	-	15,630
Total cost	363,642	23,368	(125)	(3,792)	(16)	383,077

2021

Accumulated depreciation

Asset class	Balance at 1 July \$000	Depreciation \$000	Revaluation/ Impairments \$000	Disposals \$000	Transfers \$000	Balance at 30 June \$000
Land	-	-	-	-	-	-
Non-residential buildings	6,921	5,844	-	(148)	-	12,617
Leasehold improvements	15,225	4,202	-	(516)	-	18,911
Antiques and works of art	-	-	-	-	-	-
Furniture and fittings	16,156	2,227	-	(342)	-	18,041
General collections	25,579	1,072	-	-	-	26,651
Schools collections	16,210	1,010	-	(1,464)	-	15,756
Motor vehicles	3,357	1,070	-	(708)	-	3,719
Plant and equipment	5,935	639	-	(4)	-	6,570
IT equipment	32,110	4,582	2	-	-	36,694
Leased assets	5,753	1,552	-	-	-	7,305
Total accumulated depreciation	127,246	22,198	2	(3,182)	-	146,264

*Transfers include transfers between assets categories, transfers between government entities, and transfers to non-current assets held for sale.

2020

Cost or valuation

Asset class	Balance at 1 July \$000	Additions \$000	Revaluation/ Impairments \$000	Disposals \$000	Transfers \$000	Balance at 30 June \$000
Land	14,170	-	-	-	-	14,170
Non-residential buildings	136,771	4,969	20	-	(4,812)	136,948
Leasehold improvements	36,616	12,574	-	-	(671)	48,519
Antiques and works of art	1,383	-	(412)	(12)	-	959
Furniture and Fittings	29,002	2,600	-	(8)	451	32,045
General collections	32,318	463	-	-	157	32,938
Schools collections	20,963	845	-	(3,103)	36	18,741
Motor vehicles	6,887	1,943	-	(471)	1	8,360
Plant and equipment	15,491	4,684	-	-	(5,567)	14,608
IT equipment	37,023	4,143	-	-	(442)	40,724
Leased assets	6,700	8,930	-	-	-	15,630
Total cost	337,324	41,151	(392)	(3,594)	(10,847)	363,642

2020

Accumulated depreciation

Asset class	Balance at 1 July \$000	Depreciation \$000	Revaluation/ Impairment \$000	Disposals \$000	Transfers \$000	Balance at 30 June \$000
Land	-	-	-	-	-	-
Non-residential buildings	1,256	5,665	-	-	-	6,921
Leasehold improvements	12,703	2,522	-	-	-	15,225
Antiques and works of art	-	-	-	-	-	-
Furniture and fittings	14,288	1,876	-	(8)	-	16,156
General collections	24,539	1,040	-	-	-	25,579
Schools collections	18,241	1,072	-	(3,103)	-	16,210
Motor vehicles	2,784	953	-	(380)	-	3,357
Plant and equipment	5,521	414	-	-	-	5,935
IT equipment	26,988	5,122	-	-	-	32,110
Leased assets	4,498	1,255	-	-	-	5,753
Total accumulated depreciation	110,818	19,919	-	(3,491)	-	127,246

Summary of property, plant and equipment

2020				2021		
Cost or valuation \$000	Accumulated depreciation \$000	Carrying value \$000	Asset class	Cost or valuation \$000	Accumulated depreciation \$000	Carrying value \$000
14,170	-	14,170	Land	19,070	-	19,070
136,948	6,921	130,027	Non-residential buildings	143,034	12,617	130,417
48,519	15,225	33,294	Leasehold improvements	48,780	18,911	29,869
959	-	959	Antiques and works of art	959	-	959
32,045	16,156	15,889	Furniture and fittings	35,749	18,041	17,708
32,938	25,579	7,359	General collections	33,235	26,651	6,584
18,741	16,210	2,531	Schools collections	18,191	15,756	2,435
8,360	3,357	5,003	Motor vehicles	8,851	3,719	5,132
14,608	5,935	8,673	Plant and equipment	18,279	6,570	11,709
40,724	32,110	8,614	IT equipment	41,299	36,694	4,605
15,630	5,753	9,877	Leased assets	15,630	7,305	8,325
363,642	127,246	236,396	Total property, plant and equipment	383,077	146,264	236,813

Finance leases

The net carrying amount of the leased assets (passport printers) held by way of a finance lease is \$8.486 million (2019/20: \$9.877 million).

Capital work in progress

2020 cost \$000	Asset class	2021 cost \$000
3,518	Non-residential buildings (including leasehold improvements)	9,710
43	Furniture and fittings	2,818
5,394	Plant and equipment	4,651
8,955	Total capital work in progress	17,179

Revaluation movement

Details of valuations and revaluation movements are contained in [Note 21](#).

Impairment losses

The Department has recognised an impairment loss of \$0.127 million during 2020/21 (2019/20: nil).

Restrictions of title

There are no restrictions over the title of the Department's property, plant and equipment and none are pledged as security for liabilities.

10. Non-current assets held for sale

Accounting policy

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met, only when the sale is highly probable, and the asset is available for immediate sale in its present condition. The sale of the asset is expected to be completed within one year from the date of classification. 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 revenue and expense.

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.

Breakdown of non-current assets held for sale and further information

Actual 2020 \$000		Actual 2021 \$000
	Land	
1,904	Archives New Zealand - Christchurch	-
1,904	Total non-current assets held for sale	-

11. Intangible assets

Accounting policy

Additions

Intangible assets are initially recorded at cost. Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The cost of an internally generated intangible asset represents direct 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. Direct costs include the costs of services, software development employee costs, and an appropriate portion of relevant overheads. 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.

Impairments

Intangible assets held at cost that have finite useful lives are reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impaired asset's carrying amount is written down to its recoverable service amount which is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is recognised immediately in the Statement of comprehensive revenue and expense.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

The reversal of an impairment loss is recognised as part of the Statement of comprehensive revenue and expense.

Amortisation

Amortisation is charged in the Statement of comprehensive revenue and expense 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 – 100 years
Digitised collections – National Digital Heritage Archive	Indefinite life

Critical accounting estimates and assumptions

Useful life of software

The useful life of software is determined at the time the software is acquired and brought into use and is reviewed at each reporting date for appropriateness. For computer software licences, the useful life represents management's view of the expected period over which the Department will receive benefits from the software, but not exceeding the licence term. For internally generated software developed by the Department, the useful life is based on historical experience with similar systems as well as anticipation of future events that may impact the useful life, such as changes in technology.

Breakdown of intangible assets and further information

Movements in the carrying value for each class of intangible asset are as follows:

2021

Cost or valuation

Asset class	Balance at 1 July \$000	Additions \$000	Revaluation/ Impairments \$000	Disposals \$000	Transfers \$000	Balance at 30 June \$000
Software acquired	47,819	822	-	(1,696)	1,980	48,925
Software internally generated	313,363	56,196	(1,399)	(2,604)	(1,964)	363,592
Total software cost	361,182	57,018	(1,399)	(4,300)	16	412,517

2021

Accumulated amortisation

Asset class	Balance at 1 July \$000	Amortisation \$000	Revaluation/ Impairments \$000	Disposals \$000	Transfers \$000	Balance at 30 June \$000
Software acquired	31,800	2,878	242	(1,696)	-	33,224
Software internally generated	160,738	24,366	2,680	(2,604)	-	185,180
Total software amortisation	192,538	27,244	2,922	(4,300)	-	218,404
Net book value	168,644					194,113

2020

Cost or valuation

Asset class	Balance at 1 July \$000	Additions \$000	Revaluation/ Impairments \$000	Disposals \$000	Transfers \$000	Balance at 30 June \$000
Software acquired	46,475	303	-	-	1,041	47,819
Software internally generated	252,466	52,530	(1,119)	(321)	9,807	313,363
Total software cost	298,941	52,833	(1,119)	(321)	10,848	361,182

2020

Accumulated amortisation

Asset class	Balance at 1 July \$000	Amortisation \$000	Revaluation/ Impairments \$000	Disposals \$000	Transfers \$000	Balance at 30 June \$000
Software acquired	28,451	3,461	-	(112)	-	31,800
Software internally generated	139,604	21,134	-	-	-	160,738
Total software amortisation	168,055	24,595	-	(112)	-	192,538
Net book value	130,886					168,644

Capital work in progress

The total amount of work in progress is \$39.350 million (2019/20: \$37.592 million).

Impairment losses

The Department has recognised an impairment loss of \$4.321 million for internally generated software (2019/20: \$1.119 million). The impairment loss has been recognised in the Statement of comprehensive revenue and expense.

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.

12. Creditors and other payables

Accounting policy

Short-term payables are recorded at the amount payable.

Breakdown of creditors and other payables and further information

Actual 2020 \$000		Actual 2021 \$000
	Creditors and other payables under exchange transactions	
2,528	Creditors	3,739
23,896	Accrued expenses	32,832
7,115	Accrued salaries	8,178
	Creditors and other payables under non-exchange transactions	
3,404	GST payable	2,908
36,943	Total creditors and other payables	47,657

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. The carrying value approximates their fair value.

13. Provisions

Accounting policy

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) because 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 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.

Breakdown of provisions and further information

Actual 2020 \$000		Actual 2021 \$000
	Current provisions	
1,551	Restructuring	500
-	Onerous contracts	653
36	Lease make good	-
2,425	Other	758
4,012	Total current provisions	1,911
	Non-current provisions	
136	Lease make good	216
346	Onerous contracts	208
482	Total non-current provisions	424
4,494	Total provisions	2,335

	Restructuring \$000	Lease make good \$000	Onerous lease \$000	Others \$000	Total \$000
2021					
Balance as at 1 July	1,551	172	346	2,425	4,494
Additional provisions made	-	80	515	546	1,141
Charge against provision for the year	(461)	(36)	-	(1,968)	(2,465)
Unused provision reversed	(590)	-	-	(245)	(835)
Balance as at 30 June	500	216	861	758	2,335

Restructuring

The Department recognises provisions for restructuring when an approved, detailed, formal plan for the restructuring has been announced publicly to those affected, or implementation has already commenced. The restructuring provision arises from the changes to operating models for delivery of services across the Department. These changes are expected to be completed within the next year.

Lease make good provision

The lease make good provision relates to contractual obligations from the Department entering into property leases contracts. These lease obligations require the Department at the expiry of the lease term, to restore the properties to an agreed condition, repair any damage and remove any fixtures and fittings installed by the Department. A provision has been recorded to recognise this liability.

Onerous contracts

The provision for onerous contracts arises from a non-cancellable lease and software licenses where the unavoidable costs of meeting the contract exceed the economic benefits to be received from it. The leases are onerous because of vacant space and the software licenses due to moving to a new finance system.

Others

The Holidays Act 2003 (the Act) sets out the minimum entitlements to holidays and leave, and the payment that an employer is obliged to provide to their employees. The Department is working with the Ministry of Business, Innovation and Employment's Labour Inspectorate to ensure that the Department meets the obligations under the Act going forward, and addresses historical short payments to current and former employees.

As evidenced by the drop in the provision, the Department has made good progress on resolving this issue. It plans on paying the final remediation payments shortly and has finalised the necessary system remediation.

The Department has made a voluntary disclosure of underpaid GST to Inland revenue department, the provision includes an amount for interest that may be charged.

14. Revenue received in advance

Accounting policy

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 revenue and expense.

Breakdown of revenue received in advance

Actual 2020 \$000		Actual 2021 \$000
4,831	Passport fees; birth, death, marriage and civil union fees; and citizenship fees	10,840
1,571	Gaming - licensing fees	3,109
900	Electronic Purchasing in Collaboration	1,466
343	Software as a service	-
412	National Library - Pacific Virtual Museum Pilot Program	114
206	Other	185
8,263	Total revenue received in advance	15,714

15. Employee entitlements

Accounting policy

Short-term employee entitlements

Employee entitlements that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, long service leave and retirement gratuities expected to be settled within 12 months.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Long-term employee entitlements

Employee entitlements that are due to be settled beyond 12 months after the end of the year in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlements information, and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Actual 2020 \$000		Actual 2021 \$000
	Current entitlements	
13,310	Annual leave	14,619
656	Long service and retirement leave	688
13,966	Total current entitlements	15,307
	Non-current entitlements	
3,280	Long service and retirement leave	3,350
3,280	Total non-current entitlements	3,350
17,246	Total entitlements	18,657

Critical accounting estimates and assumptions

Long service and retirement leave

An assessment was undertaken of the Long Service and Retirement Leave liability for each employee as at balance date. Actuarial services were provided by Mercer (N.Z.) Ltd and were prepared by the Fellow of the New Zealand Society of Actuaries.

The measurement of the retiring and long service leave obligations depends on several factors that are determined on an actuarial basis using several assumptions. Two key assumptions used in calculating this liability are the discount rate and salary inflation factor. Any changes in these assumptions will affect the carrying value of the liability.

Actual 2020 %		Actual 2021 %
	Discount rate	
0.34	Long service leave	1.10
0.22	Retirement leave	0.20
	Salary inflation factor	
2.92	Salary inflation	2.72

The following table provides a sensitivity analysis for the key assumptions:

	DISCOUNT RATE		SALARY INFLATION FACTOR	
	- 1.0%	+ 1.0%	- 1.0%	+ 1.0%
Long service leave	226,000	(201,000)	(200,000)	220,000
Retiring leave	-	-	-	-

16. Return of operating surplus

Actual 2020 \$000		Actual 2021 \$000
17,369	Total comprehensive revenue and expense	(6,063)
392	Revaluation loss/(gain)	-
2,319	(Surplus)/deficit on memorandum accounts	49,769
(3,606)	Transfers to Memorandum Accounts	-
16,474	Total return of operating surplus	43,706

As general government policy, the Department is not permitted to retain any operating surplus except for the balances retained in memorandum accounts. The Department is required to repay the operating surplus to the Crown by 31 October each year.

Capital structure and financing costs

17. Finance leases

Accounting policy

Finance leases transfer to the Department, as lessee, substantially all the risks and rewards incidental to 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 Statement of comprehensive revenue and expense over the lease period on a diminishing-value basis.

Critical judgements in applying accounting policies

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 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 (refer to [Note 9](#)), whereas with an operating lease, no such asset is recognised.

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

Actual 2020 \$000		Actual 2021 \$000
	Total minimum lease payments payable	
3,489	Not later than one year	904
3,617	Later than one year and not later than five years	3,617
8,892	Later than five years	7,988
15,998	Total minimum lease payments	12,509
	Future charges	
(564)	Not later than one year	(498)
(1,836)	Later than one year and not later than five years	(1,726)
(2,187)	Later than five years	(1,799)
(4,587)	Total future charges	(4,023)
	Present value of minimum lease payments payable	
2,925	Not later than one year	406
1,781	Later than one year and not later than five years	1,891
6,705	Later than five years	6,189
11,411	Total present value of minimum lease payments	8,486
	Represented by:	
2,925	Current	406
8,486	Non-current	8,080
11,411	Total finance leases	8,486

The net carrying amount of the leased assets within property, plant and equipment is shown in [Note 9](#).

There are no restrictions placed on the Department because of 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 in payment.

18. Capital charge expense

Accounting policy

The Department pays a capital charge to the Crown on taxpayer's funds at 31 December and 30 June each financial year. This is recognised as an expense in the period to which the charge relates.

Further information

The capital charge rate for the year ended 30 June 2021 was 5.0% per annum (2019/20: 6.0%).

19. Finance costs

Accounting policy

Borrowing costs are recognised as an expense in the financial year in which they are incurred.

Breakdown of finance costs

Actual 2020 \$000		Actual 2021 \$000
408	Interest on finance leases	564
408	Total finance costs	564

20. Other financial liabilities

Accounting policy

Leasing incentives with durations of less than 12 months are recognised as liabilities at their nominal value, unless the effect of discounting is material. Anything greater than 12 months are subsequently measured at amortised cost.

Breakdown of other financial liabilities

Actual 2020 \$000		Actual 2021 \$000
	Current liabilities	
478	Leasing incentives	626
478	Total current liabilities	626
	Non-current liabilities	
6,011	Leasing incentives	5,231
6,011	Total non-current liabilities	5,231
6,489	Total other financial liabilities	5,857

21. Equity

Accounting policy

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.

Revaluation reserve

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

Breakdown of equity and further information

Actual 2020 \$000		Note	Actual 2021 \$000
Taxpayers' funds			
329,836	Opening balance 1 July		308,124
17,369	Total comprehensive revenue and expense		(6,063)
392	Transfer of asset revaluation losses/(gains) to revaluation reserves	9	-
2,319	Transfer of memorandum account net (surplus)/deficit for the year	5	49,769
(3,606)	Transfers on Memorandum Accounts		-
16,008	Capital injections	22	36,429
(37,720)	Capital withdrawals	22	-
(16,474)	Return of operating surplus to the Crown	16	(43,706)
308,124	Balance at 30 June		344,553
Memorandum accounts			
92,567	Opening balance 1 July		93,854
(2,319)	Net memorandum account surplus/(deficit) for the year	5	(49,769)
3,606	Transfers on Memorandum Accounts		-
93,854	Balance at 30 June		44,085
Revaluation reserves			
49,853	Opening balance 1 July		49,461
(392)	Revaluation gains/(losses)	9	-
49,461	Balance at 30 June		49,461
Revaluation reserves consist of:			
17,889	Land revaluation reserve		17,889
30,862	Building revaluation reserve		30,862
710	Antiques and works of art revaluation reserve		710
49,461	Total revaluation reserves		49,461

Critical accounting estimates and assumptions

Land and buildings - Departmental accommodation

The land and buildings were valued by CBRE Ltd, a Licensed Real Estate Agent (REAA 2008) and registered independent valuer in June 2019, with the valuation effective as at 30 June 2019. The next valuation will be effective from 30 June 2022, which is in line with the Department's accounting policy.

Antiques and works of art

The Antiques and works of art were valued by Dunbar Sloane Ltd, an independent expert, in June 2020, with valuations effective as at 30 June 2020. In line with the Department's accounting policy, the next valuation will be effective 30 June 2023.

22. Capital injections and withdrawals

Actual 2020 \$000		Actual 2021 \$000
	Capital Injections	
-	Critical Infrastructure for Identity and Life Event Services	13,636
2,869	Preserving the nation's memory	11,903
6,121	Meeting Core Statutory Responsibilities	6,750
3,000	RealMe	3,000
850	Core Government trusted domain	940
-	Transition Support for the Executive	200
3,168	Royal Commission into Historical Abuse in State Care	-
16,008	Total capital injections	36,429
	Capital Withdrawals	
(37,120)	Sale and Leaseback of Land to Taranaki Whānui	-
(600)	Royal Commission into Christchurch Mosques Terror Attack	-
(37,720)	Total capital withdrawals	-

Capital management

The Department's capital is its equity, which comprises taxpayers' funds, memorandum accounts and revaluation reserves. Equity is represented by net assets. The objective of managing the Department's equity is to ensure the Department effectively achieves the goals and objectives for which it has been established, whilst remaining a going concern. Where the Department identifies that it does not have sufficient resources to achieve this objective a capital injection is sought.

Financial risk management

23. Financial instruments and risks management

Accounting policy

Derivative

For certain commitments the Department uses derivative financial instruments (foreign currency forward exchange contracts) to mitigate its risks associated with foreign currency fluctuations. 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 and are subsequently remeasured at their fair value at each balance date with the resulting gain or loss recognised in the Statement of comprehensive revenue and expense.

Foreign exchange derivatives are classified as current if the contract is due for settlement within 12 months of balance date. Otherwise, the full fair value of foreign exchange derivatives is classified as non-current.

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, foreign currency forward contracts, and other financial liabilities.

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.

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

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

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate, or the cash flows from a financial instrument will fluctuate, due to changes in market interest rates.

Under section 46 of the Public Finance Act 1989, the Department cannot raise a loan without approval of the Minister of Finance. Equipment leases are identified as finance leases in accordance with NZ IPSAS 13 Leases. The Department has received the approval of the Minister of Finance for this passport printer lease. The fixed interest rate on the term of these leases reduces the exposure on borrowed funds. This information is provided in [Note 17](#).

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.

In the normal course of its business, credit risk arises from receivables, deposits with banks, and derivative financial instrument assets. The Department banks with Treasury approved financial institutions. The Department is permitted to deposit funds only with Westpac (Standard and Poor's credit rating of AA-), a registered bank, and enter into foreign exchange forward contracts with the New Zealand Debt Management Office (Standard and Poor's credit rating of AA+). These entities have high credit ratings. For its other financial instruments, the Department does not have significant concentrations of credit risk.

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. This information is provided in [Note 6](#) and [7](#).

Liquidity risk

Liquidity risk is the risk that the Department will encounter difficulty raising liquid funds to meet commitments as they fall due.

As part of meeting its liquidity requirements, the Department closely monitors its forecast cash requirements with expected cash 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.

	Note	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
2021						
Creditors and other payables	12	47,657	47,657	-	-	-
Finance lease	17	12,509	452	452	3,617	7,988
Other financial liabilities	20	5,857	313	313	2,241	2,990
2020						
Creditors and other payables		36,943	36,943	-	-	-
Finance lease		15,998	1,745	1,744	3,617	8,892
Other financial liabilities		6,489	315	1,190	1,482	3,502

The Department had no forward exchange contracts outstanding at 30 June 2021 (2019/20: nil).

The fair values of forward foreign exchange contracts have been determined using a discounted cash flow valuation technique based on quoted market prices.

Categories of financial instruments

The carrying amounts of financial assets and financial liabilities in each of the financial instrument categories are as follows:

Actual 2020 \$000		Note	Actual 2021 \$000
Loans and receivables			
42,900	Cash and cash equivalents	6	47,933
83,669	Debtor Crown		78,119
12,790	Debtors and other receivables	7	13,678
139,359	Total loans and receivables		139,730
Financial liabilities measured at amortised cost			
36,943	Creditors and other payables (excluding revenue received in advance)	12	47,657
11,411	Finance lease	17	8,486
6,489	Other financial liabilities	20	5,857
54,843	Total financial liabilities measured at amortised cost		62,000

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:

- Level 1 – Quoted market price – financial instruments with quoted prices for identical instruments in active markets.
- 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.
- Level 3 – Valuation techniques with significant non-observable inputs – financial instruments valued using models where one or more significant inputs are not observable.

There are no fair value hierarchy disclosures for 2020/21 (2019/20: nil).

There were no transfers between the different levels of the fair value hierarchy.

Other disclosures

24. Controlled entity

The Department is required to prepare consolidated financial statements in relation to the group for each financial year. Consolidated financial statements for the group have not been prepared using the acquisition method, due to the small size of its controlled entity, the Foundation, which means that the parent and group amounts are not materially different.

The Foundation has a balance date of 31 March and there has been no significant event to adjust between then and 30 June 2021.

The Foundation had total revenue of \$0.376 million (2019/20: \$0.376 million) and a net loss of \$0.529 million (2019/20: \$0.181 million deficit). The Foundation had assets of \$1.593 million (2019/20: \$2.086 million) and liabilities of \$0.183 million (2019/20: \$0.147 million).

The Foundation has no capital commitments or non-cancellable operating commitment leases as lessee. There is one commitment as the Board undertook to provide a \$1 million contribution to the Community of Readers Project in partnership with the National Library. As at balance date unspent funds were \$0.396 million.

The Foundation had no contingent assets or contingent liabilities at balance date.

Accounting policies applied to the controlled entity

Donations in kind

Donations in kind exist where an asset or service is provided by a third party in exchange for branding association or other non-cash benefits provided by the Foundation. This occurs through open market negotiations, and the fair market value of the asset or service provided is recognised as revenue to the Foundation, with an equal value recognised as the expense incurred in providing these associated benefits.

Investments

Short term investments are investments maturing within 12 months of the Foundation's reporting date of 31 March; long term investments are investments maturing more than 12 months after the reporting date.

25. Related party transactions and key management personnel

All related party transactions have been entered on an arm's 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.

Related party transactions required to be disclosed

There are no related party transactions that are required to be disclosed.

Related party disclosures have not been made for transactions that are within a normal supplier, client or recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect that the Department would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government Departments and Crown Entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Transactions with key management personnel and their close family members

Key management personnel compensation

Actual 2020 \$000		Actual 2021 \$000
	Leadership team, including the Chief Executive	
3,719	Remuneration	3,192
9	Number of full-time equivalent staff	9

The key management personnel remuneration disclosure includes the Chief Executive and eight members of the Executive Leadership Team (ELT) and those formally acting in these positions during the financial year. The Chief Executive's remuneration is determined and paid by the Public Service Commission.

Key management personnel compensation excludes the remuneration and other benefits of the Responsible Ministers of the Department. The Ministers' remuneration and other benefits are set out by the remuneration authority under the Members of Parliament (Remuneration and Services) Act 2013 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 of 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 with key management personnel.

26. Explanation of significant variances against budget

Statement of comprehensive revenue and expense

Variances between 2020/21 actuals and the Main Estimates

The following major budget variance occurred between the 2020/21 actuals and the 2020/21 Main Estimates.

	Actual 2021 \$000	Unaudited Mains EST 2021 \$000	Variance \$000	Variance %
Statement of comprehensive revenue and expenses				
Revenue Crown	413,336	344,323	69,013	20%
Other revenue	115,981	132,271	(16,290)	(12%)
Other operating expenses	201,823	186,910	14,913	8%

Explanations for significant variances between the 2020/21 actuals and the Main Estimates are detailed below:

Revenue Crown

Revenue Crown was higher than budget by \$69.013 million mainly due to the following:

- Three Waters Service Delivery Reforms programme,
- Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions programme,
- Department administration of COVID-19 Foreign National Support Fund,
- Tāhuhu: Preserving the Nation's Memory Programme,
- Royal Commission of Inquiry into the Terrorist Attack on Christchurch Mosques on 15 March 2019.

Other Revenue

Other revenue was lower than budget by \$16.290 million mainly due to the continuing impact of the COVID-19 pandemic:

- international border closures associated with COVID-19 are having a significant revenue impact on projected sales of services and products. It is uncertain when revenue will return to pre-COVID-19 levels,
- time delays in processing identity services products due to imposed COVID-19 lockdowns,
- as part of the COVID-19 Response and Recovery Fund Package, time-limited Crown funding was provided to enable temporary relief to New Zealand public libraries by way of waiving user charges for two years.

Other operating expenses

Other operating expenses were higher than budget by \$14.913 million mainly due to the following:

- higher publicity and promotional expenses due to new work programmes, including Digital Safety,
- Three Waters Service Delivery Reforms programme expenses.

Offset by,

- lower costs due to ongoing lower than projected sales of services and products, significantly impacted by the COVID-19 pandemic,
- lower travel costs mainly due to international and domestic travel restrictions resulting from the COVID-19 pandemic.

Statement of financial position

Variations between 2020/21 actuals and the Main Estimates

The following major budget variance occurred between the 2020/21 actuals and the 2020/21 Main Estimates.

	Actual 2021 \$000	Unaudited Mains EST 2021 \$000	Variance \$000	Variance %
Statement of financial position				
Current assets	149,352	41,226	108,126	262%
Current liabilities	125,327	63,283	62,044	98%

Explanations for significant variations between the 2020/21 actuals and the Main Estimates are detailed below:

Current assets

Current assets were higher than budget by \$108.126 million mainly due to the following:

- the lower than forecasted operating deficit for the year has impacted on the timing of the Department's receipt of Crown funding for the year resulting in higher than anticipated Debtor Crown and Cash and cash equivalents balances at the year-end,
- impact of higher current liabilities as stated below.

Current liabilities

Current liabilities were higher than budget by \$60.044 million mainly due to the following:

- higher creditors and payables,
- surplus repayment provision not budgeted for,
- higher revenue received in advance.

27. Impact of COVID-19

The ongoing COVID-19 virus outbreak has resulted in the New Zealand Government imposing varying COVID-19 Alert Level restrictions as necessary to manage the public health risk of the virus, both during 2019/20 and 2020/21 and to the date of signing this report.

Other countries have imposed travel bans that continue to affect the opportunities for international travel.

The Department expects that lockdowns and other Alert Level restrictions will continue to have an economic impact on New Zealand, which are likely to flow through to the Department's financial results.

The implication of social distancing, restricting international travel, and other restrictions have led to a decrease in some of the Department's third-party revenue streams, in particular passport fees.

Passport fees revenue for 2019/20 were \$91.117 million. This revenue was forecast to decrease to \$28.785 million in 2020/21 partially as a result of COVID-19 and partially due to the passport validity period changing from 5 to 10 years. However the final figure for 2020/21 was \$22.114 million.

Passport fees revenue for 2021/22 is forecast at \$29.494 million and DIA is uncertain whether this revenue stream will reach this level, as it relies on factors outside the control of the Department, such as border restrictions, resumption of international travel, and willingness of passport holders to travel.

28. Significant events after balance date

Other than the COVID-19 related matter set out in note 27, no events have occurred between the balance date and date of signing these financial statements that materially affect the actual results within these financial statements.

(2019/20: Other than the COVID-19 related matter set out in note 27, no events have occurred between the balance date and date of signing these financial statements that materially affect the actual results within these financial statements).

Ngā Tauākī Pūtea kore Tari – Financial Statements – Non-Departmental

Non-Departmental statements and schedules

for the year ended 30 June 2021

The following non-Departmental statements and schedules record the revenue, expenses, assets, liabilities, commitments, contingent liabilities, contingent assets, and trust accounts that the Department manages on behalf of the Crown.

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Schedule of non-Departmental revenue

for the year ended 30 June 2021

Revenue

Actual 2020 \$000		Actual 2021 \$000	Unaudited Budget 2021 \$000
	Operating revenue		
3	Crown revenue	-	-
2,306	Donations received	1,885	1,000
7	Fines and penalties	1	-
78	Refunds of unspent grants	223	-
231	Dividends received	176	-
1,090	Interest received	870	-
3,715	Total operating revenue	3,155	1,000

Explanations of significant variances against budget are detailed in [Note 10](#).

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 2021.

Schedule of non-Departmental expenditure

for the year ended 30 June 2021

Expenditure

Actual 2020 \$000		Actual 2021 \$000	Unaudited Budget 2021 \$000
	Operating expenses		
25,276	Personnel and travel expenses - members of the Executive Council, former Governors-General and Prime Ministers	16,376	24,851
147,693	Grants and subsidies	422,883	426,787
6,617	Other expenses	6,853	12,982
2,582	Depreciation	2,511	2,684
182,168	Total operating expenses	448,623	467,304

Explanations of significant variances against budget are detailed in [Note 10](#).

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 2021.

Schedule of non-Departmental assets

as at 30 June 2021

This schedule summarises the assets which the Department administers on behalf of the Crown.

Actual 2020 \$000		Note	Actual 2021 \$000	Unaudited Budget 2021 \$000
Current assets				
66,291	Cash and cash equivalents		115,362	46,898
173	Debtors and other receivables	2	77	-
12,330	Receivable – repayable equity	9	12,114	-
78,794	Total current assets		127,553	46,898
Non-current assets				
180	Debtors and other receivables	2	105	182
16,723	Shares	3	18,949	14,830
77,597	Property, plant and equipment	4	81,325	74,954
1,510,691	Heritage collections	4	1,502,380	1,695,075
44,249	Receivable – repayable equity	9	51,084	62,452
1,649,440	Total non-current assets		1,653,843	1,847,493
1,728,234	Total non-Departmental assets		1,781,396	1,894,391

Explanations of significant variances against budget are detailed in [Note 10](#).

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 2021.

Schedule of non-Departmental liabilities

as at 30 June 2021

This schedule summarises the liabilities which the Department administers on behalf of the Crown.

Actual 2020 \$000		Note	Actual 2021 \$000	Unaudited Budget 2021 \$000
Current liabilities				
9,230	Creditors and other payables	5	15,697	8,823
1,182	Provisions	7	1,035	1,159
10,412	Total current liabilities		16,732	9,982
Non-current liabilities				
18,175	Provisions	7	15,791	18,175
18,175	Total non-current liabilities		15,791	18,175
28,587	Total non-Departmental liabilities		32,523	28,157

Explanations of significant variances against budget are detailed in [Note 10](#).

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 2021.

Schedule of non-Departmental commitments

as at 30 June 2021

The Department, on behalf of the Crown, had no capital and operating commitments that had not been paid for or not recognised as a liability, as at 30 June 2021.

Schedule of non-Departmental contingent assets and liabilities

as at 30 June 2021

Quantifiable contingent assets

As at 30 June 2021, there were no quantifiable contingent assets (2019/20: nil).

Unquantifiable contingent assets

As at 30 June 2021, there were no unquantifiable contingent assets (2019/20: nil).

Quantifiable contingent liabilities

As at 30 June 2021, there were no quantifiable contingent liabilities (2019/20: nil).

Unquantifiable contingent liabilities

As at 30 June 2021, there were no unquantifiable contingent liabilities (2019/20: 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 2021.

Statement of trust money administered on behalf of the Crown

for the year ended 30 June 2021

The following trust money is administered on behalf of the Crown under Part 7 of the Public Finance Act 1989.

Trusts

Christchurch Earthquake Appeal Trust

This trust was established by Government because of the Canterbury earthquake of 22 February 2011. It is a registered charity and administers donations and grants made to affected people in Canterbury.

Inter-Loan Billing System Fund

The Inter-Loan Billing System Fund is administered by the National Library. It manages the on-charging of fees for national and trans-Tasman inter-lending between participating New Zealand libraries and participating New Zealand and Australian libraries.

Market Place Trust Account

The Market Place Trust Account is administered by the Department. It was used to manage financial transactions initiated through the Digital Government Market Place that facilitates Government agencies to purchase digital services in a flexible and secure space. The Department has discontinued the use of the Trust account Digital Government Market Place during 2020/21 and is in the process of winding up the trust.

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.

The Trusts are audited annually.

2021	Opening Balance July \$000	Contributions \$000	Distributions \$000	Revenue \$000	Expenses \$000	Closing Balance June \$000
Christchurch Earthquake Appeal Trust	658	-	-	318	-	976
Inter-Loan Billing System Fund	38	-	-	194	(195)	37
Market Place Trust Account	-	-	-	-	-	-
Total trusts	696	-	-	512	(195)	1,013

2020	Opening Balance July \$000	Contributions \$000	Distributions \$000	Revenue \$000	Expenses \$000	Closing Balance June \$000
Christchurch Earthquake Appeal Trust	32	1,226	(600)	-	-	658
Inter-Loan Billing System Fund	42	-	-	212	(216)	38
Market Place Trust Account	-	-	-	79	(79)	-
Total trusts	74	1,226	(600)	291	(295)	696

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 2021.

Basis of reporting

1. Statement of accounting policies

Reporting entity

These non-Departmental statements and schedules 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 2021 with comparative figures for the year ended 30 June 2020. For a full understanding of the Crown's financial position, results of operations and cash flows for the year, refer to the financial statements of the Government for the year ended 30 June 2021.

Basis of preparation

The non-Departmental statements and schedules have been prepared in accordance with the accounting policies as set out in the consolidated financial statements of the Government, Treasury instructions and Treasury circulars.

Measurement and recognition rules applied in the preparation of these non-Departmental statements and schedules are consistent with New Zealand generally accepted accounting practice (Tier 1 Public Benefit Entity Accounting Standards) as appropriate for public benefit entities (PBE).

Budget figures

The 2021 budget figures (Unaudited Budget 2021) are for the year ended 30 June 2021, which are consistent with the Department's best estimate financial forecast information submitted to the Treasury for the Pre-election Economic and Fiscal Update (PREFU) for the year ending 30 June 2021.

The budget figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

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.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), other than payments to or in respect of benefits and privileges of former Governors-General and Prime Ministers disclosures in [Note 11](#). The payments to or in respect of benefits and privileges of former Governors-General and Prime Ministers disclosures are rounded to the nearest dollar.

Critical accounting judgements and estimates

The preparation of financial statements in conformity with PBE accounting standards requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expense. 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.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate and the ones that do not relate to a specific note are outlined below.

Revenue

Revenues from the supply of services are recognised in the Schedule of non-Departmental revenue when earned.

Donations received

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 Schedule of non-Departmental revenue.

Expenses

Grants

Non-discretionary grants are those grants awarded if the grant application meets the specified criteria. They are recognised as expenditure when an application that meets the specified criteria for the grant has been received. The Department's non-discretionary grants have no substantive conditions (i.e. use for restricted purposes or repay).

Discretionary grants are those grants where the Department has no obligation to award on receipt of the grant application.

For discretionary grants without substantive conditions, the total committed funding over the life of the funding agreement is recognised as expenditure once the grant is approved by the grants approvals committee, and the approval has been communicated to the applicant.

Grants with substantive conditions are recognised as an expense at the earlier of the grant payment date or when grant conditions have been satisfied.

If a grant is refunded (either in part or in full), the refund will be netted off against the relevant grants expenditure in the Schedule of non-Departmental expenditure, if the original payment was recognised in the same financial year. If a refunded grant relates to a payment recognised in a previous financial year, the refund will be treated as revenue (refunds of unspent grants) in the Schedule of non-Departmental revenue.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in transit, and funds on deposit with banks with an original maturity of no more than three months.

Commitments

Commitments are future expenses and liabilities to be incurred on contracts that have been entered into prior to balance date. Operating and capital commitments arising from non-cancellable contractual or statutory obligations are disclosed within the Schedule of non-Departmental 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 non-Departmental contingent assets and contingent liabilities at the point at which the contingency is evident. Contingent assets are disclosed if it is possible 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 in the consolidation of the financial statements of the Government.

Operating assets and liabilities

2. Debtors and other receivables

Accounting policy

Debtors and other receivables are recorded at face value, less any provision for impairment. Debtors and other receivables are impaired when there is evidence that the Department, on behalf of the Crown, will not be able to collect the amount due. The amount of impairment is the difference between the carrying amount and the present value of the amount expected to be collected. At each balance date, the Department, on behalf of the Crown, assesses whether there is any objective evidence that any loans or receivables are impaired. Any impairment losses are recognised in the Schedule of non-Departmental expenditure.

Breakdown of receivables and further information

Actual 2020 \$000		Actual 2021 \$000
173	Debtors and other receivables (current)	77
180	Debtors and other receivables (non-current)	105
353	Total debtors and other receivables	182

The carrying value of receivables approximates their fair value.

3. Shares

Accounting policy

Where the Department, on behalf of the Crown, holds a non-controlling minority interest, the shares are valued at cost in the financial statements. Associates are entities in which the Crown has significant influence, but not control over their operating and financial policies. In the financial statements, the Crown investment in associates has been valued by the equity method.

Further information

New Zealand Local Government Funding Agency

The Crown holds \$5 million of the \$25 million paid-up share capital of the New Zealand 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 2021 were \$94.745 million (2019/20: \$83.616 million). The Crown's share of the net assets is \$18.949 million (2019/20: \$16.723 million).

The summarised financial information of LGFA is:

Actual 2020 \$000		Actual 2021 \$000
370,220	Revenue	377,406
13,174,365	Assets	14,485,167
13,090,748	Liabilities	14,390,422
10,623	Surplus/(deficit)	12,007

The above figures are audited. 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 and collections

Accounting policies

Recognition and measurement

Items of property, plant and equipment and collections are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value being their deemed cost at initial recognition.

All the Crown's property, plant and equipment are subsequently measured in accordance with the fair value model.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour,
- costs directly attributable to bringing the assets to a working condition for their intended use, and
- an estimate of the costs of dismantling and removing the items and restoring the site on which they are located, if the Crown has an obligation to remove the asset or restore the site.

Subsequent costs

Subsequent costs are capitalised when it is probable that future economic benefits or service potential associated with the item will flow to the Department and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the non-Departmental Schedule of expenditure as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised in the non-Departmental Schedule of revenue and expenditure in the period in which the transaction occurs. Any associated gains or losses on a revalued asset are transferred from the revaluation reserve.

Impairments

The carrying amounts of land, buildings, boating facilities and heritage collections are reviewed for impairment at least annually, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impaired asset's carrying amount is written down to its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is recognised immediately in the Schedule of non-Departmental expenditure, 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 land, buildings, boating facilities and heritage collections 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 land, buildings, boating facilities and heritage collections are revalued every three years, or more frequently, if the carrying amount differs materially to fair value. The latter is assessed every year by an independent registered valuer.

Unrealised gains and losses arising from changes in the value are recognised as at balance date.

Any loss is debited to the revaluation reserve to the extent that there is a balance in the asset revaluation reserve for that asset class. Otherwise, losses are reported in the Schedule of non-Departmental expenditure.

A gain is credited to the Schedule of non-Departmental revenue to the extent that it reverses a loss previously charged to the Schedule of non-Departmental expenditure for the asset class. Otherwise, gains are credited to an asset revaluation reserve for that class of asset.

Gains and losses between asset classes are not offset.

Accumulated depreciation at revaluation date is eliminated against the gross carrying amount so that the carrying amount after revaluation equals the revalued amount. The useful life of an asset is assessed following revaluation.

Specific asset class policies

The asset class specific policies are described below:

Land and residential 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.

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. Assets under construction are not subject to depreciation. Depreciation method, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate.

Boating facilities

Boating facilities are recorded at fair value less impairment losses and less depreciation accumulated since the assets were last revalued.

Depreciation on boating facilities is charged on a straight-line basis to allocate the cost or valuation to the estimated residual value over the asset's estimated useful life. The estimated useful life for boating facilities ranges from 4 to 80 years.

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 in perpetuity the collections held in the Alexander Turnbull Library.

The Alexander Turnbull Library heritage collections are measured at fair value. The methodology used to value the heritage collections is to take a sample of each category in the collection to analyse the variety and quality of each category to determine a benchmark market value to be extrapolated over the entire category. The market values are obtained from an independent valuer through market assessments and from other collections of a similar nature to the government collections.

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. The collections are not depreciated.

Archives New Zealand heritage collections

Non-exceptional Archives New Zealand Heritage Collection items are measured at fair value. The methodology used was to divide 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 the government archives. Accessions since the date of valuation are valued based on these benchmarks.

Independent valuations of other exceptional items, including the Treaty of Waitangi, are measured at fair value, and are based on market assessments from collections of a similar nature.

The valuation of the Archives New Zealand Heritage 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.

The Archives New Zealand Heritage Collections receive a large volume of records that are not clearly distinguished as public archives when received by the Chief Archivist. Significant resources are required to assess these records to determine if the records are accepted as public archives. Given the volumes involved, there is generally a volume of records held at year-end awaiting assessment and classification as public archives. These unclassified records are not included in the valuation reported for the Archives New Zealand Heritage Collection, because the Department is unable to accurately categorise and appraise the archival value for reporting purposes. The Department plans to process, describe and make accessible the Archives unclassified records. The work has started in 2020/21 and continue over the next three years.

Breakdown of property, plant and equipment and collections and further information

2021

Cost or valuation

Asset class	Balance at 1 July \$000	Additions \$000	Revaluation/ Impairments \$000	Disposals \$000	Transfers/ re-classification \$000	Balance at 30 June \$000
Property, plant and equipment						
Buildings - residential	4,533	123	-	-	-	4,656
Boating facilities	65,384	196	(1,116)	-	-	64,464
Land	12,570	-	-	-	-	12,570
Total cost property, plant and equipment	82,487	319	(1,116)	-	-	81,690
Heritage collections						
Archives New Zealand heritage collection	594,031	297	-	-	-	594,328
Total value Archives New Zealand heritage collection	594,031	297	-	-	-	594,328
Alexander Turnbull Library heritage collections						
Archive of New Zealand music	1,343	-	-	-	-	1,343
Cartographic	73,905	4	-	-	1	73,910
Cartoon	-	1	-	-	-	1
Children's historical	104	-	-	-	-	104
Digital	9,408	886	-	-	1	10,295
Drawings and prints	240,806	103	-	-	18	240,927
Ephemera	14,889	7	-	-	-	14,896
Formed	1,369	-	-	-	-	1,369
General	7,440	4	-	-	1	7,445
Manuscripts/archives	183,137	414	-	-	15	183,566
Multi-format	667	22	-	-	-	689
Music	1,177	299	-	-	31	1,507
New Zealand and Pacific	12,973	495	-	-	(157)	13,311
Newspapers	987	61	-	-	1	1,049
Oral history	28,932	218	-	-	39	29,189
Photographic	43,398	398	(12,511)	-	1	31,286
Rare books and fine prints	252,897	363	-	-	34	253,294
Serials	11,769	628	-	-	15	12,412
Short title	31,459	-	-	-	-	31,459
Total value Alexander Turnbull Library heritage collections	916,660	3,903	(12,511)	-	-	908,052
Total value heritage collections	1,510,691	4,200	(12,511)	-	-	1,502,380
Total cost/value	1,593,178	4,519	(13,627)	-	-	1,584,070

2021

Accumulated depreciation

Asset class	Balance at 1 July \$000	Depreciation \$000	Revaluation/ Impairments \$000	Disposals \$000	Transfers/ re-classification \$000	Balance at 30 June \$000
Property, plant and equipment						
Buildings - residential	178	161	-	-	-	339
Boating facilities	4,712	2,350	(7,036)	-	-	26
Land	-	-	-	-	-	-
Total accumulated depreciation property, plant and equipment	4,890	2,511	(7,036)	-	-	365

Asset class	Balance at 1 July \$000	Depreciation \$000	Revaluation/ Impairments \$000	Additions/ Disposals \$000	Transfers/ re-classification \$000	Balance at 30 June \$000
Net book value						
Buildings - residential	4,355	(161)	-	123	-	4,317
Boating facilities	60,672	(2,350)	5,920	196	-	64,438
Land	12,570	-	-	-	-	12,570
Heritage collections	1,510,691	-	(12,511)	4,200	-	1,502,380
Total net book value	1,588,288	(2,511)	(6,591)	4,519	-	1,583,705

2020

Cost or valuation

Asset class	Balance at 1 July \$000	Additions \$000	Revaluation/ Impairments \$000	Disposals \$000	Transfers/ re-classification \$000	Balance at 30 June \$000
Property, plant and equipment						
Buildings - residential	5,603	202	(1,002)	(270)	-	4,533
Boating facilities	65,479	86	-	(483)	302	65,384
Land	13,050	-	-	(480)	-	12,570
Total cost property, plant and equipment	84,132	288	(1,002)	(1,233)	302	82,487
Heritage collections						
Archives New Zealand heritage collection	628,200	954	(33,978)	-	(1,145)	594,031
Total value Archives New Zealand heritage collection	628,200	954	(33,978)	-	(1,145)	594,031
Alexander Turnbull Library heritage collections						
Archive of New Zealand music	171	-	1,172	-	-	1,343
Cartographic	86,660	13	(12,776)	-	8	73,905
Cartoon	5	1	(6)	-	-	-
Children's historical	104	-	-	-	-	104
Digital	8,303	874	(613)	-	844	9,408
Drawings and prints	369,548	75	(128,831)	-	14	240,806
Ephemera	12,006	12	2,868	-	3	14,889
Formed	1,194	-	175	-	-	1,369
General	7,421	3	15	-	1	7,440
Manuscripts/archives	146,340	391	36,402	-	4	183,137
Multi-format	427	294	(54)	-	-	667
Music	2,293	87	(1,216)	-	13	1,177
New Zealand and Pacific	17,404	404	(4,678)	-	(157)	12,973
Newspapers	77,996	207	(77,224)	-	8	987
Oral history	17,592	141	11,176	-	23	28,932
Photographic	48,763	86	(5,452)	-	1	43,398
Rare books and fine prints	230,277	133	22,427	-	60	252,897
Serials	25,939	239	(14,430)	-	21	11,769
Short title	6,696	-	24,763	-	-	31,459
Total value Alexander Turnbull Library heritage collections	1,059,139	2,960	(146,282)	-	843	916,660
Total value heritage collections	1,687,339	3,914	(180,260)	-	(302)	1,510,691
Total cost/value	1,771,471	4,202	(181,262)	(1,233)	-	1,593,178

2020

Accumulated depreciation

Asset class	Balance at 1 July \$000	Depreciation \$000	Revaluation/ Impairments \$000	Disposals \$000	Transfers/ re-classification \$000	Balance at 30 June \$000
Property, plant and equipment						
Buildings - residential	-	178	-	-	-	178
Boating facilities	2,386	2,406	-	(80)	-	4,712
Land	-	-	-	-	-	-
Total accumulated depreciation property, plant and equipment	2,386	2,584	-	(80)	-	4,890

Asset class	Balance at 1 July \$000	Depreciation \$000	Revaluation/ Impairments \$000	Disposals \$000	Transfers/ re-classification \$000	Balance at 30 June \$000
Net book value						
Buildings - residential	5,603	24	(1,002)	(270)	-	4,355
Boating facilities	63,093	(2,320)	-	(403)	302	60,672
Land	13,050	-	-	(480)	-	12,570
Heritage collections	1,687,337	3,914	(180,260)	-	(302)	1,510,691
Total net book value	1,769,083	1,618	(181,262)	(1,153)	-	1,588,288

Capital work in progress

The total amount of property, plant and equipment under construction is \$0.570 million (2019/20: \$0.052 million).

Revaluation movements

Details of the valuations and revaluation movements are contained in [Note 8](#).

Restrictions of title

The ministerial properties comprising Premier House and Bolton Street are restricted for Government use. The carrying value of the restricted use land and buildings is \$16.886 million (2019/20: \$16.925 million).

5. Creditors and other payables

Actual 2020 \$000		Actual 2021 \$000
Creditors and other payables under exchange transactions		
9,091	Accrued expenses	15,660
139	Accrued heritage collection purchases	37
9,230	Total creditors and other payables	15,697

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.

6. Financial instruments

The carrying amounts of financial assets and financial liabilities are as follows:

Actual 2020 \$000		Note	Actual 2021 \$000
Financial assets at fair value through profit or loss			
16,723	Shares	3	18,949
16,723	Total financial assets at fair value through profit or loss		18,949
Loans and receivables			
66,291	Cash and cash equivalents		115,362
353	Debtors and other receivables	2	182
56,579	Receivable – repayable equity	9	63,198
123,223	Total loans and receivables		178,742
Financial liabilities measured at amortised cost			
9,230	Creditors and other payables	5	15,697
9,230	Total financial liabilities measured at amortised cost		15,697

The Department, on behalf of the Crown, is party to financial instrument arrangements as part of its daily operations. These include cash and cash equivalents, accounts receivable, repayable equity, accounts payable and foreign currency forward contracts.

The Department's activities, on behalf of the Crown, expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. There is a series of policies to manage the risks associated with financial instruments and the policies seek to minimise exposure from financial instruments. These policies do not allow the Department, on behalf of the Crown, to enter into any transactions that are speculative in nature.

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.

The maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents, receivables, and shares. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired. Other than Westpac bank, there are no significant concentrations of credit risk.

Liquidity Risk

Liquidity risk is the risk that the Department, acting on behalf of the Crown, will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, the forecast cash requirements are closely monitored against the expected drawdowns from the New Zealand Debt Management Office. The Department, on behalf of the Crown, maintains a target level of available cash to meet liquidity requirements.

The table below analyses the 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.

	Note	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
2021						
Creditors and other payables	5	15,697	15,697	-	-	-
2020						
Creditors and other payables		9,230	9,230	-	-	-

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 Members of Parliament (Remuneration and Services) Act 2013 and the Governor-General Act 2010 as at balance date.

Actuarial services were provided by Mercer (N.Z.) Ltd, fellow of the New Zealand Society of Actuaries.

The measurement of the estimated future benefits depends on several 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.

	2020	2021
Discount rate	0.95%	2.08%
Consumer price index	1.75%	2.00%

8. Revaluation of property, plant and equipment and collections

2021	Balance at 1 July \$000	Revaluation movement \$000	Balance at 30 June \$000
Land and buildings	10,774	-	10,774
Boating facilities	3,717	5,920	9,637
Archives New Zealand heritage collection	12,207	-	12,207
Alexander Turnbull Library heritage collections	333,202	(12,511)	320,691
Total revaluation reserves	359,900	(6,591)	353,309

2020	Balance at 1 July \$000	Revaluation movement \$000	Balance at 30 June \$000
Land and buildings	11,776	(1,002)	10,774
Boating facilities	3,717	-	3,717
Archives New Zealand heritage collection	46,185	(33,978)	12,207
Alexander Turnbull Library heritage collections	479,484	(146,282)	333,202
Total revaluation reserves	541,162	(181,262)	359,900

Critical accounting estimates and assumptions

Land and residential buildings – Ministerial properties

The land and buildings were revalued in June 2019, effective from 30 June 2019, by CBRE Ltd a Licensed Real Estate Agent (REAA 2008) and registered independent valuer. The next valuation will be effective from 30 June 2022, in line with the Department's accounting policy. The independent valuer confirmed that while COVID-19 continues to affect the property market, the overall effect is not high for this property type and so at 30 June 2021, the 2019 valuation is still deemed to be fair and reasonable.

Boating facilities – Lake Taupō and Waitangi Wharf (Chatham Island)

In line with the Department's accounting policy, a new valuation of the boating facilities was undertaken as at 30 June 2021. The valuation was performed by RS Valuation Limited, a Licensed Real Estate Agent (REAA 2008) and registered independent valuer. The next valuation will be effective from 30 June 2024, in line with the Department's accounting policy.

Archives New Zealand heritage collection

The Archives New Zealand heritage collection was revalued in June 2020, with the valuation being effective from 30 June 2020, by independent valuer Dunbar Sloane, through market assessments and from other collections of a similar nature to government archives. The next valuation will be effective from 30 June 2023, in line with the Department's accounting policy.

The Treaty of Waitangi and other exceptional items were revalued in June 2020, with the valuation being effective from 30 June 2020 by an independent valuer, Dunbar Sloane. These valuations were based on market assessments and from other collections of a similar nature. The next valuation will be effective from 30 June 2023, in line with the Department's accounting policy.

Alexander Turnbull Library heritage collections

The Alexander Turnbull Library Heritage Collections revaluation was undertaken in 2020. The valuation of the Photographic category could not be completed then but was undertaken for the 2021 year by independent valuer Dunbar Sloane. These valuations were based on market assessments and from other collections of a similar nature to the government collection. The next valuation will be effective from 30 June 2023, in line with the Department's accounting policy.

9. Receivable – repayable equity

Accounting policy

Repayable equity has been designated as loan receivables. Loans at nil, or below-market, interest rates are initially recognised at the present value of their expected future cash flows, discounted using a rate for loans of a similar term and credit risk. These loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised as an equity investment.

Breakdown of receivable – repayable equity and further information

Actual 2020 \$000		Actual 2021 \$000
68,490	Balance at 1 July	56,579
-	Face value of repayable equity movement	19,089
(13,000)	Repayment of repayable equity	(13,000)
-	Less: fair value write-down at initial recognition	(336)
1,089	Interest unwind	866
56,579	Carrying value at 30 June	63,198
	Current and non-current apportionment	
12,330	Repayable equity – current	12,114
44,249	Repayable equity – non-current	51,084
56,579	Carrying value repayable equity	63,198

Further information

There was a capital injection in 2020/21 of \$19.089 million (2019/20: nil) for the transition project costs to amalgamate rural and urban fire services into a new unified organisation, Fire and Emergency New Zealand (FENZ).

FENZ repaid \$13 million to the Department in 2020/21 (2019/20: \$13 million).

The fair value of the repayable equity is \$63.198 million (2019/20: \$56.579 million). The fair value of the repayable equity is based on cash flows discounted using the spot discount rate.

Other disclosures

10. Explanation of significant variances against budget

Non-Departmental schedule of revenue and expenditure

Variations between 2020/21 actuals and the Main Estimates

The following major budget variances occurred between the 2020/21 Actuals and the 2020/21 Main Estimates.

	Actual 2021 \$000	Unaudited Main EST 2021 \$000	Variance \$000	Variance %
Schedule of non-Departmental revenue				
Total operating revenue	3,155	1,000	2,155	215%
Schedule of non-Departmental expenditure				
Total operating expenses	448,623	467,304	(18,681)	(4%)

Explanations for significant variances between the 2020/21 actuals and the Main Estimates are detailed below:

Operating revenue

Operating revenue was higher than budget by \$2.155 million mainly due to the following:

- higher value of accession of records received by Archives New Zealand and National Library of New Zealand during 2020/21, and
- grant refunds, dividends and interest are not budgeted for.

Operating expenses

Operating expenses were lower than budget by \$18.681 million mainly due to the following:

- lower travel costs mainly due to international and domestic travel restrictions resulting from the COVID-19 pandemic,
- lower demand than budgeted from foreign nationals who met the criteria for the support from COVID-19 Foreign National Support programme, and
- lower expenditure on Counselling Costs and Legal Assistance, for individuals participating in the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions, due to lower than anticipated demand from the individuals participating in the activities of the Inquiry for counselling services and legal assistance.

This is offset by,

- higher Three Waters Infrastructure Investment and Service Delivery grants to territorial authorities, and
- higher grants distributed from the Safer Communities Fund.

Schedule of non-Departmental assets and liabilities

Variations between 2020/21 actuals and the Main Estimates

The following major budget variances occurred between the 2020/21 actuals and the 2020/21 Main Estimates.

	Actual 2021 \$000	Unaudited Main EST 2021 \$000	Variance \$000	Variance %
Schedule of non-Departmental assets				
Cash and cash equivalents	115,362	46,898	68,464	146%
Heritage Collections	1,502,380	1,695,075	(192,695)	(11%)

Explanations for significant variances between the 2020/21 actuals and the Main Estimates are detailed below:

Cash and cash equivalents

Cash and cash equivalents were higher than budget by \$68.464 million due to funding that was expected to be paid out or payable at year end to recipients but was not, primarily for:

- funding for the Three Waters Infrastructure Investment and Service Delivery grants to territorial authorities budgeted for but not payable to the territorial authorities as at year end,
- lower than budgeted payments to foreign nationals eligible for support from the time limited COVID-19 Foreign National Support programme,
- capital injections for Fire and Emergency New Zealand for rebuild and upgrade of fire stations that have not been drawn down as at year end,
- lower expenditure for counselling services and legal assistance than anticipated due to lower demand from individuals participating in the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions, and
- grant funding that was budgeted but that was not paid or payable at year end, for other grant schemes like Community-led Development and Digital Skills Grants

Heritage Collections

The Heritage Collections actual value was \$192.695 million lower than budget due to the decrease in value recognised in revaluation as at 30 June 2020. The valuation was completed after the Main Estimates budget was finalised and therefore the revaluation assumptions could not be included in the budget.

11. Payments to or in respect of benefits and privileges of former Governors-General and Prime Ministers

The terms of the appointment of a person as Governor-General or Prime Minister may include an agreement for that person and their 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 they no longer hold office as Governor-General or Prime Minister.

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 28(1)(d) of the Governor-General Act 2010, and former Prime Ministers under an agreement made under section 17 and 32 (4) of the Member of Parliament (Remuneration and Services) Act 2013.

Former Governors-General

2021	FBT	Airfares	Surface Travel	Total
	\$	\$	\$	\$
Lady Beverley Reeves	-	-	5,107	5,107
Dame Catherine Tizard	-	-	4,807	4,807
The Rt Hon Sir Michael Hardie-Boys	-	-	4,807	4,807
Dame Sylvia Cartwright	1,513	3,248	6,521	11,282
The Rt Hon Sir Anand Satyanand	1,251	3,094	4,892	9,237
Lt Gen the Rt Hon Sir Jerry Mateparae	1,875	1,377	5,176	8,428
Total	4,639	7,719	31,310	43,668

2020	FBT	Airfares	Surface Travel	Total
	\$	\$	\$	\$
Lady Beverley Reeves	-	-	6,543	6,543
Dame Catherine Tizard	-	-	5,900	5,900
The Rt Hon Sir Michael Hardie-Boys	-	-	5,900	5,900
Dame Sylvia Cartwright	2,138	2,752	9,114	14,004
The Rt Hon Sir Anand Satyanand	2,324	2,950	6,019	11,293
Lt Gen the Rt Hon Sir Jerry Mateparae	465	2,483	5,900	8,848
Total	4,927	8,184	39,376	52,487

Former Prime Ministers

2021	FBT \$	Airfares \$	Surface Travel \$	Total \$
Lady Glen Rowling	323	503	8,532	9,358
Margaret Pope	-	-	8,532	8,532
The Rt Hon Sir Geoffrey Palmer	2,153	4,746	8,886	15,785
Yvonne Dereany	4,137	-	10,002	14,139
The Rt Hon Jim Bolger	5,334	2,051	13,348	20,733
The Rt Hon Dame Jenny Shipley	7,531	3,916	9,821	21,268
The Rt Hon Helen Clark	6,499	7,513	12,935	26,947
The Rt Hon Sir John Key	564	1,400	9,218	11,182
The Rt Hon Sir Bill English	4,207	-	11,231	15,438
Total	30,748	20,129	92,505	143,382

2020	FBT \$	Airfares \$	Surface Travel \$	Total \$
Lady Glen Rowling	368	572	8,723	9,663
Margaret Pope	-	-	8,812	8,812
The Rt Hon Sir Geoffrey Palmer	3,505	4,522	9,220	17,247
The Rt Hon Mike Moore	-	-	10,879	10,879
The Rt Hon Jim Bolger	3,268	4,001	12,826	20,095
The Rt Hon Dame Jenny Shipley	8,344	11,619	9,265	29,227
The Rt Hon Helen Clark	4,317	6,716	12,914	23,947
The Rt Hon Sir John Key	-	-	10,108	10,108
The Rt Hon Sir Bill English	-	-	10,022	10,022
Total	19,802	27,430	92,769	140,001

Ngā Tauākī Whakapaunga, Whakapaunga Rawa Hoki – Statements of Expenses and Capital Expenditure

Statement of budgeted and actual expenses and capital expenditure incurred against appropriations

The following statements report information about the expenses and capital expenditure incurred against each appropriation administered by the Department for the year ended 30 June 2021. They are prepared on a GST exclusive basis.

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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 allocated directly to significant activities. Indirect costs are allocated 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 a 2-step cost allocation system:

Direct costs are charged to cost centres based on asset utilisation (depreciation), recorded time spent (personnel costs) and usage (operating costs). Similarly, indirect costs charged to cost centres are driven by capital charge, perceived benefit, personnel numbers, floor space, network connections and estimated allocation of time. For the year ended 30 June 2021, direct costs accounted for 78% of the Department's costs and indirect costs of 22% (2019/20: 75% and 25%).

Cost centre expenditure is subsequently apportioned to outputs based on the focus and nature of activities supported by the cost centre. To ensure accuracy, cost centre contributions to Appropriation Outputs are reviewed annually.

Statement of Departmental and non-Departmental expenditure and capital appropriations

for the year ended 30 June 2021

Actual 2020 \$000		Expenditure before remeasurement 2021 \$000	Remeasurement 2021 \$000	Expenditure after remeasurement 2021 \$000	Appropriation voted* 2021 \$000	Location of end of year performance information* *
	Vote Internal Affairs					
	Departmental Output Expenses					
1,786	Contestable Services RDA	2,348	1	2,349	2,000	1
-	Local Government Policy and Related Services	36,775	7	36,782	39,832	1
23,007	Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions - Operating Expenses MYA	40,301	3	40,304	40,333	1
4,226	Administration of Grants	-	-	-	-	
3,502	Local Government Services	-	-	-	-	
32,521	Total Departmental Output Expenses	79,424	11	79,435	82,165	
	Departmental Capital Expenditure					
92,864	Department of Internal Affairs - Capital Expenditure PLA	80,386	-	80,386	85,500	1
92,864	Total Departmental Capital Expenditure	80,386	11	80,386	85,500	
	Non-Departmental Output Expenses					
3,399	Classification of Films, Videos and Publications	3,315	-	3,315	3,315	2
10,000	Fire and Emergency New Zealand – Public Good Services	10,000	-	10,000	10,000	1
116	Development of On-Line Authentication Services	-	-	-	-	
1,997	Public Lending Right for New Zealand Authors	-	-	-	-	
15,512	Total Non- Departmental Output Expenses	13,315	-	13,315	13,315	
	Benefits or Related Expenses					
50,653	Rates Rebate Scheme	55,123	-	55,123	53,500	2
50,653	Total Benefits or Related Expenses	55,123	-	55,123	53,500	
	Non-Departmental Other Expenses					
3,027	Chatham Islands Wharves – Operational Costs	3,539	-	3,539	4,139	2
-	COVID-19 Foreign National Support	24,973	-	24,973	36,058	1
4,218	Ethnic Communities Grants	4,464	-	4,464	4,590	2
10,436	Executive Council and Members of the Executive - Salaries and Allowances PLA	9,367	-	9,367	11,360	2

Actual 2020 \$000		Expenditure before remeasurement 2021 \$000	Remeasurement 2021 \$000	Expenditure after remeasurement 2021 \$000	Appropriation voted* 2021 \$000	Location of end of year performance information* *
508	Former Governors-General - Annuities and Other Payments PLA	(553)	1,050	497	596	2
211	Former Prime Ministers - Annuities PLA	(507)	720	213	228	2
178	Former Prime Ministers - Domestic Travel PLA	(618)	761	143	270	2
-	Grants for Water Infrastructure and Delivery	266,847	-	266,847	314,574	1
3,567	Miscellaneous Grants - Internal Affairs	10,275	-	10,275	14,490	1
959	Racing Safety Development Fund	1,018	-	1,018	990	2
41,000	Support to the Racing Industry - Grants and Subsidies	7,099	-	7,099	9,000	1
1,500	Tūwharetoa Māori Trust Board PLA	1,500	-	1,500	1,500	2
1,243	Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions - Commissioners' Fees MYA	1,250	-	1,250	2,107	1
203	Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions - Counselling Costs MYA	1,167	-	1,167	522	1
121	Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions - Legal Assistance Costs MYA	816	-	816	8,669	1
3,206	Chatham Islands Council	-	-	-	-	
607	Crown-owned Assets at Lake Taupō - Maintenance Costs	-	-	-	-	
178	Depreciation on Official Residences	-	-	-	-	
3,500	New Zealand Racing Industry Reform	-	-	-	-	
685	Official Residences - Maintenance Costs	-	-	-	-	
1,651	Public Inquiries	-	-	-	-	
10,812	Services Supporting the Executive - Travel	-	-	-	-	
500	Supporting Local Authorities' Post-Earthquake Statutory Activities	-	-	-	-	
403	Transfer of Crown Assets at Taupō Landing Recreation Reserve	-	-	-	-	
88,713	Total Non-Departmental Other Expenses	330,637	2,531	333,168	409,093	
	Non-Departmental Capital Expenditure					
-	Capital Injection to Taumata Arowai	3,400	-	3,400	3,400	2
-	Capital Investments - Chatham Islands Wharves	175	-	175	300	1
-	Fire and Emergency New Zealand - Rebuild and Upgrade of Fire Stations MYA	19,292	-	19,292	26,571	1

Actual 2020 \$000		Expenditure before remeasurement 2021 \$000	Remeasurement 2021 \$000	Expenditure after remeasurement 2021 \$000	Appropriation voted* 2021 \$000	Location of end of year performance information* *
-	Fire Service Reform - Capital Injection MYA	19,089	-	19,089	19,090	1
600	Capital Injection to the Office of Film and Literature Classification	-	-	-	-	
86	Capital Investments - Lake Taupō	-	-	-	-	
202	Capital Investments - Official Residences	-	-	-	-	
1,527	Heritage Collections - Annual	-	-	-	-	
2,415	Total Non-Departmental Capital Expenditure	41,956	-	41,956	49,361	
Multi-Category Expenses and Capital Expenditure Appropriations (MCA)						
Civic Information Services MCA						
Departmental Output Expenses						
143,294	Managing and Accessing Identity Information	134,620	59	134,679	153,786	1
751	Publishing Civic Information	760	1	761	870	1
98,984	Managing and Accessing Knowledge Information	-	-	-	-	
Non-Departmental Output Expenses						
-	Development of On-line Authentication Services	116	-	116	116	2
243,029	Total Civic Information Services MCA	135,496	60	135,556	154,772	
Community Funding Schemes MCA						
Departmental Output Expenses						
-	Administration of Grants	5,675	3	5,678	6,019	1
Non-Departmental Other Expenses						
3,202	Community Development Scheme	5,783	-	5,783	8,102	1
92	Community Internship Programme	176	-	176	370	2
12,428	Community Organisation Grants Scheme	12,500	-	12,500	12,500	1
200	Disarmament Education Grants	200	-	200	200	2
5,202	Safer Communities Fund	4,277	-	4,277	4,864	1
1,850	Social Enterprise Development	617	-	617	617	2
1,001	Support for Volunteering	1,001	-	1,001	1,002	2
184	Youth Workers Training Scheme	197	-	197	214	2
24,159	Total Community Development and Funding Schemes MCA	30,426	3	30,429	33,888	
Community Information and Advisory Services MCA						
Departmental Output Expenses						
6,454	Advisory and Information Services to Ethnic Communities	6,303	3	6,306	7,225	1

Actual 2020 \$000		Expenditure before remeasurement 2021 \$000	Remeasurement 2021 \$000	Expenditure after remeasurement 2021 \$000	Appropriation voted* 2021 \$000	Location of end of year performance information* *
3,602	Community Development and Engagement Advice	3,332	2	3,334	3,616	1
170	Community Archives Support	-	-	-	-	
10,226	Total Community Information and Advisory Services MCA	9,635	5	9,640	10,841	
Government Digital Services MCA						
Departmental Output Expenses						
982	Government Chief Privacy Officer	1,677	2	1,679	1,414	1
19,417	Government Digital Strategy, System Investment and Leadership	17,154	7	17,161	23,535	1
23,070	System Capabilities, Services and Platforms	27,572	8	27,580	30,549	1
43,469	Total Government Digital Services MCA	46,403	17	46,420	55,498	
Local Government Administration MCA						
Departmental Output Expenses						
-	Local Government Services	3,419	2	3,421	3,861	1
Non-Departmental Output Expenses						
-	Taumata Arowai	7,830	-	7,830	7,830	1
Non-Departmental Other Expenses						
-	Chatham Islands Council	3,776	-	3,776	3,776	2
-	Crown-owned Assets at Lake Taupō – Maintenance Costs	602	-	602	924	2
Non-Departmental Capital Expenditure						
-	Capital Investments - Lake Taupō	21	-	21	172	2
-	Total Local Government Administration MCA	15,648	2	15,650	16,563	
National Archival and Library Services MCA						
Departmental Output Expenses						
-	Knowledge and Information Services	127,533	47	127,580	151,641	1
Non-Departmental Output Expenses						
-	Public Lending Right for New Zealand Authors	2,414	-	2,414	2,400	2
Non-Departmental Capital Expenditure						
-	Heritage Collections – Annual	2,315	-	2,315	2,406	2
-	Total National Archival and Library Services MCA	132,262	47	132,309	156,447	

Actual 2020 \$000		Expenditure before remeasurement 2021 \$000	Remeasurement 2021 \$000	Expenditure after remeasurement 2021 \$000	Appropriation voted* 2021 \$000	Location of end of year performance* *
Policy and Related Services MCA						
Departmental Output Expenses						
-	Crown Entity Monitoring	422	-	422	511	1
-	Policy and Related Services - Community and Voluntary Sector	1,805	1	1,806	2,143	1
-	Policy and Related Services - Ethnic Communities	2,247	1	2,248	2,329	1
-	Policy and Related Services - Government Digital Services	2,308	2	2,310	2,434	1
-	Policy and Related Services - Internal Affairs	7,631	6	7,637	8,129	1
-	Policy and Related Services - Ministerial Services	438	1	439	426	1
-	Policy and Related Services - Racing	2,186	1	2,187	3,230	1
-	Total Policy and Related Services MCA	17,037	12	17,049	19,202	
Regulatory Services MCA						
Departmental Output Expenses						
6,678	Charities Regulation	6,441	5	6,446	6,724	1
46,438	Regulatory Services	44,368	24	44,392	48,005	1
53,116	Total Regulatory Services MCA	50,809	29	50,838	54,729	
Services Supporting the Executive MCA						
Departmental Output Expenses						
5,931	Coordination of Official Visits and Events	4,488	1	4,489	5,400	1
29,637	Support Services to Members of the Executive	30,880	17	30,897	32,887	1
9,015	VIP Transport Services	8,747	3	8,750	9,000	1
Non-Departmental Other Expenses						
-	Depreciation on Official Residences	161	-	161	297	2
-	Official Residences - Maintenance Costs	690	-	690	707	2
-	Services Supporting the Executive - Travel	8,687	-	8,687	12,397	2
Non-Departmental Capital Expenditure						
-	Capital Investments - Official Residences	123	-	123	267	2
44,583	Total Services Supporting the Executive MCA	53,776	21	53,797	60,955	

Actual 2020 \$000		Expenditure before remeasurement 2021 \$000	Remeasurement 2021 \$000	Expenditure after remeasurement 2021 \$000	Appropriation voted* 2021 \$000	Location of end of year performance information* *
Support for Statutory and Other Bodies MCA						
Departmental Output Expenses						
12,432	Commissions of Inquiry and Similar Bodies	3,821	2	3,823	3,859	1
157	Statutory and Advisory Body Support – Archives New Zealand	171	-	171	171	1
58	Statutory and Advisory Body Support - National Library	60	-	60	59	1
1,004	Statutory Body Support - Gambling Commission	605	-	605	1,158	1
1,106	Statutory Body Support - Local Government Commission	1,094	-	1,094	1,413	1
352	Support for Grant Funding Bodies - Community and Voluntary Sector	326	-	326	362	1
11,317	Support for Grant Funding Bodies - Internal Affairs	11,007	7	11,014	12,174	1
Non-Departmental Other Expenses						
-	Public Inquiries	522	-	522	628	2
26,426	Total Support for Statutory and Other Bodies MCA	17,606	9	17,615	19,824	
Ministerial Support Services MCA						
Departmental Output Expenses						
344	Crown Entity Monitoring	-	-	-	-	
388	Ministerial Support Services - Community and Voluntary Sector	-	-	-	-	
231	Ministerial Support Services - Ethnic Communities	-	-	-	-	
209	Ministerial Support Services – Government Digital Services	-	-	-	-	
756	Ministerial Support Services - Internal Affairs	-	-	-	-	
852	Ministerial Support Services - Local Government	-	-	-	-	
389	Ministerial Support Services - Ministerial Services	-	-	-	-	
303	Ministerial Support Services - Racing	-	-	-	-	
3,472	Total Ministerial Support Services MCA	-	-	-	-	

Actual 2020 \$000		Expenditure before remeasurement 2021 \$000	Remeasurement 2021 \$000	Expenditure after remeasurement 2021 \$000	Appropriation voted* 2021 \$000	Location of end of year performance information* *
Policy Advice MCA						
Departmental Output Expenses						
727	Policy Advice - Community and Voluntary Sector	-	-	-	-	
970	Policy Advice - Ethnic Communities	-	-	-	-	
609	Policy Advice – Government Digital Services	-	-	-	-	
6,765	Policy Advice - Internal Affairs	-	-	-	-	
16,518	Policy Advice - Local Government	-	-	-	-	
1,533	Policy Advice - Racing	-	-	-	-	
27,122	Total Policy Advice MCA	-	-	-	-	
457,602	Total Multi-Category Expenses and Capital Expenditure appropriations	509,098	205	509,303	582,719	
Summary of Departmental Appropriations						
32,521	Departmental Output Expenses	79,424	11	79,435	82,165	
451,443	Multi-Category Expenses and Capital Expenditure Appropriations (MCA)	457,090	205	457,295	522,930	
483,964	Total Appropriations for Departmental Expenses	536,514	216	536,730	605,095	
92,864	Total Appropriations for Departmental Capital Expenses	80,386	-	80,386	85,500	
576,828	Total Departmental Annual and Permanent Appropriations and Multi-Year Appropriation	616,900	216	617,116	690,595	

Actual 2020 \$000		Expenditure before remeasurement 2021 \$000	Remeasurement 2021 \$000	Expenditure after remeasurement 2021 \$000	Appropriation voted* 2021 \$000	Location of end of year performance information* *
Summary of Non-Departmental Appropriations						
15,512	Non-Departmental Output Expenses	13,315	-	13,315	13,315	
50,653	Benefits or Related Expenses	55,123	-	55,123	53,500	
88,713	Non-Departmental Other Expenses	330,637	2,531	333,168	409,093	
24,159	Multi-Category Expenses and Capital Expenditure Appropriations (MCA)	49,549	-	49,549	59,789	
179,037	Total Appropriations for Non-Departmental Expenses	448,624	2,531	451,155	535,697	
2,415	Total Appropriations for Non-Departmental Capital Expenses	44,415	-	44,415	49,361	
181,452	Total Non-Departmental Annual and Permanent Appropriations and Multi-Year Appropriation	493,039	2,531	495,570	585,058	
758,280	Total Annual and Permanent Appropriations and Multi-Year Appropriation	1,109,939	2,747	1,112,686	1,275,653	

* These are the appropriations from the Supplementary Estimates, adjusted for any transfers under section 26A of the PFA.

** The numbers in this column represent where the end-of-year performance information has been reported for each appropriation administered by the Department, as detailed below:

1. The Department's annual report.
2. No reporting due to an exemption obtained under section 15D of the PFA.

Statement of Departmental and non-Departmental expenditure and capital appropriations (cont.)

for the year ended 30 June 2021
Multi-Year Appropriations

Actual 2020 \$000		Actual 2021 \$000	Location of end of year performance information**
	Appropriation for Departmental Output Expenses:		
	Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions – Operating Expenses (3 January 2019 to 30 June 2023)		
56,066	Original Appropriation	56,066	1
(8,790)	Cumulative Adjustments	92,000	
47,276	Total adjusted approved appropriation	148,066	
7,768	Cumulative actual expenditure at 1 July	30,775	
23,007	Current year actual expenditure	40,304	
30,775	Cumulative actual expenditure at 30 June	71,079	
16,501	Appropriation remaining at 30 June	76,987	
	Appropriation for Non-Departmental Other Expenses:		
	Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions – Commissioners' Fee (3 January 2019 to 30 June 2023)		
6,123	Original Appropriation	6,123	1
-	Cumulative adjustments	2,248	
6,123	Total adjusted approved appropriation	8,371	
583	Cumulative actual expenditure at 1 July	1,826	
1,243	Current year actual expenditure	1,250	
1,826	Cumulative actual expenditure at 30 June	3,076	
4,297	Appropriation remaining at 30 June	5,295	
	Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions - Counselling Costs (3 January 2019 to 30 June 2023)		
15,335	Original Appropriation	15,335	1
-	Cumulative adjustments	(1,862)	
15,335	Total adjusted approved appropriation	13,473	
-	Cumulative actual expenditure at 1 July	203	
203	Current year actual expenditure	1,167	
203	Cumulative actual expenditure at 30 June	1,370	
15,132	Appropriation remaining at 30 June	12,103	
	Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions -Legal Assistance Costs (14 October 2019 to 30 June 2023)		
8,790	Original Appropriation	8,790	1
-	Cumulative adjustments	6,656	
8,790	Total adjusted approved appropriation	15,446	
-	Cumulative actual expenditure at 1 July	121	
121	Current year actual expenditure	816	
121	Cumulative actual expenditure at 30 June	937	
8,669	Appropriation remaining at 30 June	14,509	

Actual 2020 \$000		Actual 2021 \$000	Location of end of year performance information**
Appropriation for Non-Departmental Capital Expenditure			
Fire Service Reform – Capital Injection (1 July 2020 – 30 June 2023)			
	- Original Appropriation	51,300	1
	- Cumulative adjustments	-	
	- Total adjusted approved appropriation	51,300	
	- Cumulative actual expenditure at 1 July	-	
	- Current year actual expenditure	19,292	
	- Cumulative actual expenditure at 30 June	19,292	
	- Appropriation remaining at 30 June	32,008	
Fire and Emergency New Zealand - Rebuild and Upgrade of Fire Stations (20 September 2016 – 30 June 2021)			
111,940	Original Appropriation	111,940	1
	- Cumulative adjustments	-	
111,940	Total adjusted approved appropriation	111,940	
92,850	Cumulative actual expenditure at 1 July	92,850	
	- Current year actual expenditure	19,089	
92,850	Cumulative actual expenditure at 30 June	111,939	
19,090	Appropriation remaining at 30 June	1	

** The numbers in this column represent where the end-of-year performance information has been reported for each appropriation administered by the Department, as detailed below:

1. The Department's annual report.
2. No reporting due to an exemption obtained under section 15D of the PFA.

Reconciliation between total appropriations for Departmental expenses and the Departmental statement of comprehensive revenue and expense

for the year ended 30 June 2021

Actual 2020 \$000		Actual 2021 \$000
484,169	Total expenses in Departmental statement of comprehensive revenue and expense	536,514
(205)	Remeasurements	216
483,964	Total appropriations for Departmental expenses	536,730

Reconciliation between total appropriations for non-Departmental expenses and the schedule of non-Departmental expenditure

for the year ended 30 June 2021

Actual 2020 \$000		Actual 2021 \$000
182,168	Total expenses in schedule of non-Departmental expenditure	448,624
(3,131)	Remeasurements	2,531
179,037	Total appropriations for non-Departmental expenses	451,155

Statement of Departmental expenditure and capital expenditure incurred without, or in excess of, appropriation or other authority

for the year ended 30 June 2021

The Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions:

Two instances of expenditure exceeding appropriation occurred during 2020/21, in December 2020 and February 2021.

The Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions required additional funding in 2020/21 to continue its work, pending government policy and funding decisions which were to be made later in 2020/21. The Commission identified risks of over-expenditure and sought additional funding, however in both cases the expenditure exceeding appropriation occurred before Joint Ministers approved the funding.

The unappropriated expenditure was within the scope of the appropriation.

The final value of the unappropriated expenditure for this appropriation was,

- December \$0.638 million,
- February \$0.331 million.

There was no unappropriated expenditure for the year ended 30 June 2020.

Statement of non-Departmental expenditure and capital expenditure incurred without, or in excess of, appropriation or other authority

for the year ended 30 June 2021

Rates Rebate Scheme:

Actual expenditure for the Rates Rebate Scheme (the Scheme) exceeded the budget as a result of the inherent difficulty in forecasting demand for the Scheme due to a number of external factors beyond the control of the Department. The Department has no ability to stop approving claims for rebates if the appropriation limit has been reached, as the right to receiving a rebate, provided that all qualifying criteria are met, is set in legislation (within the Rates Rebate Act 1973).

This expenditure was within the scope of the appropriation.

The final value of the unappropriated expenditure for this appropriation was \$1.623 million.

Racing Safety Development Fund:

Expenditure exceeding appropriation occurred due to an administrative error which resulted in a grant relating to 2019/20 being recognised in 2020/21. If an accrual had been recognised in 2019/20, then both the 2019/20 and 2020/21 appropriations would have fallen within their respective limits.

This expenditure was within the scope of the appropriation.

The final value of the unappropriated expenditure for this appropriation was \$0.028 million.

There was no unappropriated expenditure for the year ended 30 June 2020.

Statement of Departmental capital injections

for the year ended 30 June 2021

Actual 2020 \$000		Actual 2021 \$000	Approved appropriation
	Vote Internal Affairs		
16,008	Department of Internal Affairs – Capital Injection	36,429	44,693

Statement of capital injections incurred without, or in excess of, appropriation or other authority

for the year ended 30 June 2021

The Department has not received any capital injections without, or in excess of, authority for the year ended 30 June 2021. (2019/20: nil)

Ngā Tauākī Whakatutukinga kore-Pūtea – Non-financial Performance Statements

Non-Financial Performance Statements

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Departmental Appropriations

Departmental Output Expenses

Contestable Services Revenue Dependent Appropriation (M41)

This appropriation is limited to providing translation and other language services to government agencies and the public, and support services to government agencies.

Actual		Unaudited	Unaudited	Actual
2020	Revenue and output expenses	Budget	Supp EST	2021
\$000		2021	2021	2021
		\$000	\$000	\$000
-	Revenue Crown	-	-	-
1,793	Revenue other	1,000	2,000	2,386
1,793	Total revenue	1,000	2,000	2,386
1,786	Expenses	1,000	2,000	2,349
7	Net surplus/(deficit)	-	-	37

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$1.000 million was due to an increase in expenditure associated with an increase in demand for translation services.

This appropriation is intended to achieve effective translation and other language services to government agencies and the public, and support services to government agencies.

Performance information	Standard	2019/20	2020/21
1.01 Customers' satisfaction as to whether translations were provided within 'good' timeframes ⁴³	At least 80%	89%	84%

Local Government Policy and Related Services (M49)

This appropriation is limited to the provision of policy advice, system stewardship and leadership, and services to support Ministers to discharge their responsibilities relating to the local government portfolio.

Actual		Unaudited	Unaudited	Actual
2020	Revenue and output expenses	Budget	Supp EST	2021
\$000		2021	2021	2021
		\$000	\$000	\$000
-	Revenue Crown	15,399	39,832	39,832
-	Revenue other	-	-	-
-	Total revenue	15,399	39,832	39,832
-	Expenses	15,399	39,832	36,782
-	Net surplus/(deficit)	-	-	3,050

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$24.433 million is due to:

- funding to meet the costs associated with the **Three Waters Reform programme** (increase of \$17.060 million)
- funding to meet the costs associated with a new, dedicated water services regulator, as part of a suite of system-wide reforms to the regulation of drinking water (increase of \$5.160 million)

⁴³ Satisfaction is rated on a scale from '0 – Strongly Disagree' to '10 – Strongly Agree', the result shown is the proportion rating 7 to 10.

- funding to continue work on local government reform programmes and to support the development and implementation of a Local Government Recovery Plan (increase of \$3.105 million)
- a transfer of funding from the Local Government Administration Multi-Category Appropriation to reflect the longer estimated establishment period for the new Crown agent regulator for water services, Taumata Arowai, as a result of the enabling legislation being passed in February 2021, effective from 1 March 2021 (increase of \$2.200 million)
- an expense transfer from 2019/20 to 2020/21 to enable the completion of the Infrastructure Funding and Financing programme in 2021/21 (increase of \$967,000)
- funding to establish a Ministerial review into the future for local government (increase of \$130,000), and
- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (increase of \$119,000).

These increases were partially offset by:

- a transfer of funding to the Local Government Administration Multi-Category Appropriation for Taumata Arowai (decrease of \$3.250 million)
- an expense transfer from 2020/21 to 2021/22 to progress the local government reform programmes and support local government (decrease of \$1.000 million)
- a transfer of funding between departmental appropriations to contribute towards the cost of the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Mosques on 15 March 2020 (decrease of \$37,000), and
- a reduction in the capital charge rate (decrease of \$21,000).

This appropriation is intended to achieve well-informed decision making by Ministers through the provision of support, system stewardship and leadership and high-quality advice on local government matters.

Performance information		Standard	2019/20 ⁴⁴	2020/21
1.02	Ministers satisfaction with the quality of policy advice	No standard	4.3	4.5
1.03	Required timeframes are met: Parliamentary Questions (written) – within three days of notifications or as agreed with the Minister	95%	96%	100%
1.04	Required timeframes are met: Ministerial correspondence (draft responses) – within 15 days of receipt or as specifically agreed	95%	99%	99.8%
1.05	Required timeframes are met: Ministerial Official Information Act requests – at least five days prior to statutory timeframes	95%	100%	100%

Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions - Operating Expenses (M41)

This appropriation is limited to supporting the Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Revenue and output expenses	2021	2021	2021
\$000		\$000	\$000	\$000
28,627	Revenue Crown	7,713	40,333	40,333
-	Revenue other	-	-	-
28,627	Total revenue	7,713	40,333	40,333
23,007	Expenses	7,713	40,333	40,304
5,620	Net surplus/(deficit)	-	-	29

The increase in this multi-year appropriation budget between the Main Estimates and the Supplementary Estimates of \$32.620 million was due to:

- funding to meet the departmental costs associated with the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions (increase of \$18.000 million)
- update of the 2020/21 indicative spending profile associated with supporting the Royal Commission in Historical Abuse in State Care and in the Care of Faith-based Institutions (increase of \$8.788 million), and
- a transfer of funding between the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions appropriations to align expenditure (increase of \$6.000 million).

These increases were partially offset by:

- a reduction in the capital charge rate (decrease of \$168,000).

⁴⁴ The 2019/20 performance results were reported in the Policy Advice MCA (Policy Advice – Local Government category) and the Ministerial Support Services MCA (Ministerial Support Services – Local Government category).

This appropriation is intended to achieve effective support for the Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions.

Performance information		Standard	2019/20	2020/21
1.06	Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions' satisfaction with the timeliness and quality of services received assessed as '4' or '5'	Achieved	4 – Good	3 – Satisfactory ⁴⁵

⁴⁵ The survey response noted that transactional services were generally viewed positively. Challenges included property and some process matters.

Departmental Capital Expenditure and Capital Injections

Department of Internal Affairs – Capital Expenditure Permanent Legislated Authority (M41)

This appropriation is limited to the purchase or development of assets by and for the use of the Department of Internal Affairs, as authorised by section 24(1) of the Public Finance Act 1989.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020 \$000	Departmental Capital expenses	2021 \$000	2021 \$000	2021 \$000
92,864	Capital expenditure	101,898	85,500	80,386

The decrease in the capital budget between the Main Estimates and the Supplementary Estimates of \$16.398 million was mainly due to timing of the delivery of projects, in particular, the Electronic Monitoring System, Infinity Point of Sale, Charities register improvements and the VIP Transport fleet.

This appropriation is intended to achieve investment in the renewal, upgrade and development of assets that support the delivery of the Department's products and services.

Performance information		Standard	2019/20	2020/21
1.07	Asset development, purchase and use are in accordance with section 24(1) of the Public Finance Act 1989	Achieved	Achieved	Achieved

Non-Departmental Appropriations

Non-Departmental Output Expenses

Fire and Emergency New Zealand - Public Good Services (M41)

This appropriation is limited to the Crown contribution towards the public good component of services provided by Fire and Emergency New Zealand.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Non-Departmental Output expenses	2021	2021	2021
\$000		\$000	\$000	\$000
10,000	Non-Departmental output expenses	10,000	10,000	10,000

This appropriation is intended to achieve recognition of the Government's contribution towards public good services that are unrelated to property or motor vehicle insurance.

Performance information	Standard	2019/20	2020/21
2.01 Crown contributions are spent on public good services that are unrelated to property or motor vehicle insurance	Achieved	Achieved	Achieved

Non-Departmental Other Expenses

COVID-19 Foreign National Support (M15)

This appropriation is limited to support for foreign nationals experiencing hardship as a result of the COVID-19 pandemic.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Non-Departmental Other expenses	2021	2021	2021
\$000		\$000	\$000	\$000
-		-	36,058	24,973

This appropriation was established in 2020/21 to provide funding to support foreign nationals experiencing hardship as a result of the COVID-19 pandemic (increase of \$37.600 million). This increase was partially offset by a transfer of funding to the Community Funding Schemes Multi-Category Appropriation to provide funding for the administration costs associated with the COVID-19 Foreign National Support Fund (decrease of \$1.542 million).

This appropriation is intended to achieve support for foreign nationals experiencing hardship as a result of the COVID-19 pandemic.

Performance information	Standard	2019/20	2020/21
2.02 The number of people that received support	No standard	New measure	12,794
2.03 The number of applications processed	No standard	New measure	17,907

Grants for Water Infrastructure and Delivery (M49)

This appropriation is limited to grants to organisations, including councils, to assist them to strengthen water infrastructure and service delivery, including through service delivery changes.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Non-Departmental Other expenses	2021	2021	2021
\$000		\$000	\$000	\$000
-		-	314,574	266,847

This appropriation was established in 2020/21 to provide funding to organisations participating in the Three Waters Infrastructure Investment and Service Delivery Reform Programme and the economic recovery from the COVID-19 pandemic (increase of \$314.574 million).

The appropriation is intended to achieve support for delivery of the **Three Waters Reform programme**, improved water infrastructure and the economic recovery from the COVID-19 pandemic.

Performance information	Standard	2019/20	2020/21
2.04 A case study is provided to show the impact of the stimulus funding in water infrastructure and water services	No standard	New measure	See case study below
2.05 Reported number of additional full-time equivalent positions for water infrastructure and water services	No standard	New measure	1367.2
2.06 Number of stimulus projects on water infrastructure and water services by councils	No standard	New measure	463

Taupō Case Study – Three Waters Stimulus Programme

COVID-19 exacerbated the three waters (drinking water, wastewater and stormwater) challenges already facing the local government sector. Without support, many councils would have struggled to respond to immediate three waters challenges given the competing claims of other investment priorities.

In July 2020, the Government announced a funding package of \$761 million to provide immediate post-COVID-19 stimulus to local authorities to maintain and improve three waters infrastructure, support the **Three Waters Reform Programme**, and underpin the operation of new water services regulator Taumata Arowai.

As a part of this stimulus package delivered through Internal Affairs, Taupō District Council submitted a work programme to improve its three waters infrastructure with an estimated cost of \$8.32 million. At a high level, the projects included:

- Upgrading six drinking water schemes with ultra-violet disinfection;
- Renewing water mains and installing zone flow meters;
- Wastewater network renewals and assessing infiltration and inflow to reduce sewer overflows;
- Upgrading systems to improve the reliability of data from remote water and waste water facilities; and
- Installing treatment devices to improve quality of storm run-off into Lake Taupō.

The works have prioritised delivering strongly across the Government's stimulus objectives, with all projects focused on the objective of significantly improving the safety, quality and resilience of drinking water services, and the environmental performance of wastewater and stormwater systems.

To achieve the best successful completion of this programme, Taupō District Council was aware that it required skilled programme management and project managers using agile procurement and delivery methods. Taupō ensured comprehensive project plans were developed at a very early stage and broke the project down into nine specific projects, each assigned to a dedicated project manager, who collectively managed more than 22 contractors across the programme of work.

Crown Infrastructure Partners (CIP) supported Internal Affairs in the oversight of this programme. As at 30 June 2021, CIP reported Taupō District Council had completed 60 per cent of works and had invested \$4.85 million of the \$8.32 million allocated. In addition, 84 per cent of the funds were committed and in progress with contractors to continue with the planned works.

Miscellaneous Grants – Internal Affairs (M41)

This appropriation is limited to payments to individuals or organisations to assist in building a strong and safe nation through serving and connecting citizens, communities and Government.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Non-Departmental Other expenses	2021	2021	2021
\$000		\$000	\$000	\$000
3,567	Non-Departmental other expenses	2,578	14,490	10,275

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$11.912 million was due to:

- funding to meet the costs associated with delivering digital skills programmes to address digital skills gaps (increase of \$9.200 million)
- an expense transfer from 2019/20 to 2020/21 to enable the completion of a voluntary managed retreat at Awatarariki, Mātata in 2020/21 (increase of \$2.432 million)
- a transfer of funding from the Policy and Related Services Multi-Category Appropriation to support the 'Choice Not Chance' campaign delivered by the Health Protection Agency as part of the Gambling and Community Funding programme (increase of \$150,000), and
- an expense transfer from 2019/20 to 2020/21 to enable the provision of financial support for the investigation of potential new water service delivery models in Manawatu and Otago-Southland's regions in 2020/21 (increase of \$130,000).

This appropriation is intended to achieve support for building a strong and safe nation.

Performance information		Standard	2019/20	2020/21
2.07	Grants are distributed to individuals or organisations to assist in building a strong and safe nation, in accordance with priorities, policies and procedures	Achieved	Achieved	Achieved

Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions - Commissioners' Fees (M41)

This appropriation is limited to the payment of Commissioners' fees for the Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Non-Departmental Other expenses	2021	2021	2021
\$000		\$000	\$000	\$000
1,243	Non-Departmental other expenses	1,459	2,107	1,250

The increase in this multi-year appropriation budget between the Main Estimates and the Supplementary Estimates of \$648,000 was due to the update to the 2020/21 indicative spending profile associated with commissioners' fees for the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions.

This appropriation is intended to achieve timely and efficient payment of fees to the Commissioners of the Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions.

Performance information		Standard	2019/20	2020/21
2.08	Commissioners' fees are paid within timeframes agreed with the Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions	At least 95%	98%	100%

Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions – Counselling Costs (M41)

This appropriation is limited to providing counselling services for individuals participating in the Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Non-Departmental Other expenses	2021	2021	2021
\$000		\$000	\$000	\$000
203	Non-Departmental other expenses	3,028	522	1,167

The decrease in this multi-year appropriation budget between the Main Estimates and the Supplementary Estimates of \$2.506 million was due to a transfer of funding between Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions appropriations to align expenditure (decrease of \$6.000 million). This decrease was partially offset due to the update to the 2020/21 indicative spending profile associated with the counselling costs for individuals participating in the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions (increase of \$3.494 million).

This appropriation is intended to achieve timely and efficient payment of fees for counselling services for individuals participating in the Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions.

Performance information		Standard	2019/20	2020/21
2.09	Counselling services are paid within the timeframes agreed with the Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions	At least 95%	95%	97%

Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions – Legal Assistance Costs (M41)

This appropriation is limited to providing legal assistance for individuals specified by, and participating in, the Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Non-Departmental Other expenses	2021	2021	2021
\$000		\$000	\$000	\$000
121	Non-Departmental other expenses	4,395	8,669	816

The increase in this multi-year appropriation budget between the Main Estimates and the Supplementary Estimates of \$4.274 million was due to the update of the 2020/21 indicative spending profile for the legal assistance costs for individuals or their representatives to participate in the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions public hearing process.

This appropriation is intended to achieve timely and efficient payment for legal assistance services for individuals specified by, and participating in, the Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions.

Performance information		Standard	2019/20	2020/21
2.10	Legal assistance services are paid within the timeframes agreed with the Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions	At least 95%	100%	100%

Support to the Racing Industry - Grants and Subsidies (M55)

This appropriation is limited to expenses to sustain the New Zealand racing industry and organisations that it customarily supports.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Non-Departmental Other expenses	2021	2021	2021
\$000		\$000	\$000	\$000
41,000	Non-Departmental other expenses	-	9,000	7,099

This appropriation was established in 2019/20 to provide funding to ensure the survival of the racing industry through 31 July 2020 and prevent the Racing Industry Transition Agency becoming insolvent (increase of \$9.000 million).

This appropriation is intended to achieve financial stability of the New Zealand racing industry and associated organisations.

Performance information		Standard	2019/20	2020/21
2.11	Grants and subsidies are allocated to eligible organisations for the intended purposes.	100%	100%	100%

Non-Departmental Capital Expenditure

Capital Investments – Chatham Islands Wharves (M41)

This appropriation is limited to the upgrading, renewal and refurbishment of the Chatham Islands wharves.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Non-Departmental Capital expenses	2021	2021	2021
\$000		\$000	\$000	\$000
-	Non-Departmental capital expenses	50	300	175

The increase in the capital budget between the Main Estimates and the Supplementary Estimates of \$250,000 was due to a capital transfer from 2019/20 to 2020/21 to enable the completion of the construction and upgrade of the Chatham Islands wharves

This appropriation is intended to achieve financial support for the refurbishment of the Chatham Islands wharves to ensure appropriate access is maintained for New Zealanders.

Performance information	Standard	2019/20	2020/21
2.12 Funding is allocated for the development of Chatham Islands wharves in accordance with policies and procedures	100%	100%	100%

Fire and Emergency New Zealand – Rebuild and upgrade of Fire Stations (M41)

This appropriation is limited to a capital injection to enable Fire and Emergency New Zealand to rebuild and upgrade fire stations.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Non-Departmental Capital expenses	2021	2021	2021
\$000		\$000	\$000	\$000
-		-	26,571	19,292

This multi-year appropriation was established in 2020/21 to provide funding for Fire and Emergency New Zealand to invest in rebuilding and upgrading fire stations (increase of 26.571 million).

This appropriation is intended to achieve an improved standard for selected fire stations by Fire and Emergency New Zealand and to contribute to the economic recovery from the COVID-19 pandemic.

Performance information	Standard	2019/20	2020/21
2.13 Percentage of projects that are on schedule to be completed within the agreed timeframe	At least 75%	New measure	100%

Fire Service Reform – Capital Injection (M41)

This appropriation is limited to a repayable capital injection to support the transition of the New Zealand Fire Service Commission to Fire and Emergency New Zealand.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Non-Departmental Capital expenses	2021	2021	2021
\$000		\$000	\$000	\$000
-	Non-Departmental Capital expenses	-	19,090	19,089

The increase in this multi-year appropriation budget between the Main Estimates and the Supplementary Estimates of \$19.090 million was due to the update to the 2020/21 indicative spending profile associated with scheduled drawdowns of the capital injections by Fire and Emergency New Zealand.

This appropriation is intended to achieve financial support for the amalgamation of rural and urban fire services into a new unified organisation.

Performance information	Standard	2019/20	2020/21
2.14 Repayment as per the agreed schedule in the Memorandum of Understanding between Fire and Emergency New Zealand and the Minister of Internal Affairs	Achieved	Achieved	Achieved
2.15 Services are transitioned in accordance with the agreed transition work programme	Achieved	Not Achieved ⁴⁶	Achieved

⁴⁶ Three of five Integration Programme performance measures for 2019/20 were partially completed by 30 June 2020, however they required ongoing work due to complexity and level of consultation involved.

Multi-Category Expenses and Capital Expenditure

Civic Information Services (M41)

The single overarching purpose of this appropriation is to contribute to the collection, management and provision of access to New Zealand's civic and identity information.

The appropriation is intended to achieve the collection, preservation, accessibility and security of New Zealand's civic and identity information.

Performance information		Standard	2019/20	2020/21
3.01	Perception of the overall ease of Identity and Life Event Services	At least 80%	87%	90%

Category: Managing and Accessing Identity Information

This category is limited to providing effective management of New Zealand's records of identity, authenticating official documents and coordinating the congratulatory message service.

Actual		Unaudited	Unaudited	Actual
2020	Revenue and output expenses	Budget	Supp EST	2021
\$000		2021	2021	2021
		\$000	\$000	\$000
22,113	Revenue Crown	25,835	28,205	28,205
119,668	Revenue other	115,783	68,132	49,368
141,781	Total revenue	141,618	96,337	77,573
143,294	Expenses	161,309	153,786	134,679
(1,513)	Net surplus/(deficit)	(19,691)	(57,449)	(57,106)

The decrease in the expense budget between the Main Estimates and the Supplementary Estimates of \$7.523 million was due to:

- a decrease in expenditure for Passport products as a result of lower than anticipated demand due to the impact of COVID-19 (decrease of \$10.403 million)
- a reduction in the capital charge rate (decrease of \$1.351 million)
- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (decrease of \$299,000)
- a transfer of funding to the Support for Statutory and Other Bodies Multi-Category Appropriation to provide funding for the Inquiries Directorate (decrease of \$270,000), and
- a transfer of funding between departmental appropriations to contribute towards the cost of the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Mosques on 15 March 2019 (decrease of \$62,000).

These decreases were partially offset by:

- funding to meet the costs associated with the preparatory work on the births, deaths and marriages stream of work for Te Ara Manaaki Phase 2 to be carried out in advance of the Implementation Business Case being completed (increase of \$3.165 million), and
- an increase in expenditure for Citizenship products due to Te Ara Manaaki ongoing support costs and Immigration New Zealand data link development and support costs (increase of \$1.697 million).

This category is intended to achieve secure and effective management of New Zealand's identity information.

Performance information		Standard	2019/20	2020/21
3.02	Ease of Identity and Life Event services	At least 80%	88%	91%
3.03	Identity and Life Event services issued or registered without error	At least 99%	99.9%	99.9%
3.04	Births and deaths registrations; births, deaths, marriages and civil union certificates and print outs; and citizenship applications processed within business timeframe standards	At least 99%	99.9%	97% ⁴⁷

⁴⁷ Two of the five components of this measure did not meet the business timeframe standards: Applications for grant of citizenship to foreign nationals recommended to the Minister (within an average of 50 working days) and Birth information registered (within an average of eight working days). A range of factors have contributed to this result, including the ability of staff to access secure systems during the national and

3.05	Passports issued within business timeframe standards on receipt of applications	At least 97%	93% ⁴⁸	93% ⁴⁹
3.06	Percentage of all Identity and Life Event applications received via online service	At least 65%	70%	75%
3.07	Number of new RealMe verified identities issued	150,000-175,000	139,646 ⁵⁰	119,965 ⁵¹
3.08	Customer satisfaction with the process of applying for a RealMe verified identity assessed as '4' or '5'	At least 75%	79%	88%
3.09	Number of customer consents to share information	250,000-290,000	311,032	417,058
3.10	Applications for verified identity are processed within five days	At least 95%	96%	98%
3.11	Real-time verification of data	At least 99%	100%	100%

Category: Publishing Civic Information

This category is limited to publishing information through the New Zealand Gazette.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Revenue and output expenses	2021	2021	2021
\$000		\$000	\$000	\$000
-	Revenue Crown	-	-	-
757	Revenue other	844	844	884
757	Total revenue	844	844	884
751	Expenses	872	870	761
6	Net surplus/(deficit)	(28)	(26)	123

The decrease in the expense budget between the Main Estimates and the Supplementary Estimates of \$2,000 was due to a reduction in the capital charge rate.

This category is intended to achieve accurate publication of the New Zealand Gazette.

Performance information	Standard	2019/20	2020/21
3.12 Accuracy: Notices published consistent with text supplied by clients	99%	100%	99.8%

Auckland COVID-19 lockdowns, significant changes to citizenship processing systems and the requirement for staff to learn new ways of working.

⁴⁸ This measure is impacted by the time taken for applicants to respond to queries regarding their passport application. With COVID-19 border restrictions, applicants have taken slightly longer than usual to respond to information requests. As at March 2020 the result was 93.3% (for 500,660 passports), with 90.9% from April to June 2020 (for 39,399 passports).

⁴⁹ This measure is impacted by the time taken for applicants to respond to queries regarding their passport application. With COVID-19 border restrictions, applicants have taken longer than usual to respond to information requests.

⁵⁰ This result is lower than expected due to the impact of COVID-19 restrictions. Due to border restrictions there was lower demand for passports and the corresponding co-apply verified identities issued as part of the process, and fewer applications were received through photo stores (which closed from late March to early June 2020). As at March 2020, 112,496 identities were issued, with 27,150 issued from April to June 2020.

⁵¹ The replatforming project for RealMe that was scheduled to be completed in 2020 was extended to April 2021. This meant that some of the new services we expected to integrate (that would have increased verified identity numbers) have not yet been integrated.

Community Funding Schemes (M15)

The single overarching purpose of this appropriation is to support communities and voluntary sector organisations so they become stronger, more cohesive and resilient.

This appropriation is intended to achieve financial support for communities and organisations for community development.

Performance information	Standard	2019/20	2020/21
3.13 Case studies completed that demonstrate benefits to community grant funding recipients ⁵²	Achieved	Achieved	Achieved

Category: Administration of Grants

This category is limited to administration of the processes supporting government grant funding schemes, from receiving applications to monitoring grant recipients.

Actual		Unaudited	Unaudited	Actual
2020	Revenue and output expenses	Budget	Supp EST	2021
\$000		2021	2021	2021
		\$000	\$000	\$000
-	Revenue Crown	4,069	6,019	6,019
-	Revenue other	-	-	-
-	Total revenue	4,069	6,019	6,019
-	Expenses	4,069	6,019	5,678
-	Net surplus/(deficit)	-	-	341

The increase in this expense between the Main Estimates and the Supplementary Estimates of \$1.950 million was due to:

- a transfer of funding from the non-departmental appropriation, COVID-19 Foreign National Support to provide funding for the administration costs associated with the COVID-19 Foreign National Support Fund (increase of \$1.542 million)
- funding for departmental costs associated with the extension to the Safer Communities Fund for security measures for communities at risk from hate incidents and terror attacks (increase of \$245,000)
- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (increase of \$95,000), and
- a transfer of funding from the Community Development Scheme category to reflect the costs associated with the evaluation of the Community-led Development Programme (increase of \$90,000).

These increases were partially offset by:

- a reduction in the capital charge rate (decrease of \$12,000), and
- a transfer of funding between departmental appropriations to contribute towards the cost of the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Mosques on 15 March 2019 (decrease of \$10,000).

This category is intended to achieve effective support for the government grant funding schemes that the Department administers and to ensure processes are maintained for receiving applications and monitoring grants.

Performance information	Standard	2019/20 ⁵³	2020/21
3.14 Grant decisions are transparent and consistent with regard to eligibility requirements	At least 97%	98%	99%
3.15 Grant requests are managed within business timeframes ⁵⁴	At least 95%	99%	99%
3.16 Customers are satisfied with the ease with which they are able to apply for grants and advisory services	At least 70%	77%	73%
3.17 Grant decision making committees are satisfied with the operational support received	At least 90%	99%	98%

⁵² See page 174 for the case studies.

⁵³ The 2019/20 performance results were reported in the Administration of Grants departmental output expense appropriation.

⁵⁴ The business timeframe standard is within 15 weeks of submission of a request.

Category: Community Development Scheme

This category is limited to providing grants to community organisations for projects to achieve improved economic, social and cultural wellbeing.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Non-Departmental Other expenses	2021	2021	2021
\$000		\$000	\$000	\$000
3,202	Non-Departmental other expenses	6,347	8,102	5,783

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$1.755 million was due to an expense transfer from 2019/20 to 2020/21 to maximise community outcomes of resilience and sustainability and enable the Community-led Development Programme to settle into a regular cycle of new and existing partnerships (increase of \$1.845 million). This increase was partially offset by a transfer of funding to the Administration of Grants category to reflect the costs associated with the evaluation of the Community-led Development Programme (decrease of \$90,000).

This category is intended to achieve support for diverse communities to improve economic, social and cultural wellbeing.

Performance information	Standard	2019/20	2020/21
3.18 Number of Community-Led Development partnering agreements in place	At least 15	New measure	18

Category: Community Organisation Grants Scheme

This category is limited to providing locally distributed grants to community organisations for programmes that provide social services.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Non-Departmental Other expenses	2021	2021	2021
\$000		\$000	\$000	\$000
12,428	Non-Departmental other expenses	12,500	12,500	12,500

This category is intended to achieve benefit from social services provided by grass-roots non-profit organisations to communities.

Performance information	Standard	2019/20	2020/21
3.19 Two case studies that assess the benefits to communities from the grants, are completed	Achieved	Achieved	Achieved (see below)

Community Organisation Grants Scheme (COGS) provides small government funded grants to support voluntary and non-profit community groups and organisations working in local communities and neighbourhoods. Last year COGS made 2,952 grants through its 37 Local Distribution Committees, with a total of 3,861 requests considered.

Te Herenga Waka o Orewa Incorporated Society

Te Herenga Waka o Orewa is one example of a community group supported by COGS. Te Herenga Waka o Orewa is a community marae offering a unique opportunity for all community members regardless of ethnicity to participate in marae activities. They requested \$33,140 for the salary of their sole employee. The local Rodney/North Shore COGS committee granted Te Herenga Waka \$8,000, and while below the requested amount this is still a significant grant for COGS, where the average grant size is \$3,700.

The marae employee manages all day-to-day tasks associated with running a large community facility. She greets people arriving at the marae, supervises the many volunteers and oversees those who come to work on the marae as part of their community service sentences. This role is crucial to the operation of the marae and was also vital in helping the marae navigate the unprecedented COVID-19 pandemic.

Some events hosted by the marae that benefitted the local community were the Waitangi Day celebration, Te Wiki o te Reo Māori - Rolling Pōhiri, Matariki, Whānau ara reo, Te Puna Reo, cultural advisement and marae experiences. The marae also provided vital COVID-19 Community Support. Last year the marae had over 6,000 visitors with many visits including an overnight stay. This grant contributed to the Rodney/North Shore COGS Committee priority of whānau ora and/or kaupapa Māori services are well resourced and supported.

Lifeline Aotearoa Helplines

Foundation Charitable Trust is at the other end of the spectrum of organisations funded by COGS. Lifeline made requests to 35 COGS committees in the 2020/21 financial year. The total amount requested was \$175,000 and Lifeline was granted a total of \$68,650.

The requests were for operational costs to continue to provide free telephone counselling services to every New Zealander who requires it, 24 hours a day, 365 day a year.

In 2020, 126,594 calls were made to Lifeline's numbers and they received 152,724 incoming individual text messages resulting in 10,656 text conversations. Lifeline responded to 3,512 high risk calls and texts – from these there were 3,047 safety plans created and 465 people required immediate support from the police, an ambulance or both.

Category: Safer Communities Fund

This category is limited to providing grants for initiatives to provide increased security for at-risk communities against hate crimes and terrorism.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Non-Departmental Other expenses	2021	2021	2021
\$000		\$000	\$000	\$000
5,202		-	4,864	4,277

The increase in the expense between the Main Estimates and the Supplementary Estimates of \$4.864 million was due to:

- funding to extend the Safer Communities Fund for security measures for communities at risk from hate incidents and terror attacks (increase of \$3.255 million), and
- an expense transfer from 2019/20 to 2020/21 to maximise the extent to which at risk communities can be supported to take the steps necessary to make themselves safe (increase of \$1.609 million).

This category is intended to achieve an increase in security for at-risk communities against hate crimes and terrorism.

Performance information	Standard	2019/20	2020/21
3.20 Grants are allocated to eligible organisations	100%	100%	100%

Community Information and Advisory Services (M41)

The single overarching purpose of this appropriation is to support communities, hapū and iwi to be empowered and resilient by providing information, training and advisory services.

This appropriation is intended to achieve support for communities, hapū, iwi and community organisations.

Performance information	Standard	2019/20	2020/21
3.21 Community satisfaction with the availability of information, training and advice provided by the Department ⁵⁵	Achieved	Achieved (3.8)	Achieved (4.1)

Category: Advisory and Information Services to Ethnic Communities

This category is limited to the provision of information, advisory and support services to assist ethnically diverse communities to participate in New Zealand society.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Revenue and output expenses	2021	2021	2021
\$000		\$000	\$000	\$000
6,456	Revenue Crown	6,501	7,225	7,225
400	Revenue other	-	-	-
6,856	Total revenue	6,501	7,225	7,225
6,454	Expenses	6,501	7,225	6,306
402	Net surplus/(deficit)	-	-	919

The increase in this expense between the Main Estimates and the Supplementary Estimates of \$724,000 was due to:

- funding to establish a network of ethnic community partners (information facilitators) who will disseminate critical government information, in multiple languages deep into communities (increase of \$905,000)
- funding to develop and implement an Ethnic Communities' Graduate Programme (increase of \$209,000)
- an expense transfer from 2019/20 to 2020/21 to enable the early piloting of initiatives identified following the national dialogues with Muslim communities to promote social inclusion and counter racism, discrimination and religious intolerance in 2020/21 (increase of \$200,000), and
- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (increase of \$24,000).

These increases were partially offset by:

- a transfer of funding between departmental appropriations to reflect the provision of services within the Diversity, Inclusion and Ethnic Communities portfolio (decrease of \$574,000)
- a transfer of funding between departmental appropriations to contribute towards the cost of the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Mosques on 15 March 2019 (decrease of \$26,000), and
- a reduction in the capital charge rate (decrease of \$14,000).

This category is intended to achieve improved social cohesion for ethnic communities by increased participation and belonging in New Zealand society.

Performance information	Standard	2019/20	2020/21
3.22 Number of unique visits to the intercultural capability e-learning on the Office of Ethnic Communities website	800 – 1,000	1,615	1,727
3.23 Approved Ethnic Communities Development Fund grant applications are paid within business timeframe standards	At least 95%	100%	96%
3.24 Ethnic Communities Development Fund decisions are consistent with priorities, policies and procedures	At least 95%	99%	97%

⁵⁵ Average rating on a scale from 1 to 5, with 5 being 'Very Satisfied' or equivalent.

Category: Community Development and Engagement Advice

This category is limited to the provision of advisory support and information to support community groups with community development, including information related to accessing grants.

Actual 2020 \$000	Revenue and output expenses	Unaudited Budget 2021 \$000	Unaudited Supp EST 2021 \$000	Actual 2021 \$000
3,823	Revenue Crown	3,716	3,616	3,616
-	Revenue other	-	-	-
3,823	Total revenue	3,716	3,616	3,616
3,602	Expenses	3,716	3,616	3,334
221	Net surplus/(deficit)	-	-	282

The decrease in the expense budget between the Main Estimates and the Supplementary Estimates of \$100,000 was due to a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs.

This category is intended to achieve advisory and information support for communities and community groups for the purpose of community development.

Performance information	Standard	2019/20	2020/21
3.25 Maintain a database to effectively track advisory projects for the community	Achieved	Achieved	Achieved

Government Digital Services (M100)

The single overarching purpose of this appropriation is to lead digital transformation across government.

This appropriation is intended to achieve leadership of digital government transformation.

Performance information	Standard	2019/20	2020/21
3.26 Case study completed that demonstrates how information technology and support provided by the Department of Internal Affairs contributed to public sector investments in digital data and information being well-planned, efficient, cost-effective and customer focussed.	Achieved	Achieved	Achieved

All-of-Government and Cloud Digital Services

Refer to page 49 for the All-of-Government and Cloud Digital Services case study.

Category: Government Chief Privacy Officer

This category is limited to the development, support and implementation of an all-of-government approach to privacy.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Revenue and output expenses	2021	2021	2021
\$000		\$000	\$000	\$000
1,342	Revenue Crown	1,342	1,414	1,414
-	Revenue other	-	-	-
1,342	Total revenue	1,342	1,414	1,414
982	Expenses	1,342	1,414	1,679
360	Net surplus/(deficit)	-	-	(265)

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$72,000 was due to a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs.

This category is intended to achieve support for government in privacy matters.

Performance information	Standard	2019/20	2020/21 ⁵⁶
3.27 Privacy maturity of State Sector category 1 agencies, as measured by agency self-assessments, improves year on year	Achieved	Achieved (3.14) ⁵⁷	Not available
3.28 Privacy maturity of State Sector category 2 agencies, as measured by agency self-assessments, improves year on year	Achieved	Achieved (2.84) ⁵⁸	Not available
3.29 Privacy maturity of State Sector category 3 agencies, as measured by agency self-assessments, improves year on year	Achieved	Achieved (3.30) ⁵⁹	Not available

⁵⁶ The Privacy Maturity Assessment Framework in place from 2015/16 to 2019/20 is no longer effective in reflecting the improvements in the privacy maturity of agencies. Agencies' stories of growing privacy maturity, which are reflected in positive changes in culture, leadership, and placing New Zealanders at the centre of privacy programmes, are not articulated by the compliance-focused model of the Privacy Maturity Assessment Framework. A new measure is being developed for Supplementary Estimates 2021/22.

⁵⁷ This self-assessment was completed by 11 out of the 12 agencies in category 1.

⁵⁸ This self-assessment was completed by 27 out of the 31 agencies in category 2.

⁵⁹ This self-assessment was completed by 17 out of the 20 District Health Boards in category 3.

Category: Government Digital Strategy, System Investment and Leadership

This category is limited to the development and support of the functional leadership role of the Government Chief Digital Officer, providing assurance on the Government's digital investments, and advice services to implement the government digital strategy, architecture and assurance framework.

Actual		Unaudited	Unaudited	Actual
2020	Revenue and output expenses	Budget	Supp EST	2021
\$000		2021	2021	2021
		\$000	\$000	\$000
23,809	Revenue Crown	20,972	23,535	23,535
-	Revenue other	-	-	-
23,809	Total revenue	20,972	23,535	23,535
19,417	Expenses	20,972	23,535	17,161
4,392	Net surplus/(deficit)	-	-	6,374

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$2.563 million was due to:

- an expense transfer from 2019/20 to 2020/21 to enable funding to be available at the appropriate time for agencies to fund initiatives that use digital technologies and data to deliver public value (increase of \$2.348 million)
- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (increase of \$375,000), and
- an expense transfer from 2019/20 to 2020/21 for the completion of the development of options for a new approach to digital identity in 2020/21 (increase of \$300,000).

These increases were partially offset by:

- a transfer of funding to the Policy and Related Services Multi-Category Appropriation to reflect the costs associated with the provision of policy advice and services to support the Minister for the Digital Economy and Communications (decrease of \$345,000)
- a transfer of funding between departmental appropriations to contribute towards the cost of the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Mosques on 15 March 2019 (decrease of \$96,000), and
- a reduction in the capital charge rate (decrease of \$19,000).

This category is intended to achieve the successful implementation of the government's digital strategy and the discharge of the GCDO's Functional Leadership responsibilities.

Performance information	Standard	2019/20	2020/21
3.30 Effectiveness of ICT Functional Leader assessed under agreed maturity framework	3	2 ⁶⁰	2 ⁶¹

⁶⁰ This measure has two components: hardware costs and common capability information, the hardware costs component is as at 30 June 2019. The common capability information met the standard (3 out of 5), while hardware costs did not (1 out of 5). The lower hardware cost score was driven by an increase in the cost of end user devices (e.g. laptops and mobile devices) comparative to overall technology growth. The increase in the use of laptops and mobile devices is aligned to the [Strategy for a Digital Public Service](#) as it supports mobility of the Public Service.

⁶¹ This measure has two components: hardware costs and common capability information, the hardware costs component is as at 30 June 2020. The common capability information met the standard (3 out of 5), while hardware costs did not (1 out of 5). The lower hardware cost score was driven by an increase in the cost of end user devices (e.g. laptops and mobile devices) comparative to overall technology growth. The increase in the use of laptops and mobile devices is aligned to the [Strategy for a Digital Public Service](#) as it supports mobility of the Public Service. This measure will be reviewed in 2021/22.

Category: System Capabilities, Services and Platforms

This category is limited to the development, support and governance of cross-government system capabilities, services and platforms to deliver digital and data transformation.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Revenue and output expenses	2021	2021	2021
\$000		\$000	\$000	\$000
11,849	Revenue Crown	11,777	18,528	18,528
8,676	Revenue other	7,368	7,368	8,741
20,525	Total revenue	19,145	25,896	27,269
23,070	Expenses	23,865	30,549	27,580
(2,545)	Net surplus/(deficit)	(4,720)	(4,653)	(311)

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$6.684 million was due to:

- funding to meet the costs associated with delivering digital skills programmes to address digital skills gaps (increase of \$5.600 million)
- funding for the establishment and implementation of an interim Trust Framework and to develop a Trust Framework Bill (increase of \$2.010 million), and
- an expense transfer from 2019/20 to 2020/21 to enable the continuation of the Improving Government Payroll Systems work programme in 2020/21 (increase of \$200,000).

These increases were partially offset by:

- a transfer of funding to the Policy and Related Services Multi-Category Appropriation to reflect the policy workstream associated with the Digital Identity Trust Framework programme (decrease of \$565,000)
- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (decrease of \$478,000), and
- a reduction in the capital charge rate (decrease of \$83,000).

This category is intended to achieve infrastructure to support digital transformation across government.

Performance information	Standard	2019/20	2020/21
3.31 All-of-Government Common Capability products, where the Department of Internal Affairs is the lead agency, meet service level agreements	Achieved	Achieved	Not Achieved ⁶²
3.32 GIS All-of-Government digital services meet performance measures, assessed under an agreed service performance framework	100%	100%	91% ⁶³
3.33 Funds are distributed by the Department of Internal Affairs to system agencies as per agreement	Achieved	Achieved	Not available ⁶⁴
3.34 Satisfaction with the quality of advice and support received by the Digital Council assessed as at least 3 ⁶⁵	At least 75%	92%	Not available ⁶⁶

⁶² Service Level Agreement failures occurred in July, August, October and December 2020. These included major service outages on IaaS with Revera and Datacom, plus on-going issues for Vodafone with their connectivity services under TaaS.

⁶³ This measure has 11 components, with one of the components not met. Govt.NZ user sessions have decreased slightly due to the fall in volume associated with limited demand for passports post border closure due to COVID-19.

⁶⁴ Funds were fully allocated to system agencies in the 2019/20 financial year. This measure will be removed through Supplementary Estimates 2021/22.

⁶⁵ Satisfaction is rated on a scale from 1 to 5, with 5 being the highest rating.

⁶⁶ No assessments were received as at 31 August 2021.

Local Government Administration (M49)

The single overarching purpose of this appropriation is to administer local government legislation and relevant regulations and assets.

This appropriation is intended to achieve support for effective local government services within New Zealand and the Lake Taupō harbourmaster function.

Performance information	Standard	2019/20	2020/21
3.35 The time the harbourmaster takes to resolve reported or discovered missing or damaged navigational aids is within 20 working days	No standard ⁶⁷	New measure	100%

Category: Local Government Services

This category is limited to administering the Local Government related legislations and regulations, including the Rates Rebate Scheme, providing regulatory and boating services for Lake Taupō (including providing the Harbourmaster and managing the Lake Taupō Landing Reserve) and governance and management of the National Dog Control Information Database.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Revenue and output expenses	2021	2021	2021
\$000		\$000	\$000	\$000
-	Revenue Crown	2,198	2,452	2,452
-	Revenue other	1,380	1,380	1,438
-	Total revenue	3,578	3,832	3,890
-	Expenses	3,911	3,861	3,421
-	Net surplus/(deficit)	(333)	(29)	469

The decrease in this expense between the Main Estimates and the Supplementary Estimates of \$50,000 was due to:

- a reduction in expenditure due to the expected change in timing from 2020/21 to 2021/22 associated with the tendering process for the National Dog Control Information Database operation and support contract (decrease of \$292,000), and
- a reduction in the capital charge rate (decrease of \$21,000).

These decreases were partially offset by:

- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (increase of \$263,000).

This category is intended to achieve effective and consistent local government operation within New Zealand.

Performance information	Standard	2019/20 ⁶⁸	2020/21
3.36 Responses to requests for information from the public about the Rates Rebate Scheme – within ten days of receipt	At least 98%	100%	100%
3.37 Eligible claims from councils for reimbursement of rates rebates processed within 20 days of receipt	At least 98%	99.8%	99.6%
3.38 National Dogs Database snapshot statistics for the year as at May made available to the public by August	Achieved	Achieved	Achieved
3.39 Boating facilities and navigational safety equipment inspected in accordance with an annual compliance programme	All	100%	100%
3.40 Customer satisfaction with the quality of Lake Taupō navigational safety services assessed as average or above, when surveyed every two years	At least 85%	92%	92% ⁶⁹

⁶⁷ A standard will be provided in the Supplementary Estimates 2021/22 once trend information has been established and the supply chain has stabilised.

⁶⁸ The 2019/20 performance results were reported in the Local Government Services departmental output expense appropriation.

⁶⁹ Based on the 2019/20 survey.

Category: Taumata Arowai

This category is limited to supporting Taumata Arowai in meeting its statutory responsibilities as New Zealand's water services regulator.

Actual		Unaudited	Unaudited	Actual
2020	Non-Departmental Output Expenses	Budget	Supp EST	2021
\$000		2021	2021	2021
		\$000	\$000	\$000
-		-	7,830	7,830

This appropriation was established in 2020/21 to provide funding to:

- meet the costs associated with a new, dedicated water services regulator, as part of a suite of system-wide reforms to the regulation of drinking water and the associated monitoring costs (increase of \$12.030 million).

This increase was partially offset by:

- a transfer of funding to the Local Government Policy and Related Services appropriation to reflect the estimated establishment period for the new Crown agent regulator for water services, Taumata Arowai (decrease of \$2.200 million), and
- a transfer of funding to the non-departmental Capital Injection to Taumata Arowai appropriation to provide for the acquisition of assets to support the operation of the Crown agent regulator for water services, Taumata Arowai (decrease of \$2.000 million).

This category is intended to support the water services regulator Taumata Arowai to ensure safe drinking water and improve the regulation and performance of the waste water and storm water networks for New Zealand.

Performance information	Standard	2019/20	2020/21
3.41 The percentage of critical business readiness conditions that have been met to allow Taumata Arowai to act as a Crown Entity	100%	New measure	100%

National Archival and Library Services (M41)

The single overarching purpose of this appropriation is to contribute to the collection, management and provision of access to knowledge and information for New Zealand and support government accountability.

This appropriation is intended to achieve the collection, preservation, accessibility and integrity of New Zealand's government and heritage information.

Performance information		Standard	2019/20	2020/21
3.42	Number of items accessed that are held by National Library and Archives New Zealand	26.5 million	New measure	31,678,359

Category: Knowledge and Information Services

This category is limited to the collection, acquisition, preservation, management and provision of access to heritage information and public archives, provision of operational advice and services to enable government accountability, provision of services to schools and to assist access to library collections and other information.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Revenue and output expenses	2021	2021	2021
\$000		\$000	\$000	\$000
-	Revenue Crown	106,050	145,408	145,408
-	Revenue other	9,999	6,283	7,848
-	Total revenue	116,049	151,691	153,256
-	Expenses	116,073	151,641	127,580
-	Net surplus/(deficit)	(24)	50	25,676

The increase in this expense between the Main Estimates and the Supplementary Estimates of \$35.568 million was due to:

- funding to support librarians and library services to be retained in New Zealand libraries and to support community recovery (increase of \$24.413 million)
- funding for the Tāhuhu: Preserving the Nation's Memory Programme (increase of \$18.500 million)
- an expense transfer from 2019/20 to 2020/21 due to the timing of entering into the contract for the delivery of the Archival Integrated Management System and the COVID-19 impact on the timing of some activities associated with the Tāhuhu programme (increase of \$1.900 million)
- funding for the procurement of design teams and commencement of the design phases for the Regional Shared Repository and Heke Puna Library alterations (increase of \$1.168 million), and
- an increase in expenditure associated with the recovery of costs from the Ministry of Education for the Tuia Mātauranga initiative (increase of \$110,000) and the Any Questions initiative (increase of \$50,000).

These increases were partially offset by:

- an expense transfer from 2020/21 to 2022/23 to support librarians and library services to be retained in New Zealand libraries and to support community recovery (decrease of \$3.200 million)
- a decrease in the revenue and expenditure baseline associated with the Electronic Purchasing in Collaboration services provided by the National Library of New Zealand. Time-limited funding was provided to enable temporary relief to New Zealand public libraries by waiving user charges (decrease of \$2.405 million)
- a reduction in the capital charge rate (decrease of \$1.672 million)
- a decrease in the revenue and expenditure baseline associated with the Aotearoa People's Network Kaharoa and Te Puna Services. Time-limited funding was provided to enable temporary relief to New Zealand public libraries by waiving user charges (decrease of \$1.430 million)
- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (decrease of \$1.404 million)
- a transfer of funding between departmental appropriations to contribute towards the cost of the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Mosques on 15 March 2019 (decrease of \$311,000)
- a decrease in the revenue and expenditure baseline associated with Community of Readers, Tiakiwai Auditorium and digitalisation partners, partially offset by an increase in revenue and expenditure for the 'Communities of Readers' initiative (decrease of \$115,000)
- a decrease in capital charge as a result of the revaluation of antiques and artworks (decrease of \$19,000), and
- a transfer of funding to Vote Prime Minister and Cabinet to meet the costs associated with resources provided to the COVID-19 All-of-Government Response Group (decrease of \$17,000).

This category is intended to achieve the collection, preservation, accessibility and integrity of New Zealand's government and heritage information by Archives New Zealand and National Library of New Zealand.

Performance information		Standard	2019/20 ⁷⁰	2020/21
<i>Archives New Zealand – managing Public Archives</i>				
3.43	Availability of online services 24 hours a day, 7 days a week	At least 95%	98%	98%
3.44	The percentage of Archives New Zealand storage units providing storage conditions to required standards	At least 80%	93%	86%
<i>Demand information – Estimates</i>				
3.45	Archives held in storage: Physical archives – linear metres	108,000 – 114,000	111,127	111,749
<i>Archives New Zealand – Provision of Access to Public Archives</i>				
3.46	Digital Archives available online	100,000 – 150,000	274,082	447,418
3.47	Number of items produced in public reading rooms	30,000 – 40,000	29,376 ⁷¹	30,336
3.48	Digital items accessed for use – Rosetta	At least 135,000	295,339	597,914
3.49	Digital items accessed for use – Social Media	At least 2 million	2,954,847	3,062,048
<i>National Library – Access to Information</i>				
3.50	Requests (non-school) for the off-site supply of documents – completed within two days of receipt	At least 90%	98%	100%
3.51	Public Lending Right payments to all authors eligible for payment made within the timeframe stipulated by regulation	At least 99%	100%	100%
3.52	Digitised items newly available for access online	At least 450,000	455,287	592,587
3.53	Availability of Te Puna catalogue and interloan services to subscribers during advertised hours	At least 95%	99%	99%
<i>National Library – Collection and Preserving information</i>				
3.54	Of the acquisitions to the Alexander Turnbull Library (new heritage collections): Accession records for unpublished collections – completed within 10 days of receipt	At least 80%	84%	78% ⁷²
3.55	Of the acquisitions to the Alexander Turnbull Library (new heritage collections): Descriptive records for unpublished collections – added within 20 days of accession	At least 80%	90%	87%
3.56	'At risk' items digitised or digital formats transformed: Audio-visual items	At least 1,500	1224 ⁷³	836 ⁷⁴
3.57	'At risk' items digitised or digital formats transformed: Images	At least 500	668	507
3.58	Published acquisitions to the Alexander Turnbull Library (new heritage collections)	65,000 – 75,000	96,533	86,450
<i>National Library – Library and Information Services to Schools</i>				
3.59	Number of visits to schools online services	240,000 – 300,000	323,510	255,468
3.60	Number of schools supported	650-700	1,060	818
3.61	Items supplied on request from the schools collection	300,000 – 450,000	326,203	359,672
<i>New Zealand libraries Partnership Programme</i>				
3.62	Number of Librarians in public libraries supported by the New Zealand Libraries Partnership Programme	At least 170	New measure	174
<i>Public Sector Recordkeeping</i>				
3.63	Number of Public Offices, Local Authorities and other organisations provided with targeted records and archives management advice	100 – 150	321	218

⁷⁰ The 2019/20 performance results were reported in the Civic Information Services MCA (Managing and Accessing Knowledge Information category) and the Regulatory Services MCA (Regulatory Services category).

⁷¹ Due to COVID-19 restrictions the public reading rooms were closed under alert levels 3 and 4 (late March until early June 2020) and accessed by appointment only under alert level 2. As at March 2020 27,297 items were produced, with 2,079 produced from April to June 2020.

⁷² Almost half of the curatorial staff were new recruitments during 2020/21. Due to periods of vacancy and training there was therefore a decrease in accession numbers.

⁷³ Due to COVID-19 restrictions no items were digitised from late March till early June 2020. As at March 2020 1,139 items were digitised, with 85 digitised from April to June 2020.

⁷⁴ Access-driven preservation has affected this figure as that draws both staff and tools from the at-risk digitisation process to focus on delivering services to the public. Staff shortages have also affected the number. Staff have been fulfilling subject matter expert work on Tāhuhu and Utaina! The latter will significantly increase the expected numbers of at-risk Audio-visual material transferred.

Policy and Related Services (M41)

The single overarching purpose of this appropriation is to provide policy advice and services to Ministers in order to support them to discharge their portfolio responsibilities.

The appropriation is intended to achieve well-informed decision making by Ministers through the provision of support, and high-quality advice and government policy matters.

Performance information		Standard	2019/20 ⁷⁵	2020/21
3.64	Policy advice and policy briefings delivered to agreed quality criteria and standards – demonstrated through independent assessment: Average Score	3 out of 5	3.9	3.8
3.65	Policy advice and policy briefings delivered to agreed quality criteria and standards – demonstrated through independent assessment: 3 or higher	80%	94%	100%
3.66	Portfolio Ministers' satisfaction with the overall quality of policy advice	No standard	4.3	3.7

Category: Crown Entity Monitoring

This category is limited to providing 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.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Revenue and output expenses	2021	2021	2021
\$000		\$000	\$000	\$000
-	Revenue Crown	380	511	511
-	Revenue other	-	-	-
-	Total revenue	380	511	511
-	Expenses	380	511	422
-	Net surplus/(deficit)	-	-	89

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$131,000 was due to a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs.

This category is intended to achieve support for responsible Ministers in monitoring the performance of Crown entities.

Performance information		Standard	2019/20 ⁷⁶	2020/21
3.67	Advice on accountability and performance documents delivered within statutory or agreed timeframes (based on delivery of documents to the Minister by the Crown entity)	100%	100%	100%
3.68	Appointment processes for board vacancies managed consistent with the approach agreed with the Minister (including amendments agreed with the Minister)	All	100%	100%

⁷⁵ The 2019/20 performance results were reported in the Policy Advice MCA.

⁷⁶ The 2019/20 performance results were reported in the Ministerial Support Services MCA (Crown Entity Monitoring category).

Category: Policy and Related Services – Community and Voluntary Sector

This category is limited to the provision of policy advice and services to support Ministers to discharge their portfolio responsibilities relating to the community and voluntary sector.

Actual 2020 \$000	Revenue and output expenses	Unaudited Budget 2021 \$000	Unaudited Supp EST 2021 \$000	Actual 2021 \$000
-	Revenue Crown	1,175	2,143	2,143
-	Revenue other	-	-	-
-	Total revenue	1,175	2,143	2,143
-	Expenses	1,175	2,143	1,806
-	Net surplus/(deficit)	-	-	337

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$968,000 was due to:

- a realignment of expenditure within the Policy and Related Services Multi-Category Appropriation to reflect the allocation of resources for the Gambling and Community Funding programme (a multi-faceted programme of work to respond to the impacts of COVID-19 on the organisations that rely upon gambling proceeds) (increase of \$850,000)
- funding to meet the costs associated with the Gambling and Community Funding programme (increase of \$300,000), and
- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (increase of \$142,000).

These increases were partially offset by:

- an expense transfer from 2020/21 to 2021/22 for the Gambling and Community Funding programme (decrease of \$320,000), and
- a transfer of funding between departmental appropriations to contribute towards the costs of the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Mosques on 15 March 2019 (decrease of \$4,000).

This category is intended to achieve support and high-quality advice for the Minister for the Community and Voluntary Sector.

Performance information	Standard	2019/20 ⁷⁷	2020/21
3.69 Required timeframes are met: Parliamentary Questions (written) - within 3 days of notification or as agreed with the Minister	At least 95%	81% ⁷⁸	100%
3.70 Required timeframes are met: Ministerial correspondence (draft responses) - within 15 days of receipt or as specifically agreed	At least 95%	98%	100%
3.71 Required timeframes are met: Ministerial Official Information Act requests - at least 5 days prior to statutory timeframes	At least 95%	100%	100%
3.72 Minister's satisfaction with the quality of policy advice ⁷⁹	No standard	4.7	2.3

⁷⁷ The 2019/20 performance results were reported in the Ministerial Support Services MCA (Community and Voluntary Sector category) and the Policy Advice MCA (Community and Voluntary Sector category).

⁷⁸ The transition to working from home during the COVID-19 restrictions and associated technical difficulties caused a delay in sending out 4 responses in April 2020. As at March 2020 100% (14 of 14) were within the required timeframe, with 43% (3 of 7) from April to June 2020.

⁷⁹ This is the average score provided for four areas of satisfaction: General satisfaction, Quality of policy advice, Confidence in policy advice, and Trust in officials. Each rating uses the scale: 1 = Never, 2 = Some of the time, 3 = About half the time, 4 = Most of the time, 5 = Always.

Category: Policy and Related Services - Ethnic Communities⁸⁰

This category is limited to the provision of policy advice and services to support Ministers to discharge their portfolio responsibilities relating to ethnic communities.

Actual		Unaudited	Unaudited	Actual
2020	Revenue and output expenses	Budget	Supp EST	2021
\$000		2021	2021	2021
		\$000	\$000	\$000
-	Revenue Crown	1,236	2,329	2,329
-	Revenue other	-	-	-
-	Total revenue	1,236	2,329	2,329
-	Expenses	1,236	2,329	2,248
-	Net surplus/(deficit)	-	-	81

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$1.093 million was due to:

- a transfer of funding between departmental appropriations to reflect the provision of services within the Diversity, Inclusion and Ethnic communities portfolio (increase of \$574,000)
- funding to support the upgrading of the Office of Ethnic Communities to the Ministry for Ethnic Communities (increase of \$502,000), and
- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (increase of \$20,000).

These increases were partially offset by:

- a transfer of funding between departmental appropriations to contribute towards the costs of the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Mosques on 15 March 2019 (decrease of \$3,000).

This category is intended to achieve support and high-quality advice for the Minister for Ethnic Communities⁸¹.

Performance information	Standard	2019/20 ⁸²	2020/21
3.73 Required timeframes are met: Parliamentary Questions (written) - within 3 days of notification or as agreed with the Minister	At least 95%	99%	98%
3.74 Required timeframes are met: Ministerial correspondence (draft responses) - within 15 days of receipt or as specifically agreed	At least 95%	100%	94% ⁸³
3.75 Required timeframes are met: Ministerial Official Information Act requests - at least 5 days prior to statutory timeframes	At least 95%	100%	67% ⁸⁴
3.76 Minister's satisfaction with the quality of policy advice ⁸⁵	No standard	3.4	2.7

⁸⁰ This portfolio had a name change as at 10 December 2020. The new portfolio name is Diversity, Inclusion, and Ethnic Communities.

⁸¹ This portfolio had a name change as at 10 December 2020. The new portfolio name is Diversity, Inclusion, and Ethnic Communities.

⁸² The 2019/20 performance results were reported in the Ministerial Support Services MCA (Ethnic Communities category) and the Policy Advice MCA (Ethnic Communities category).

⁸³ 83 out of 88 requests were completed within the expected timeframe, this volume is above what was expected for the year (10-20). An upsurge in requests was experienced in May 2021 contributing to the overall measure not being met. The upsurge aligned with the series of engagements held with communities on the establishment of the Ministry for Ethnic Communities in May 2021.

⁸⁴ Six of the nine requests were completed within the expected timeframe. Three requests were commissioned in less than five days prior to statutory timeframes resulting in three late responses. Following this, efforts were made to ensure timely commissioning of requests.

⁸⁵ Refer to footnote 70.

Category: Policy and Related Services - Government Digital Services⁸⁶

This category is limited to the provision of policy advice and services to support Ministers to discharge their portfolio responsibilities relating to government digital services.

Actual		Unaudited	Unaudited	Actual
2020	Revenue and output expenses	Budget	Supp EST	2021
\$000		2021	2021	2021
		\$000	\$000	\$000
-	Revenue Crown	1,400	2,434	2,434
-	Revenue other	-	-	-
-	Total revenue	1,400	2,434	2,434
-	Expenses	1,400	2,434	2,310
-	Net surplus/(deficit)	-	-	124

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$1.034 million was due to:

- a transfer of funding from the Government Digital Services Multi-Category Appropriation to reflect the policy workstream associated with the Digital Identity Trust Framework programme (increase of \$565,000)
- a transfer of funding from the Government Digital Services Multi-Category Appropriation to reflect the costs associated with the provision of policy advice and services to support the Minister for the Digital Economy and Communications (increase of \$345,000), and
- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (increase of \$133,000).

These increases were partially offset by:

- A reduction in the capital charge rate (decrease of \$6,000), and
- a transfer of funding between departmental appropriations to contribute towards the costs of the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Mosques on 15 March 2019 (decrease of \$3,000).

This category is intended to achieve support and high-quality advice for the Minister for Government Digital Services.⁸⁷

Performance information	Standard	2019/20 ⁸⁸	2020/21
3.77 Required timeframes are met: Parliamentary Questions (written) - within three days of notification or as agreed with the Minister	At least 95%	98%	97%
3.78 Required timeframes are met: Ministerial correspondence (draft responses) - within 15 days of receipt or as specifically agreed	At least 95%	86% ⁸⁹	100%
3.79 Required timeframes are met: Ministerial Official Information and Privacy Act requests within agreed timeframes	At least 95%	100%	100%
3.80 Minister's satisfaction with the quality of policy advice ⁹⁰	No standard	4.2 ⁹¹	Not Available ⁹²

⁸⁶ This portfolio had a name change as at 10 December 2020. The new portfolio name is Digital Economy and Communications.

⁸⁷ This portfolio had a name change as at 10 December 2020. The new portfolio name is Digital Economy and Communications.

⁸⁸ The 2019/20 performance results were reported in the Ministerial Support Services MCA (Government Digital Services category) and the Policy Advice MCA (Government Digital Services category).

⁸⁹ As part of Internal Affairs response to COVID-19, most managers and staff responsible for Ministerial Correspondence were reassigned to COVID-19 focussed work. This caused a one-day delay in sending out 4 responses in March and April 2020. As at March 2020 94% (16 of 17) were within the required timeframe, with 75% (9 of 12) from April to June 2020.

⁹⁰ Refer to footnote 70.

⁹¹ This result is for the period 1 July to 31 December 2019. No response was received for the period 1 January to 30 June 2020.

⁹² No response was received from the Minister for Digital Economy and Communications as at 31 August 2021.

Category: Policy and Related Services – Internal Affairs

This category is limited to the provision of policy advice and services to support Ministers to discharge their portfolio responsibilities relating to Internal Affairs.

Actual		Unaudited	Unaudited	Actual
2020	Revenue and output expenses	Budget	Supp EST	2021
\$000		2021	2021	2021
		\$000	\$000	\$000
-	Revenue Crown	7,536	8,093	8,093
-	Revenue other	36	36	-
-	Total revenue	7,572	8,129	8,093
-	Expenses	7,572	8,129	7,637
-	Net surplus/(deficit)	-	-	456

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$557,000 was due to:

- funding to meet the costs associated with the Gambling and Community Funding programme (increase of \$900,000), and
- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (increase of \$203,000).

These increases were partially offset by:

- an expense transfer from 2020/21 to 2021/22 for the Gambling and Community Funding programme (decrease of \$200,000)
- a transfer of funding to the non-departmental Miscellaneous Grants – Internal Affairs appropriation to support the ‘Choice Not Chance’ campaign delivered by the Health Protection Agency as part of the Gambling and Community Funding programme (decrease of \$150,000)
- a transfer of funding to Vote Prime Minister and Cabinet to meet the costs associated with resources provided to the COVID-19 All-of-Government Response Group (decrease of \$110,000)
- a realignment of expenditure within the Policy and Related Services Multi-Category Appropriation to reflect the allocation of resources for the Gambling and Community Funding programme (a multi-faceted programme of work to respond to the impacts of COVID-19 on the organisations that rely upon gambling proceeds) (increase of \$35,000)
- a reduction in the capital charge rate (decrease of \$31,000), and
- a transfer of funding between departmental appropriations to contribute towards the costs of the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Mosques on 15 March 2019 (decrease of \$20,000).

This category is intended to achieve support and high-quality advice for the Minister of Internal Affairs.

Performance information	Standard	2019/20 ⁹³	2020/21
3.81 Required timeframes are met: Parliamentary Questions (written) - within 3 days of notification or as agreed with the Minister	At least 95%	94% ⁹⁴	100%
3.82 Required timeframes are met: Ministerial correspondence (draft responses) - within 15 days of receipt or as specifically agreed	At least 95%	98%	100%
3.83 Required timeframes are met: Ministerial Official Information Act requests - at least 5 days prior to statutory timeframes	At least 95%	100%	100%
3.84 Minister's satisfaction with the quality of policy advice ⁹⁵	No standard	4.7	4.6

⁹³ The 2019/20 performance results were reported in the Ministerial Support Services MCA (Internal Affairs category) and the Policy Advice MCA (Internal Affairs category).

⁹⁴ The transition to working from home during the COVID-19 restrictions and associated technical difficulties caused a delay in sending out seven responses in April 2020. As at March 2020 100% (89 of 89) were within the required timeframe, with 80% (28 of 35) from April to June 2020.

⁹⁵ Refer to footnote 70.

Category: Policy and Related Services – Ministerial Services

This category is limited to the provision of policy advice and services to support Ministers to discharge their portfolio responsibilities relating to Ministerial Services.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Revenue and output expenses	2021	2021	2021
\$000		\$000	\$000	\$000
-	Revenue Crown	506	426	426
-	Revenue other	-	-	-
-	Total revenue	506	426	426
-	Expenses	506	426	439
-	Net surplus/(deficit)	-	-	(13)

The decrease in the expense budget between the Main Estimates and the Supplementary Estimates of \$80,000 was due to:

- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (decrease of \$79,000), and
- a transfer of funding between departmental appropriations to contribute towards the costs of the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Mosques on 15 March 2019 (decrease of \$1,000).

This category is intended to achieve support and high-quality advice for the Minister Responsible for Ministerial Services.

Performance information	Standard	2019/20 ⁹⁶	2020/21
3.85 Required timeframes are met: Parliamentary Questions (written) - within three days of notification or as agreed with the Minister	At least 95%	100%	100%
3.86 Required timeframes are met: Ministerial correspondence (draft responses) - within 15 days of receipt or as specifically agreed	At least 95%	100%	No correspondence received
3.87 Required timeframes are met: Official Information and Privacy Act requests, and Ombudsmen inquiries - within agreed timeframes	At least 95%	97%	100%

Category: Policy and Related Services – Racing

This category is limited to the provision of policy advice and services to support Ministers to discharge their portfolio responsibilities relating to racing.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Revenue and output expenses	2021	2021	2021
\$000		\$000	\$000	\$000
-	Revenue Crown	735	3,230	3,230
-	Revenue other	-	-	-
-	Total revenue	735	3,230	3,230
-	Expenses	735	3,230	2,187
-	Net surplus/(deficit)	-	-	1,043

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$2.495 million was due to:

- funding to meet the costs associated with engaging specialist expertise to support the implementation and monitoring of the support package for the racing industry (increase of \$2.300 million), and
- funding to meet the costs associated with the Gambling and Community Funding programme (increase of \$1.100 million).

These increases were partially offset by:

- a realignment of expenditure within the Policy and Related Services Multi-Category Appropriation to reflect the allocation of resources for the Gambling and Community Funding programme (decrease of \$815,000)
- an expense transfer from 2020/21 to 2021/22 for the Gambling and Community Funding programme (decrease of \$80,000), and

⁹⁶ The 2019/20 performance results were reported in the Ministerial Support Services MCA (Ministerial Services category).

- a transfer of funding between departmental appropriations to contribute towards the costs of the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Mosques on 15 March 2019 (decrease of \$10,000).

This category is intended to achieve support and high-quality advice for the Minister for Racing.

Performance information	Standard	2019/20 ⁹⁷	2020/21
3.88 Required timeframes are met: Parliamentary Questions (written and oral) - within three days of notification or as agreed with the Minister	At least 95%	86% ⁹⁸	100%
3.89 Required timeframes are met: Ministerial correspondence (draft responses) - within 15 days of receipt or as specifically agreed	At least 95%	98%	100%
3.90 Required timeframes are met: Ministerial Official Information Act requests - at least five days prior to statutory timeframes	At least 95%	100%	100%
3.91 Minister's satisfaction with the quality of policy advice ⁹⁹	No standard	4.3 ¹⁰⁰	4.3

⁹⁷ The 2019/20 performance results were reported in the Ministerial Support Services MCA (Racing category) and the Policy Advice MCA (Racing category).

⁹⁸ The transition to working from home during the COVID-19 restrictions and associated technical difficulties caused a delay in sending out 4 responses in April 2020. As at March 2020 96% (26 of 27) were within the required timeframe, with 56% (5 of 9) from April to June 2020.

⁹⁹ Refer to footnote 70.

¹⁰⁰ This result is for the period 1 July to 31 December 2019. No response was received for the period 1 January to 30 June 2020.

Regulatory Services (M41)

The overarching purpose of this appropriation is to carry out the effective delivery of regulatory functions and services that are assigned to the Department of Internal Affairs (excluding Archives New Zealand).

This appropriation is intended to achieve effective promotion of regulatory regimes to minimise harm and maximise benefits.

Performance information	Standard	2019/20	2020/21
3.92 Regulatory regimes are in place to deliver all legislated responsibilities	Achieved	Achieved	Achieved

Category: Charities Regulation

This category is limited to registration and monitoring of charities.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Revenue and output expenses	2021	2021	2021
\$000		\$000	\$000	\$000
5,958	Revenue Crown	5,946	5,872	5,872
830	Revenue other	852	852	889
6,788	Total revenue	6,798	6,724	6,761
6,678	Expenses	6,798	6,724	6,446
110	Net surplus/(deficit)	-	-	315

The decrease in the expense budget between the Main Estimates and the Supplementary Estimates of \$74,000 was due to:

- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (decrease of \$45,000), and
- a reduction in the capital charge rate (decrease of \$29,000).

This category is intended to achieve effective support for registered charities, in order to contribute to the promotion of public trust and confidence in the sector.

Performance information	Standard	2019/20	2020/21
3.93 Customer satisfaction with Charities Services service received assessed as '4' or '5'	At least 75%	89%	91%
3.94 Charities Services regulatory decisions are independently assessed to measure quality and timeliness	At least 75%	100%	100%
3.95 Satisfaction with the quality of advice and support received by the Charities Registration Board assessed as '4' or '5'	At least 75%	100%	100%

Category: Regulatory Services

This category is limited to the operational policy advice and services to administer all aspects of the regulatory functions and services (excluding public sector recordkeeping) that are assigned to the Department of Internal Affairs.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Revenue and output expenses	2021	2021	2021
\$000		\$000	\$000	\$000
27,263	Revenue Crown	24,765	26,973	26,973
21,810	Revenue other	26,437	25,937	25,271
49,073	Total revenue	51,202	52,910	52,244
46,438	Expenses	48,567	48,005	44,392
2,635	Net surplus/(deficit)	2,635	4,905	7,852

The decrease in the expense budget between the Main Estimates and the Supplementary Estimates of \$562,000 was due to:

- a decrease in expenditure associated with Gambling due to the deferral of the Electronic Monitoring System project to 2022/23 (decrease of \$1.700 million)
- a decrease in expenditure associated with Gaming due to changes as a result of the annual update of cost allocation of shared services costs within Vote Internal Affairs (decrease of \$1 million)
- a transfer of funding to the Support for Statutory and Other Bodies Multi-Category Appropriation to provide funding for the Inquiries Directorate (decrease of \$444,000).
- a reduction in the capital charge rate (decrease of \$141,000), and
- a transfer of funding between departmental appropriations to contribute towards the costs of the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Mosques on 15 March 2019 (decrease of 77,000).

These decreases were partially offset by:

- funding for Phase 2 of the public awareness campaign to create a safe online and digital environment for children and young people (increase of \$1.500 million), and
- an expense transfer from 2019/20 to 2020/21 to establish a specialist team, related protocols and associated legislative changes to support the Christchurch Call and counter violent extremist content online (increase of \$1.300 million).

This category is intended to achieve effective regulatory activity.

Performance information	Standard	2019/20	2020/21
<i>Gambling</i>			
3.96 Club and non-club venue assessments conducted	At least 30	91	122
Number of provisional audit reports completed:			
3.97 Non-club gaming machine societies	10-30	13	11
3.98 Casinos	5-25	6	5
3.99 Proportion of provisional audit reports to non-club gaming machine societies and casinos completed within six months	At least 75%	89%	100%
<i>Demand information</i>			
Applications for gambling licences processed:			
3.100 Club and non-club licence renewals	250-325	178	175 ¹⁰¹
3.101 Other Class 3 and 4 licence applications and Certificates of Approval	4,500-6,000	3,555	4,092 ¹⁰²
<i>Digital Safety – Censorship</i>			
3.102 Number of images uploaded, as a result of investigation, to the Interpol Child Sexual Exploitation Database	2,000-6,000	1,546 ¹⁰³	3,568
3.103 Number of child exploitation websites being filtered by the specialist software developed and maintained by DIA	300 – 1,200	606	453
<i>Demand information</i>			
3.104 Number of justified appeals compared to the total number of appeals received from websites being filtered	Less than 10%	0%	0%
<i>Digital Safety – Unsolicited Electronic Messages</i>			
Number of email and text notifications received:			
3.105 Email and text spam notifications	40,000 - 55,000	55,698	51,622
3.106 Email and text spam complaints	500-800	537	394 ¹⁰⁴
3.107 Percentage of nuisance spam complaints received which are triaged within 14 days	At least 80%	84%	89%
3.108 The number of civil liability proceedings undertaken relating to nuisance spam - covering warning letters, infringement notices and statements of claim	At least 10	11	17
3.109 Number of education related activities provided relating to nuisance spam	50 – 250	86	131
<i>Anti-Money Laundering and Countering Financing of Terrorism</i>			
3.110 Number of desk-based reviews of reporting entities' Anti-Money Laundering and Countering Financing of Terrorism risk assessments and compliance programmes completed	150-350	198	219
3.111 Number of onsite visits auditing reporting entities' compliance with Anti-Money Laundering and Countering Financing of Terrorism obligations completed	70-180	70	79

¹⁰¹ The number of renewals is demand driven and declining mainly due to a decline in the number of clubs and venues. For the 2021/22 financial year the standard has been reduced to 120-220.

¹⁰² The number of applications and Certificates of Approvals is demand driven and declining mainly due to a decline in the number of clubs and venues. There were also fewer Casino employees due to the COVID-19 impacts, reducing the Certificates of Approvals.

¹⁰³ A period without image analysis skills being available contributed to not meeting the standard. The methodology for obtaining images was changed in 2019/20, with the number of images now being provided by Interpol.

¹⁰⁴ This is a demand driven measure reflecting the number of complaints submitted by the public.

Performance information		Standard	2019/20	2020/21
3.112	Number of education-focused proactive engagements with reporting entities regarding Anti-Money Laundering and Countering Financing of Terrorism obligations <i>Private Security Personnel and Private Investigators</i>	200-800	455	369
3.113	Ministry of Justice satisfaction with services provided by the Complaints, Investigation and Prosecution Unit ¹⁰⁵ Demand Information	3	2 - Satisfied	2 - Satisfied
3.114	Number of investigation requests received from Private Security Personnel Licensing Authority	15-45	40	43

¹⁰⁵ Satisfaction is rated on a five-point scale from '1-Very satisfied' through to '5-Very unsatisfied'.

Services Supporting the Executive (M47)

The single overarching purpose of this appropriation is to support the Government and the Executive to perform their role.

This appropriation is intended to achieve provision of administration, travel, accommodation and support services for Government and the Executive to support effective democratic arrangements within New Zealand.

Performance information	Standard	2019/20	2020/21
3.115 Minister Responsible for Ministerial Services' satisfaction with the quality of support provided by the Department to the Executive	Satisfied	Good	Very Good

Category: Coordination of Official Visits and Events

This category is limited to managing programmes for visiting guests of Government, visiting guests of Parliament, State and ministerial functions, coordinating a range of services in support of ceremonial and commemorative events and facilitating passage of New Zealand and foreign dignitaries and others authorised by the Crown into and out of New Zealand.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Revenue and output expenses	2021	2021	2021
\$000		\$000	\$000	\$000
7,515	Revenue Crown	5,662	5,400	5,400
2	Revenue other	-	-	-
7,517	Total revenue	5,662	5,400	5,400
5,931	Expenses	5,662	5,400	4,489
1,586	Net surplus/(deficit)	-	-	911

The decrease in the expense budget between the Main Estimates and the Supplementary Estimates of \$262,000 was due to:

- a transfer of funding to the Support Services to Members of the Executive category to reflect the temporary redeployment of some Visits and Ceremonial Office staff to assist in Ministers' offices and to provide additional support to the team managing the transition of incoming and outgoing Ministers and staff following the 2020 General Election (decrease of \$251,000), and
- a reduction in the capital charge rate (decrease of \$11,000).

This category is intended to achieve facilitation of ceremonies of national and international importance and official visits.

Performance information	Standard	2019/20	2020/21
3.116 Stakeholders' satisfaction that the Visits and Ceremonial Office's services have helped visits and events to achieve their objectives assessed as satisfied or better	At least 90%	100%	100%
<i>Demand Information</i>			
3.117 Number of Guests of Government visits	35-50	21 ¹⁰⁶	3 ¹⁰⁷
3.118 Number of Partial Guests of Government visits	15-25	13	2 ¹⁰⁸
3.119 Number of Commemorative and special events	10-15	8 ¹⁰⁹	20
3.120 Facilitations through Auckland and Wellington International Airports	500-600	288 ¹¹⁰	4 ¹¹¹

¹⁰⁶ Due to COVID-19 border restrictions no official visits took place from March 2020.

¹⁰⁷ As COVID-19 border restrictions are still in place, the number of visits for the year has not been achieved. In lieu of physical visits 10 virtual bilateral meetings were organised for Ministers and guests who would have otherwise physically visited New Zealand and be considered as Guests of Government.

¹⁰⁸ As COVID-19 border restrictions are still in place the number of official visits has been impacted.

¹⁰⁹ Due to COVID-19 restrictions on mass gatherings no physical events occurred after 19 March 2020.

¹¹⁰ Due to COVID-19 border restrictions no official visits took place from 19 March 2020.

¹¹¹ As COVID-19 border restrictions are still in place the number of airport facilitations has been impacted. In addition to these four facilitations, two were carried out in Queenstown.

Category: Support Services to Members of the Executive

This category is limited to providing 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 communication technology, and the provision and management of residential and office accommodation.

Actual		Unaudited	Unaudited	Actual
2020	Revenue and output expenses	Budget	Supp EST	2021
\$000		2021	2021	\$000
		\$000	\$000	\$000
30,191	Revenue Crown	31,925	32,887	32,887
5	Revenue other	-	-	-
30,196	Total revenue	31,925	32,887	32,887
29,637	Expenses	31,925	32,887	30,897
559	Net surplus/(deficit)	-	-	1,990

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$962,000 was due to:

- a transfer of funding between Departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (increase of \$419,000)
- an expense transfer from 2019/20 to 2020/21 for the Ministers' Information Management Programme (increase of \$400,000)
- a transfer of funding from the Coordination of official Visits and Events category to reflect the temporary redeployment of some Visits and Ceremonial Office staff to assist in Ministers' offices and to provide additional support to the team managing the transition of incoming and outgoing Ministers and staff following the 2020 General Election (increase of \$251,000), and
- a transfer of funding between categories within the Services Supporting the Executive Multi-Category Appropriation to reflect the correct allocation of funding received as part of Budget 2020 associated with Crown-owned properties (increase of \$100,000).

These increases were partially offset by:

- a reduction in the capital charge rate (decrease of \$112,000)
- a transfer of funding between departmental appropriations to contribute towards the costs of the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Mosques on 15 March 2019 (decrease of \$90,000), and
- a decrease in capital charge as a result of the revaluation of antiques and artworks (decrease of \$6,000).

This category is intended to achieve support for Members of the Executive to enable the discharge of their Ministerial responsibilities.

Performance information	Standard	2019/20	2020/21
3.121 Minister Responsible for Ministerial Services' satisfaction with the quality and level of support services provided to the Members of the Executive assessed as 'Satisfied' or better <i>Demand Information</i>	Satisfied	Good	Very Good
3.122 Average number of Ministerial office personnel provided	150-170	165	151

Category: VIP Transport Services

This category is limited to providing 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.

Actual		Unaudited	Unaudited	Actual
2020	Revenue and output expenses	Budget	Supp EST	2021
\$000		2021	2021	\$000
		\$000	\$000	\$000
-	Revenue Crown	-	-	-
8,780	Revenue other	9,000	9,000	8,784
8,780	Total revenue	9,000	9,000	8,784
9,015	Expenses	9,000	9,000	8,750
(235)	Net surplus/(deficit)	-	-	34

This category is intended to achieve efficient and effective land transport services for Members of the Executive and other VIPs.

Performance information	Standard	2019/20	2020/21
3.123 Chauffeur-driven services provided leading to no sustained complaints <i>Demand information</i>	At least 99.5%	99.9%	99.98%
3.124 Total vehicle fleet	75-85	85	78

Support for Statutory and Other Bodies (M41)

The single overarching purpose of this appropriation is to support statutory, advisory and other bodies to discharge their responsibilities.

This appropriation is intended to achieve provision of support services for statutory and other bodies to support effective constitutional arrangements within the community.

Performance information	Standard	2019/20	2020/21
3.125 Statutory body members' satisfaction with the quality of the support provided by the Department assessed as good or better	Good	Good – Very Good (4.7)	Good – Very Good (4.9)

Category: Commissions of Inquiry and Similar Bodies

This category is limited to supporting commissions of inquiry and similar bodies.

Actual		Unaudited	Unaudited	Actual
2020	Revenue and output expenses	Budget	Supp EST	2021
\$000		2021	2021	2021
		\$000	\$000	\$000
13,521	Revenue Crown	100	3,859	3,859
-	Revenue other	-	-	-
13,521	Total revenue	100	3,859	3,859
12,432	Expenses	100	3,859	3,823
1,089	Net surplus/(deficit)	-	-	36

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of 3.759 million was due to:

- funding to meet the costs associated with the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Mosques on 15 March 2019 (increase of \$2.437 million)
- a transfer of funding from the Civic Information Services Multi-Category Appropriation and Regulatory Services Multi-Category Appropriation to provide funding for the Inquiries Directorate (increase of \$714,000)
- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (increase of \$308,000), and
- an expense transfer from 2019/20 to 2020/21 to enable the completion of the Government Inquiry into Operation Burnham and Related Matters in 2020/21 (increase of \$300,000).

This category is intended to achieve effective support for inquiries and similar bodies.

Performance information	Standard	2019/20	2020/21
Inquiry's satisfaction with the timeliness and quality of services received assessed as '4' or '5'			
3.126 Government Inquiry into Operation Burnham and Related Matters	Achieved	Achieved (4)	Achieved (4) ¹¹²
3.127 Royal Commission of Inquiry into the Terrorist Attack on the Christchurch Mosques on 15 March 2019	Achieved	Achieved (5)	Achieved (5) ¹¹³

¹¹² Based on the 2019/20 survey.

¹¹³ Based on the 2019/20 survey.

Category: Statutory and Advisory Body Support – Archives New Zealand

This category is limited to the provision of advisory and support services to statutory and advisory bodies established under the Public Records Act 2005 in respect of their statutory functions.

Actual		Unaudited	Unaudited	Actual
2020	Revenue and output expenses	Budget	Supp EST	2021
\$000		2021	2021	2021
		\$000	\$000	\$000
142	Revenue Crown	142	171	171
-	Revenue other	-	-	-
142	Total revenue	142	171	171
157	Expenses	142	171	171
(15)	Net surplus/(deficit)	-	-	-

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$29,000 was due to a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs.

This category is intended to achieve effective support for the Archives Council.

Performance information	Standard	2019/20	2020/21
3.128 Statutory body member satisfaction with the quality of secretariat services provided assessed as '4' or '5'	At least 75%	100%	97%

Category: Statutory and Advisory Body Support – National Library

This category is limited to the provision of services and advice to statutory and advisory bodies established under the National Library of New Zealand (Te Puna Mātauranga o Aotearoa) Act 2003 and the Public Lending Right for New Zealand Authors Act 2008 in respect of their statutory functions.

Actual		Unaudited	Unaudited	Actual
2020	Revenue and output expenses	Budget	Supp EST	2021
\$000		2021	2021	2021
		\$000	\$000	\$000
49	Revenue Crown	49	52	52
-	Revenue other	7	7	-
49	Total revenue	56	59	52
58	Expenses	56	59	60
(9)	Net surplus/(deficit)	-	-	(8)

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$3,000 was due to a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs.

This category is intended to achieve effective support for the Library Information Advisory Commission, Guardians Kaitiaki of the Alexander Turnbull Library and Public Lending Right Advisory Group.

Performance information	Standard	2019/20	2020/21
3.129 Statutory body member satisfaction with the quality of secretariat services provided assessed as '4' or '5'	At least 75%	100%	100%

Category: Statutory Body Support – Gambling Commission

This category is limited to the provision of services and advice to the Gambling Commission to enable the Commission to discharge its responsibilities.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Revenue and output expenses	2021	2021	2021
\$000		\$000	\$000	\$000
-	Revenue Crown	-	-	-
970	Revenue other	1,158	1,158	605
970	Total revenue	1,158	1,158	605
1,004	Expenses	1,158	1,158	605
(34)	Net surplus/(deficit)	-	-	-

This category is intended to achieve effective support for the Gambling Commission.

Performance information	Standard	2019/20	2020/21
3.130 Gambling Commission's satisfaction with the quality of advice and support services provided assessed as '4' or '5'	At least 75%	100%	100%

Category: Statutory Body Support - Local Government Commission

This category is limited to the provision of advisory and support services to the Local Government Commission in respect of its statutory functions.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Revenue and output expenses	2021	2021	2021
\$000		\$000	\$000	\$000
1,563	Revenue Crown	1,394	1,413	1,413
-	Revenue other	-	-	-
1,563	Total revenue	1,394	1,413	1,413
1,106	Expenses	1,394	1,413	1,094
457	Net surplus/(deficit)	-	-	319

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$19,000 was due to a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs.

This category is intended to achieve effective support for the Local Government Commission.

Performance information	Standard	2019/20	2020/21
3.131 Local Government Commission's satisfaction with the quality of advice and support services provided assessed as '4' or '5'	At least 75%	100%	100%

Category: Support for Grant Funding Bodies – Community and Voluntary Sector

This category is limited to the provision of operational and secretariat support for grant funding bodies, and includes supporting member appointment processes. The focus of operational support is on processing grant applications and grant decisions on behalf of the grant funding bodies.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Revenue and output expenses	2021	2021	2021
\$000		\$000	\$000	\$000
362	Revenue Crown	362	362	362
-	Revenue other	-	-	-
362	Total revenue	362	362	362
352	Expenses	362	362	326
10	Net surplus/(deficit)	-	-	36

This category is intended to achieve effective support of grant funding bodies.

Performance information	Standard	2019/20	2020/21
3.132 Grant decisions are managed within business timeframe standards	At least 95%	95%	78% ¹¹⁴
3.133 Grant decisions are transparent and consistent with regard to eligibility requirements	At least 97%	100%	98%

Category: Support for Grant Funding Bodies – Internal Affairs

This category is limited to the provision of 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.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2020	Revenue and output expenses	2021	2021	2021
\$000		\$000	\$000	\$000
616	Revenue Crown	616	614	614
11,034	Revenue other	10,513	11,560	10,901
11,650	Total revenue	11,129	12,174	11,515
11,317	Expenses	11,129	12,174	11,014
333	Net surplus/(deficit)	-	-	501

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$1.045 million was due to:

- an increase in expenditure associated with an increase in the provision of services for the Lottery Grants Board (increase of \$537,000)
- funding from the Lottery Grants Board to support the development, implementation and evaluation of the Lottery COVID-19 Community Wellbeing fund (increase of \$510,000), and
- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (increase of \$40,000).

These increases were partially offset by:

- a reduction in the capital charge rate (decrease of \$42,000).

¹¹⁴ Due to COVID-19 lockdowns in 2020, one Trust was unable to hold its decision-making meeting within the requirement timeframe. Due to the high number of requests to that meeting this measure was not achieved.

This category is intended to achieve effective support for grant funding bodies to enable them to make appropriate grant decisions.

Performance information	Standard	2019/20	2020/21
3.134 Customers are satisfied with the ease with which they are able to apply for grants and advisory services	At least 70%	77%	73%
3.135 Grant decisions are transparent and consistent with regard to eligibility requirements	At least 97%	99%	99%
3.136 Grant decisions are managed within business timeframe standards	At least 95%	99%	99%
3.137 Grant decision making committees are satisfied with the operational support received	At least 90%	100%	97%

Tāpiritanga A – Appendix A

This appendix sets out statistical information regarding Internal Affairs’ employees.

Table 1: Permanent employees by job family and full/part-time as at 30 June 2021

Job family	Full-time	Part-time	Total
Corporate	297	19	316
Delivery	788	100	888
Information Management	20	-	20
Information Technology	334	33	367
Policy	132	12	144
Regulatory	170	6	176
London	8	-	8
Sydney	8	2	10
NON-BANDED	24	1	25
Grand Total	1781	173	1954

Note: Numbers are based on headcount for permanent employees only. The permanent FTE as at 30 June 2021 was 1,903.79 (this excludes Events-based employees). Non-banded are a small number of jobs which have not been sized by Internal Affairs’ Job Evaluation Committee due to their short-term temporary nature.

Table 2: Permanent employees by job family and gender as at 30 June 2021

Job family	Female	Male	Gender Not Specified	Total
Corporate	206	109	1	316
Delivery	622	264	2	888
Information Management	13	7		20
Information Technology	165	196	6	367
Policy	82	62		144
Regulatory	82	93	1	176
London	3	4	1	8
Sydney	5	5		10
NON-BANDED	13	12		25
Grand Total	1191	752	11	1954

Note: Numbers are based on headcount for permanent employees only. The permanent FTE as at 30 June 2021 was 1,903.79 (this excludes Events-based employees). Non-banded are a small number of jobs which have not been sized by Internal Affairs' Job Evaluation Committee due to their short-term temporary nature.

Tier 2 and 3 People Leaders by gender and ethnicity as at 30 June 2021

Figure 1

Tier 2 and 3 People Leaders

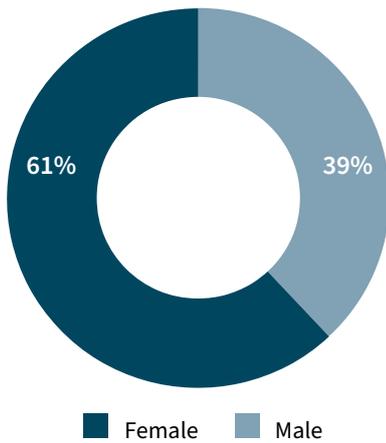
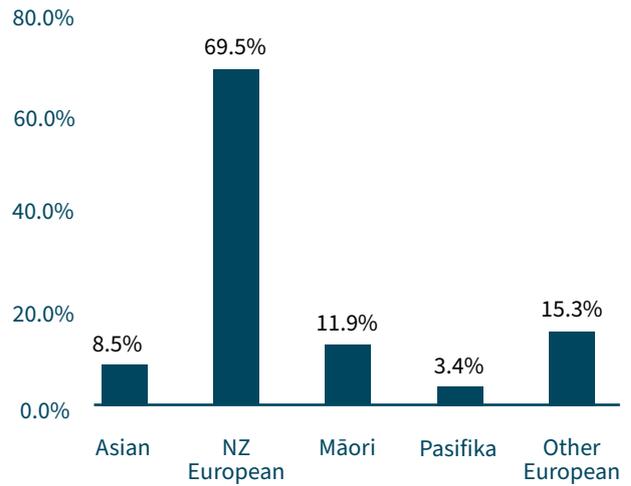


Figure 2



Note: Employees may choose up to two ethnicities which are both included in the graph above. Therefore, the total may be greater than 100%

Employees by gender and ethnicity as at 30 June 2021

Figure 3

Gender representation of DIA

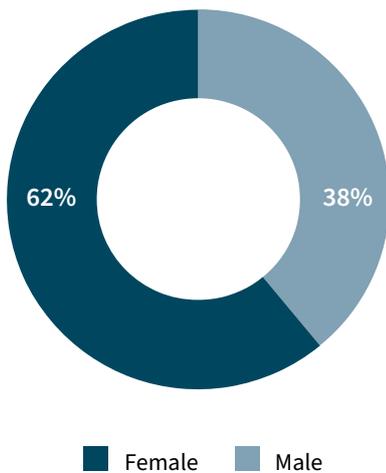
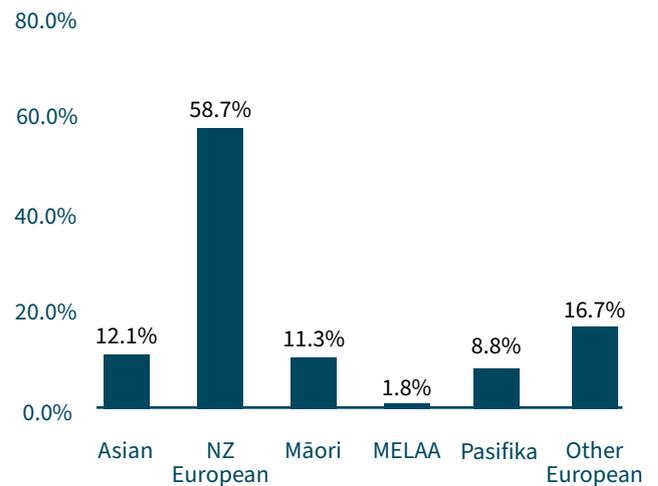


Figure 4

Ethnic representation of DIA



Note: Employees may choose up to two ethnicities which are both included in the graph above. Therefore, the total may be greater than 100%.

Table 3: Employees by location, job family, and gender as at 30 June 2021

Location	Job Family	Female	Male	Unknown	Total
Auckland	Corporate	7	15	-	22
	Delivery	122	38	1	161
	Information Management	3	1	-	4
	Information Technology	4	-	-	4
	Policy	2	3	-	5
	Regulatory	20	25	-	45
Auckland Total		158	82	1	241
Christchurch	Corporate	2	3	-	5
	Delivery	42	16	-	58
	Information Technology	2	4	4	10
	Policy	-	1	-	1
	Regulatory	6	8	-	14
	NON-BANDED	1	-	-	1
Christchurch Total		53	32	4	89
Dunedin	Delivery	17	3	-	20
	Information Technology	-	1	-	1
Dunedin Total		17	4	-	21
Gisborne Total	Delivery	2	1	-	3
Greymouth Total	Delivery	2	-	-	2
Hamilton	Corporate	-	1	-	1
	Delivery	11	-	-	11
Hamilton Total		11	1	-	12
Invercargill Total	Delivery	3	1	-	4
Kaitaia Total	Delivery	3	-	-	3
Kerikeri Total	Delivery	1	-	-	1

Location	Job Family	Female	Male	Unknown	Total
Napier Total	Delivery	3	2	-	5
Nelson	Delivery	1	2	-	3
	Information Technology	-	1	-	1
	Policy	2	-	-	2
Nelson Total		3	3		6
New Plymouth Total	Delivery	2	-	-	2
Palmerston North Total	Delivery	3	1	-	4
Rotorua Total	Delivery	5	-	-	5
Taupo	Corporate	1	-	-	1
	Regulatory	1	4	-	5
Taupo Total		2	4	-	6
Wellington	Corporate	263	133	2	398
	Delivery	529	231	1	761
	Information Management	10	7	-	17
	Information Technology	166	201	2	369
	Policy	104	100	-	204
	Regulatory	56	57	1	114
	Non-banded	167	86	-	253
Wellington Total		1295	815	6	2116
Whanganui Total	Delivery	1	1	-	2
Whangarei Total	Delivery	2	1	-	3
London Total	London	3	4	1	8
Sydney Total	Sydney	6	5	-	11
Total		1575	957	12	2544

Note: Numbers are based on headcount for permanent, fixed-term and events-based employees only. The permanent, fixed-term and events-based FTE as at 30 June 2020 was 2,403.29.

Table 4: Core unplanned turnover

Financial year	2016/17	2017/18	2018/19	2019/20	2020/21
Turnover rate	13.6%	13.2%	13.3%	11.6%	10.3%

Note: Core unplanned turnover is defined as resignations, retirements, dismissals and death of permanent employees.

Table 5: Average leave entitlement

Financial year	2016/17	2017/18	2018/19	2019/20	2020/21
Average leave entitlement (weeks)	4.23	4.23	4.23	4.23	4.25

Note: Numbers are based on headcount for employees eligible for annual leave (excluding London and Sydney employees).

Tāpiritanga B – Appendix B

Asset Performance

Property asset performance measures

Measure	Indicator	2019/20 Target	2019/20 Actual	2020/21 Target	2020/21 Actual
The % of buildings that are not earthquake-prone (NBS of at least 34% or have a structural performance scoring of at least a seismic grade C)	Condition	100%	100%	100%	100%
% of owned buildings that have maintained their annual Building Warrant of Fitness where required (see note below)	Condition	100%	91%	100%	70%
Office space density	Functionality	12 – 16 sqm per person	13.37 sqm per person	12 – 16 sqm per person	13.99 sqm per person
Archive storage environments maintained to required standards 24/7: Humidity and Temperature	Functionality	80%	93%	80%	86%

Note: A building warrant of fitness was unable to be supplied and displayed for three buildings. This is due to COVID-19 Alert level restrictions preventing one or more scheduled inspection and/or maintenance procedures of the compliance schedule from being carried out. All specified systems in the building are currently performing to the performance standard stated in the buildings compliance schedule.

Information Communications Technology (ICT) asset performance measures

Measure	Indicator	2019/20 Target	2019/20 Actual	2020/21 Target	2020/21 Actual
Average % of time our IT business services are available	Availability	98.5%	99.5%	98.5%	99.3%
% of incidents restored within SLA timeframes (all incidents P1-P4)	Condition	80%	86%	80%	79%
% of workstation devices in use	Utilisation	85%	89%	85%	90%
% of successful changes	Functionality	95%	99.8%	95%	99.5%

Tāpiritanga C – Appendix C

Consultants and contractors

The Department uses contractors and consultants to scale up our workforce for short term peaks in work, or when specialist knowledge or skills are required for large change programmes; such as Te Ara Manaaki. The Department follows the All of-Government procurement process to source appropriate resources. The Department seeks to build internal capability so that permanently established positions can be filled with permanent employees where possible.

A contractor is a person who is not an employee, providing backfill or extra capacity in a role that exists within the Department or acts as an additional resource for a time-limited piece of work. The contractors operating expenditure is disclosed as part of the “Salaries, wages and contractor expenses” in Note 3 on page 93. The ICT operating projects related contractor cost is disclosed as part of the “Computer cost” in Note 4 on page 94.

A consultant is a person or a company who is not a contractor nor an employee, engaged to perform a piece of work with a clearly defined scope and provide expertise in a particular field, that is not readily available from within the Department. The consultants’ operating expenditure is disclosed as part of the “Consultants and outsourcing contracts” in Note 4 on page 94.

The contractors’, or consultants’, capital expenditure is capitalised to the relevant capital asset item and disclosed as part of the “Property, plant and equipment” under Note 9 on page 102 and “Intangible assets” under Note 11 on page 107.

Actual 2020 \$000		Actual 2021 \$000
	Contractors and consultants – operating	
30,930	Contractors	28,115
15,943	Contractors working on ICT projects	9,557
12,125	Consultants	21,477
58,998	Total contractors and consultants – operating	59,150
	Contractors and consultants – capital	
2,945	Contractors	4,322
7,237	Contractors working on ICT projects	21,237
7,528	Consultants	2,290
17,710	Total contractors and consultants – capitalised to assets	27,849
76,708	Total contractors and consultants	87,129

The overall increase is due to the Department having a number of time-limited projects ongoing at the moment, such as:

- Te Ara Manaaki (transformation of identity and life products provision)
- Tāhuhu (upgrade and expansion of the physical infrastructure, storage capacity, and digital support for Archives New Zealand, the National Library and Ngā Taonga Sound and Vision)
- The Royal Commission of Inquiry into Abuse in State Care and in the Care of Faith Based Institutions
- Taumata Arowai (Drinking Water Regulator)
- Three Waters reforms.

Tāpiritanga D – Appendix D

Approved Information Sharing Agreement Reporting

Identity Services

An Approved Information Sharing Agreement (AISA) was established between the Department of Internal Affairs and the Registrar-General, Births, Deaths and Marriages during the 2019/20 financial year. This is known as the Identity Services AISA³⁴.

Reporting Requirements:

Schedule A: Citizenship by grant applications (Appendix A)

1. 21,116 Citizenship applications (individuals) were received in the Customer Centred Management Solution (CCMS) in the 2020-2021 year³⁵. Of these:
 1. 2,210 have been granted, 135 have been approved and are awaiting their ceremony
 2. 16,385 are in processing
 3. 2 have been cancelled
 4. 384 have been withdrawn.

As a result of the sharing, enabled by the Identity Service AISA, between the Registrar-General, Births, Deaths and Marriages and the Department of Internal Affairs there were:

1. Zero individuals provided notice (under section 96Q of Privacy Act 1993)
 2. Zero notices challenged
 3. Zero individuals not provided notice (under section 96Q of Privacy Act 1993)
 4. Zero individuals who were declined citizenship who were given notice
 5. Zero individuals who withdrew their citizenship application after being given a notice
 6. Zero investigations or civil proceedings under paragraph 1Zero of the AISA
 7. Zero complaints received about an alleged interference with privacy under the agreements and the disposition of those complaints.
2. The Department of Internal Affairs confirms that an assurance process has been undertaken in June 2021 and no issues were found.

³⁴ [https://www.dia.govt.nz/diawebsite.nsf/Files/IdentityServicesApprovedInformationSharingAgreement/\\$file/IdentityServicesApprovedInformationSharingAgreement.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/IdentityServicesApprovedInformationSharingAgreement/$file/IdentityServicesApprovedInformationSharingAgreement.pdf)

³⁵ These numbers are as at 28 July 2021 and will continue to be updated as applications are processed.

Schedule B: Provision of death information for expired passport-holders contact initiative (Appendix B)

- Zero expired passports included in match
- Zero deceased passports holders identified as a result of the match.

Approved Information Sharing Agreement Reporting Customer Nominated Services

An Approved Information Sharing Agreement (AISA) was established between Accident Compensation Corporation, the Department of Internal Affairs, Ministry of Business, Innovation and Employment (MBIE), Ministry of Education, Ministry of Social Development, New Zealand Transport Agency, the Registrar of Motor Vehicles, the Registrar-General and the Road User Chargers Collector. This is known as the Customer Nominated Services AISA³⁶.

This AISA relates to the supply of personal information to assist with the provision of public services that the individual has chosen to apply for where the service is:

- Supported by the identity information held by DIA or the Registrar-General;
- Provided by DIA; or
- Provided by the Registrar-General.

Schedule A: Automatic Notification of New Zealand Citizens

Scale

- Number of records provided 104
- Number of corrections provided by DIA to MBIE NIL

Benefits: Quantitative

- Number of records updated by MBIE 106
- Number of visas cancelled 100

Assurance

- Details of any difficulties experienced and how they are being, or have been, overcome

No major difficulties have been experienced at this point in time. The system design is updating client records and cancelling the applicable resident visa as per the relevant legislation when a citizenship grant is finalised.

There are two potential Application Programming Interface (API) system issues currently under investigation to identify causes and solutions.

³⁶ [https://www.dia.govt.nz/diawebsite.nsf/Files/Customer-Nominated-Services-AISA/\\$file/Customer-Nominated-Services-AISA-signed.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Customer-Nominated-Services-AISA/$file/Customer-Nominated-Services-AISA-signed.pdf)

These are:

1. The API has been designed to call residence and/or permanent residence visas; however, Immigration New Zealand (INZ) has identified that there may still be clients within the INZ system that still hold a valid residence permit. These are clients who have never travelled out of New Zealand or applied for and been issued a new visa under the 2009 Immigration Act.
2. INZ are investigating why API data will not return a 1:1 match when more than one identity is attached to their immigration record. The multiple identities are recorded in a different order and manner in the INZ system compared to the DIA system. When this occurs, the API will return either a no match or a list of potential client record matches. When this occurs DIA contacts INZ directly and the client information is confirmed manually by INZ.

Schedule B: Citizenship Online Presence Calculator

Number of uses of the calculator = **37,359**

Number of API calls made to INZ = **97,011**

Number of individual client records returned by INZ = **Not recorded**

Number of complaints about improper use of the calculator by unauthorised individuals = **0**

Number of each type of determination made (meets, not meets, no determination)

1. Meets = **14,435**
2. Not meets = **15,591**
3. No Determination = **5,051**

To protect the privacy of individuals, Internal Affairs is not storing the data of individuals who use the calculator and therefore are unable to report against the “Number of individual client records returned by INZ.”

Benefits: *Quantitatively*

The benefits seen to date around the automated sharing of information are that INZ now receives more timely information for individuals who have been granted citizenship and who are no longer permitted to hold a visa.

Previously INZ would receive this information 6-monthly and the creation of the New Zealand Identity in the INZ systems was a manual process. With automation, the resident visa is now cancelled immediately upon receipt of the notification from DIA and the INZ records updated with a New Zealand Citizen identity.

Updating these records as soon as practicably possible after the grant of citizenship means it prevents any form of compliance action based on out of date information and prevents the sharing of information on New Zealand Citizens where Internal Affairs are not permitted to do so by law.

Assurance

Details of any difficulties experienced and how they are being, or have been, overcome.

Difficulties:

1. Calculating presence in events where our Identity Match API has not returned an exact match to the identity that is queried. INZ are addressing this in two ways:
 1. An update to the INZ Search rules to pull more accurate results
 2. An update to the 'Data update process' to allow INZ to update identity data in their system to allow for better matching via the Identity Match API
2. Determining an accurate Presence calculation when INZ Data is not up to date. INZ are addressing this by updating their 'Data update process' to allow INZ to update Visa history of an identity in their system.
3. Determining an accurate Status calculation when INZ Data is not being returned to DIA in full via the Visa History API. INZ are addressing this by updating the filtering on their end, to provide DIA with a full list of data from the Visa History API.

Schedule C: Citizenship Online Staff Summary

Scale:

1. 21,116 individuals applied for citizenship by grant
2. 20,867 API calls were made from DIA to INZ
3. 18,265 individual client records were returned by INZ to DIA³⁷
4. 384 applicants withdrew their citizenship by grant application
5. 63 applicants proceeded with their application to the Minister even though they did not meet the criteria. Of these;
 - 42 proceeded as a submission³⁸, and
 - 24 proceeded with exceptions.³⁹

³⁷ There are fewer individual client records returned by INZ than individuals who applied for citizenship by grant because the API was only introduced after the financial year had already started.

³⁸ A *submission* is when an applicant doesn't meet one or more of the normal eligibility criteria and doesn't meet the eligibility for being included on one of the schedules. Their file is presented to the Minister for consideration individually.

³⁹ *Proceeded with exceptions* is when an applicant doesn't meet one of the normal eligibility criteria but meets the requirements to be included on one of the schedules e.g. English Waiver Schedule, Presence Reduction Schedule.

Benefits: *Quantitatively*

1. 17,433 of applicants met the identity criteria. Of these;
 - 16,763 had an exact match⁴⁰, and
 - 670 matched to many⁴¹
2. 506 applicants did not meet the identity criteria
3. 4,006 applicants met the presence criteria
(An additional 10,142 applicants met the presence criteria, however had additional Visa conditions to be reviewed)
4. 3,650 applicants did not meet the presence criteria
5. 237 applicants did not meet the good character criteria⁴²
6. Zero adverse action letters sent
7. Zero adverse action letters contested
8. Zero adverse action letters not sent due to an active investigation.

40 Person information submitted to the API returned with an exact match to a person record held by INZ.

41 Person information submitted to the API returned with a match to two or more potential person record held by INZ.

42 These are records for which the API returned an Alert from INZ. They may be found to meet the good character criteria once assessed fully by a case officer.

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