



Te Tari Taiwhenua
Internal Affairs

2021/22

Pūrongo Ā Tau
Annual Report



Tō Tātou Whāinga

Ko tā Te Tari Taiwhenua he whakarato me te hono i ngā iwi, ngā hāpori me te kāwanatanga ki te hanga motu haumaruru, 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.



Te Kāwanatanga o Aotearoa
New Zealand Government

Front cover image: The carving on the cover is by Cliff Whiting (Te Whānau-ā-Apanui) and is on permanent display at the National Library in Wellington.

Above: the 2022 Anzac Day national service, organised by our Visits and Ceremonial Office.

Mātāpono – Our principles and behaviours

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

He Tangata

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

We're stronger together

- Work as a team
- Value each other

Whanaungatanga

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

We take pride in what we do

- Make a positive difference
- Strive for excellence

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Case Study

Aspiring to forge a better Māori-Crown partnership through our iwi affiliation mahi

Our aim

Te Tari Taiwhenua Department of Internal Affairs is building a new civil registration system in 2024, which will change the way births, deaths and marriages are registered. This means there is an opportunity to consider whether iwi affiliation information should be collected.

It is also an opportunity to forge a better model for our Māori-Crown partnership as we continue to learn to work in partnership to build a more inclusive New Zealand.

Our role

The Crown stopped collecting iwi affiliation data in 1961. Starting to collect data again is not a decision for the Crown to make alone.

After initial engagement across the motu (country), in 2021 Jeff Montgomery, the Registrar-General for the Births, Deaths and Marriages registers, established the Iwi Affiliation Data Decision Group of iwi advisors and experts. The Group is co-chaired by Kirikowhai Mikaere, Pou-Ārahi of Te Kāhui Raraunga, an operational arm of the Iwi Chairs Forum, and the Registrar-General. The Registrar-General is a statutory role within Te Tari Taiwhenua.

This Group aims to better understand the needs and expectations of iwi Māori when iwi affiliation data is collected, shared and verified. It is also considering the roles and responsibilities of the Crown and iwi.

The outcome

Feedback and decisions from the Group have informed the design and implementation of a modern civil registration system and will help deliver better services to iwi and Māori organisations over the coming years.

So far, there is broad support for the Crown to collect this data, but with several strong caveats, including the ability for individuals and iwi to opt-out. Iwi would be responsible for verifying the data.

The Group produced a draft report in August 2022, which is set to be shared more widely with iwi and Māori organisations for feedback.

What this means for New Zealanders

Collecting iwi affiliation data by the Registrar-General helps the Crown be a better Te Tiriti o Waitangi partner as increased data not only helps the Crown recognise iwi and Māori but supports the co-design of more targeted services.



This carving, by Rangi Hetet (Tūwharetoa, Maniapoto) with tukutuku by Erenora Hetet, is called Te Honongatahi and symbolises the partnership established between Māori and the Crown.

Ngā Kaupapa

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01

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

He kupu nā te Tumu Whakarae Secretary for Internal Affairs' foreword

Kia ora koutou

**Ko tō mātou mahi, ko tō mātou aro ko ngā hapori,
ngā whānau, ngā hapū, ngā iwi katoa o Aotearoa.
Ko tā mātou whāinga matua, kia tutuki pai a mātou ratonga mahi.
E ō ai ngā wawata, ngā tūmanako, ngā moemoea katoa.**

Te Tari Taiwhenua Department of Internal Affairs has led a significant and varied work programme over the past year, to serve and connect people, communities, and government.

Increasingly, we have focused on improving the way individuals and whānau experience our services – improvements which will have a tangible impact on the lives of everyday people.

We are on track to provide a more cohesive and seamless system for delivering our citizenship, passports, births, deaths and marriage services. National Library is growing our free online reference service for school students. These are some of the examples of how we are putting the people we serve at the core of all we do, making it easier to access services and information.

We have a focus on New Zealanders' sense of belonging and collective memory. We have made great headway with our work on iwi affiliation data, thanks to the kotahitanga between Te Tari Taiwhenua, the Crown and iwi representatives. Initial discussions can be characterised by a resounding 'yes' to collaborating on this special initiative.

In our work, we are giving effect to our Mana Orite Agreement with Data Iwi Leaders, for example engaging them in a refresh of the government's 'cloud first' policy.

The reforms for water service delivery are well underway, and we are on the cusp of moving into the implementation phase. While it has not been without its challenges, our work on fulfilling the Government's reform programme will upgrade water infrastructure for all New Zealanders right across the motu.

We are progressing the 'Tāhuhu: Preserving the Nation's Memory Programme', and we have broken soil on the construction of the new building for Archives New Zealand as part of this mahi. This new building and our wider work with Ngā Taonga Sound & Vision and the National Library of New Zealand will strengthen our capacity to preserve and protect our heritage, by building resilience across the sector.

Alongside these special projects, we have continued to deliver results across our entire portfolio.

We responded to a 400 percent increase in demand for passports from January to May 2022 once the New Zealand borders reopened. We have either granted, approved or are in the midst of processing over 35,000 citizenship applications.

We provided over \$4 million in COVID-19 response funding through the Mātauranga Māori Marae Ora Fund, and we supported the sustainability of the library sector through \$5.8 million in partnership grants.



We established an emergency response group to address the emergence of the malware virus 'Flubot', began a review of the New Zealand lottery grants system, and helped 11,000 people benefit from a digital skills training programme.

It's testament to the whanaungatanga within Te Tari Taiwhenua that despite COVID-19's lingering presence, we have continued to deliver such transformative work together. I would like to thank all kaimahi for their commitment and hard work over the past year, and the valuable contributions they have made.

We are a customer focused and people centred organisation and our own people are our greatest strength. I am proud of their effort and impact.

Included this year is annual reporting for the Ministry for Ethnic Communities. The Ministry is chief advisor to the Government on ethnic diversity and the inclusion of ethnic communities in wider New Zealand society. It is a departmental agency hosted by Te Tari Taiwhenua, and we welcome and value supporting their mahi.

Ngā mihi nui

A handwritten signature in black ink that reads "Paul James". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Paul James

Te Tumu Whakarae mō te Tari Taiwhenua
Secretary for Internal Affairs

Ngā tīpako – Highlights



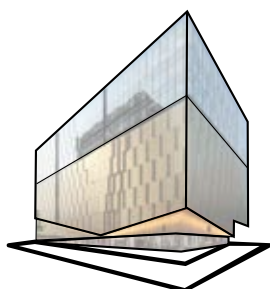
Building a new civil registration system in 2024 is an opportunity to consider if iwi affiliation information should be collected. This is a chance to **forge a better model for our Māori–Crown relationship.**

We led the **most significant international investigation** managed out of New Zealand into child sexual exploitation online.



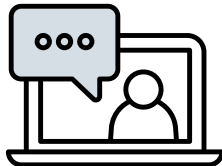
We developed amendments to the Films, Videos and Publications Classification Act 1993, that was legislated by Parliament in November 2021. These **amendments make it illegal to livestream material that may be objectionable.**

Thanks to the Births, Deaths, Marriages, and Relationships Registration Act 2021, transgender and non-binary people will no longer need to go to a court or have medical treatment to physically conform with the **sex they want listed on their birth certificate.**



Construction is underway on the **new Heke Rua Archives facility** in Pipitea, Wellington.

Land Information Memorandum reforms passed, meaning **councils can better communicate natural hazards information to property buyers.**



The two-year New Zealand Libraries Partnership Programme **helped public libraries to retain and develop services to support their communities during COVID-19**, including community outreach for seniors and digital skills classes.

Aotearoa Reorua launched support to councils and tangata whenua to **create more bilingual (te reo Māori and English) public spaces that reflect the local stories** and dialect of our towns and cities.



We coordinated a **cross-government response to Flubot**, a malware virus that infects mobile devices.

There were over **34 million logins to RealMe**.



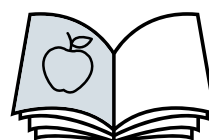
We are helping New Zealanders **connect with family and friends overseas** by meeting the rush in demand for passports when our international borders reopened.



We registered **16,300 marriages** and **61,000 births**.

We **translated 6.8 million words** for other organisations.

The National Library's Services to Schools added **5,000 children's books in 22 languages**.



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

Tō Tātou Whaingā – Our purpose

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

Te Tari Taiwhenua 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 and one Associate Minister, 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.

The Portfolios and Responsible Ministers at 30 June 2022² 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 / Hon. Kieran McAnulty

1 The Office of Ethnic Communities became the Ministry for Ethnic Communities on 1 July 2021 and now operates as a departmental agency within Te Tari Taiwhenua. Previously, Te Tari Taiwhenua had been responsible for the Office of Ethnic Communities, which supported ethnic communities across New Zealand and the benefits their diversity brings to New Zealand.

2 Changes to the Ministerial List took effect on 14 June 2022, with Hon Kieran McAnulty taking on portfolio responsibilities as Minister for Racing.

We have a broad range of responsibilities and functions that include working with communities, ensuring effective regulatory frameworks are in place, and supporting the Executive and local government. Our role is also to invest in information and communications technologies and information management, and deliver a range of services to support and foster New Zealand's cultural identity.

Our wider functions

Our wider functions include:

- Managing and protecting the integrity of national identity information. This includes life events such as births, deaths, marriages, citizenship and issuing passports
- Regulating activities in several sectors including: gambling, online child exploitation, and countering violent extremism. We also regulate government recordkeeping, charities, unsolicited electronic messages, anti-money laundering, private security personnel and private investigators
- Providing policy advice to Government on
 - local government
 - the community and voluntary sector
 - fire and emergency services
 - identity
 - information and communications technology (ICT)
 - information management
 - digital safety
 - gambling
 - racing.
- Providing information, resources and advice to communities to support their aspirations
- Administering grant funding schemes as well as promoting trust and confidence in the charitable sector

- Supporting Ministers to ensure Executive Government operates efficiently and effectively. This includes providing 'Very Important Person' (VIP) transport services for members of the Executive Government and other VIPs and dignitaries
- Coordinating and managing official Guest of Government visits to New Zealand, and arranging national commemorative events
- Advising on, establishing and supporting the operation of 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.

Our responsibilities

Te Tari Taiwhenua has administrative responsibility for 47 Acts and 105 pieces of subordinate legislation. We also have functional regulatory roles or share responsibility under eight other pieces of legislation.

Te Tari Taiwhenua has administrative responsibility for 47 Acts and 105 pieces of subordinate legislation.

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

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. Our system leadership roles of Government Chief Digital Officer and the Government Chief Privacy Officer, lead the digital transformation of government across the public sector. 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.

We support our public section colleagues to transform their services through better investment in ICT and to maintain the privacy of New Zealanders' government-held information.

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

In particular:

- 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
 - 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, as they are documentary heritage and taonga
 - Supplementing and furthering the work of other libraries in New Zealand
 - Working collaboratively with other institutions that have a similar purpose, including those that are part of the international library community.

He papa whāinga Our Outcomes Framework

Our Strategic Intentions 2021-2025³ describes our Outcomes Framework. We continue to develop and refine our organisational strategy, Ā Mātou Mahi. This strategy includes our purpose, five outcomes and our priorities for making a difference over time for people and society.

We have five outcomes to achieve our purpose, which support and bolster each other. Contributing to the achievement of these outcomes are 16 intermediate outcomes that represent more specifically the impact we will have.

A new outcome outlines our commitment to Māori-Crown relationships: *‘Oranga hapū, iwi, and Māori is improved through an enduring, equitable and positive Māori-Crown partnership.’*

He papa whāinga Our Outcomes Framework

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

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

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

People can easily access the service 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.

Hapū, iwi, and Māori Oranga is improved through an enduring, equitable and positive Māori-Crown relationship.

Intermediate outcomes

- Mātauranga Māori is respected and valued
- Māori, iwi and hapū aspirations, interests and rights are understood and respected

³ A copy of the 2021-2025 Strategic Intentions document can be found at https://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Corporate-Publications-Statements-of-Intent?OpenDocument

Outcome indicators

Te Tari Taiwhenua uses outcome indicators to demonstrate the impact of the work we do to benefit New Zealand and those who live here. We use statistical surveys and other research from local and international sources to see whether trends over time represent good progress towards achieving the outcomes.

The trend of results over the medium and long-term is more informative than minor changes from one year to the next. Indicators can only illustrate an aspect of an outcome and the partial influence of Te Tari Taiwhenua.



02

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

Outcome:

Kei te haumarū, 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.

Communities can be supported to manage risks and challenges and empowered to form and realise their own aspirations, despite adversity they might face over time.

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.

Our 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.

As a large and complex department, we take many actions every day that positively impact this outcome. Examples of our contributions to this outcome are described as follows:



A healthy and safe water network

During the past year, our focus has been on developing and introducing legislation to Parliament to establish the new regime for water service delivery and the National Transition Unit. The Unit will implement the Government's decisions to transition to the new water services system. This reform aims to ensure all New Zealanders have safe, affordable and reliable drinking water, wastewater and storm water.

Te Tari Taiwhenua continues to provide advice to government for the implementation of the Water Services Act 2021. We are supporting:

- the working group on governance accountability and representation,

- the stormwater, rural and planning technical advisory groups, and
- Taumata Arowai, the new water services regulator.

We have supported the Minister of Local Government to develop and introduce the Waters Reform Support Package¹, consisting of:

- \$2 billion investment into the future for local government and community wellbeing.
- \$500 million investment to ensure that no local authority is in a materially worse financial position as a result of reforms.

We also established the Rural Drinking Water Fund.

The New Zealand Libraries Partnership Programme

The New Zealand Libraries Partnership Programme (NZLPP) is a two-year programme that supported public libraries to retain and develop services to support their communities, including people seeking jobs as part of the COVID-19 recovery. Established in Budget 2020, hundreds of initiatives and projects have been funded across New Zealand, positioning the library sector to be sustainable post-pandemic. This has included distributing \$5.8 million in strategic partnership grants to support sustainability of the sector.

“[NZLPP] gave us the opportunity to bring people in to do the things that our library has aspired to do, but lacked the resourcing”

– Library manager, Waikato

A feature of the programme was funding for up to 194 library workers to deliver initiatives, such as community outreach for seniors and digital skills classes, while growing the diversity of skills and expertise in their libraries. Public libraries were also supported to offer or maintain free public internet access to their communities.



Keeping New Zealanders safe from digital harm

Flubot, a malware virus that infects mobile devices, emerged in New Zealand in September 2021. Te Tari Taiwhenua received more than 114,000 text message reports to our 7726 TXT spam report line in nine days and identified 1,500 unique sender numbers and 94,000 malicious web addresses, or URLs.

This “trojan-horse” virus infects mobile devices via text messages that appear legitimate. The messages claim that the recipient has a voicemail or a missed parcel, or that their private images have been accessed. If the link in the text message is clicked, an application is downloaded that infects the device with the Flubot malware. The malware then steals personal information including people’s passwords, banking information, and credit card details before accessing the phone’s contacts details to further spread the scam.

Within three hours of identifying Flubot, Internal Affairs set up an emergency response group with CERT NZ, the Telecommunications Forum and mobile network providers to reduce the harm of Flubot. This included reaching out to people whose phones had been compromised, issuing press releases and using social media channels to deliver advice on how to avoid scams and where to report them.

¹ Further information can be found at <https://www.threewaters.govt.nz/how-will-three-waters-affect-me/councils/funding-for-councils/>

Reducing money laundering

This year we have provided the sector and the public with two new publications explaining our anti-money-laundering work:

DIA's approach to regulation of Anti-Money Laundering and Countering Financing of Terrorism outlines how and why Te Tari Taiwhenua works to achieve effective risk-based supervision of the sector, along with the outcomes we seek to achieve.

'A Guide to DIA's Anti-Money Laundering and Countering Financing of Terrorism compliance and enforcement activities' sets out how we use our compliance and enforcement toolkit, and how we go about making decisions to change behaviour.

Racing industry recovery

Establishing new governance bodies and embedding new processes were the priorities for our work in 2021/22 with the racing industry. The Racing Integrity Board was established on 1 July 2021 and appointments to the inaugural TAB NZ Board were finalised, with terms beginning on 1 August 2021. This follows a review of the racing industry's future sustainability in 2018, where changes were recommended to how the industry operates.

Regulations that require offshore betting operators to pay for the use of New Zealand racing or sports information, known as point of consumption charges, came into force on 1 August 2021

Modernising the Charities Act

We are making progress to modernise the Charities Act 2005 to support charities to thrive while ensuring sufficient transparency of charitable operations and regulatory decision-making.

In late 2021, we completed our policy work and targeted engagement. Cabinet agreed to policy changes in February 2022, and a Charities Amendment Bill has been drafted that aims to:

- Reduce the current compliance burden of financial reporting for small charities
- Improve governance practices for charities
- Clarify compliance and enforcement under the Charities Act 2005
- Increase the transparency and fairness of regulatory decision-making.

A community funding system that is inclusive and flexible

Te Tari Taiwhenua is embarking on the first end-to-end review of the lottery grants system since Lotto launched in New Zealand in 1987. In that time, Te Puna Tahua Lottery Grants Board has distributed more than \$5.2 billion of Lotto profits to New Zealand communities, supporting thousands of good causes every year.

Fund recipients deliver valuable outcomes to communities. However, Māori, Pacific and ethnic communities in particular have reported they find the system inflexible and difficult to navigate. COVID-19 has also highlighted the need for more flexible and responsive funding.

Te Puna Tahua tasked us with delivering a programme of work called Kia Tipu, He Tipua – Evolving the lottery grants system. The aim is to create a community funding and advisory support system that is more responsive, flexible, inclusive, strategic and that honours Te Tiriti o Waitangi.

Te Tari Taiwhenua is taking a new approach by using Te Korekoreka, a kawa for Māori future-making that was gifted by Tokona Te Raki the Māori Futures Collective. Te Korekoreka combines conceptual wisdom and practical knowledge to help understand and unlock the potential of the lottery grants system.

Alongside Kia Tipu, He Tipua, we are also undertaking work to align other community funding systems we manage, primarily those that distribute Crown funding, to ensure they too better support communities, hapū and iwi.

Case Study

Minimising online harm of objectionable material – Operation H



Our aim

Our investigators work to ensure that New Zealand families, children and young people are protected from online harm.

Our role

Operation H was the most significant child sexual exploitation operation led out of New Zealand. Spanning two years, the investigation was launched and led by Te Tari Taiwhenua when its Digital Child Exploitation Team was alerted by an electronic

service provider that tens of thousands of offenders were using an online platform to share some of the most horrific child sexual abuse material. Investigators seized and examined hundreds of thousands of child abuse material files, eventually identifying more than 90,000 accounts internationally that possessed or traded in this material.

The outcome

The investigation involved law enforcement agencies from around the world, and the team worked with New Zealand Police and the New Zealand Customs Service to establish a co-ordinated approach to identifying and investigating individuals tied to these accounts. More than 125 New Zealand based accounts were identified as part of the investigation, leading to 46 arrests and the safeguarding of six children. Internationally, more than 836 cases were investigated, and 146 children safeguarded.

What this means for New Zealanders

Investigations like this aim to keep our communities and our children safe, resilient, and thriving. The innovative technology developed, and the intelligence obtained, from Operation H will be instrumental in supporting future investigations.

Community resilience to natural hazards and climate change

Te Tari Taiwhenua and National Emergency Management Agency officials worked with Buller District Council and West Coast Regional Council to support response and recovery from severe flood events in Westport in July 2021 and February 2022. Te Tari Taiwhenua also provided advice to Ministers on a government response to a request for co-investment in Westport's flood resilience from the two local councils and Te Rūnanga o Ngāti Waewae.

Designing a new approach to content regulation

We are reviewing New Zealand's legislative framework for media and online content. The aim is to design and implement a new approach to content regulation that minimises the risk of harm to New Zealanders, regardless of how the content is delivered.

The review will ensure any new system upholds New Zealanders' rights to freedom

of expression and other human rights, preserves the freedom of the press, and is consistent with Te Tiriti o Waitangi principles.

Our aim is to design and implement a new approach to content regulation that minimises the risk of harm to New Zealanders, regardless of how the content is delivered.

We undertook several months of targeted engagement with people across New Zealand, such as community groups, civil society, existing regulators, media, and the tech sector. We wanted to understand the problems with the current system, and what people think can be done to reduce harm from content. Proposals for a modern, flexible and simple regulatory framework are now being developed.



Delivery Snapshots

- ▶ Almost **2,000 submissions** were received from individuals, groups and organisations from in and outside Aotearoa from public consultation on policy proposals to strengthen Class 4 gambling regulations.
- ▶ In November 2021, **Land Information Memorandum** system reforms were passed and mean Local Councils can better communicate natural hazard information to property buyers.
- ▶ In June 2022, we released the **Strengthening our Approach to Volunteering** report during National Volunteer Week. The report found that **at least 30 government agencies** have work underway that involves volunteering, but that there is a lack of an overall strategic approach which can lead to inefficient funding and a compliance burden for the volunteering sector.
- ▶ **Operation H:** A New Zealand led operation resulted in **125** New Zealand based accounts identified, **46** arrests and the safeguarding of six children
- ▶ **Email and text spam notifications:** A large-scale malware scam campaign, nicknamed 'Flubot' targeting New Zealanders resulted in over **944,000** email and text spam notifications

What are our indicators telling us?

Outcome indicator description	Source	Metric	Indicator information					
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 ²
Overall life satisfaction is maintained or increases	General Social Survey – Stats NZ ³	%	83%	No survey	81%	No survey	85% ⁴	81%
Experience of discrimination decreases	General Social Survey – Stats NZ	%	17%	No survey	17%	No survey	17.5%	20.9%
People’s sense of purpose is maintained or increased	General Social Survey – Stats NZ	%	87%	No survey	86%	No survey	Data not available ⁵	85%

Our indicators tell us that people continue to rate their overall life satisfaction and sense of purpose highly – although the longer-term trend has declined slightly.

Stats NZ reports that the majority of New Zealanders continued to rate their overall life satisfaction and sense of purpose highly with 81% percent giving a rating of 7 or higher⁶.

New Zealanders also continue to rate their sense of purpose highly with 85% percent giving a rating of 7 or higher⁷.

However, people were more likely to have experienced discrimination in the previous 12 months, which is an increase over previous years’ results. Some groups were more likely to have experienced discrimination, including people in sexual minorities, disabled people aged 15 to 64, and Māori.

There are no recent results to show the trend for the rate of volunteers in New Zealand⁸ so we have not reported on this indicator. However, a recent report from Te Tari Taiwhenua, ‘Strengthening Our Approach to Volunteering’,⁹ indicates that the economic value of volunteering is estimated at \$4 billion a year and that volunteering provides cost benefits to approximately 115,000 not-for-profits and government agencies in New Zealand whose work involves volunteering.

The report also noted that volunteering made a significant contribution to the COVID-19 response and that the voluntary sector has continued to deliver and has adapted to new ways of working. Following the report’s publication, a cross-government group has come together to consider a more strategic approach to support volunteering.

2 The 2021/22 results have been taken from the Stats NZ 2021 General Social Survey covering the survey period 1 April 2021 to 17 August 2021 which can be found at <https://www.stats.govt.nz/information-releases/wellbeing-statistics-2021/>.

3 The Stats NZ General Social Survey is generally carried out every two years.

4 This result is based on survey respondents 18 years and over while past and current years’ results are based on 15+ years and over.

5 The Stats NZ General Social Survey was delayed, so there were no results for the 2020/21 period to report from this source.

6 On a 0-10 scale, where 0 is completely dissatisfied and 10 is completely satisfied.

7 We use the Stats NZ General Social Society survey question ‘Things you do in life is worthwhile’ for this indicator. This is rated on a 0-10 scale where 0 is not at all worthwhile and 10 is completely worthwhile.

8 This was last reported in the Stats NZ 2016 General Social Survey, which reported that 49.8 percent of all adults did volunteer work (formal and/or informal) either through an organisation and/or directly.

9 This report was released by Te Tari Taiwhenua on 19 June 2022 as part of the National Volunteer Week. The report can be found at <https://www.communitymatters.govt.nz/strengthening-our-approach-to-volunteering/>

Outcome:

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.

Our 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.

As a large and complex department, we take many actions every day that positively impact this outcome. Examples of our contributions to this outcome are described as follows:

AnyQuestions continues to grow

Established in 2004 in collaboration with a small number of public libraries and the Ministry of Education, AnyQuestions is a free online reference service for New Zealand school students via live text-based chat. It is led and managed by National Library's Services to Schools.

'I am very appreciative and respectful that the time you put in with students like me to help them answer their questions, so thank you!!' – Student

Students can visit the AnyQuestions website on weekdays from 1pm to 6pm and connect with a librarian online to get help with their research. AnyQuestions includes the companion Many Answers website, which provides direct access to relevant, reliable resources for the most popular student topics.

Established in 2004 in collaboration with a small number of public libraries and the Ministry of Education, the service has greatly increased the number of its partners. In 2022, 17 public library networks are involved with more than 200 librarians supporting the service that received 200,000 visits.

Case Study

Self-identification begins with a birth certificate



Our aim

The Births, Deaths, Marriages, and Relationships Registration Act 2021 introduces a self-identification process that makes it easier for people to amend the sex on their New Zealand birth certificate.

Our role

The Act is administered by Te Tari Taiwhenua and was passed in December 2021. We recently completed public engagement on supporting regulations for the Act, which will come into effect in 2023.

The outcome

Transgender and non-binary people will no longer need to go to a court or have medical treatment to physically conform with the sex they want listed on their birth certificate. Instead, people will fill out and submit a statutory declaration.

Amending sex on a birth certificate will be more accessible through this process, helping transgender and intersex New Zealanders to easily access information and services by having an identity document that reflects their gender.

What this means for New Zealanders

Self-identification is a step towards improving the experiences of transgender, intersex and non-binary New Zealanders and a move towards a more inclusive New Zealand.

‘It was amazing training and I am so glad I took this opportunity to become an AQ operator... [it] gave me more insight into kids' thinking when they need information or help with something in their lives.’

– Partner

In 2022, a regional histories initiative was established to improve the availability and use of local resources to support the new Aotearoa New Zealand histories curriculum.

Meeting the changing needs of New Zealanders through Te Ara Tahī

Archives New Zealand, the National Library of New Zealand and Ngā Taonga Sound & Vision are working together to better meet the changing needs and expectations of New Zealanders.

This shared journey of transformation is called Te Ara Tahī, and is focused on providing specialised preservation facilities, developing digital infrastructure and services, embedding Te Ao Māori and building shared workforce capability and partnerships.

During the year the institutions created a shared future vision that puts users and Te Tiriti o Waitangi partners at the centre of all the work they do. They also commissioned research to understand customer needs and aspirations to inform their work.

Utaina! Audio-visual preservation programme

Utaina! is digitising the entire 115,000 audio-visual collections of the National Library and Archives New Zealand. Without digitisation, many of these at-risk items would be lost. The media (including VHS videotapes, compact discs and open-reel tapes) is decaying, and the specialist equipment needed to do this work is becoming increasingly rare. We are working in close collaboration with Ngā Taonga Sound & Vision to deliver this programme. This year we

secured an international vendor to undertake the specialist digitisation, with operations set up in Lower Hutt.

Archives 2057 Strategy: Connecting people to their stories, rights and entitlements

The Archives 2057 strategy sets out the long-term vision for Te Rua Mahara o te Kāwanatanga Archives New Zealand as a vibrant, trusted national archive, a regulator of government information, and experts in preservation of information. The Archives' strategic focus areas include taking archives to the people; upholding transparency and building systems together.

Digitisation of our archives enhances access for people who cannot visit our repositories and it also preserves copies of fragile items. In the last year, nearly 6,000 items (comprising over 180,000 images) were proactively digitised and made accessible online. A further 2,700 items (over 138,000 images) were digitised in response to requests from customers.

A new Collections search tool connects people with our archives, and removes the risks posed by out-of-date software. The tool is currently in stage one, which provides a basic search and retrieval function. It will be progressively improved in stages to enhance user experiences into the future.

National Library 2030 Strategic Direction: Reflecting the diversity of New Zealand

As defined in the National Library Strategic Directions 2030, Te Puna Mātauranga o Aotearoa is working to reflect the country's diversity in heritage collections and ensure that those collections are cared for, accessible for all, and inspire the creation of new knowledge and value for New Zealand.

In the past year, more than 30 million items from the National Library collections were accessed by the public, with 500,000 items digitised and made accessible online.

Case Study

Tāhuhu: Preserving the Nation's Memory



The new Heke Rua Archives facility in Pipitea, which will be linked to the National Library via an air bridge.

Our aim

As one of the four pillars within the Te Ara Tahī programme, Tāhuhu is a programme that will provide specialist shared facilities and enhance the onsite experiences and services for people visiting Archives New Zealand, the National Library of New Zealand and Ngā Taonga Sound & Vision. These institutions are working together to better meet the changing needs and expectations of New Zealanders.

Our role

Tāhuhu will enable greater collaboration across the institutions via shared services such as reading rooms, conservation laboratories, digitisation suites, specialist repositories and processing areas.

The outcome

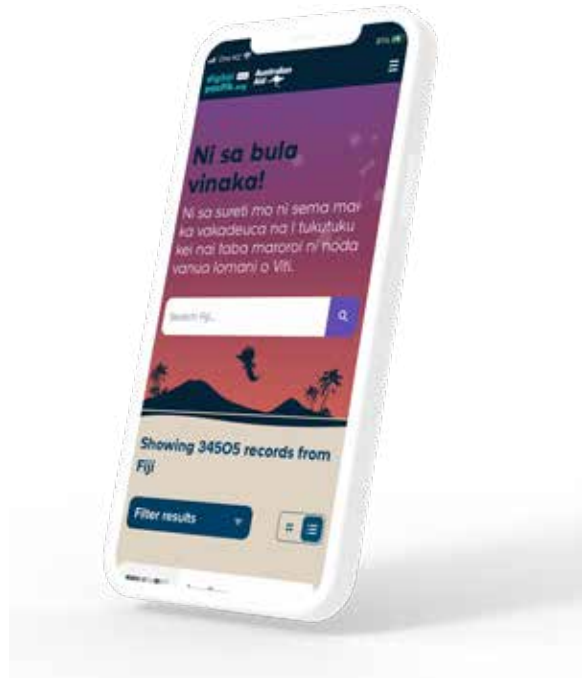
The most noticeable step on the journey began in early 2022 with construction beginning on the new Heke Rua Archives facility in Pipitea, Wellington. The new building will be linked to the National Library via a bridge, creating a campus setting and associated public spaces. Heke Rua Archives was developed via co-design with Taranaki Whānui Te Atiawa and Pūkenga Toi Rangi Kipa and Te Tari Taiwhenua.

What this means for New Zealanders

These changes will make it easier for New Zealanders to access and connect with the taonga held by these institutions.

The National Library is working hard to reflect the diversity of New Zealand across its collections. The Contemporary Voices and Archives team is focussed on under-represented voices, addressing silences and gaps in the collections, and exploring new content types – most notably items that capture the country’s COVID-19 experiences.

Together with the Australian Government and National Library of Australia, the National Library has been continuing to develop the online portal DigitalPasifik.org, which provides a single point of access to digitised Pacific cultural heritage collections held around the world.



Delivery snapshots

- ▶ National Library’s Services to Schools added around **5,000 children’s books in 22 languages**, including **seven Pacific languages**, to the lending collection to support cultural and linguistic diversity and increase access to books in students’ indigenous languages. An e-book and audio book platform now has **2,000 current e-books and 900 audio books** available for schools with 50 students or less.
- ▶ Archives New Zealand: proactively digitised and made accessible online nearly **6,000 items (comprising over 187,000 images)**. A further **2,700 items (over 138,000 images)** were digitised on demand in response to customer requests
- ▶ More than **30 million items** from the National Library collections were accessed by the public, with **500,000 items** digitised and made accessible online.
- ▶ More than **200** librarians supported the AnyQuestions service that received **200,000** visits from students around New Zealand seeking help with their research.
- ▶ National Library’s Services to Schools supplied **over 295,000 items** to schools across New Zealand.

What are our indicators telling us?

Outcome indicator description	Source	Metric	Indicator information					
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
People's sense of belonging to New Zealand increases	General Social Survey Stats NZ	%	89% ¹	No survey	No survey	No survey	Data not available ²	88% ³
Satisfaction with citizenship services is maintained or increases	DIA Customer Experience Survey ⁴	%	90%	88%	90%	90%	90%	84%
Adult New Zealanders read or started to read at least one book in the past 12 months is maintained or increases⁵	Read NZ – National Reading Survey	%	97%	86%	No survey	No survey	No survey	85%
10-17-year-old New Zealanders read or started to read at least one book in the past 12 months is maintained or increases⁶	Read NZ – National Reading Survey	%	No survey	97%	No survey	No survey	No survey	94% ⁷

Our indicators tell us that people continue to rate their sense of belonging to New Zealand highly and continue to enjoy reading.

While the longer-term trend shows a stable level of satisfaction with citizenship services, this has decreased by six percent over the past year. This decrease is most likely due to the processing timeframes of citizenship applications, which were extended during the national and Auckland lockdowns.

Read NZ reported that the number of adults who read or started to read a book in the past

12 months dropped slightly from 86 percent to 85 percent. Meanwhile 94 percent of 10 to 17-year-olds read at least one book, down from 97 percent in 2018. Respondents who did pick up a book said that reading brought pleasure and enjoyment and helped them to relax after a busy day. Respondents reported barriers to reading included a lack of time, mostly due to work and whānau responsibilities, or they found other media such as television and podcasts more enjoyable.

- 1 This result was included in the Social Identity measure tables in the Stats NZ 2016 General Social Survey which can be found at <https://www.stats.govt.nz/information-releases/well-being-statistics-2016>. This measure was not included in the 2018 General Social Survey and at the time there was no indication of when it would be next reported.
- 2 The Stats NZ General Social Survey was delayed, so there were no results for the 2020/21 to report from this source.
- 3 The 2021/22 result was provided by Stats NZ as a customised data set from the Stats NZ 2021 General Social Survey covering the survey period 1 April 2021 to 17 August 2021. This measure is based on a scale where 0 is no sense of belonging and 10 is a very strong sense of belonging. The 2016/17 and 2021/22 results are based on the percentage of people aged 15 years and over who reported their sense of belonging to New Zealand at 7 or higher.
- 4 Information on the Te Tari Taiwhenua Customer Experience survey can be found at <https://www.dia.govt.nz/Customer-Experience-Survey>.
- 5 This is a new indicator for 2021/22 and is sourced from the Read NZ National Reading Survey. The Read NZ Te Pou Muramura 2021 National Reading Survey was the first since 2018 and can be found at <https://www.read-nz.org/advocacy/research/>.
- 6 Refer to footnote 17 above.
- 7 Read NZ report that the sample size was small with n=89. The result is slightly lower than in 2018 (97 percent) but the difference is not statistically significant.

Case Study

Testing ideas through the Digital Government Partnership Innovation Fund



Our aim

The Digital Government Partnership Innovation Fund was set up to fund ideas that support the Government's digital and data strategies: the Strategy for a Digital Public Service and the Government Data Strategy and Roadmap. Funding means projects can gain insights quickly and minimise financial risks for the design, procurement, and implementation of larger scale digital and data projects across the public service.

Our role

We administered the fund and supported the selection process by advising the panel that evaluated funding applications.

The outcome

In the 2021/22 funding round, 12 initiatives were approved with an overall allocation of \$5.507 million.

During the three years that the fund operated, it supported 35 initiatives across 21 lead agencies. The Fund was contestable and enabled successful applicants to test ideas, solve problems and leverage agency insights using modest funding (usually under \$1 million) within a short timeframe (less than one year).

What this means for New Zealanders

Examples of initiatives that particularly excelled include:

- A pilot project led by the Ministry of Education that resulted in the Early Learning Journeys website (pictured), which enables parents to find information on the different types of early learning services and support available to them
- A referral tool for New Zealand Police that enables front-line police to refer people to third-party service providers via mobile devices and desktops
- The Iwi Data Discovery initiative is a pilot project initiated by iwi and based on an existing relationship with Callaghan Innovation. The project is developing a data tool that will allow iwi to search, manage, and store the data and stories that are relevant to them.

Outcome:

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 and are an essential part of our democracy. Ensuring that government is accountable and transparent builds trust and confidence in central and local government and contributes to people's willingness and ability to participate in society.

Cooperation and coordination across central and local government is critical to address complex issues that have both local and national implications and solutions.

Our 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.

As a large and complex department, we take many actions every day that positively impact this outcome. Examples of our contributions to this outcome are described as follows:

Providing COVID-19 and other health messages in multiple languages

The Translation Service, part of Te Tari Taiwhenua, helped to coordinate messaging across languages and linguistically diverse communities to communicate important COVID-19 information.

The Service provided full translations of general information and contributed after-hours or overnight translation of smaller selections of material to meet tight deadlines in response to the unpredictable and evolving situation presented by COVID-19.

Supporting Local Government response and recovery

The Local Government Response Unit effectively coordinated the COVID-19 response for the local government sector, enabling the sector to continue to deliver services safely and effectively. The unit improved policy design and settings through consideration of the operational impact and consequences for local government and service delivery.

Enhancing relationships between local government and iwi/Māori

In 2021-22, Te Tari Taiwhenua progressed a programme of work supporting and enhancing the relationship between iwi/Māori and local government. Examples include:

Aotearoa Reorua supports councils and tangata whenua to partner on the development and

implementation of a joint strategy to create more bilingual, te reo Māori and English public spaces that reflect the local stories and dialect of their towns and cities. Te Tari Taiwhenua worked with seven councils and their tangata whenua partners across the motu on this initiative.

Tātai Aronga is a free digital portal that brings together publicly available data and information that can assist both tangata whenua and local government to make informed decisions about natural resources over which there is a co-governance arrangement.

Supporting the Future for Local Government Review

We have provided support for the Ministerial review into the Future for Local Government, 'Te Arotake i te Anamata mō Ngā Kaunihera', which commenced in April 2021. The Panel's interim report was made public in October 2021. It identified key challenges facing the local government sector and presented a series of priority questions or key shifts that would guide the next consultation phase of the Review. A draft report is being prepared for release in October 2022.

Keeping local governance legislation fit for purpose and relevant

Te Tari Taiwhenua continues to support reform of local governance. Key achievements in 2021/22 included:

- *The Local Electoral (Advertising) Amendment Act 2022* was passed. This Bill addressed safety concerns related to the publication of residential addresses on local election campaign advertisements.
- *The Local Government Electoral Legislation Bill 2022* is underway. It aims to improve the processes by which individuals and communities are represented through, and can participate in, local government elections. Elements of this bill give effect to Stage Two of a two-stage programme to improve the law relating to Māori wards.

Stage One of this work was focused on preparing councils for the 2022 local elections and repealed the binding poll provisions that were a barrier for the establishment of Māori wards.

Supporting the Royal Commission of Inquiry into Abuse in Care and the Care of Faith-based Institutions

Te Tari Taiwhenua continues to provide advice on, and support for, the Royal Commission of Inquiry into Abuse in State Care and the Care of Faith-Based Institutions. This includes running monitoring and assurance systems to ensure the Royal Commission delivers its redress and final reports on time and within budget.

Consistent with the requirements of its terms of reference, the Royal Commission delivered its redress report, '*He Purapura Ora, He Māra Tipu – From Redress to Pūretumu Torowhānui*', in December 2021. The Royal Commission's final report is required to be delivered by 30 June 2023.

The Royal Commission's final report is required to be delivered by 30 June 2023

Official visits return

The opening of international borders in 2022 saw the return of official Guest of Government visits, which are coordinated and managed by the Visits and Ceremonial Office within Internal



Prime Minister of Samoa Fiamē Naomi Mata'afa's visit to New Zealand in 2022

Affairs. As of June 2022, this included visits by the Prime Minister of Samoa Fiamē Naomi Mata’afa and the Australian Minister for Foreign Affairs, Penny Wong.

The Visits and Ceremonials office also delivered 11 national commemorative events including ANZAC Day commemorations and the Celebration of the Queen’s Platinum Jubilee.

Continuing services during periods of disruption

Te Tari Taiwhenua ensured that we continued to deliver services to the public during the occupation of Parliament grounds in early 2022. We worked closely with other agencies to protect heritage and taonga held by the National Library and New Zealand Archives, whose main offices in Wellington across from the occupation were close to the protest. When these sites needed to be closed, we ensured the public were updated and able to access collections where possible via online services.



Delivery Snapshots

- ▶ Electric capable vehicles make up **61 percent** of the Crown fleet.
- ▶ In supporting the Royal Commission of Inquiry into Abuse in Care and the Care of Faith-based Institutions, Archives New Zealand **digitised more than 3,700 items (comprising over 492,000 images)** during the year. Since the start of the Royal Commission over **9,600 items (nearly 1,314,000 images)** have been digitised.
- ▶ The Chief Archivist acts independently in monitoring and reporting on the compliance of public offices with the Public Records Act. In the two years since the audit programme was reinstated, **68 information management audits** have been completed.
- ▶ We supported the smooth transition of incoming and outgoing Ministers following the Prime Minister’s announcement of changes to the Executive.

What are our indicators telling us?

Outcome indicator description	Source	Metric	Indicator information					
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
The level of institutional trust is maintained or increased	General Social Survey – Stats NZ ⁸	%	38%	No survey	41%	No survey	58% ⁹	42% ¹⁰
Perceptions of corruption are maintained or decreased	Transparency International Corruptions Perceptions Index ¹¹	Score out of 100	90	89	87	87	88	88
New Zealand's global ranking in the Democracy Index is maintained or increases¹²	The Economist's Democracy Index	Score out of 10	9.26	9.26	9.26 (Rank = 4)	9.26 (Rank = 4)	9.25 (Rank = 4)	9.37 (Rank = 2)
New Zealanders' trust in public services based on personal experience is maintained or increases¹³	Kiwi Counts Survey Public Service Commission	%	77%	79%	79%	Data not available ¹⁴	81%	81%

Our indicators tell us that the level of trust from the New Zealand public for the New Zealand Parliament has been maintained. This is reflected internationally, where New Zealand remains one of the countries with the lowest perceived levels of corruption, ranking first equal in the world along with Finland and Denmark in the Transparency International Corruption Perceptions Index. This is supported by The Economist's Democracy

Index, which ranks New Zealand as number 2 in the world, with a full democracy regime in place.

New Zealanders continue to hold a high level of trust in public services based on their personal experiences and the trend has increased over time. In June 2022, the Public Service Commission reported that 81 percent of New Zealanders trust public services based on their personal experience.

8 This indicator is calculated as the percentage of people aged 15 years and over who rated their trust in New Zealand's Parliament at 7 or higher on a scale of 0 to 10, where 0 is no trust and 10 is complete trust.

9 The data for this result was collected as part of a wellbeing supplement in the Statistics NZ Household Labour Force Survey (HLFS) rather than through the General Social Survey. The HLFS had differences in its collection method, sampled population, reporting periods, and restrictions on face-to-face interviewing, among other things, that may affect comparability. This result is not able to be compared with the prior or current year's results.

10 This result is from the Stats NZ 2021 General Social Survey covering the survey period 1 April 2021 to 17 August 2021. The 2021 General Social Survey can be found at <https://www.stats.govt.nz/information-releases/wellbeing-statistics-2021/>.

11 The Transparency International Corruptions Perceptions Index and results for all years can be found at: <https://www.transparency.org/en/cpi> and selecting the relevant year.

12 This is a new indicator for 2021/22. The results are taken from the Democracy Index 2021 which can be found at: https://www.eiu.com/n/campaigns/democracy-index-2021/?utm_source=eiu-website&utm_medium=blog&utm_campaign=democracy-index-2021

13 This is a new indicator for 2021/22. The Kiwi Counts survey is released by the Public Service Commission and can be found at <https://www.publicservice.govt.nz/our-work/kiwis-count/>. We refer to the June quarter results.

14 There was no result for the June 2020 quarter due to a number of issues, including the COVID-19 lockdown.

Outcome:

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.

Our intermediate outcomes:

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

As a large and complex department, we take many actions every day that positively impact this outcome. Examples of our contributions to this outcome are described as follows:

Te Ara Manaaki – improving online identity services

Te Ara Manaaki is a five-year programme to modernise and future-proof the core identity and life event technology systems and processes for Te Tari Taiwhenua.

Customers can already order a birth certificate online and apply online to get married. Now they can also apply online for their first passport, and we've improved the online Citizenship by Grant process.

Te Ara Manaaki is a multi-year project that is continuing to make things easier for customers to access services and information, including when people are having a baby, experiencing the loss of a loved one, changing their name, adopting a child, or applying for citizenship or a passport. Robust identity proofing will reduce the risk of identity fraud as information is easily and securely shared by individuals to access services they need.

Delivering cross-agency integrated services – SmartStart, digital identity and RealMe

RealMe services continue to be highly popular. RealMe provided access to, and verification for the My COVID record for the public and needed to scale up quickly to ensure access for people who chose that method.

Through RealMe and the Identity Check service, we provide options for New Zealanders to access services and prove their identity digitally. The Identity Check service is progressing, with initiatives underway to make

Case Study

Passports surge response to 400 percent increase in demand

Our aim

We needed to respond to an immediate rush in demand for passports that came with the announcement of the reopening of New Zealand's international borders in March 2022. People wanted to reconnect with family and friends, have a much-needed overseas break or travel for business and we play a crucial role in making this happen. International travel restrictions in place in 2020 and 2021 meant that approximately 540,000 passports that would ordinarily be applied for and issued in 'normal' times were left unrenewed. This triggered a 400 percent increase in demand for passports.



Our role

The rush in demand for passports was beyond our capacity at the time. A multi-disciplinary response team was established to address the backlog. We analysed international trends, changing travel habits, flight booking demand and historical trends to forecast passport demand. Interventions included recruiting a temporary workforce of more than 250 full-time employees, implementing service recovery, policy and process changes to aid productivity, and introducing proactive messaging for customers to reduce failure demand and set expectations.

The outcome

All of these changes were made while ensuring that the New Zealand passport's global integrity and reputation is maintained.

What this means for New Zealanders

By the end of June 2022, the backlog was stabilised and the focus shifted to accelerating the return to normal service levels of 10 working days.

it ‘production ready’ for use by pilot agencies (across public and private sectors) in 2022/23. This service will allow for real-time identity verification on a one-time transactional use basis. The Identity Check will provide a complementary service to the RealMe verified identity that provides a user with a reusable digital identity credential.

SmartStart continues to broaden its gateway for parents and caregivers to access baby-related and child-related services. Discussions are ongoing to find opportunities that support government outcomes linked to its Child Youth and Wellbeing Strategy. Social sector agencies are working with Te Tari Taiwhenua to develop further integrated services.

A new civil registration system

The Te Ara Manaaki programme is building a new civil registration system that will go live in 2024, with full functionality and data safely migrated.

Civil registration, known by many as ‘Births, Deaths and Marriages’, reflects the wider scope of life event and identity data for which Te Tari Taiwhenua is responsible. It also includes proof of identity, paternity orders, adoption, marriage, change of name, change of registered sex, civil union, human assisted reproductive technologies, secure identity and surrogacy

We have listened to customers, stakeholders and our people, and done research to learn what is important to shape our services. We are improving the whole system by making it more accessible to people, improving how individuals can share their information, and ensuring we are safeguarding people’s information, while continuing to meet our legislative requirements.

We are modernising the 25-year-old infrastructure that supports this precious data. Part of this involves replacing the birth, death and marriage registers – approximately 80 million records – and moving them into the Microsoft cloud in a data centre in Auckland.

Digital Identity Trust Framework

We have worked with a range of agencies and industry stakeholders to develop the Digital Identity Service Trust Framework Bill, which was introduced in September 2021. The Bill aims to promote the provision of secure and trusted digital identity services that meet essential minimum requirements for security, privacy, identification management and interoperability.

The Bill will establish a trust framework for the provision of user-authorised digital identity services in New Zealand. It also establishes requirements for accrediting digital identity service providers. Specific provisions in the Bill will ensure that te ao Māori approaches to identity are considered in the trust framework governance and decision-making.

Community-Led Development Programme

The Community-Led Development Programme is a five-year partnership scheme that uses a community-led approach to support communities and hapū to realise their goals. This is achieved by providing dedicated advisory services and flexible funding.

In 2021/22, 20 communities took part in the programme. The first two communities completed their five-year partnerships with Te Tari Taiwhenua in early 2022, and discussions to join the programme began with a further five communities. We also commissioned an independent evaluation of the Community-Led Development Programme, which found that it is making a positive contribution to the wellbeing of participating communities and made recommendations to strengthen its operation and long-term impact.

Te Tari Taiwhenua is investigating how to make this programme and its community operations group more responsive to hapū-led development. In 2021, interviews were conducted with experienced kaimahi Māori Community Advisors and Māori community-led development partners across the rohe and a key insights report was produced.

Improving access to library resources and services

The National Library's Services to Schools is working to improve equitable access to library resources and services. This includes targeted resources to support ākonga Māori, Pacific learners and students from refugee and migrant communities, and accessible formats to support neuro-diverse learners.

During the past year, around 5,000 children's books in 22 languages, including seven Pacific languages, have been added to the lending collection to support cultural and linguistic diversity and increase access to books in students' indigenous languages.

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Support for ākonga Māori has been a priority with a focus on improving access to print and online resources with a te ao Māori perspective. Another targeted offer is an e-book and audiobook platform for schools with 50 students or less, comprising 2,000 current e-books and 900 audio books. These collections further enhance the ability of Services to Schools to support reading initiatives and respond to increasingly diverse needs and literacy priorities.



Lifting digital skills for individuals and whānau

People who are digitally excluded are increasingly unable to engage in our world. As more and more services move online – including health, education and consumer purchasing – the digital divide is deepening for communities at higher risk of digital exclusion. To help address this, Te Tari Taiwhenua has funded a digital skills training programme for individuals and whānau, delivered by the Manaiakalani Education Trust and its provider network.

The programme's evaluation in early 2022 has shown positive feedback from participants and the impact it is having on their ability and confidence to safely and successfully engage online.

As at June 2022, nearly 11,000 people have benefited from this training programme. Another 5,000 individuals and whānau will benefit from funding secured to deliver the programme in the coming year. The programme is scheduled to conclude in December 2022.



Delivery Snapshots

- ▶ We completed a significant modernisation of the RealMe operating platform by transitioning to Microsoft's B2C Azure cloud platform. Services will be more stable, and the transition provides a solid platform to continue enhancing the digital identity system during the coming years.
- ▶ **16,300** marriages registered
- ▶ **61,000** births registered
- ▶ **6.8 million** words translated
- ▶ **86 percent** of Passport applications submitted digitally
- ▶ **225,000** Passports issued
- ▶ **28,000** new citizens – 60 percent more than 2020/21
- ▶ **34.7 million** successful RealMe customer logins – 80 percent more than 2020-21

What are our indicators telling us?

Outcome indicator description	Source	Metric	Indicator information					
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Ease of getting passport services is maintained or increases	DIA Customer Experience Survey ¹⁵	%	87%	88%	86%	86%	90%	89%
Ease of getting Birth Death and Marriage services is maintained or increases	DIA Customer Experience Survey	%	85% ¹⁶	84%	86% ¹⁷	91%	91%	92%
Ease of getting citizenship services is maintained or increases	DIA Customer Experience Survey	%	86% ¹⁸	90%	87%	88%	89%	86%
People's trust and confidence in digital identity is improved	DIA Customer Experience Survey	%	91%	92%	91%	94%	93%	88%

Our indicators continued to show higher levels of satisfaction with the ease of access to or use of key services from Te Tari Taiwhenua, such as the issuing of passports, and births, deaths and marriage registration.

While the result for the indicator of ease of getting citizenship services has been maintained over the longer-term, it declined slightly by 3 percent over the past year. This decline is most likely due to; the processing

¹⁵The DIA Customer Satisfaction Survey has been run annually by Research New Zealand on behalf of Te Tari Taiwhenua using a sample of customers who have used services in the previous 12 months. For the 2021/22 survey a total of 6,292 customers were interviewed (across all services being surveyed) between 1 July 2021 and 1 June 2022. Further information on this survey can be found at <https://www.dia.govt.nz/Customer-Experience-Survey>.

¹⁶In the 2020/21 Annual Report this indicator was reported as 84 percent due to incorrect rounding. It has been corrected to 85 percent.

¹⁷In the 2020/21 Annual Report this indicator this was reported as 87 percent due to incorrect rounding. It has been corrected to 86 percent.

¹⁸In the 2020/21 Annual Report this indicator this was reported as 85 percent due to incorrect rounding. It has been corrected to 86 percent.

timeframes of citizenship applications which were extended during the national and Auckland lockdowns. The result for the indicator of people's trust and confidence in digital identity also declined over the past year and may have been impacted by the slower processing timeframes across key services such as passports, citizenship and birth, deaths and marriage registrations.

Case Study

Preserving mātauranga and taonga through the Mātauranga Māori Marae Ora fund



Our aim

We work to support marae communities to protect their mātauranga and taonga from the impact and ongoing threat of COVID-19 and support the cultural revitalisation of marae as centres of Māori identity and mātauranga.

Our role

In December 2020, Te Tari Taiwhenua was asked to establish and manage a COVID-19 response fund on behalf of Manatū Taonga The Ministry for Culture & Heritage. In 2021/22, the Mātauranga Māori Ora Fund granted a total of \$4,611,154 to 77 applicants.

The outcome

One example is the \$100,000 grant received by Te Mahurehure Marae, which is recognised as the central gathering place for Ngāpuhi and the hapū of Te Tai Tokerau living in Tamaki Makaurau Auckland. The marae used its grant to design and deliver a traditional wānanga Māori programme and to develop digital resources to retain, protect, and revitalise mātauranga and taonga. A series of wānanga over 12 months were organised that led to greater knowledge sharing of mātauranga Māori, including traditional artforms of whaikōrero, karakia, karanga, waiata, mōteatea mātauranga and other traditional practices.

What this means for New Zealanders

Digital recordings of the kōrero and taonga tuku iho shared by the tohunga and the guest speakers are retained as learning resources for future wānanga and generations of te iwi Māori, particularly tamariki, mokopuna, and rangatahi of Hokianga and Ngāpuhi. This also provided an opportunity to develop the capabilities of selected taura from across Ngāpuhi who would contribute to marae taumata of Te Mahurehure and other hapū marae of Te Tai Tokerau, as kaikaranga, navigators, rongoa, waka builders and as traditional knowledge holders in ngahere, whenua and moana.

Outcome:

Kua whakapai ake te oranga o ngā hapū, o ngā iwi me ngā tāngata Māori mā tētahi hononga matatū, e tōkeke ana, he ngākaupai anō hoki i waenga i ngāi Māori me te Karauna Oranga hapū, iwi and Māori is improved through an enduring, equitable and positive Māori-Crown partnership

This outcome derives from concepts in the Māori account of Ranginui and Papatūānuku. At the heart of this statement is the word ‘mauri’ or the life force, linking the mauri of our environment with the mauri of people and place. This is consistent with the view shared in te ao Māori that if the land and waters are well, so too are the people and community they live in.

Making the link between the land and waters, people and community, and wellbeing will guide our engagement with hapū, iwi and Māori on outcomes and Treaty rights and interests. This concept of oranga or wellbeing also aligns well with our other outcomes. Incorporating these concepts into our strategic framework signals our commitment to lifting our capability to engage with te ao Māori.

Our intermediate outcomes:

- Mātauranga Māori is respected and valued
- Māori, iwi and hapū aspirations, interests and rights are understood and respected.

As a large and complex department, we take many actions every day that positively impact this outcome. Examples of our contributions to this outcome can be found in Part 5, ‘Māori-Crown Relations Capability’ and are as follows:

Making it easier for whānau to engage with the culture and heritage sector

Te Ara Taonga is a collaborative effort to make it easier for whānau, hapū and iwi to engage

with the culture and heritage sector, and to support their aspirations. During the year, Te Ara Taonga agencies worked together to support seven iwi interns complete a 12-week paid internship at Te Papa, the National Library, Archives New Zealand or Ngā Taonga Sound & Vision. The Agencies worked with iwi and their interns to develop an iwi-led programme, support them with capability development and provide access to our collections.

Weaving mātauranga Māori into the documentary heritage institutions

Weaving mātauranga Māori into the heart of Te Puna Mātauranga o Aotearoa, Te Rua Mahara o te Kāwanatanga and Ngā Taonga Sound & Vision is an essential component of the institutions’ shared journey of transformation, Te Ara Tahi.

Over the past year we have been focusing on activities to support the set-up of a Mātauranga Māori workstream including:

- Holding wānanga with kaimahi Māori to understand their aspirations for the future of mātauranga Māori within the institutions.
- Developing mātauranga Māori standards and a Māori engagement strategy to support kaimahi to reflect the unique rights and interests Māori have over the care of taonga and mātauranga Māori.
- Creating a Mātauranga Māori outcomes map to support with telling Te Ara Tahī investment story.
- Bringing on board respected expertise in te ao Māori.

What are our indicators telling us?

Te Tari Taiwhenua has significant and diverse responsibilities that require strong partnerships, engagement and consultation with Māori to be effective. The organisation created a new outcome to recognise this need: *Oranga hapū, iwi and Māori is improved through an enduring, equitable and positive Māori-Crown partnership.*

We are currently developing indicators for this outcome which will be in place for 2022/23.

Case Study

Ensuring Te Piiti o Ōmanaia Marae remains a centre of Māori identity

Our aim

We work with whānau and hapū to restore and refurbish marae so they can be safe and healthy, contributing to the well-being of iwi, hapū and whānau through the Oranga Marae Fund.

For Ngāti Kaharau me Ngāti Hau ki Ōmanaia hapū, a \$1.04 million grant through the Fund meant that the hapū could undertake extensive work on the buildings and grounds of their marae, Te Piiti o Ōmanaia Marae in the Hokianga area of Te Tai Tokerau.



Our role

We work with Te Puni Kōkiri to administer the Oranga Marae Fund, which is a programme of support, advice and investment for marae. It gives whānau and hapū advice and support to help develop their marae and achieve their goals. This support may include building projects and activities to restore cultural knowledge.

The outcome

The work included the demolition and rebuild of the wharekai, which now seats up to 200 people; installing an environmentally sustainable wastewater system, eliminating the flood risk by raising all buildings out of the flood zone; and developing a marae preparedness programme so the marae could be used as a civil defence site during the COVID-19 pandemic.

What this means for New Zealanders

Whānau use the Te Piiti o Ōmanaia Marae for tangihanga, unveilings, whānau events and huihuinga. Community organisations use the facilities for hui and workshops. Many schools from Te Tai Tokerau and other regions hire the marae when they travel to the Hokianga for school and sporting events. Most recently, as part of the COVID-19 response, the marae facilities were used for preparing kai packs for the community. The new facilities provide a safe and comfortable space for hapū and whānau to connect. Increased activities on the marae also ensure the transmission of mātauranga Māori and enhance the wellbeing of hapū and community.



03

He wāhi rawe ki te
mahi, ā, he whakahaere 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 whakahaere 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 Te Tari Taiwhenua 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

- ▶ Set up a COVID-19 Management Team to support our response to COVID-19 to ensure our kaimahi had the information they needed to effectively do their jobs. This included developing a COVID-19 Protection Framework guide and COVID-19 policy and risk assessments.
- ▶ Improved how we engaged with kaimahi to raise their awareness and knowledge of the commitment of Te Tari Taiwhenua to wellbeing and health and safety.
- ▶ Continued to run our Te Aka Matua Māori leadership programme to increase the number of Māori in leadership roles.
- ▶ Reduced our gender pay gap by 3.6 percent.
- ▶ Continued to develop our Pasifika leadership through Avei’a, our Pacific leadership and development programme.
- ▶ Modernised how our people access internal applications and services, with increased security and performance.
- ▶ Upgraded our Archives New Zealand Dunedin site to ensure it is suitable for the services being delivered, and that it provides an environment to meet the health and safety needs of kaimahi and visitors.
- ▶ Continued our Property Capital Forward Works Programme, providing safe and secure worksites for our people and the public, protecting our taonga, and ensuring our buildings are operating efficiently.
- ▶ Extended the human resource functionality in Rehutai – our enterprise finance support system to provide joined up, transparent and fit for purpose services.

Tō mātou kaihautūtanga me te kāwana

Our leadership and governance

The Executive Leadership Team of Te Tari Taiwhenua includes the Secretary for Internal Affairs, seven Deputy Chief Executives and the Director of the Office of the Chief Executive.



Paul James

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



Amy Allison

Deputy Chief Executive, Te Urungi Organisational Strategy and Performance (in role from May 2022)¹



Ann-Marie Cavanagh

Deputy Chief Executive, Te Kōtui Whitiwhiti Digital Public Service, Deputy Government Chief Digital Officer



Maria Robertson

Deputy Chief Executive, Kāwai ki te Iwi Service Delivery & Operations



Karen Hope-Cross

Director, Office of the Chief Executive (in role from November 2021)²



Hoani Lambert

Deputy Chief Executive, Te Haumi Enterprise Partnerships



Marilyn Little

Deputy Chief Executive, Toi Hiranga Regulation and Policy



Michael Lovett

Deputy Chief Executive, Ue te Hīnāore Local Government



Kate Wareham

Deputy Chief Executive, He Pou Aronui Organisational Capability and Services (in role until July 2022)

¹ Karl LeQuesne was Deputy Chief Executive, Te Urungi Organisational Strategy and Performance through to April 2022.

² Kim Chambers was Director, Office of the Chief Executive through to November 2021.

The Executive Leadership Team ensures the focus of our efforts and resources, and its operating model supports our strategic governance role.

Our governance

Our governance system ensures Te Tari Taiwhenua delivers on its purpose, strategic priorities and focus on stewardship, through sound and sustainable long-term decision-making.

Our governance is collectively led by the Executive Leadership Team and supported by three governance sub-committees with well-established governance principles and protocols. This includes clear and understood terms of reference and a comprehensive declarations of interest process.

Our three governance sub-committees support the Executive Leadership Team:

- **Finance and Performance Governance Sub-Committee:** provides assurance that Te Tari Taiwhenua has the capabilities required to deliver on its strategy and maintain stewardship over its financial sustainability and organisational performance under the Public Finance Act 1989.
- **Risk and Assurance Governance Sub-Committee:** provides assurance that Te Tari Taiwhenua has an effective risk and assurance system, culture and practice that serves to keep our people and their work safe. The Committee achieves this through oversight of our risk management, audit and assurance (both internal and external) systems.
- **Investment Governance Sub-Committee:** provides direction on, and oversight of our investment system health and portfolio management, reviewing and approving or endorsing to the Executive Leadership Team (in line with its delegated authority) project and programme business cases and investment-related matters.

Te Tari Taiwhenua also has an External Advisory Committee that provides

independent advice to the Secretary for Internal Affairs and the Executive Leadership Team in discharging its management and governance responsibilities. This includes guidance on the strategic direction, systems of governance, risk and assurance and organisational performance, as well as the integrity of our performance information.

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 have an 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 Te Tari Taiwhenua.

Good risk management practice helps identify key risks to delivery and enables early intervention.

Information, privacy and security

Information management, privacy, security and resilience are key to enabling our people to work safely and productively. Our focus is on embedding these practices in our culture, so they become part of how we do things around here.

We support our kaimahi by running awareness campaigns, promoting good practices, and ensuring everyone understands their obligations. All kaimahi and contractors are required to complete training modules on privacy, security, and information

management when they start at Te Tari Taiwhenua and on an annual basis to help them understand how to keep our people, customers and taonga safe.

We are committed to ensuring our knowledge and behaviour's related to privacy continue to grow. We reviewed our central privacy function to gain a better understanding of the privacy services and support provided to our kaimahi and whether these met business needs. A range of improvements were identified which will be addressed in 2022/23.

Building our information management capability

New Zealanders trust us with their personal data so that there is an official record of their life events such as births, deaths, marriages and relationship registrations. They share data with us so we can process citizenship and passport applications. We also have an important role to protect, preserve and collect New Zealand's heritage and public records and make them accessible through the National Library and Archives New Zealand.

Everyone at Te Tari Taiwhenua is responsible for managing information. Good practices enable people to be productive, share information safely, and find and re-use information to provide high-quality advice and services.

Good practices enable people to be productive and share information safely.

We have established a project designed to uplift information management practices. This will continue to focus on the culture and behaviours around information management and replacing our current enterprise content management system.



Te Hāpai Ō – Improving our financial and human resource processes and capabilities

The Te Hāpai Ō programme was initiated in 2019/20 to secure better tools to provide joined up, transparent, fit-for-purpose services and to enable our people to deliver great outcomes for New Zealand.

Improving our internal financial and human resource systems, processes and capabilities allows us to manage our resources more efficiently and focus on strategic outcomes. To enable us to do this, we have introduced a new Oracle enterprise support system that we call Rehutai.

Finance functions were the first to be rolled out in July 2021. Access to functions is targeted to different types of users and their needs. The finance team uses core accounting functions. Budget holders use the budgeting, forecasting, and reporting functions. Accessing tools for procurement, project accounting, expense claims and timecards are available to all kaimahi.



Material from the Wellbeing, Health and Safety Maturity Uplift programme.

The next function rolled out in June 2022, this resulted in the extension of the Human Resource functionality in Rehutai to be the primary Human Resource information tool, supported by iChris payroll.

Building a healthy and safe culture

Wellbeing, health and safety maturity uplift

We take wellbeing, health and safety seriously at Te Tari Taiwhenua. We are committed to creating a mentally and physically healthy workplace that supports our people to thrive – that’s why we’ve put in place a Wellbeing, Health and Safety Maturity Uplift programme.

Our commitment starts at the top. This year our Executive Leadership Team received thorough training to ensure they understand their legal obligations and can take a visible role in promoting health and safety.

We also focused on our extensive network of health and safety representatives across Te Tari Taiwhenua, branch coordinators and management representatives to ensure that our kaimahi are supported from within their teams.

Managing our response to COVID-19

To support our response to COVID-19 and manage current and emerging risks, Te Tari Taiwhenua set up a COVID-19 Management Team. Integral to this work was keeping kaimahi informed and feeling safe and well in the workplace.

We developed a COVID-19 Protection Framework guide and implemented 2 reviews of the COVID-19 Policy and Risk Assessments.

Unite
against
COVID-19

The successful implementation of controls such as mask wearing, rapid antigen testing, vaccination, physical distancing and healthy habits has been essential in keeping our kaimahi and customers safe.

We supported kaimahi in various ways, depending on their locations and needs:

- We distributed N95 masks to critical and front-facing kaimahi and 11,000 rapid antigen tests across our sites.
- We ran an engagement session for all kaimahi with Dr. Siouxsie Wiles, which was very well received. Having an evidence-based presentation with a trusted expert helped to build knowledge about COVID-19 transmission and how controls work to keep people safe.
- A short video featuring some of our vulnerable kaimahi was created. It emphasised that we all have a part to play when it comes to ensuring protection and wellness for our colleagues and alignment to our mātāpono.
- We established a network of branch representatives to regularly engage with, including an Auckland Presence Group which supported the interests and activities of Te Tari Taiwhenua in Auckland. We also liaised with internal networks and the Public Service Association to ensure important information and learnings were filtered to every area of our diverse Department.

Te Tari Taiwhenua also played an important role in contributing to policy settings and system direction and has engaged frequently with other agencies and senior officials.

The establishment of the COVID-19 Management Team has also enhanced our capability and preparedness for future emergencies and incidents. We have well established policies and procedures, as well as improved maturity across the department in important disciplines such as business continuity planning.

Building inclusive leadership

Leaders have a significant role to play in ensuring that Te Tari Taiwhenua is a diverse and inclusive organisation that reflects the communities we serve. Inclusive leadership is embedded in our core leadership programmes.

Understanding unconscious bias is also embedded in our Specialist Leadership, Te Hunga Kōhuri and Avei'a leadership programmes. These programmes encourage leaders to understand bias and its effects on behaviour and decision-making and teaches tools and strategies to move beyond bias.

We continue to run our Te Aka Matua Māori leadership programme. The programme aims to increase the number of Māori in leadership roles within Te Tari Taiwhenua and the wider public sector. The learning modules provide the tools and resources to support participants on their journey towards becoming influential leaders and role models. In the past 2 years, 24 kaimahi Māori have participated in the leadership programme.

We have also continued to develop our Pasifika leadership through Avei'a, our Pacific leadership and development programme. Since the programme launched in 2020, 45 of our Pasifika kaimahi have participated across three cohorts. This programme focuses on five components:

- identity
- wellbeing
- inner strength and outward confidence
- understanding Pacific peoples' context in New Zealand
- achieving career or personal goals.

Taura Herenga Waka – Our inclusion and diversity strategy

Taura Herenga Waka, our inclusion and diversity strategy, reflects the five priority areas of Papa Pounamu – a comprehensive programme of work mandated by Te Kawa Mataaho Public Service Commission.

Papa Pounamu has five commitment areas that are focused on making the most positive difference for all our people across all dimensions of diversity, including:

- 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. An inclusive culture is essential to attract and retain the diverse workforce we need to effectively deliver our Ā Mātou Mahi strategic outcomes and make a difference for New Zealanders.

As a long-standing Alliance Partner with Diversity Works, Te Tari Taiwhenua is committed to being a role-model of workplace diversity and inclusion best practice.

We aspire to have a workforce that reflects the diversity of the communities we serve. Our permanent workforce includes 1,826 full-time and 163 part-time employees across 47 locations in New Zealand, London and Sydney. Our largest locations are in Wellington (including kaimahi at the Parliamentary Precinct), Auckland and Christchurch.

Details of our workforce profile are contained in Appendix A page 214.

Addressing bias and discrimination

Addressing bias is critical to ensuring all kaimahi are provided with opportunities at all stages of their careers. Our leaders are encouraged to lead by example, completing unconscious bias training and using it in their day-to-day activities. Leaders are also encouraged to take positive action to mitigate bias when convening recruitment panels, shortlisting for interviews and making recruitment decisions.

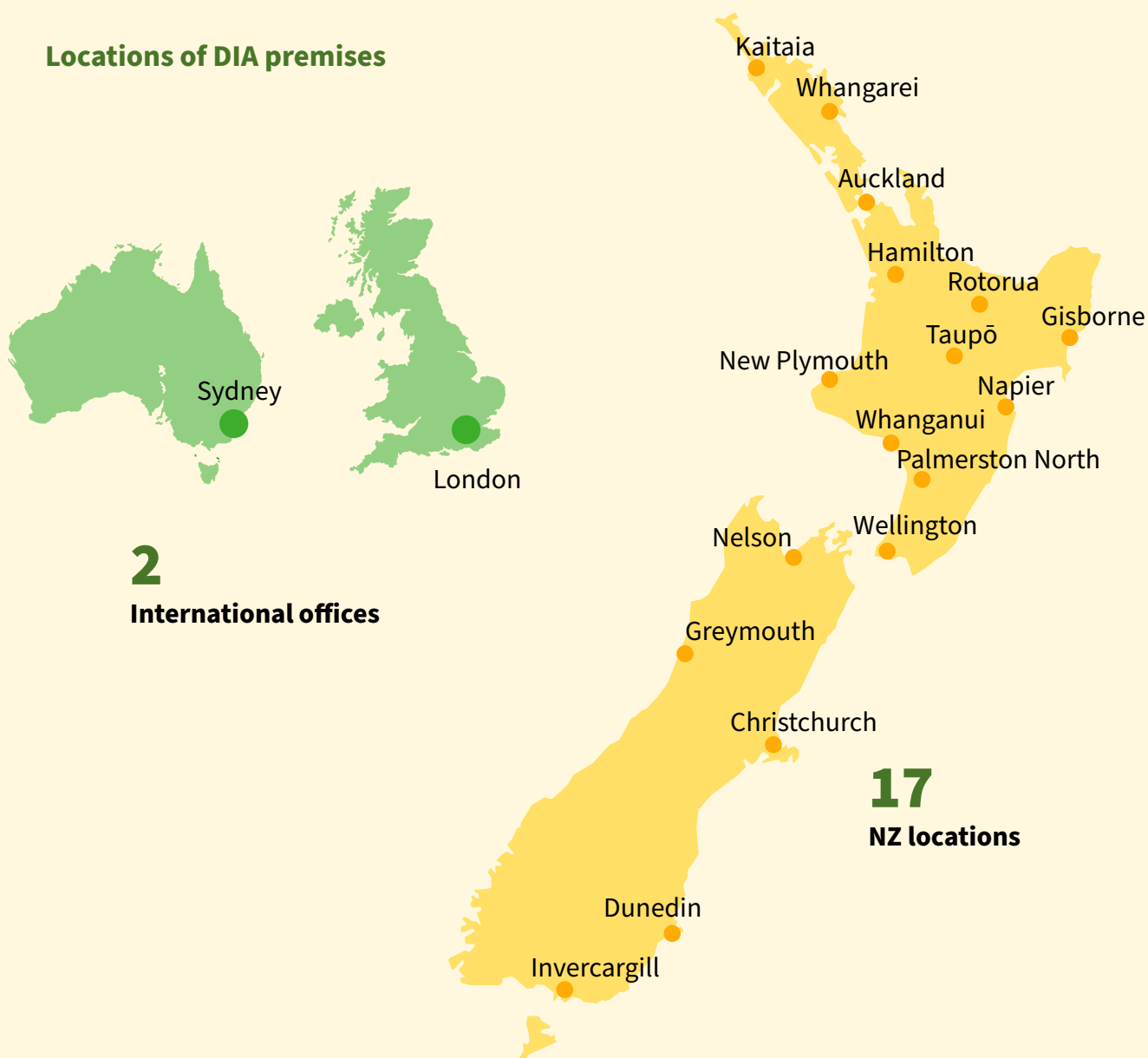
This work is paying off. The recently completed internal people survey *Whakahoki Kōrero – Your Feedback Survey*, asked for our people’s experiences. Our results showed an average 20.5 percent increase in the number of people agreeing that they are treated fairly, regardless of their disability, religious beliefs, gender identity, age, and sexual orientation. The number of people who indicated they have been subject to or witnessed exclusion, bias, bullying, discrimination and/or sexual harassment decreased over the past 12 months.

An unconscious bias online learning module is available for all kaimahi. It will be relaunched in 2022 and everyone is expected to complete it during the year.

Strengthening cultural competency

We continue to strengthen cultural competency through a range of programmes. The National Māori Staff Hui at Hirangi Marae provided kaimahi Māori an opportunity for whakawhanaungatanga, sharing thoughts and aspirations, and being authentically Māori in

Locations of DIA premises



2
International offices

17
NZ locations

a Māori environment. The hui enabled kōrero on issues that affect kaimahi Māori, how we all engage and partner to uplift Te Ao Māori capability of Te Tari Taiwhenua, deliver our Te Aka Taiwhenua strategy and achieve our Ā Mātou Mahi strategic outcomes.

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.

Mana Āki, our intercultural competence programme, helps build intercultural awareness and understanding. Since it was launched in May 2021, nearly 70 percent of our kaimahi have either completed or started the programme. New kaimahi complete these modules as part of their induction programme.

Many of our kaimahi are raising their cultural confidence, experiencing much deeper learning about Te Tiriti o Waitangi and are supported to engage effectively with Māori communities.

Programmes aimed at lifting cultural capability in relation to te reo Māori, waiata, tikanga and Te Tiriti o Waitangi are provided as online modules. Many of our kaimahi are raising their cultural confidence, experiencing much deeper learning about Te Tiriti o Waitangi and are supported to engage effectively with Māori communities, mana whenua, hapū and whānau.

Tai Ako is a customised smartphone app created for Te Tari Taiwhenua. It is a tool with useful words, phrases and insights to support our people to use te reo Māori every day in their mahi.

Developing relationships that are responsive to diversity

At Te Tari Taiwhenua we aim to provide an environment where our people can be their unique selves, and where we value, respect



Hana Seumanu, Te Tari Taiwhenua Pacific Career Broker

and celebrate differences, allowing everyone to be the best they can be.

Our commitment to the Accessibility Charter is part of our inclusion and diversity strategy. We work to ensure the public sector is accessible for everyone and inclusive of disabled people.

Through the Te Tari Taiwhenua Pacific Career Broker, our Pasifika people are supported to develop their skills, progress to more senior roles and feel confident in their career journey and pathway. As an example, through this programme in 2021/22 we have been successful in recruiting nine Pasifika people into our technology group.

Three of our Pasifika leaders are participating in the Tu Mau Mana Moana scholarship programme. This is a programme for Pacific leaders in the public service, designed to deepen Pacific aspirations, personal growth, professional excellence, cultural strength, and collective mobilisation.

This year, we continued to be a partner agency in the Tupu Tai Pasifika internship programme. This interagency government initiative, through the Ministry for Business, Innovation and Employment, 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 use the unique perspective and skillsets of Pacific peoples in their own work to benefit all New Zealanders.

Employee-led networks

Our employee-led networks help connect and strengthen the voices of rainbow communities, Māori, Pasifika and women employees. Our networks include the Authentic Self Network (LGBTQI+), Tangata Whenua Network, Taha Moana Pacific Network and Women's Network.

Our employee-led networks help connect and strengthen the voices of rainbow communities, Māori, Pasifika and women employees.

Kaimahi 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, which is measured as the difference between the average salary for women and for men. As of 30 June 2022, the gender pay gap was 8.5 percent, a reduction of 3.6 percent from the previous year.

The primary driver for the gender pay gap continues to be the high proportion of women in lower and mid-level positions. Our Gender Pay Action Plan was updated in November 2021.

Kia Toipoto | Public Service Pay Gaps Action Plan 2021 to 2024 builds on the achievements and success of the Government's Gender Pay Gap Action Plan. It recognises that common barriers drive all pay gaps, with more targeted action needed to accelerate progress for

wāhine Māori, Pacific women, and women from ethnic communities.

Kia Toipoto's 3-year goals are to:

- make substantial progress toward closing gender, Māori, Pacific and ethnic pay gaps
- accelerate progress for wāhine Māori, Pacific women, and women from ethnic communities
- create fairer workplaces for all, including disabled people and members of rainbow communities.

There is more work to be done on reducing the gender pay gap. We plan to engage with employees and unions to develop a Te Tari Taiwhenua Kia Toipoto Gender and Ethnic Pay Gap Action Plan in 2022/23.

Improving our systems to enable seamless, simple and fit-for-purpose services

This year we have continued to improve services for kaimahi who spent some of their time working from home or interacting from the office with others who were working from home. Performance during peak demand is more consistent and this has enabled greater productivity. We have also modernised how our people access internal applications and services, with increased security and performance. We have started the rollout to refresh our modern end user devices, supported by a modern management environment that improves the ability to maintain service continuity and resilience across the Department's geographically spread and hybrid workforce.

Kaimahi service experience can adapt easily, as Te Tari Taiwhenua continues to improve internal services and support to our kaimahi, who are either working in the office or able to work in a hybrid manner in roles that interact directly with the Department's public facing services.

Our investment and asset performance

A modern and responsive public service drives our investment in digital assets as part of our medium-term plan to modernise services. These investments continue to leverage digital platforms and cloud capability, to ensure services are responsive, resilient, secure and data driven.

Our ICT Asset performance measures this year show an increase in the average service time our ICT systems were available, reflecting the investments to refresh core assets and reduce technical service risks. Asset condition performance declined during the year, driven primarily through resourcing challenges with the COVID-19 pandemic. However, performance has subsequently returned to the target level. Asset utilisation performance met the target level for the year but reflects that Te Tari Taiwhenua is partway through a desktop renewal programme that requires it to hold more spares.

Te Tari Taiwhenua has continued our Property Capital Forward Works Programme, which enables us to carefully improve and maintain the condition of our property assets.

Our asset condition performance met this year's targets despite external influences such as COVID-19 and global supply chain delays.

Our focus is providing safe and secure worksites for our people and the public, protecting our taonga, and ensuring our buildings are operating efficiently.



Our focus is providing safe and secure worksites for our people and the public, protecting our taonga, and ensuring our buildings are operating efficiently. We ensure improvements are carefully prioritised to manage opportunities and risks as they appear. For example, major investment is planned for the new building for New Zealand Archives in Wellington that will assist in reducing unplanned and reactive maintenance. The current and future health and safety of kaimahi and customers is a critical success factor as we continuously improve the conditions of our worksites.

Asset condition performance is detailed in Appendix B page 219.



04

Ngā Āheinga o te
Hononga i waenga i ngāi
Māori me te Karauna
Māori-Crown Relations Capability

Ngā āheinga o te hononga i waenga i ngāi Māori me te Karauna Māori–Crown relations capability

We are building our capability in Māori-Crown relations through a number of initiatives. These initiatives support wider public service goals of empowering our people and supporting greater use of te reo Māori.

Our Māori strategic framework is built on fundamental principles that we have an obligation and responsibility to uphold, including kotahitanga (unity), manaakitanga (support and service), whanaungatanga (kinship and shared interests), and he tāngata (people come first).

Whāinga Amorangi

Te Tari Taiwhenua has developed a new Māori-Crown Relations outcome, *Oranga hapū, iwi and Māori is improved through a strong, enduring, equitable and positive Māori Crown partnership*. This statement is included in Ā Mātou Mahi, our organisational strategy.

This new outcome also reflects our role and commitment to Māori-Crown relationships and informs the other four outcomes in the strategy. The outcome statement derives from the holistic te ao Māori concept of Māori wellbeing, with connections between people and place (whenua).

He Waka Eke Noa – We are in this together

He Waka Eke Noa is the name of a three-year work programme to advance Te Aka Taiwhenua, the Māori Strategic Framework for Te Tari Taiwhenua. He Waka Eke Noa reflects the whakataukī that reinforces we are all in this

together, all with a role and responsibility to reach our destination.

He Waka Eke Noa aligns with Whāinga Amorangi, a public service initiative aimed at building capability for people and organisations to engage with iwi and Māori. Key to He Waka Eke Noa are the building blocks of change and maintaining momentum to achieve the objectives in phase one of Whāinga Amorangi. It focuses on te reo Māori, the history of New Zealand and the Treaty of Waitangi.

Alongside an organisation-wide approach, He Waka Eke Noa also supports each branch to develop its own strategies, goals and actions. The programme is focused on three key workstreams that contribute to systemic change – Te Reo me Ōna Tikanga, Te Ao Māori and Te Tiriti o Waitangi. Our strategy is led by our Executive Leadership Team, with two Deputy Chief Executives responsible for each of the three workstreams. The three workstreams have been aligned to the Whāinga Amorangi framework.

Te reo me ōna tikanga is one such workstream within our Whāinga Amorangi framework. An early focus has been developing a framework that can effectively measure our progress. This will help us capture what we want to do (our

outcomes) against what we want to measure (our indicators). The same approach to developing effective indicators and measures will be applied across all three workstreams.

For example, Ue te Hīnāture, the Local Government branch of Te Tari Taiwhenua, has worked to develop a Māori capability and engagement strategy. In developing its strategy, Ue te Hīnāture participated in a Māori capability survey to identify a clear starting point. Building te reo Māori capability was a large focus of this strategy, and this is already underway.

Maihi Karauna

Maihi Karauna is the Crown's strategy for revitalising te reo Māori. Te Tari Taiwhenua has committed to support the revitalisation and use of te reo Māori across the organisation and its partners.

Te Tari Taiwhenua has committed to support the revitalisation and use of te reo Māori across the organisation and its partners.

Examples include:

- A flagship programme for Ue te Hīnāture is Aotearoa Reorua, a bilingual cities and towns initiative that seeks to develop strategies between iwi and local authorities to increase the use of te reo Māori. For example, using the correct names on signage.
- Kāwai ki te Iwi, the Service, Delivery and Operations branch, has several tailored initiatives to uplift te reo Māori competency amongst its kaimahi. The initiatives cater for senior leadership, and kaimahi in New Zealand and in our overseas offices. The initiatives offer short and medium-term te reo Māori programmes both in person and online.

Māori-Crown Relations

Te Tari Taiwhenua has made some positive gains in embedding Te Aka Taiwhenua, with a focus on developing capability of both Māori and non-Māori staff and growing the level of engagement with iwi and Māori on Treaty of Waitangi rights and interests.

Our initiatives include:

Effective ways of engaging with iwi

The development of mātauranga Māori standards and a Māori engagement strategy will support kaimahi across the National Library Te Puna Mātauranga o Aotearoa and Archives New Zealand Te Rua Mahara o te Kāwanatanga to recognise and consider the unique rights and interests of whānau, hapū, iwi and Māori to their taonga tuku iho – treasures that have been handed down.

Kaimahi recognise the need to develop their own te reo Māori capability to better support Treaty of Waitangi obligations, iwi aspirations and understand the appropriate use of te reo Māori and te ao Māori concepts. This will enable kaimahi to support whānau/hapū/iwi/Māori to undertake their kaitiaki role in the care of the collections and holdings of Te Puna Mātauranga o Aotearoa and Te Rua Mahara o Te Kawanatanga.

Mana Ōrite Relationship agreement

A Mana Ōrite Relationship agreement was signed in June 2021 between the Data Iwi Leaders Group and the Secretary for Internal Affairs Paul James, in his role as the Government Chief Digital Officer. It established a mana-to-mana relationship between Te Tari Taiwhenua / Government Chief Digital Officer and the Data Iwi Leaders Group. The Data Iwi Leaders Group is authorised by the National Iwi Chairs Forum to speak on its behalf regarding digital and data issues. Mana Ōrite establishes a relationship to find new ways to engage and work together on improving digital public services so they are more responsive, accessible and enable better outcomes for Māori.

Strengthening cultural competency

An important step to strengthening the Māori–Crown Relations capability is improving our kaimahi skills in te reo Māori and tikanga Māori. This is described in more detail in Part 3 of this report ‘A high performing organisation and a great place to work’.

Te Taunaki Public Service Census 2021¹ findings show kaimahi at Te Tari Taiwhenua are building their capability to engage with Māori and are being supported to do so. The key findings for Te Tari Taiwhenua are explained below:

Māori-Crown capability

- 78 percent of kaimahi who responded to the survey understood how Te Tiriti o Waitangi responsibilities apply to their work.
- 60 percent of kaimahi were confident they could identify aspects of our work that may disadvantage Māori.
- Although not all roles in Te Tari Taiwhenua have a community engagement focus, 74 percent of kaimahi said they were encouraged and supported to engage with Māori to ensure Māori views and perspectives are considered.

Use of te reo Māori at work

- 64 percent of kaimahi respondents use at least some te reo Māori at work.

Support for te reo Māori

- 78 percent of kaimahi respondents said they value their knowledge of te reo Māori and wish to grow it.
- 77 percent said they are encouraged to use te reo Māori.
- 68 percent said they were supported to improve their te reo Māori through on-the-job learning or in-house courses.
- 65 percent said te reo Māori goals of Te Tari Taiwhenua are clear.
- 78 percent said that they hear leaders in their organisation regularly using te reo Māori.

Tikanga capability and usage

- 56 percent of kaimahi respondents said tikanga Māori is often or always used or visible in their workplace with a further 36 percent saying it is sometimes used in the workplace.

1 The Te Tari Taiwhenua Department of Internal Affairs' results for the Māori-Crown Relations questions from the Te Taunaki Public Service Census 2021 can be found at <https://www.publicservice.govt.nz/system/central-government-organisations/#public-service-departments> and selecting Department of Internal Affairs.



05

Te Hōtaka Tukuwaro-
kore a te Kāwanatanga
Carbon Neutral
Government Programme

Te Hōtaka Tukuwaro-kore a te Kāwanatanga – Carbon Neutral Government Programme

As part of the Carbon Neutral Government Programme, Te Tari Taiwhenua is required to measure, verify, report, and reduce our greenhouse gas (GHG) emissions. Below is a summary from our annual GHG emissions inventory report for the financial year 2021/22.

There are several greenhouse gases, each has a different global warming potential (GWP), with methane (CH₄) and nitrous oxide (N₂O) having a higher global warming potential compared to carbon dioxide (CO₂). To compare different GHG emissions they are reported as a CO₂ equivalent (CO₂e) which compares the heating effect relative to the same amount of CO₂. Te Tari Taiwhenua has 4515 tonnes of carbon dioxide equivalent (tCO₂e) of GHG emissions for the 2021/22 financial year, as shown in Table 1 below, broken down by scope (GHG Protocol 2004) and category (ISO 14064-1:2018)¹. Our baseline year is 2020/21 and the total carbon emissions for the baseline year is 4755 tCO₂e.

Table 1: Summary of 2021/22 GHG emissions in tCO₂e

	CH ₄ Emissions (tCO ₂ e)	CO ₂ Emissions (tCO ₂ e)	N ₂ O Emissions (tCO ₂ e)	Total emissions (tCO ₂ e)
Scope 1 (Category 1): Direct emissions from sources owned or controlled by DIA				
Fleet - fuel usage	0.89	183.29	4.04	188.23
LPG Gas	0.07	35.63	0.02	35.72
Natural Gas	1.87	894.94	0.45	897.26
Refrigerant gas	0.00	28.56	0.00	28.56
Stationary Energy - commercial use	0.01	4.23	0.01	4.26
Total Scope 1 emissions				1154.03
Scope 2: Indirect emissions from the generation of purchased energy (Category 2)				
Electricity	26.50	993.88	2.13	1022.51
Total Scope 2 emissions				1022.51
Scope 3: Other indirect emissions from DIA activities, but from sources we don't own or control (Category 3)				
Business Travel - Accommodation	0.00	53.64	0.00	53.64
Business travel - Air travel	4.04	1593.08	17.11	1614.23
Freight	0.00	265.76	0.00	265.76
Rental, taxi and mileage	0.74	73.78	2.28	76.80
(Category 4)				
Electricity - T&D	2.41	90.28	0.19	92.88
Natural Gas - T&D	53.42	0.00	0.00	53.42
Waste	28.75	0.00	0.00	28.75
Wastewater	1.80	0.84	2.54	5.18
Water supply	0.02	0.34	0.00	0.36
Working from home	5.61	141.49	0.20	147.30
Total Scope 3 emissions				2338.30
Grand Total	126.13	4359.74	28.97	4514.84

1 Refer to Appendix A for full time equivalent staff as at 30 June 2022. Total expenditure in the 2021/22 financial year is \$601.407 million.

As illustrated in Figure 1 below, air travel is the highest emission source for the Department, contributing 36 percent (1614 tCO₂e) of the total emissions. Electricity at 23 percent (1023 tCO₂e) and natural gas at 20 percent (897 tCO₂e) are the second and third highest emissions respectively.

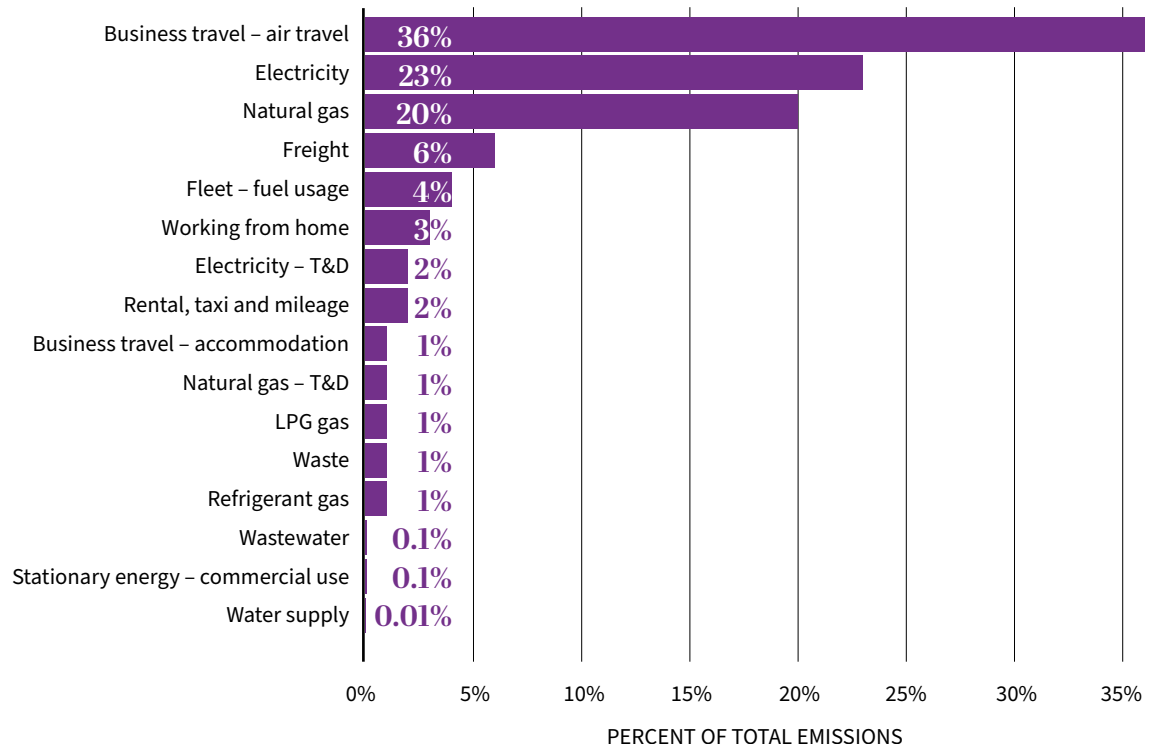


Figure 1: % of total GHG emissions by source for FY 2021/22

Te Tari Taiwhenua has set emissions reduction targets which align to a 1.5°C limit to global temperature rise. This means we aim to reduce emissions by 19 percent from our base year by 2025, climbing to a 42 percent reduction in emissions from the base year by 2030. As shown below in Figure 2 there is 903 tCO₂e difference between the base year and our 2024/25 target. This means we need to reduce at least 226 tCO₂e each year. This year we have reduced 240 tCO₂e since the base year, which means we are on track for this target.

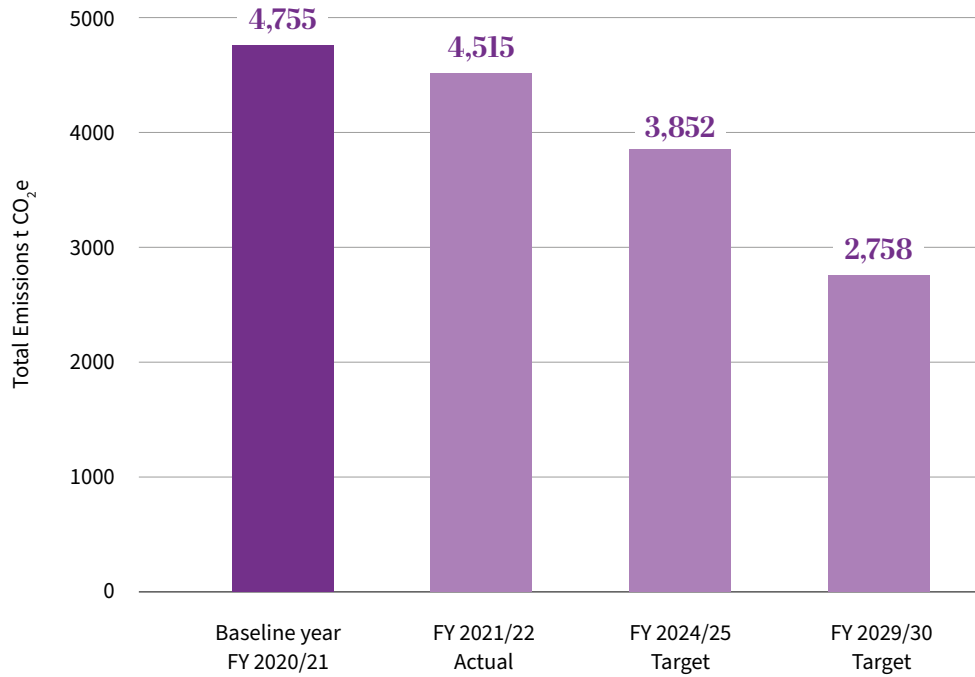


Figure 2: Progress towards 2025 and 2030 targets compared to baseline year

Progress on reductions to date can be attributed to several emission reduction initiatives already underway, including LED lighting upgrades, circuit breaker replacements, chiller replacements, the upgrade of fleet vehicles to PHEV and electric where possible, and NABERSNZ reviews to implement energy efficiency within our buildings. There is also work underway to create awareness around waste management, and the establishment of an environmental management team within Alexander Turnbull Library. More reduction work programs are planned. These are being developed in our Emissions Reduction Plan and will be submitted to the CNGP Programme Lead (Ministry for the Environment) by 1 December 2022.

Toitū Envirocare have provided independent assurance over 3540.08 tCO₂e of the Department's total of 4515 tCO₂e emissions. Due to limitations in how data is currently captured (such as not recording total kilometres travelled by passenger), Ministerial air travel emissions which amount to 974.76 tCO₂e, have been excluded from this assurance. Our data improvement plan has been updated to reflect the need to gather enriched data for the next reporting period for this source.



Ministry for
**Ethnic
Communities**
Te Tari Mātāwaka

The Ministry for Ethnic Communities is a separate ministry but operates as a departmental agency with Te Tari Taiwhenua Department of Internal Affairs as the host agency.

2022

Te Pūrongo ā-Tau a Te Tari Mātāwaka
– Annual Report for the Ministry for
Ethnic Communities



Te Kāwanatanga o Aotearoa
New Zealand Government



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Kupu Takamua a te Tumu Whakarae Chief Executive's foreword

Honoured of our achievements...

Hopeful about our future!



I am excited to share the achievements of Te Tari Mātāwaka Ministry for Ethnic Communities in our inaugural annual report as a new ministry in the New Zealand Government.

I would like to start by acknowledging our team's tremendous mahi and the exceptional work they have accomplished in the Ministry's first year. My heartfelt thanks are extended to our communities, too, as they were our true partners and journey companions to achieve what we are proudly presenting in this report.

Even though our genesis was prompted in part by events that remain unfathomable to us as a nation, our existence, mandate, and priorities represent a bright and hope-filled future - a future that promotes and embraces inclusivity, diversity, and togetherness for all our ethnic communities.

We were born from a dark chapter in New Zealand's history. We were established as part of the Government's response to the recommendations of the Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain on 15 March 2019.

It is the first time in its history that New Zealand has had a Ministry and Chief Executive solely focused on improving outcomes for our ethnic communities, who make up around 20 percent of our population.

However, we need to acknowledge that it has been the aspiration of ethnic communities for more than 20 years. Finally, the dream of having a Ministry dedicated to representing them and furthering their particular needs came true. It has been a long time coming!

On 1 July 2022, we celebrated our first anniversary with a successful 12 months of influencing government policy and lifting wellbeing outcomes for the communities we serve.

The creation of the Ministry gives the collective voice of ethnic communities a seat at the table, with a strengthened ability to bring the lived experiences of these communities to shape Government policy. Being a ministry also allows us to put a strategic lens on our work programme and the way we operate.

But it has not been easy. We are a small ministry with a broad mandate. Adding to that, we were established in the middle of a global pandemic, which has made things even more challenging.

During our first year, we focused on areas that ethnic communities told us were important to them. This included employment, government services, financial support for community initiatives and the government response to COVID-19.



We successfully engaged with our ethnic communities across nearly 27 hui to set our direction as a Ministry. This resulted in developing our strategic priorities that typically reflect the needs of our ethnic communities. The ‘**Strategy 2022 – 2025: A pathway to an Aotearoa where ethnic communities feel at home**’ is a document we are taking into action over the next three years.

With a closer focus on employment, we led the development of **the Former Refugees, Recent Migrants and Ethnic Communities Employment Action Plan** after many months of targeted engagement. This initiative is aimed at providing better support for those groups to gain higher skills and work experience, moving into more sustained and rewarding employment opportunities.

We worked relentlessly to support our own staff and our ethnic communities on the Government’s response to the COVID-19 pandemic and all its impacts. This involved managing the \$2 million programme that funded community initiatives to increase vaccination. This included an additional \$2 million for communications linked to COVID-19. I am proud of our team, who succeeded, in partnership with community leaders, in reaching out to all of our communities, keeping them informed and aiding them through this time of uncertainty.

In addition, we launched the ‘**Graduate Programme**’, which has now placed two intakes of skilled graduates from ethnic communities in roles across 14 government agencies. The programme’s results enhanced diversity in policymaking and the delivery of government services.

We are also delivering a ‘**Nominations Service**’ that aims to identify candidates from our ethnic communities for state sector boards and committees. To help increase the proportion of ethnic community representation is a critical part of our goal. We have also partnered with other agencies to train our candidates on what good governance looks like.

On the funding front, the **Ethnic Communities Development Fund** (ECDF) disbursed around \$4.2 million in support of 310 community projects and initiatives that helped celebrate different cultures and strengthened social cohesion.

We also came together to arrange our house internally. We developed **our values** of manaakitanga (kind), whakakotahitanga (inclusive), whakamanawanui (courageous) and ngākau pono (authentic). We also co-designed a flexible working framework for our people to retain our talents and demonstrate one of our key values, whakakotahitanga.

We are a fully-fledged Ministry, but in many ways we remain at the beginning of our journey. However, our first significant steps have paved the way forward, forging a path into the future where much lies ahead.

We aim to ensure that New Zealand is a place where our ethnic communities feel safe, heard and valued; where they have a sense of belonging, and they have the tools they need to thrive in a fair, equitable, diverse and inclusive society.

Mervin Singham

Chief Executive

Te Tari Mātāwaka Ministry for Ethnic Communities



Ko wai mātou – Tō mātou Manatū

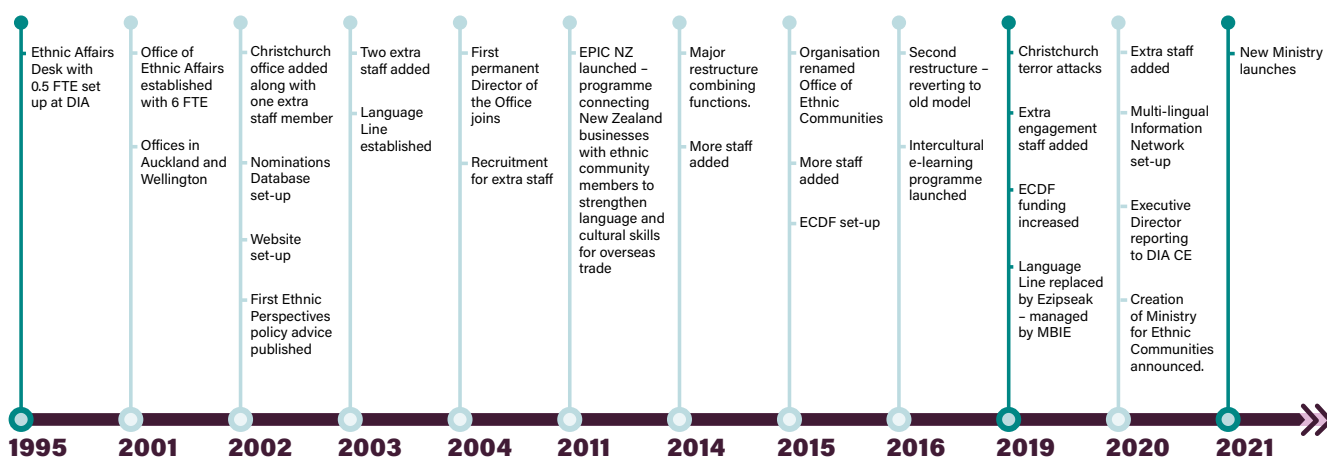
Who we are – Our Ministry

In December 2020, Cabinet agreed to establish the Ministry for Ethnic Communities from 1 July 2021 as a departmental agency, within Te Tari Taiwhenua as the host agency.

The seeds of the Ministry were planted in 1995 with the creation of an Ethnic Affairs Desk within Te Tari Taiwhenua. Over the past 26 years, the organisation has slowly grown in size and function.



History of the Ministry for Ethnic Communities



Since its establishment, the Ministry has been the Government’s chief advisor on ethnic communities, ethnic diversity, and the inclusion of ethnic communities in our diverse society.

As our nation increasingly embraces and caters for the needs of ethnic communities, expectations of the Ministry have evolved. As a result, the demand for our services has increased significantly, including demand for our expertise in the policy arena and targeted resources such as community engagement.

Although our role is not to advise the Government on faith-related issues, we recognise the indivisibility of faith and ethnic identity. Hence, we will continue to work with faith communities to better understand the needs of ethnic communities.



Our values

In determining our priorities and developing our strategy as a new ministry, we also needed to consider the way in which we wanted the Ministry to achieve its outcomes.

Staff came together through a series of workshops to co-design what we have now identified as four core values that will become part of our identity as an organisation.

It was important for both our staff and ethnic communities that we demonstrated our respect for tangata whenua through a te ao Māori representation.

Our values are interconnected, and collectively, they will help guide us on how we work with each other, the communities we serve, and our stakeholders. In addition, these values hold us accountable as we work together to deliver on our commitments.

<p>Manaakitanga <i>(Kind)</i></p> <p>Encompasses care and generosity, for the purpose of nurturing relationships.</p> 	<p>Whakakotahitanga <i>(Inclusive)</i></p> <p>Unifying thought, opinion and action for the collective good.</p> 	<p>Whakamanawanui <i>(Courageous)</i></p> <p>Act valiantly and courageously.</p> 	<p>Ngākau Pono <i>(Authentic)</i></p> <p>To act with integrity and sincerity.</p> 
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Our staff

Full time employees (FTE)

While our graduates make up 31 full-time employees within our headcount, most of them are not working at the Ministry for Ethnic Communities. Our graduates may call our Ministry their 'home agency', but they are placed across host agencies, supporting the mahi of the public service in many areas.

<p>84 Headcount</p> <p>Fixed Term 38 Employees Permanent 37 Employees Contractor 7 Employees Other 2 Employees</p>	<p>82.8 FTE</p> <p>Fixed Term 38 FTE Permanent 36.8 FTE Contractor 7 FTE Other 1 FTE</p>
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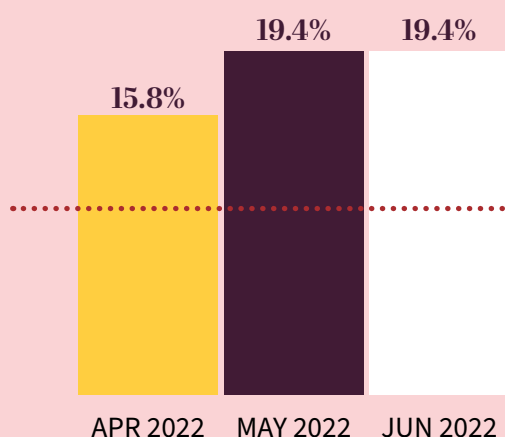
Occupation (Headcount)

Chief Executive Office	3
Policy & Analytics	12
Community Engagement	31
Corporate Services	7
Graduates	31

Regional presence (Headcount)

Tāmaki Makaurau Auckland	8
Kirikiriroa Hamilton	1
Ngāmotu New Plymouth	1
Ahuriri Napier	1
Te Whanganui-a-Tara Wellington	33
Ōtautahi Christchurch	7
Ōtepoti Dunedin	2
Graduates (Te Whanganui-a-Tara Wellington)	31

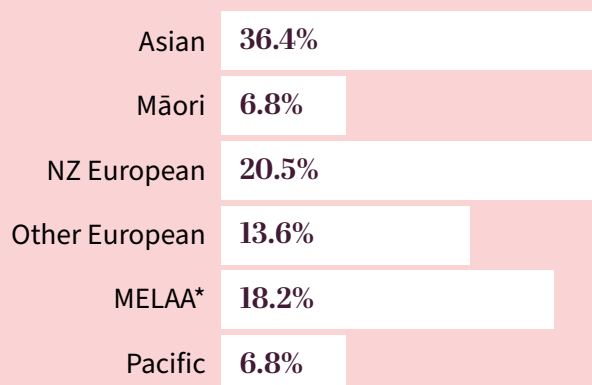
Staff turnover (excluding graduates)



Annual turnover is terminated permanent staff (over last 12 months) / average permanent headcount (over last 12 months) of staff

Business Groups with 0 turnover are not represented in the graph

Employee ethnicity (excluding graduates)



Employees who identify themselves with more than one ethnicity have been included in each ethnic population they identify with.

*MELAA stands for Middle East, Latin America and Africa

Gender split (excluding graduates)

Gender Pay Gap and Demographic Summary

-0.5%
Gender Pay Gap

64%
Female

36%
Male



A culturally capable and engaged workforce

Whāinga Amorangi: Transforming leadership to support chief executives to meet their Māori-Crown relations responsibilities under the Public Service Act 2020

The Ministry for Ethnic Communities is committed to meeting its Whāinga Amorangi obligations. We are building our capability to better engage and partner with Māori on issues of significant interest to Māori.

We have laid the foundations to ensure that our Ministry's culture supports our collective goal of a true partnership with Māori.

We are committed to working on the areas taken from the Māori-Crown Relations Capability Framework Individual Capability Component:

- Te Reo Māori
- New Zealand history / Treaty of Waitangi
- Tikanga and kawa
- Engagement with Iwi and Māori
- Understanding of racial equity and institutional racism
- Worldview knowledge

We aim to embrace change and will continue to monitor, report on, and adapt our capability plans into the future.



The Ministry's launch event at Parliament



He aha tā mātou mahi, ā, he pēhea e whakamahia ana What we do and how we do it

Our strategic direction

Prior to establishing the Ministry, in April and May 2021, extensive consultation was undertaken with hundreds of people on what the Ministry should focus on to have the most meaningful and tangible impact for ethnic communities.

The Ministry then consulted widely on a draft strategy in late 2021 to make sure our direction reflected the voices of ethnic communities and those who served them.

To do this, we held 16 regional and 11 national interactive online sessions. We had a huge response from community organisations, individuals and service providers. We listened to as many voices as possible, including those of youth, women, former refugees, the rainbow community, and older people.

Communities responded by saying they wanted to belong, contribute and be seen as strong contributors to New Zealand's growth. They also:

- valued the bicultural foundations outlined in Te Tiriti o Waitangi,
- wanted to connect with Māori, Pacific and Pākehā businesses,
- preserve their mother tongues and values,
- and evolve their ethnic identities in New Zealand.

Communities wanted to be remunerated fairly relative to their skills, and to help build an inclusive New Zealand.

The vision that underpins our Strategy is for a New Zealand where everyone feels welcome, safe, included and valued.

We launched our inaugural strategy in August 2022: 'Strategy 2022 – 2025: A pathway to an Aotearoa where ethnic communities feel at home'. It sets out how the Ministry will work with others, including other Government agencies, to enable better outcomes for our ethnic communities.

The strategy identifies **four priority areas** for the upcoming three years. These priorities were agreed to and endorsed by Cabinet in June 2021 and underpin the actions set out in the strategy.

Priority one: Take action to promote the value of diversity and improve inclusion of ethnic communities.

Priority two: Ensure equitable provision of, and access to, Government services for ethnic communities.

Priority three: Develop and support initiatives to improve economic outcomes, including addressing barriers to employment.

Priority four: Work to connect and empower ethnic community groups.



Priority 01

Take action to promote the value of diversity and improve inclusion of ethnic communities

Outcome: New Zealanders value diversity and actively include ethnic communities across all spheres of public life



Priority 02

Ensure equitable provision of, and access to, government services for ethnic communities

Outcome: Ethnic communities have access to, and experience positive outcomes from, high quality public services

A pathway to an Aotearoa where ethnic communities feel at home



Priority 03

Develop and support initiatives to improve economic outcomes, including addressing barriers to employment

Outcome: More ethnic communities are fully employed and continue to make a strong contribution to New Zealand's economy



Priority 04

Work to connect and empower ethnic community groups

Outcome: Ethnic communities are connected, empowered and flourishing



Our role

We champion diversity and help overcome barriers

The Ministry is the Government's Chief Advisor on ethnic communities, ethnic diversity and the inclusion of ethnic communities in wider society. Although our role does not incorporate advising the Government on issues related to faith, we recognise the indivisibility of faith and ethnic identity. Therefore, we will continue to work with faith communities to better understand the needs of ethnic communities.

We honour Te Tiriti o Waitangi

An integral part of our role is to honour the Crown's responsibility to act in a way that is consistent with the principles under Te Tiriti o Waitangi. New Zealand's ethnic communities acknowledge the crucial place of Te Tiriti o Waitangi as the foundation for the relationship with tangata whenua. Great importance is placed on respect for tangata whenua and their status as the indigenous people of New Zealand.

Our functions

The Ministry for Ethnic Communities has three main business units that are committed to deliver for our ethnic communities. These are summarised below:

System Capability and Programmes unit leads the identification, design and implementation of tools to build the inter-cultural capability and capacity of the public sector, including ensuring ethnic communities are appropriately represented. With increasing diversity, government systems need to promote inclusion of ethnic communities and ensure that they feel safe, have equal access to opportunities, and do not experience discrimination. This requires system transformation. This function supports the public sector to be well-positioned to reimagine and redesign the system with this vision for New Zealand in mind.

This unit is also responsible for the operationally focused areas of the Ministry including compliance, risk, reporting, evaluation, planning and reporting, and governance. The team is also accountable for the development of the Ministry's strategy, and leads human resources, communications, security, wellbeing, health and safety, training and development, events and our Whāinga Amorangi plan.

Strategic Engagement and Partnerships maintains a strong regional focus on communities but adds to that a national lens. National coverage is targeted through a team of on-the-ground specialist advisors who proactively and directly engage with our diverse communities to understand how the Ministry can continue to improve wellbeing.

The Strategic Engagement and Partnerships unit is at the heart of the Ministry. Through engaging with, listening to, and understanding the needs of ethnic communities and stakeholders, the team gathers community insights and identifies emerging critical issues. Of particular importance are engagements with marginalised cohorts within ethnic communities – including older people, youth, women, disabled people, former refugees, and the rainbow community, to understand their aspirations and gaps in service.

The unit also brokers connections between other public sector agencies with ethnic communities to help ensure public stakeholder consultations continue to be meaningful and relevant.



Policy and Analytics unit has three functions – policy formulation, building an evidence base and ministerial servicing.

The unit develops policy advice to support the Minister for Diversity, Inclusion and Ethnic Communities and works alongside other government organisations to support their Ministers and the Government to make policy decisions.

A critical aspect of our work is to identify how policy options will affect ethnic communities, including looking at the unique impact on intersecting identities such as, age, gender, diversity, disability and migration. We help to support other agencies identify, plan, and evaluate policy and services to ensure they are appropriate for ethnic communities. We communicate potential inequitable access to services and inequity in outcomes and advise on the need for change.

The unit develops – or works closely with others to provide – the best-available evidence to inform and influence policies and decision-making in relation to ethnic communities. This includes analysing available data, insights (based on communities' lived experience) and research from New Zealand and overseas.

This unit also undertakes ministerial servicing functions to ensure high quality and timely support is provided to the Minister and Ministry in terms of official correspondence and Parliamentary questions.

The communities we serve

New Zealand is a nation of wide diversity. We are one of the world's most ethnically diverse countries. There were 941,571 people from ethnic communities recorded at the 2018 Census, an increase of 45 percent since the 2013 Census. Our ethnic communities make up around 20 percent of the population.

New Zealand's ethnic communities include anyone who identifies their ethnicity as: African, Asian, Continental European, Latin American or Middle Eastern. They include former refugees, asylum seekers, new and temporary migrants, long-term settlers and multi-generational New Zealanders. These are the communities we serve.

Ethnic communities make a significant contribution to our economy and to the richness of our social fabric. Over the next 16 years, Māori, Asian and Pasifika populations are projected to increase by 18.4 percent, 22 percent, and 10.2 percent respectively¹ Middle Eastern, Latin American, and African populations are projected by Stats NZ to increase their share of the overall population to three percent. The future of New Zealand's society is only going to become more diverse.



Celebrating Eid Al Adha at Parliament

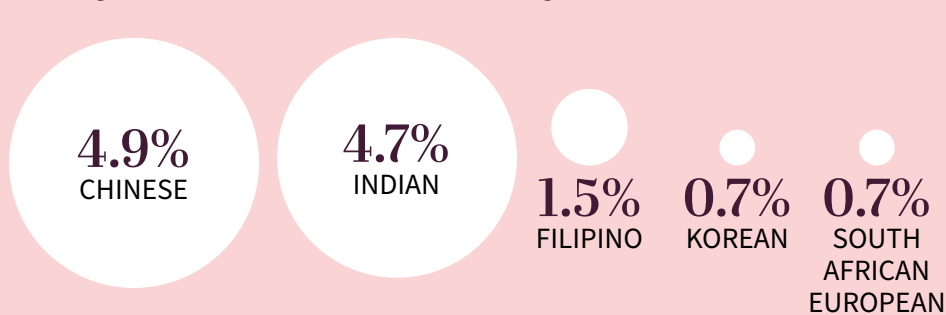
¹ Stats NZ (2018) national ethnic population projections: 2013(base) to 2038 (update). Retrieved from http://archive.stats.govt.nz/browse_for_stats/population/estimates_and_projections/NationalEthnicPopulationProjections_HOTP2013-38/Commentary.aspx.



Ethnic diversity in Aotearoa New Zealand

Ethnic communities represent almost **20%** of Aotearoa's **total population** with **941,571** people out of 4,699,755 identifying as an ethnic community member.

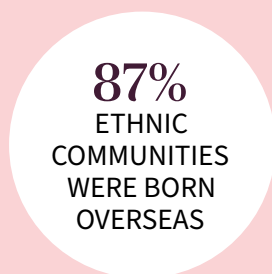
The largest ethnic communities population groups in Aotearoa New Zealand are:



There are more **members of ethnic communities with bachelor's and post graduate qualification** when compared to the rest of the population.

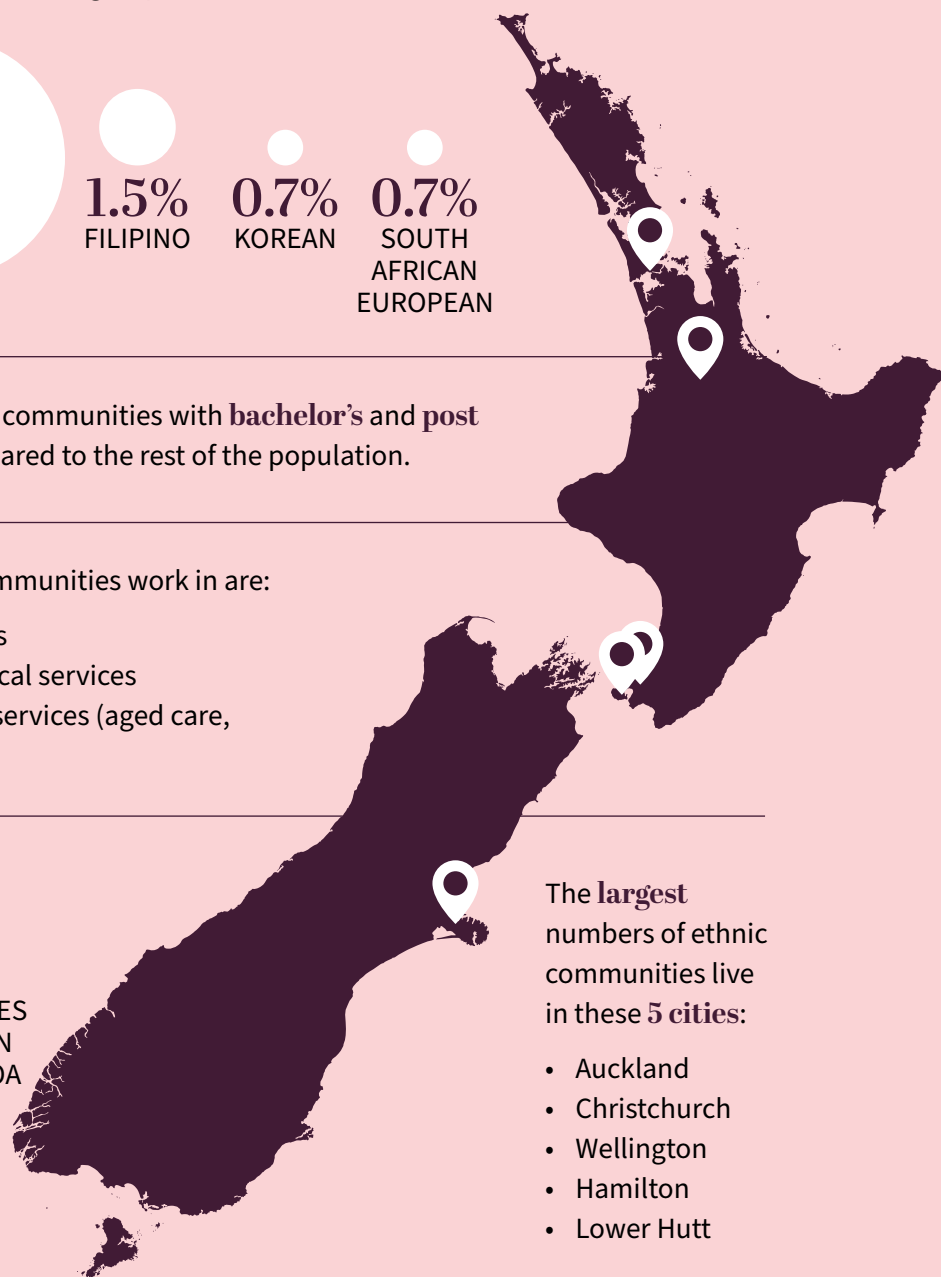
The **top 3 industries** that ethnic communities work in are:

- accommodation and food services
- professional, scientific and technical services
- health care and social assistance services (aged care, child care, residential care).



The **largest** numbers of ethnic communities live in these **5 cities**:

- Auckland
- Christchurch
- Wellington
- Hamilton
- Lower Hutt





Ngā mea i tutuki ai i a mātou i tō mātou tau tuatahi What we achieved in our first year

At the time of its establishment, the Ministry was expected to focus its first year on setting its foundations, scoping its new functions, strengthening strategic relationships and lifting its capability to evolve into a fully functioning Ministry.

However, six weeks into its establishment, New Zealand entered its second nationwide COVID-19 Alert Level 4 lockdown. Two weeks later, the New Lynn terrorist attack occurred, followed by the 2021 humanitarian crisis in Afghanistan and the 2022 Russian invasion of Ukraine. The Ministry quickly pivoted to play a critical role in the Government's response to these events, ensuring that public sector agencies and affected communities were adequately supported, while continuing to build its own operational foundations.

To respond immediately and effectively, the Ministry established linkages between its work and the work already underway in central and local government. It built on the work of its predecessor on community engagement to provide a national overview of insights gleaned from the regions. It began to use its new levers to influence government across-the-board in a range of areas. Having our own Chief Executive meant we were represented at top senior leadership tables for strategic and critical discussions.

Key achievements

Responding to COVID-19 Delta and Omicron outbreaks: The Ministry collaborated with the Ministry of Health and the Department of the Prime Minister and Cabinet to help achieve vaccination targets and related health equity outcomes by:

- **connecting 21 District Health Boards with ethnic communities** to run 15 information hui and tailored vaccination events
- **supporting the Ministry of Social Development** to share information on vaccinations, the COVID-19 Protection Framework and the COVID-19 Care in the Community Frameworks
- **translating online, print and video vaccination information** into 43 videos in more than 20 languages
- running targeted paid media campaigns in **multiple languages**



Multicultural Strategy Launch with Hastings City Council



- **ensuring ethnic communities were reflected** in the COVID-19 Care in the Community Framework, including participation in the Caring for Communities Chief Executive Forum
- **delivering \$4 million in funding** to support ethnic communities with vaccination and COVID-19 community communication efforts²
- **developing insights evidence into vaccination hesitancy**, in response to the lower level of uptake for 5- to 11-year-olds

Responding to the report from the Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain on 15 March 2019: The Ministry continued to support the implementation of Royal Commission’s recommendations on the ground and at the strategic level. Our support included the following:

- **We organised hui between Muslim communities and relevant public sector agencies** to raise awareness and provide an opportunity to suggest pragmatic community-led rehabilitation programmes.
- **working with other agencies** on a range of implementation matters such as foreign interference, preventing and countering violent extremism, anti-racism, stakeholder engagement, Christchurch memorial and bravery awards work programmes.
- **developing closer relationships with communities:** This included strengthening or forming new connections with Muslim national organisations, Muslim communities in Christchurch, Otago and Southland, and working closely with ethnic youth and women.



Race Unity Speech Awards sponsored by the Ministry

Responding to local communities affected by international conflicts. The Ministry has played a role in supporting people from ethnic communities who have strong familial links to countries facing conflicts. This included:

- **2021 Afghanistan crisis response:** We worked with the Ministry of Business, Innovation and Employment, Immigration New Zealand (INZ) and Ministry for Women to hold conversations with Afghan communities (including women and youth) to understand their needs and connect them with wellbeing support.
- **2022 Russian invasion of Ukraine:** We worked with a range of public and private sector agencies to provide guidance to members of the New Zealand community who wanted to provide support. The Ministry continues to hold conversations with both the Ukrainian and Russian communities to understand their needs and look at opportunities to bring communities together.

² This included a \$2 million Vaccine Uptake Fund administered by the Ministry. Half of it focused specifically on increasing booster uptake and vaccinations for 5 to 11-year-olds. The other \$2 million was allocated to the Communications Fund, for which the Ministry’s role was to help disburse those funds and evaluate organisations who could best deliver services on the ground.



Delivering on the Ministry's priorities

In addition to the above, the Ministry delivered on its own work programme priorities. We:

- **finalised the Former Refugees, Recent Migrants, and Ethnic Communities Employment Action Plan:** The Ministry led the development, including consultation with communities, of the Employment Action Plan that was launched on 25 March 2022.
- **launched the Ethnic Communities Graduate Programme:** The Ministry, in collaboration with 14 public sector agencies, placed 35 ethnic graduates in their first roles in the public sector
- **continued to improve ethnic diversity on governance boards:** To increase the recognition of the contributions of New Zealand's ethnic communities, the Ministry made 117 nominations and 26 endorsements for the appointment of ethnic candidates to 72 public sector board and committee roles. In addition, the Ministry nominated 11 candidates for a New Zealand Royal Honour. As a result, the 2021 Stocktake of Gender, Māori, Pacific and Ethnic Diversity on public sector boards and committees show that Asian representation has increased to 4.9 percent (from 4.0 percent in 2020) and Middle Eastern, Latin American and African (MELAA) representation has increased to 0.9 percent (from 0.8 percent in 2020).
- **empowered communities through grant funding community-led initiatives:** The Ethnic Communities Development Fund disbursed more than \$4 million in support of 310 community projects and initiatives that helped celebrate different cultures and strengthened social cohesion. We also allocated \$200,000 across 12 projects via the Ethnic Communities Digital Inclusion Fund aimed at ensuring ethnic communities can use digital technology to take part in society.
- **supported the work programmes of other government agencies and influenced across government to develop more inclusive policies:** Public sector agencies continue to seek the Ministry's advice on a range of government policies and engagement strategies and/or our support to facilitate relationships with ethnic communities. The Ministry is taking an active role in the development of a National Action Plan Against Racism and in the Prevention of Family and Sexual Violence work programme.
- **laid the foundations of our operational working environment:** We did this by making key appointments, putting in place accountability arrangements and internal policies, negotiating our departmental agency agreement, and developing our organisational values and our inaugural strategy. This is discussed in more detail below.



CASE STUDY ONE

COVID-19

In August 2021, the Ministry for Ethnic Communities established a COVID-19 workstream to coordinate support for ethnic communities across New Zealand for the vaccination rollout.

The Ministry worked closely with 21 organisations, including district health boards, government agencies and service providers to understand and address the needs of ethnic communities. We held 15 information sessions on the vaccination rollout and the COVID-19 Protection Framework, which engaged more than 400 community leaders across New Zealand.



Vaccine Ethnic Youth Leaders event

The Ministry also ran a paid media campaign in 10 languages targeting ethnic radio, press and social media to ensure that the message reached the different communities.

In addition, we provided the following support to the ethnic communities during the pandemic:

Vaccination clinics

- The Ministry worked with communities and local district health boards to organise community-tailored vaccination events for ethnic communities and families.
- A combined total of 16 groups and organisations ran the Ethnic Youth Vaccination Day through three parallel vaccination clinics under an initiative called #Take2ForTheTeam on Nov 20, 2021. The campaign resulted in approximately 150 people from ethnic communities receiving their first or second vaccination.

Ethnic Communities COVID-19 Vaccine Uptake Fund

- In partnership with the Ministry of Health, a \$1 million fund was established to support community groups and organisations to get ethnic communities vaccinated.
- 54 community organisations and groups received funding. More than 60 vaccination events were held, resulting in more than 3,000 people being vaccinated.

COVID-19 videos

- Communities advised that language was a key barrier to accessing information about the vaccine and the rollout in New Zealand. In response, the Ministry produced 43 videos in more than 20 languages that amassed over 126,000 views on our social media platforms.

Ethnic Communities Communications Fund

- There were 162 applications for the Ethnic Communities Communications Fund totalling more than \$6 million. The fund was doubled to \$2million from \$1million due to the high calibre of the applications and the vaccination outcomes they would achieve for ethnic communities.
- Out of the 162 applications, 71 were approved for funding and 91 were declined. Given lockdown restrictions, particularly in the North Island, many projects featured online health and education workshop using doctors, nurses, health professionals and educators. We also supported projects using livestreams, radio shows, social media platforms, and translations of vaccine information.



CASE STUDY TWO

Support for Afghan and Ukrainian communities

Several ethnic communities have come to New Zealand as a result of strife in their country of origin. They needed additional and targeted support to settle into New Zealand. We have played a role in supporting people from ethnic communities who still have strong familial links in countries embroiled in conflict. These include the following situations:

Afghan response, 2021

- In response to the crisis in Afghanistan, the Ministry initiated a programme of support for the Afghan community in New Zealand. A total of six hui, including a funding hui, were held across New Zealand, and approximately 80 Afghan community leaders and members engaged in these.
- These hui allowed us to respond directly to inquiries from the Afghan community and to feed insights into the work of other relevant government agencies, while connecting the Afghan community to counselling and other wellbeing services.
- We also produced the ‘Counselling and other support services for Afghan communities in Aotearoa’ information resource pack in English, Farsi, Dari and Pashto.
- This work strengthened our relationship with the Afghan community, and enabled us to better understand their needs and concerns.

Russian invasion of Ukraine, 2022

We established a working group to formulate a national response to best support Ukrainian and Russian New Zealanders with information, guidance, and advice about the services available to them. We also developed strong relationships with various stakeholders that enabled collaboration with the following government agencies, facilitating 3three critical community hui:

- Ministry of Business, Innovation and Employment,
- New Zealand Police,
- Immigration New Zealand,
- Ministry of Education
- Ministry of Health.

One of the hui with Ukrainian New Zealanders focussed on the 2022 Special Ukraine Immigration Visa, the New Zealand healthcare system, communicable diseases, and available vaccines.

We continue to hold conversations with both the Ukrainian and Russian communities to understand their needs and look at opportunities to bring communities together.



CASE STUDY THREE

Graduate programme

The public service needs to reflect the population it serves. Policy development that is led by and contributes to members of the many ethnic communities that make up New Zealand is critical to more inclusive and equitable public services.

In our first year, we established a graduate programme that provides a pathway into the public service for skilled graduates from our ethnic communities.

The Ministry has so far placed 37 ethnic graduates in their first job in the public sector. This involved a total of 14 participating host agencies, including:

- New Zealand Customs Service
- Te Tari Taiwhenua
- Department of the Prime Minister and Cabinet
- New Zealand Security Intelligence Service
- Inland Revenue Department
- Ministry for Ethnic Communities
- Ministry of Education
- Ministry of Health
- Ministry of Social Development
- Ministry of Justice
- National Emergency Management Agency
- New Zealand Police
- Te Kawa Mataaho Public Service Commission, and
- Stats NZ.



Graduates 2022

Summary of the programme's results

- Intake 1, started in July 2021, and consisted of 23 graduates placed across 12 host agencies.
- Intake 2, started in February 2022, and consisted of 14 graduates placed across 10 host agencies.
- The programme attracted 513 applications across the two intakes. 95 shortlisted applicants were interviewed for the 37 positions available.
- In a progress review of the programme in March 2022, most of the graduates reported they would like a permanent role working in government. The review also saw positive feedback from the majority of the agencies. Participating agencies said they would encourage other agencies to take up the opportunity to join the programme.



Te ara whakamua: Te whakapakari i ō mātou tūāpapa mō anamata

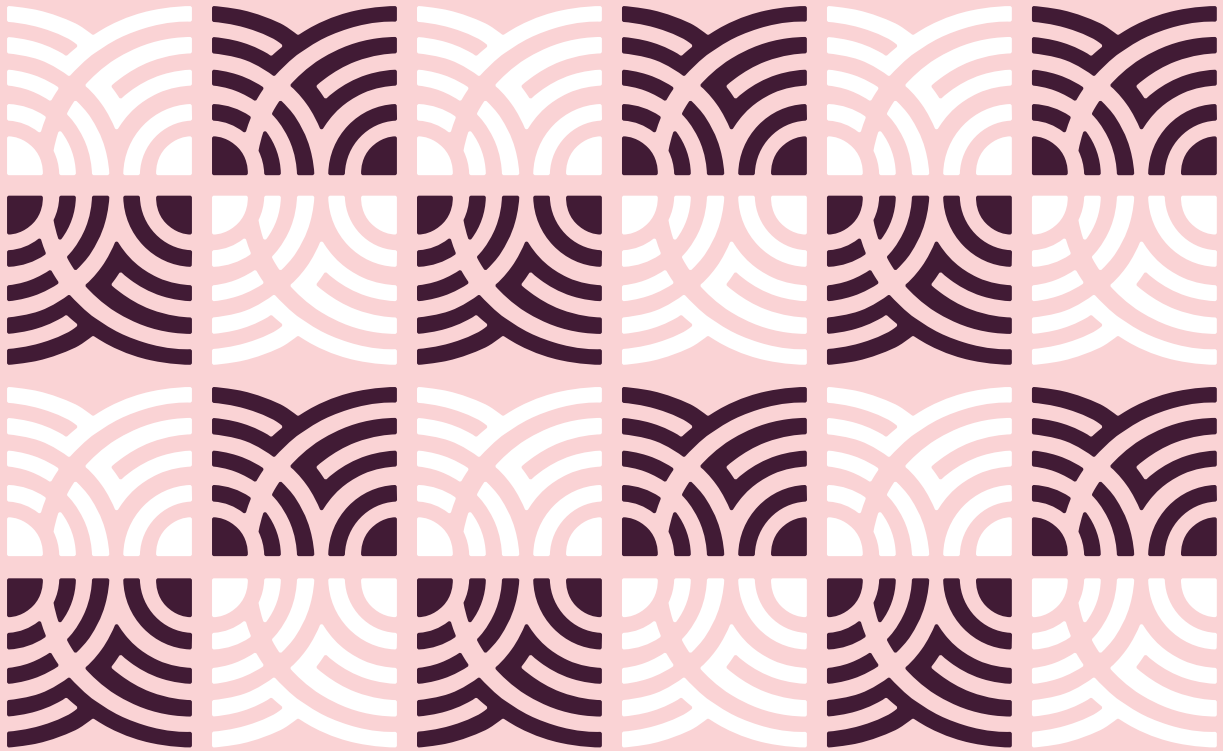
The way forward: Strengthening our foundations for the future

With the new Ministry established and our first strategy complete, the foundations for a better and more equitable future for our ethnic communities have been laid.

The strategy represents the Ministry's work programme and operational roadmap for the next three years. It will focus on unlocking the potential of a super-diverse nation and pay particular attention to, and address the conditions that create inequities for ethnic communities in New Zealand.

The Ministry intends to deliver this by working in partnership with the public, private and community sectors so we can continue to play a solid and integral role in influencing the system of government to better meet the needs of our ethnic communities.

We will also begin work to identify and help address the barriers ethnic businesses face in recovering from the pandemic. At the same time, we will work to leverage the unique set of international contacts ethnic communities have that can assist other New Zealand businesses.



Te Tauākī Noho Haepapa Statement of responsibility

I am responsible, as Chief Executive of Te Tari Mātāwaka Ministry for Ethnic Communities for the accuracy of any end-of-year performance information prepared by the Ministry, whether or not that information is included in the annual report.

In my opinion, this annual report fairly reflects the operations, progress and organisational health and capability of the Ministry for Ethnic Communities.

Mervin Singham

Chief Executive

Te Tari Matawaka Ministry for Ethnic Communities

30 September 2022



Ministry for
**Ethnic
Communities**
Te Tari Mātāwaka



Te Kāwanatanga o Aotearoa
New Zealand Government



07

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 the 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 the 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 organisational health and capability of the Department of Internal Affairs,
- the financial statements fairly reflect the financial position of the Department of Internal Affairs as at 30 June 2022 and its operations for the year ended on that date; and
- the forecast financial statements fairly reflect the forecast financial position of the Department of Internal Affairs as at 30 June 2023 and its operations for the year ending on that date.



Paul James

Secretary for Internal Affairs

30 September 2022



Sharyn Mitchell

Chief Financial Officer

30 September 2022

Te Pūrongo a te Kaiarotake Independent Auditor's report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of the Department of Internal Affairs' annual report for the year ended 30 June 2022

The Auditor-General is the auditor of the Department of Internal Affairs (the Department) and group. The Auditor-General has appointed me, Stephen Usher, 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 92 to 136, that comprise the statement of financial position, statement of commitments, statement of contingent assets and liabilities as at 30 June 2022, 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 2022 on pages 15 to 42 and 174 to 212;
- the statements of expenses and capital expenditure of the Department for the year ended 30 June 2022 on pages 160 to 173; and
- the schedules of non-departmental activities which are managed by the Department on behalf of the Crown on pages 137 to 159 that comprise:
 - the schedules of assets; liabilities; commitments; and contingent assets and liabilities as at 30 June 2022;
 - the schedules of expenses; and revenue for the year ended 30 June 2022;
 - the statement of trust monies for the year ended 30 June 2022; 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 92 to 136:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2022; and
 - its 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; and
- the performance information of the Department and group on pages 15 to 42 and 174 to 212:
 - presents fairly, in all material respects, for the year ended 30 June 2022:
 - 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; and
- the statements of expenses and capital expenditure of the Department on pages 160 to 173 are presented fairly, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989; and
- the schedules of non-departmental activities which are managed by the Department on behalf of the Crown on pages 137 to 159 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 2022;
 - expenses; and revenue for the year ended 30 June 2022; and
 - the statement of trust monies for the year ended 30 June 2022.

Our audit was completed on 30 September 2022. 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; and
- 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' 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 2021-2025, Estimates and Supplementary Estimates of Appropriations 2021/22 for Vote Internal Affairs, and the 2021/22 forecast financial figures included in the Department and group's 2020/21 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, 43 to 86 and 213 to 224, 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.



Stephen Usher

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

Ngā Tauākī Pūtea ā Tari Financial Statements – Departmental

Financial Statements 2021/22

Departmental

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Statement of comprehensive revenue and expense

for the year ended 30 June 2022

Parent and group

Restated Actual* 2021 \$000		Note	Actual 2022 \$000	Unaudited Budget 2022 \$000	Unaudited Forecast 2023 \$000
Revenue					
413,336	Revenue Crown	2	442,037	382,395	384,039
115,981	Other revenue	2	143,195	126,044	135,650
1,134	Gain on sale of Property, plant and equipment		137	-	-
530,451	Total revenue		585,369	508,439	519,689
Expenses					
265,048	Personnel costs	3	295,288	295,488	271,936
52,105	Depreciation and amortisation	9, 10	49,805	55,949	49,600
18,052	Capital charge	17	19,693	18,857	22,154
564	Finance costs	18	498	600	473
207,456	Other operating expenses	4	221,595	199,203	238,479
543,225	Total expenses		586,879	570,097	582,642
(12,774)	Operating surplus/(deficit)		(1,510)	(61,658)	(62,953)
Other comprehensive revenue and expense					
<i>Item that will not be reclassified to net surplus</i>					
-	Asset revaluation gains/(losses)	9, 20	42,416	-	-
(12,774)	Total comprehensive revenue and expense		40,906	(61,658)	(62,953)

* The prior year financial information has been restated for a change in accounting policy for software as a service (SaaS) arrangements. Refer to [Note 26](#).

Explanations of significant variances against budget are detailed in [Note 25](#).

The accompanying notes form part of these financial statements.

Statement of financial position

as at 30 June 2022

Parent and group

Restated Actual* 2021 \$000		Note	Actual 2022 \$000	Unaudited Budget 2022 \$000	Unaudited Forecast 2023 \$000
Assets					
<i>Current assets</i>					
47,933	Cash and cash equivalents	6	49,024	25,037	25,051
78,119	Debtor Crown		78,063	31,456	93,288
13,678	Debtors and other receivables	7	14,861	14,135	15,090
1,399	Inventories	8	2,781	1,318	1,345
8,223	Prepayments		6,200	5,486	6,440
149,352	Total current assets		150,929	77,432	141,214
<i>Non-current assets</i>					
233	Prepayments		211	-	-
236,813	Property, plant and equipment	9	293,987	249,188	258,117
177,601	Intangible assets	10	184,833	219,379	203,405
414,647	Total non-current assets		479,031	468,567	461,522
563,999	Total assets		629,960	545,999	602,736
Liabilities and taxpayers' funds					
<i>Current liabilities</i>					
39,479	Creditors and other payables	11	50,971	33,721	37,342
1,911	Provisions	12	927	3,670	5,271
15,714	Revenue received in advance	13	26,131	11,790	12,861
23,485	Employee entitlements	14	28,100	15,581	18,854
406	Finance leases	16	431	431	457
626	Other financial liabilities	19	582	-	-
43,706	Return of operating surplus	15	48,599	-	-
125,327	Total current liabilities		155,741	65,193	74,785
<i>Non-current liabilities</i>					
424	Provisions	12	216	5,003	3,841
3,350	Employee entitlements	14	3,094	2,875	3,350
8,080	Finance leases	16	7,648	7,648	7,191
5,231	Other financial liabilities	19	4,653	-	-
17,085	Total non-current liabilities		15,611	15,526	14,382
142,412	Total liabilities		171,352	80,719	89,167
421,587	Net assets		458,608	465,280	513,569
Equity					
328,041	Taxpayer's funds	20	372,757	415,818	464,107
44,085	Memorandum accounts	5	(6,026)	-	-
49,461	Revaluation reserves	20	91,877	49,462	49,462
421,587	Total equity		458,608	465,280	513,569

* The prior year financial information has been restated for a change in accounting policy for software as a service (SaaS) arrangements. Refer to [Note 26](#).

Explanations of significant variances against budget are detailed in [Note 25](#).

The accompanying notes form part of these financial statements.

Statement of changes in equity

for the year ended 30 June 2022

Parent and group

Restated Actual* 2021 \$000		Note	Actual 2022 \$000	Unaudited Budget 2022 \$000	Unaudited Forecast 2023 \$000
441,638	Balance at 1 July		421,587	444,292	469,869
(12,774)	Operating surplus/(deficit) for the year		(1,510)	(61,658)	(62,953)
-	- Other comprehensive revenue and expense		42,416	-	-
(12,774)	Total comprehensive revenue and expense		40,906	(61,658)	(62,953)
	Owner transactions				
36,429	Capital injections	21	51,221	82,646	106,653
-	- Capital withdrawal	21	(6,507)	-	-
(43,706)	Return of operating surplus	15	(48,599)	-	-
(7,277)	Total owner transactions		(3,885)	82,646	106,653
421,587	Balance at 30 June		458,608	465,280	513,569

* The prior year financial information has been restated for a change in accounting policy for software as a service (SaaS) arrangements. Refer to [Note 26](#).

Explanations of significant variances against budget are detailed in [Note 25](#).

The accompanying notes form part of these financial statements.

Statement of cash flows

for the year ended 30 June 2022

Parent and group

Restated Actual* 2021 \$000		Actual 2022 \$000	Unaudited Budget 2022 \$000	Unaudited Forecast 2023 \$000
Cash flows from operating activities				
418,884	Receipts from the Crown	442,093	409,770	361,396
122,189	Receipts from third parties	152,214	123,940	135,350
(496)	Net goods and services tax	2,131	(4)	-
(466,612)	Payments to suppliers and employees	(503,911)	(495,063)	(510,892)
(18,051)	Payments for capital charges	(19,693)	(18,857)	(22,154)
55,914	Net cash flows from operating activities	72,834	19,786	(36,300)
Cash flows from investing activities				
3,606	Receipts from sale of property, plant and equipment	440	480	480
(23,111)	Purchase of property, plant and equipment	(31,252)	(28,414)	(22,248)
(48,406)	Purchase of intangible assets	(41,533)	(54,555)	(49,152)
(67,911)	Net cash flows from investing activities	(72,345)	(82,489)	(70,920)
Cash flows from financing activities				
36,429	Capital injections	51,221	82,646	106,653
-	Capital withdrawals	(6,507)	-	-
(16,474)	Repayment of surplus to the Crown	(43,706)	(23,350)	-
(2,925)	Payments on finance leases	(406)	(407)	(432)
17,030	Net cash flows from financing activities	602	58,889	106,221
Movement in cash				
42,900	Opening cash and cash equivalents	47,933	28,851	26,050
5,033	Net increase/(decrease) in cash	1,091	(3,814)	(999)
47,933	Closing cash and cash equivalents	49,024	25,037	25,051

* The prior year financial information has been restated for a change in accounting policy for software as a service (SaaS) arrangements. Refer to [Note 26](#).

Explanations of significant variances against budget are detailed in [Note 25](#).

The accompanying notes form part of these financial statements.

Statement of cash flows (continued)

for the year ended 30 June 2022

Parent and group

Reconciliation of the net surplus cash flow from operating activities

Restated Actual* 2021 \$000		Actual 2022 \$000
(12,774)	Total comprehensive revenue and expense	40,906
	Add/(deduct) non-cash items	
47,657	Depreciation and amortisation expense	46,245
-	- Asset revaluation gains	(42,416)
4,448	Impairment expense	3,560
(239)	Acquisition of donated assets	(208)
51,866	Total non-cash items	7,181
	Add/(deduct) items classified as investing activities	
(1,125)	Losses/(gains) on sale of property, plant and equipment	330
(1,125)	Total investing or financial activities	330
	Add/(deduct) movements in Statement of financial position items	
4,560	(Increase)/ decrease in debtors and other receivables	(1,127)
(3,399)	(Increase)/ decrease in other current assets	663
6,001	Increase/ (decrease) in other current liabilities	11,373
70	Increase/ (decrease) in non-current liabilities	(256)
10,715	Increase/ (decrease) in creditors and other payables	13,764
17,947	Total net movement in working capital items	24,417
55,914	Net cash flows from operating activities	72,834

* The prior year financial information has been restated for a change in accounting policy for software as a service (SaaS) arrangements. Refer to [Note 26](#).

Reconciliation of movement in liabilities arising from financing activities

	Finance Leases \$000
Balance at 1 July 2021	8,485
Cash in flows (Acquisition)	-
Cash out flows (Payment)	(406)
Balance at 30 June 2022	8,079

The accompanying notes form part of these financial statements.

Statement of commitments

as at 30 June 2022

Parent and group

Actual 2021 \$000		Note	Actual 2022 \$000
Capital commitments			
7,781	Intangible assets		31,160
263	Non-residential buildings		9,298
4,985	Plant and equipment		902
-	- Leasehold improvements		84,722
-	- Finance lease asset	16	268,149
13,029	Total capital commitments		394,231
Non-cancellable operating commitment leases as lessee			
<i>The future aggregate minimum lease payments to be paid under non-cancellable operating leases</i>			
17,823	No later than one year		16,461
15,145	Later than one and not later than two years		15,627
40,703	Later than two and not later than five years		42,064
81,858	Later than five years		76,741
155,529	Total non-cancellable operating commitment leases as lessee		150,893
168,558	Total commitments		545,124

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 \$1.362 million (2020/21: \$1.156 million).

The accompanying notes form part of these financial statements.

Statement of contingent assets and liabilities

as at 30 June 2022

Parent and group

Quantifiable contingent assets

As at 30 June 2022, the Department had no quantifiable contingent assets (2020/21: nil).

Unquantifiable contingent assets

As at 30 June 2022, the Department had no unquantifiable contingent assets (2020/21: nil).

Quantifiable contingent liabilities

As at 30 June 2022, the Department had:

- No quantifiable contingent liability for costs associated with the design phase of the new Wellington Archives facility, should the development not proceed (2020/21: \$18.063 million).
- Two quantifiable contingent liabilities totalling \$0.237 million relating to employment issues (2020/21: \$0.340 million).

Unquantifiable contingent liabilities

As at 30 June 2022, the Department had two non-quantifiable contingent liabilities relating to employment issues (2020/21: 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 amount and timing of two contingent liabilities for employment issues are uncertain therefore the contingencies are unquantified. The Department is currently disputing these claims.

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 financial statements of the Department for the year ended 30 June 2022 are consolidated financial statements of the Department, the Ministry of Ethnic Communities and the Te Puna Foundation (the Foundation). The Ministry of Ethnic Communities (established on 1 July 2021) is a departmental agency as defined by section 2 of the PFA and section 5 of the Public Service Act 2020, which is hosted within the Department. Unless explicitly stated, references to the Department cover both the Department and the Ministry of Ethnic Communities. Te Puna 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 Department and the Foundation operate independently but consolidation is required for financial reporting purposes only.

Reporting period

The reporting period for these financial statements is the year ended 30 June 2022 with comparative figures for the year ended 30 June 2021. The financial statements were authorised for issue by the Chief Executive of the Department of Internal Affairs on 30 September 2022.

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 two changes in the Department's accounting policies since the date of the last audited financial statements.

Accounting for software as a service

In April 2021, IFRIC published an agenda decision clarifying its interpretation of how current accounting standards apply to Software as a Service (SaaS) arrangements. This considered the recognition criteria of intangible assets, including the identifiability and control of the asset and the expectation of future economic benefits or service potential arising from the asset. The committee concluded that configuration and customisation costs should only be capitalised if specific criteria outlined in the accounting standards for recognising a specific asset are met.

In response the Department has revised its accounting policy in relation to SaaS arrangements.

SaaS arrangements are service contracts providing the Department with the right to access the cloud provider's application software over the contract period. As the Department does not receive a software intangible asset at the contract commencement date, the costs incurred to configure or customise the software are recognised as operating expenses when the services are received. SaaS implementations with substantial customisation to the "off the shelf" version or that are bespoke and where the Department has the power to obtain the future economic benefits or service potential from the software and to

restrict the access of others to those benefits, are recognised as intangible software assets. The ongoing fees to obtain access to the cloud provider's application software are recognised as operating expenses when the services are received.

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets.

Historical financial information has been restated to account for the impact of the change in accounting in [Note 26](#).

PBE IPSAS 2 Cash Flow Statements amendment

An amendment to PBE IPSAS 2 Cash Flow Statements requires entities to provide disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The new information required by this amendment has been disclosed in Statement of cash flows.

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. Comparative figures have been restated to account for the impact of the change in accounting policy for SaaS arrangements.

Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Department are:

PBE IPSAS 41 Financial instruments

PBE IPSAS 41 replaces PBE IFRS 9 *Financial Instruments* and is effective for the year ending 30 June 2023, with earlier adoption permitted. The Department has assessed that there will be little change as a result of adopting the new standard as the requirements are similar to those contained in PBE IFRS 9. The Department does not intend to early adopt the standard.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 *Presentation of Financial Statements* and is effective for the year ending 30 June 2023, with early adopted permitted. The Department has not yet determined how application of PBE FRS 48 will affect its statement of service performance. It does not plan to adopt the standard early.

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 2021/22 budget figures (Unaudited Budget 2022) are for the year ended 30 June 2022. They are consistent with the Department's best estimate financial forecast information submitted to the Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ending 2021/22.

The 2022/23 forecast figures (Unaudited Forecast 2023) are for the year ending 30 June 2023, which are consistent with the best estimate financial forecast information submitted to the Treasury for the Budget Economic and Fiscal Update (BEFU) for 2022/23. 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 2023 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 2022/23. 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 historical experience and 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 2021/22 is used as the opening position for 2022/23 forecasts.

The actual financial results achieved for 30 June 2023 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 2022/23 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 2022/23 will be incorporated into the Supplementary Estimates of appropriations for the Government of New Zealand for the year ending 30 June 2023.

Authorisation statement

The forecast financial statements were approved for issue by the Chief Financial Officer on 6 April 2022. 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 2023 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:

Note	Judgements, estimates and assumptions
Note 9 – Property, plant and equipment	Estimating the fair value of land and buildings
Note 10 – Intangible assets	Assessing the useful lives of software Assessing the recognition of SaaS arrangements
Note 14 – Employee entitlements	Measuring long service leave and retirement gratuities
Note 16 – Finance leases	Classification of leases
Note 20 – 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 and services 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 2021		Actual 2022	Unaudited Budget 2022	Unaudited Forecast 2023
\$000		\$000	\$000	\$000
Other revenue from non-exchange transactions				
239	Other third-party revenue	208	-	-
239	Total other revenue from non-exchange transactions	208	-	-
Other revenue from exchange transactions				
22,114	Passport fees	37,509	29,494	32,773
20,525	Non-casino gaming licences and fees	20,000	20,211	20,211
13,952	Birth, death, marriage and civil union fees	13,899	15,256	15,256
10,423	Citizenship fees	13,936	14,351	14,351
10,901	Recovery from New Zealand Lottery Grants Board	12,479	11,025	11,559
8,651	VIP transport	9,345	9,000	9,000
8,678	e-Government development and operations	9,003	7,360	9,160
5,333	Casino operators' levies	5,382	5,400	5,400
1,298	Electronic purchasing in collaboration	1,558	1,190	3,595
2,399	Kōtui library services	2,446	2,199	2,199
2,386	Translation services	3,493	2,000	2,000
1,812	RealMe	1,706	2,068	2,068
63	Te Puna catalogue and inter-loan library services	106	1,407	1,407
1,038	Lake Taupō boating facilities	1,059	980	980
889	Charities registrations	820	852	852
884	New Zealand Gazette	904	844	844
400	National dog database levy	400	400	-
459	Rental revenue from sublease	764	350	350
166	National Library auditorium	166	-	-
-	Net foreign exchange gain	6	-	-
3,371	Other third-party revenue	8,006	1,657	3,645
115,742	Total other revenue from exchange transactions	142,987	126,044	135,650
115,981	Total other revenue	143,195	126,044	135,650

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

Restated Actual 2021 \$000		Actual 2022 \$000
250,954	Salaries, wages and contractor expenses	280,630
7,165	Employer contribution to defined contribution plans	7,658
2,211	Restructuring costs	574
1,421	Increase in employee entitlements	2,511
3,297	Other personnel costs	3,915
265,048	Total personnel costs	295,288

4. Other operating expenses

Accounting policy

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. 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 19](#)).

Other expenses

Other expenses are recognised as goods and services as received.

Breakdown of other operating expenses

Restated Actual 2021 \$000		Note	Actual 2022 \$000	Unaudited Budget 2022 \$000	Unaudited Forecast 2023 \$000
69,202	Computer costs		76,170	68,000	83,885
29,037	Rental and leasing costs		26,096	30,000	29,010
37,555	Consultants and outsourcing contracts		56,978	37,000	43,283
599	Inventory costs		3,831	1,971	29,832
9,616	Agency fees		9,485	11,023	10,255
6,871	Travel expenses		4,786	7,500	7,493
7,254	Office expenses		6,311	7,500	5,970
9,227	Professional fees		9,008	8,500	3,754
5,424	Library resources and subscriptions		5,695	5,609	4,083
3,303	Staff development		4,120	3,412	4,479
2,053	Repair and maintenance		1,673	2,100	1,543
4,232	Publicity and promotion		2,167	4,300	1,582
8	Loss on write-off of assets		467	-	-
413	Fees for auditor (financial statement audit)		465	413	425
23	Fees for auditor (under provision in prior year)		-	-	-
14	Increase in provision for expected lifetime credit loss	7	223	-	-
7	Fees to auditor (assurance and related services)		-	-	-
20	Realised foreign exchange losses		6	-	-
515	Increase in provision for onerous contracts	12	-	-	-
22,083	Other departmental operating costs		14,114	11,875	12,885
207,456	Total other operating expenses		221,595	199,203	238,479

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 2021 \$000		Actual 2022 \$000
(109)	New Zealand Gazette	5
(152)	Use of facilities and access to Lake Taupō by boat users	(117)
31,563	Passport products	(13,052)
9,893	Citizenship products	5,933
516	Marriage and civil union products	(316)
2,506	Issue of birth, death and marriage certifications and other products	24
15,127	Gaming	17,418
1,347	Kōtui library services	1,408
88	Electronic Purchasing in Collaboration (EPIC)	125
(17,848)	Common capability products	(18,733)
1,154	National dog control information database	1,279
44,085	Balance at 30 June	(6,026)

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 which was delayed from the first quarter of 2021 was further delayed by the ongoing impacts of COVID-19 on the Department's capacity to undertake the review. This is now scheduled to be undertaken during the 2022/23 financial year.

Actual 2021 \$000		Actual 2022 \$000
New Zealand Gazette		
(232)	Balance at 1 July	(109)
884	Revenue movement for the year	919
(761)	Expense movement for the year	(805)
123	Net memorandum account surplus for the year	114
(109)	Balance at 30 June	5

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 2021/22 revenue from Lake Taupō boating facilities increased as a result of higher utilisation of boat ramps facilities. Current fees were introduced in September 2019 and a fee review is currently underway.

Actual 2021 \$000		Actual 2022 \$000
Use of facilities and access to Lake Taupō by boat users		
(253)	Balance at 1 July	(152)
1,038	Revenue movement for the year	1,057
(937)	Expense movement for the year	(1,022)
101	Net memorandum account (deficit)/surplus for the year	35
(152)	Balance at 30 June	(117)

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: International border closures associated with COVID-19 and change in adult passport validity from five years to ten years in November 2015 have created a significant decrease in demand for Passport products. Revenue and expenditure have started to increase with a return of deferred demand with the international border reopening dates announced by the Government. New passport fees were introduced in May 2022 to ensure revenue covers expenditure over the medium to long term.

Actual 2021 \$000		Actual 2022 \$000
Passport products		
83,010	Balance at 1 July	31,563
22,163	Revenue movement for the year	37,364
(73,610)	Expense movement for the year	(81,979)
(51,447)	Net memorandum account surplus/ (deficit) for the year	(44,615)
31,563	Balance at 30 June	(13,052)

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 increase in expenditure reflects increased costs to reduce the current application backlog in Citizenship processing which was a result of system transitions and COVID-19 restrictions, as well as costs related to system modernisation as part of the Te Ara Manaaki programme.

Actual 2021 \$000		Actual 2022 \$000
Citizenship products		
16,425	Balance at 1 July	9,893
10,423	Revenue movement for the year	13,936
(16,955)	Expense movement for the year	(17,896)
(6,532)	Net memorandum account (deficit) for the year	(3,960)
9,893	Balance at 30 June	5,933

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. COVID-19 restrictions have resulted in lower demand for Marriage and Civil Union products in 2021/22, however this is expected to be short term and deferred demand is expected to return as restrictions begin to reduce.

Actual 2021 \$000		Actual 2022 \$000
Marriage and civil union products		
210	Balance at 1 July	516
3,794	Revenue movement for the year	3,770
(3,488)	Expense movement for the year	(4,602)
306	Net memorandum account (deficit)/surplus for the year	(832)
516	Balance at 30 June	(316)

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 increase in expenditure reflects the costs of introducing these systems. COVID-19 restrictions have resulted in lower demand for Birth, Death and Marriage Certifications and other products, however this is expected to be short term and the deferred demand is expected to return as restrictions begin to reduce.

Actual 2021 \$000		Actual 2022 \$000
Issue of birth, death and marriage certifications and other products		
1,358	Balance at 1 July	2,506
10,159	Revenue movement for the year	10,094
(9,011)	Expense movement for the year	(12,576)
1,148	Net memorandum account surplus/(deficit) for the year	(2,482)
2,506	Balance at 30 June	24

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: Gaming revenue in 2021/22 was impacted by COVID-19 restrictions. Work on the review of gaming fees is underway, with the new fees expected to be introduced in 2022/23.

Actual 2021 \$000		Actual 2022 \$000
Gaming		
8,608	Balance at 1 July	15,127
25,271	Revenue movement for the year	24,729
(18,752)	Expense movement for the year	(22,438)
6,519	Net memorandum account surplus for the year	2,291
15,127	Balance at 30 June	17,418

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

Kōtui library services (Established 30 January 2011)

Purpose: Kōtui 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 Kōtui 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 Kōtui Library Management System, which is designed to be funded 100% by member contributions.

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

Actual 2021 \$000		Actual 2022 \$000
Kōtui library services		
1,063	Balance at 1 July	1,347
2,399	Revenue movement for the year	2,446
(2,115)	Expense movement for the year	(2,385)
284	Net memorandum account (deficit)/surplus for the year	61
1,347	Balance at 30 June	1,408

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 ending 30 June 2022. Fees are reviewed annually and are based on member uptake and vendor costs.

Actual 2021 \$000		Actual 2022 \$000
Electronic Purchasing in Collaboration (EPIC)		
70	Balance at 1 July	88
1,298	Revenue movement for the year	1,559
(1,280)	Expense movement for the year	(1,522)
18	Net memorandum account (deficit)/surplus for the year	37
88	Balance at 30 June	125

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 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 2021 \$000		Actual 2022 \$000
Common capability products		
(17,479)	Balance at 1 July	(17,848)
8,677	Revenue movement for the year	8,988
(9,046)	Expense movement for the year	(9,873)
(369)	Net memorandum account (deficit) for the year	(885)
(17,848)	Balance at 30 June	(18,733)

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 outyears to ensure that the National Dog Control Information Database is supported from a systems perspective. This expenditure is expected to utilise the accumulated surplus.

Actual 2021 \$000		Actual 2022 \$000
National dog control information database		
1,074	Balance at 1 July	1,154
400	Revenue movement for the year	400
(320)	Expense movement for the year	(275)
80	Net memorandum account surplus for the year	125
1,154	Balance at 30 June	1,279

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 2021 \$000		Actual 2022 \$000
46,896	New Zealand bank accounts	47,617
	Overseas bank accounts	
586	Australian bank accounts	838
405	United Kingdom bank accounts	569
	Trust bank account	
46	Retention trust account	-
47,933	Total cash and cash equivalents	49,024

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 2021 \$000		Actual 2022 \$000
13,754	Gross trade receivables	15,120
(76)	Less provision for expected lifetime credit loss	(259)
13,678	Total accounts receivables	14,861
Total receivables comprise:		
13,678	Receivables from exchange transactions	14,861
13,678	Total receivable	14,861

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.

2021				2022		
Gross \$000	Lifetime expected credit loss \$000	Net \$000		Gross \$000	Lifetime expected credit loss \$000	Net \$000
11,276	(6)	11,270	Not past due	11,397	-	11,397
2,066	(18)	2,048	Past due 1-30 days	1,647	-	1,647
73	(1)	72	Past due 31-60 days	970	-	970
137	(7)	130	Past due 61-90 days	17	-	17
202	(44)	158	Past due > 91 days	1,089	(259)	830
13,754	(76)	13,678	Total accounts receivables	15,120	(259)	14,861

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

Actual 2021 \$000		Actual 2022 \$000
(118)	Opening expected lifetime credit loss as at 1 July	(76)
(76)	Additional provisions made during the year	(224)
118	Provisions released during the year	41
(76)	Closing expected lifetime credit loss as at 30 June	(259)

8. Inventories

Accounting policy

Inventories held for distribution or consumption in the provision of goods and 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 2021 \$000		Actual 2022 \$000
	Birth, death and marriage certificates	
91	Stock on hand	78
	Citizenship	
9	Stock on hand	18
783	Work in progress	1,280
	Film preservation laboratory	
107	Stock on hand	107
	National Library	
25	Stock on hand	25
	Passports	
84	Stock on hand	78
300	Work in progress	1,195
1,399	Total inventories	2,781

No inventories have been written down during the year (2020/21: nil).

No inventories are pledged as security for liabilities (2020/21: 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	3 - 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

2022

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	19,070	-	5,295	-	-	24,365
Non-residential buildings	143,034	6,132	21,423	(132)	-	170,457
Leasehold improvements	48,780	4,895	-	(1,801)	-	51,874
Antiques and works of art	959	-	-	-	-	959
Furniture and fittings	35,749	3,945	-	(45)	-	39,649
General collections	33,235	495	-	-	-	33,730
Schools collections	18,191	837	-	(2,071)	-	16,957
Motor vehicles	8,851	1,711	-	(1,468)	-	9,094
Plant and equipment	18,279	11,254	-	(292)	-	29,241
IT equipment	41,299	6,678	-	(2,162)	-	45,815
Leased assets	15,630	-	-	(6,700)	-	8,930
Total cost	383,077	35,947	26,718	(14,671)	-	431,071

2022

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	12,617	5,470	(15,698)	(45)	-	2,344
Leasehold improvements	18,911	4,316	-	(1,587)	-	21,640
Antiques and works of art	-	-	-	-	-	-
Furniture and fittings	18,041	2,267	-	(43)	-	20,265
General collections	26,651	932	-	-	-	27,583
Schools collections	15,756	955	-	(2,071)	-	14,640
Motor vehicles	3,719	935	-	(897)	-	3,757
Plant and equipment	6,570	746	-	(287)	-	7,029
IT equipment	36,694	3,176	-	(2,138)	-	37,732
Leased assets	7,305	1,489	-	(6,700)	-	2,094
Total accumulated depreciation	146,264	20,286	(15,698)	(13,768)	-	137,084

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
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/ Impairment \$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.

Summary of property, plant and equipment

2021				2022		
Cost or valuation \$000	Accumulated depreciation \$000	Carrying value \$000	Asset class	Cost or valuation \$000	Accumulated depreciation \$000	Carrying value \$000
19,070	-	19,070	Land	24,365	-	24,365
143,034	12,617	130,417	Non-residential buildings	170,457	2,344	168,113
48,780	18,911	29,869	Leasehold improvements	51,874	21,640	30,234
959	-	959	Antiques and works of art	959	-	959
35,749	18,041	17,708	Furniture and fittings	39,649	20,265	19,384
33,235	26,651	6,584	General collections	33,730	27,583	6,147
18,191	15,756	2,435	Schools collections	16,957	14,640	2,317
8,851	3,719	5,132	Motor vehicles	9,094	3,757	5,337
18,279	6,570	11,709	Plant and equipment	29,241	7,029	22,212
41,299	36,694	4,605	IT equipment	45,815	37,732	8,083
15,630	7,305	8,325	Leased assets	8,930	2,094	6,836
383,077	146,264	236,813	Total property, plant and equipment	431,071	137,084	293,987

Finance leases

The net carrying amount of the leased assets (passport printers) held by way of a finance lease is \$6.836 million (2020/21: \$8.486 million).

Capital work in progress

2021 cost \$000	Asset class	2022 cost \$000
9,710	Non-residential buildings (including leasehold improvements)	20,135
2,818	Furniture and fittings	6,601
4,651	Plant and equipment	16,841
17,179	Total capital work in progress	43,577

Revaluation movement

Details of valuations and revaluation movements are contained in [Note 20](#).

Impairment losses

The Department has not recognised any impairment loss during 2021/22 (2020/21: \$0.127 million).

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. Intangible assets

Accounting policy

Additions

Intangible assets are initially recorded at cost. 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.

SaaS implantations with substantial customisation to the “off the shelf” version or that are bespoke and where the Department has the power to obtain the future economic benefits or service potential from the software and to restrict the access of others to those benefits, are recognised as intangible software assets.

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets.

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	5 – 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:

2022

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	48,925	-	-	(5,504)	-	43,421
Software internally generated	339,805	41,533	(3,560)	(51,141)	-	326,637
Total software cost	388,730	41,533	(3,560)	(56,645)	-	370,058

2022

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	33,224	3,544	-	(5,326)	-	31,442
Software internally generated	177,905	25,975	-	(50,097)	-	153,783
Total software amortisation	211,129	29,519	-	(55,423)	-	185,225
Net book value	177,601					184,833

2021

Restated 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	298,072	47,700	(1,399)	(2,604)	(1,964)	339,805
Total software cost	345,891	48,522	(1,399)	(4,300)	16	388,730

2021

Restated Accumulated amortization

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	155,248	22,581	2,680	(2,604)	-	177,905
Total software amortisation	187,048	25,459	2,922	(4,300)	-	211,129
Net book value	158,843					177,601

Capital work in progress

The total amount of work in progress is \$50.033 million (2020/21: \$39.350 million).

Impairment losses

The Department has recognised an impairment loss of \$3.560 million for internally generated software (2020/21: \$4.321 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.

11. 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 2021 \$000		Actual 2022 \$000
Creditors and other payables under exchange transactions		
3,739	Creditors	3,970
32,832	Accrued expenses	41,961
Creditors and other payables under non-exchange transactions		
2,908	GST payable	5,040
39,479	Total creditors and other payables	50,971

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

12. 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 2021 \$000		Actual 2022 \$000
Current provisions		
500	Restructuring	435
653	Onerous contracts	311
758	Other	181
1,911	Total current provisions	927
Non-current provisions		
216	Lease make good	216
208	Onerous contracts	-
424	Total non-current provisions	216
2,335	Total provisions	1,143

	Restructuring	Lease make good	Onerous lease	Others	Total
	\$000	\$000	\$000	\$000	\$000
2022					
Balance as at 1 July	500	216	861	758	2,335
Additional provisions made	170	-	-	-	170
Charge against provision for the year	(235)	-	(550)	(32)	(817)
Unused provision reversed	-	-	-	(545)	(545)
Balance as at 30 June	435	216	311	181	1,143

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.

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.

13. 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 2021 \$000		Actual 2022 \$000
10,840	Passport fees; birth, death, marriage and civil union fees; and citizenship fees	21,409
3,109	Gaming - licensing fees	3,795
1,466	Electronic Purchasing in Collaboration	-
114	National Library - Pacific Virtual Museum Pilot Program	903
185	Other	24
15,714	Total revenue received in advance	26,131

14. 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 2021 \$000		Actual 2022 \$000
	Current entitlements	
8,178	Accrued salaries	10,023
14,619	Annual leave	17,270
688	Long service and retirement leave	807
23,485	Total current entitlements	28,100
	Non-current entitlements	
3,350	Long service and retirement leave	3,094
3,350	Total non-current entitlements	3,094
26,835	Total entitlements	31,194

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 2021 %		Actual 2022 %
	Discount rate	
1.10	Long service leave	3.76
0.20	Retirement leave	3.34
	Salary inflation factor	
2.72	Salary inflation	3.01

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	178,000	(160,000)	(162,000)	177,000
Retiring leave	-	-	-	-

15. Return of operating surplus

Restated Actual 2021 \$000		Actual 2022 \$000
(12,774)	Total comprehensive revenue and expense	40,906
6,711	Software as a Service (SaaS) adjustments	-
-	Revaluation loss/(gain)	(42,416)
49,769	(Surplus)/deficit on memorandum accounts	50,109
43,706	Total return of operating surplus	48,599

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

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

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 2021 \$000		Actual 2022 \$000
	Total minimum lease payments payable	
904	Not later than one year	904
3,617	Later than one year and not later than five years	4,521
7,988	Later than five years	6,179
12,509	Total minimum lease payments	11,604
	Future charges	
(498)	Not later than one year	(473)
(1,726)	Later than one year and not later than five years	(1,932)
(1,799)	Later than five years	(1,120)
(4,023)	Total future charges	(3,525)
	Present value of minimum lease payments payable	
406	Not later than one year	431
1,891	Later than one year and not later than five years	2,589
6,189	Later than five years	5,059
8,486	Total present value of minimum lease payments	8,079
	Represented by:	
406	Current	431
8,080	Non-current	7,648
8,486	Total finance leases	8,079

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.

Unrecognised estimated finance lease yet to commence

Actual 2021 \$000	Actual 2022 \$000
Unrecognised estimated total minimum lease payments payable	
- Not later than one year	-
- Later than one year and not later than five years	38,295
- Later than five years	651,882
- Unrecognised total minimum lease payments	690,177

In August 2019 the Department entered into a conditional Development Agreement (the Agreement) with PSPIB/CPPIB Waiheke Incorporated for the construction of the new Wellington Archives facility at 2 Aitken Street, Wellington. The Agreement, which included an agreement to lease became unconditional on 10 December 2021. The facility is currently under construction and the target lease commencement date is in June 2025.

The lease has been assessed as a finance lease. The lease liability at commencement date has been estimated at \$268.149 million. The lease liability amount is calculated as the present value of the expected lease payments over the initial lease term of 25 years, using a discount rate of 7.1%. The Agreement includes two rights of renewal of 15 and 10 years each for a 50 years' lease term in total. The Agreement includes break payments if the rights of renewal are not exercised, being \$90 million for the first right of renewal and \$60 million for the second right of renewal. The \$90 million break payment is included in the unrecognised estimated total minimum lease payments.

The new Wellington Archives will be a resilient, purpose-built facility to preserve and protect government records, documentation heritage and taonga. The new facility will address critical property issues associated with sub-optimal facilities and exposure of the collection to loss or damage. Best practice standards for building performance and environmental performance will be applied.

17. 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 2022 was 5.0% per annum (2020/21: 5.0%).

18. 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 2021 \$000	Actual 2022 \$000
564 Interest on finance leases	498
564 Total finance costs	498

19. Other financial liabilities

Accounting policy

Lease 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 2021 \$000		Actual 2022 \$000
Current liabilities		
626	Lease incentives	582
626	Total current liabilities	582
Non-current liabilities		
5,231	Lease incentives	4,653
5,231	Total non-current liabilities	4,653
5,857	Total other financial liabilities	5,235

20. 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

Restated Actual 2021 \$000		Note	Actual 2022 \$000
Taxpayers' funds			
298,323	Opening balance 1 July		328,041
(12,774)	Operating surplus/(deficit) for the year		(1,510)
49,769	Transfer of memorandum account net (surplus)/deficit for the year	5	50,111
36,429	Capital injections	21	51,221
-	Capital withdrawals	21	(6,507)
(43,706)	Return of operating surplus to the Crown	15	(48,599)
328,041	Balance at 30 June		372,757
Memorandum accounts			
93,854	Opening balance 1 July		44,085
(49,769)	Net memorandum account surplus/(deficit) for the year	5	(50,111)
44,085	Balance at 30 June		(6,026)
Revaluation reserves			
49,461	Opening balance 1 July		49,461
-	Revaluation gains/(losses)	9	42,416
49,461	Balance at 30 June		91,877
Revaluation reserves consist of:			
17,889	Land revaluation reserve		23,184
30,862	Building revaluation reserve		67,983
710	Antiques and works of art revaluation reserve		710
49,461	Total revaluation reserves		91,877

Critical accounting estimates and assumptions

Land and buildings - Departmental

The land and buildings were valued by CBRE Limited, a Licensed Real Estate Agent (REAA 2008) and registered independent valuer in June 2022, with the valuation effective as at 30 June 2022.

Land

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land value.

Buildings

Non-specialised buildings are valued at fair value using market-based evidence.

The significant assumptions for the buildings in the 30 June 2022 valuation include market rents and capitalisation rates:

- Market rents range from \$96 to \$223 per square metre.
- Capitalisation rate are market-based rates of return and range from 4.5% to 8.5%.

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions used in the 30 June valuation include:

- The replacement cost is derived from research of recent construction contracts of modern equivalent assets.
- Construction costs range from \$7,000 to \$15,000 per square metre, depending on the nature of the specified asset valued.
- The remaining useful life of assets is estimated after considering factors such as the condition of the asset, future maintenance and replacement plans, and experience with similar buildings.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

The buildings for both specialised and non-specialised properties has been valued based on the best use for the land subject to restrictions or conditions associated with properties.

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.

21. Capital injections and withdrawals

Actual 2021 \$000		Actual 2022 \$000
	Capital Injections	
13,636	Critical Infrastructure for Identity and Life Event Services	27,976
11,903	Tāhuhu: Preserving the Nation's Memory	13,079
6,750	Meeting Core Statutory Responsibilities	4,876
3,000	RealMe	3,000
940	Core Government trusted domain	940
200	Transition Support for the Executive	-
	- Saving the Crown's Audio-Visual Collections	1,000
	- Royal Commission into Historical Abuse in State Care	260
	- Crown Response to the Abuse in Care Inquiry	90
36,429	Total capital injections	51,221
	Capital Withdrawals	
	- Software as a Service - capital to operating transfer	(6,507)
	- Total capital withdrawals	(6,507)

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

22. 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 16](#).

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
2022						
Creditors and other payables	11	50,971	50,971	-	-	-
Finance lease	16	11,604	452	452	4,521	6,179
Other financial liabilities	19	5,235	291	291	2,241	2,412
2021						
Creditors and other payables		39,479	39,479	-	-	-
Finance lease		12,509	452	452	3,617	7,988
Other financial liabilities		5,857	313	313	2,241	2,990

The Department had no forward exchange contracts outstanding at 30 June 2022 (2020/21: 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 2021 \$000		Note	Actual 2022 \$000
Loans and receivables			
47,933	Cash and cash equivalents	6	49,024
78,119	Debtor Crown		78,063
13,678	Debtors and other receivables	7	14,861
139,730	Total loans and receivables		141,948
Financial liabilities measured at amortised cost			
39,479	Creditors and other payables (excluding revenue received in advance)	11	50,971
8,486	Finance lease	16	8,079
5,857	Other financial liabilities	19	5,235
53,822	Total financial liabilities measured at amortised cost		64,285

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 2021/22 (2020/21: nil).

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

Other disclosures

23. 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 National Library of New Zealand Foundation (Te Puna Foundation), which means that the parent and group amounts are not materially different.

The Foundation has a balance date of 31 March and there were no significant events to adjust between then and 30 June 2022. The Foundation had total revenue of \$0.269 million (2020/21: \$0.376 million) and a net loss of \$0.524 million (2020/21: \$0.529 million deficit). The Foundation had assets of \$1.836 million (2020/21: \$1.593 million) and liabilities of \$0.950 million (2020/21: \$0.183 million).

The Te Puna Foundation has no capital commitments or non-cancellable operating commitment leases as lessee. The Board undertook to provide an additional \$0.722 million contribution to the Community of Readers Project in partnership with the National Library. As at balance date unspent funds were \$0.722 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.

24. 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 for the year ended 30 June 2022 (2021: nil)

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 2021 \$000		Actual 2022 \$000
Leadership team, including the Chief Executive		
3,192	Remuneration	3,317
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 remuneration for the Chief Executive 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.

25. Explanation of significant variances against budget

Statement of comprehensive revenue and expense

Variations between 2021/22 actuals and the Main Estimates

The following major budget variance occurred between the 2021/22 actuals and the 2021/22 Main Estimates.

	Actual 2022 \$000	Unaudited Mains EST 2022 \$000	Variance \$000	Variance %
Statement of comprehensive revenue and expenses				
Revenue Crown	442,037	382,395	59,642	16%
Other revenue	143,195	126,044	17,151	14%
Other operating expenses	221,595	199,203	22,392	11%

Explanations for significant variances between the 2021/22 actuals and the Main Estimates are detailed below:

Revenue Crown

Revenue Crown was higher than budget by \$59.642 million mainly due to the following:

- Three Waters Service Delivery Reforms programme,
- Capital to operating transfer – Software as a Service Arrangements 2021/22 expenditure,
- Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institution's programme,
- Tāhuhu: Preserving the Nation's Memory Programme.

Other Revenue

Other revenue was higher than budget by \$17.151 million mainly due to the following:

- higher passport revenue due to opening of the international borders

Other operating expenses

Other operating expenses were higher than budget by \$22.392 million mainly due to the following:

- higher computer costs as a result of the change in accounting policy for SaaS arrangement,
- higher consultants expenses due to the Three Waters Service Delivery Reforms programme.

Offset by,

- lower publicity and promotional expenses,
- lower travel costs mainly due to international and domestic travel restrictions resulting from the COVID-19 pandemic.

Statement of financial position

Variations between 2021/22 actuals and the Main Estimates

The following major budget variance occurred between the 2021/22 actuals and the 2021/22 Main Estimates.

	Actual 2022 \$000	Unaudited Mains EST 2022 \$000	Variance \$000	Variance %
Statement of financial position				
Current assets	150,929	77,432	73,497	95%
Current liabilities	155,741	65,193	90,548	139%

Explanations for significant variances between the 2021/22 actuals and the Main Estimates are detailed below:

Current assets

Current assets were higher than budget by \$73.497 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 cash withdrawn for payments but not paid during the year.

Current liabilities

Current liabilities were higher than budget by \$90.548 million mainly due to the following:

- higher creditors and payables due to timing difference for goods and services received but not yet paid,
- surplus repayment provision not budgeted for,
- higher revenue received in advance.

26. Impact of changes in SaaS accounting policy

Historical financial information has been restated to account for the impact of the change in accounting policy in relation to SaaS arrangements as follows:

Statement of financial position

As at 30 June 2021	As previously reported \$000	Adjustments \$000	Restated \$000
Intangible assets	194,113	(16,512)	177,601
Total non-current assets	431,159	(16,512)	414,647
Taxpayer's funds	344,553	(16,512)	328,041
Total equity	438,099	(16,512)	421,587

As at 30 June 2020	As previously reported \$000	Adjustments \$000	Restated \$000
Intangible assets	168,644	(9,801)	158,843
Total non-current assets	405,129	(9,801)	395,328
Taxpayer's funds	308,124	(9,801)	298,323
Total equity	451,439	(9,801)	441,638

Statement of comprehensive revenue and expense

For the year ended 30 June 2021	As previously reported \$000	Adjustments \$000	Restated \$000
Personnel Costs	262,185	2,863	265,048
Depreciation, amortisation and impairment expense	53,890	(1,785)	52,105
Other operating expenses	201,823	5,633	207,456
Total expenses	536,514	6,711	543,225
Operating surplus/(deficit)	(6,063)	(6,711)	(12,774)
Total comprehensive revenue and expense	(6,063)	(6,711)	(12,774)

Statement of cash flow

For the year ended 30 June 2021	As previously reported \$000	Adjustments \$000	Restated \$000
Payment to suppliers and employees	(458,116)	(8,496)	(466,612)
Net cash flows from operating activities	64,410	(8,496)	55,914
Purchase of intangible assets	(56,902)	8,496	(48,406)
Net cash flows from investing activities	(76,407)	8,496	(67,911)

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, between 2019/20 to 2021/22.

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. The removal of border restrictions announced by the Government in February 2022 has resulted in an increase in demand for Passports and has thus neutralised the revenue risk which was previously evident.

28. Significant events after balance date

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.

(2020/21: 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 2022

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 2022

Revenue

Actual 2021 \$000		Actual 2022 \$000	Unaudited Budget 2022 \$000
Operating revenue			
-	Crown revenue	-	-
1,885	Donations received	5,226	1,000
1	Fines, penalties, and levies	2,797	-
223	Refunds of unspent grants	232	-
176	Dividends received	171	-
870	Interest received	720	-
3,155	Total operating revenue	9,146	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 2022.

Schedule of non-Departmental expenditure

for the year ended 30 June 2022

Expenditure

Actual ¹ 2021 \$000		Actual 2022 \$000	Unaudited Budget 2022 \$000
Operating expenses			
16,376	Personnel and travel expenses - members of the Executive Council, former Governors-General and Prime Ministers	18,015	24,851
422,883	Grants and subsidies	369,317	325,901
66,427	GST input expense	56,365	52,509
6,853	Other expenses	4,559	15,219
2,511	Depreciation	2,523	2,682
515,050	Total operating expenses	450,779	421,162

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 2022.

1 Actual 2021 Total operating expenses has been restated to include the GST input expense amount of \$66.427 million, as per The Treasury Instructions 2021 4.2.3.

Schedule of non-Departmental assets

as at 30 June 2022

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

Actual 2021 \$000		Note	Actual 2022 \$000	Unaudited Budget 2022 \$000
Current assets				
115,362	Cash and cash equivalents		75,943	15,370
77	Debtors and other receivables	2	1,014	70
12,114	Receivable – repayable equity	9	12,114	-
127,553	Total current assets		89,071	15,440
Non-current assets				
105	Debtors and other receivables	2	3	136
18,949	Shares	3	20,912	16,723
81,325	Property, plant and equipment	4	80,998	72,894
1,502,380	Heritage collections	4	1,510,110	1,520,093
51,084	Receivable – repayable equity	9	38,803	50,325
1,653,843	Total non-current assets		1,650,826	1,660,171
1,781,396	Total non-Departmental assets		1,739,897	1,675,611

In addition, the Department monitors three Crown entities. These are Fire and Emergency New Zealand, the Office of Film and Literature Classification and Taumata Arowai – the Water Services Regulator. The Crown's investment in those entities is consolidated in the Financial Statements of the Government on a line-by-line basis. The investment in those entities is not included in this schedule.

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 2022.

Schedule of non-Departmental liabilities

as at 30 June 2022

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

Actual 2021 \$000		Note	Actual 2022 \$000	Unaudited Budget 2022 \$000
Current liabilities				
15,697	Creditors and other payables	5	18,520	7,745
1,035	Provisions	7	1,008	2,292
16,732	Total current liabilities		19,528	10,037
Non-current liabilities				
15,791	Provisions	7	12,571	18,199
15,791	Total non-current liabilities		12,571	18,199
32,523	Total non-Departmental liabilities		32,099	28,236

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 2022.

Schedule of non-Departmental commitments

as at 30 June 2022

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 2022.

Schedule of non-Departmental contingent assets and liabilities

as at 30 June 2022

Quantifiable contingent assets

As at 30 June 2022, there were no quantifiable contingent assets (2020/21: nil).

Unquantifiable contingent assets

As at 30 June 2022, there were no unquantifiable contingent assets (2020/21: nil).

Quantifiable contingent liabilities

As at 30 June 2022, there were no quantifiable contingent liabilities (2020/21: nil).

Unquantifiable contingent liabilities

As at 30 June 2022, there were two unquantifiable contingent liabilities relating to legal actions (2020/21: nil).

Legal actions

The unquantifiable contingent liabilities have arisen as consequence of legal actions being taken against the Department. The Department is currently disputing these legal actions. The amount and timing of claims are uncertain, as they are dependent on the court decisions. The contingencies are therefore unquantified.

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 2022.

Statement of trust money administered on behalf of the Crown

for the year ended 30 June 2022

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 for the 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.

2022	Opening Balance July	Contributions	Distributions	Revenue	Expenses	Closing Balance June
	\$000	\$000	\$000	\$000	\$000	\$000
Christchurch Earthquake Appeal Trust	976	2	(1,084)	167	-	61
Inter-Loan Billing System Fund	37	-	-	182	(188)	31
Total trusts	1,013	2	(1,084)	349	(188)	92

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

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 2022.

Notes to the financial statements

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 2022 with comparative figures for the year ended 30 June 2021. 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 2022.

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 2022 budget figures (Unaudited Budget 2022) are for the year ended 30 June 2022, which are consistent with the Department's best estimate financial forecast information submitted to the Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ending 30 June 2022.

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 non-Departmental statements and schedules 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 disclosed 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 (accession of records) 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 2021 \$000		Actual 2022 \$000
77	Debtors and other receivables (current)	1,014
105	Debtors and other receivables (non-current)	3
182	Total debtors and other receivables	1,017

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 2022 were \$104.560 million (2020/21: \$94.745 million). The Crown's share of the net assets is \$20.912 million (2020/21: \$18.949 million).

The summarised financial information of LGFA is:

Actual 2021 \$000		Actual 2022 \$000
377,406	Revenue	393,507
14,485,167	Assets	16,250,167
14,390,422	Liabilities	16,145,607
12,007	Surplus/(deficit)	10,673

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

2022

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	4,656	119	455	-	-	5,230
Boating facilities	64,464	122	-	-	-	64,586
Land	12,570	-	1,000	-	-	13,570
Total cost property, plant and equipment	81,690	241	1,455	-	-	83,386
Heritage collections						
Archives New Zealand heritage collection	594,328	1,294	-	-	(2)	595,620
Total value Archives New Zealand heritage collection	594,328	1,294	-	-	(2)	595,620
Alexander Turnbull Library heritage collections						
Archive of New Zealand music	1,343	1	-	-	-	1,344
Cartographic	73,910	-	-	-	-	73,910
Cartoon	1	2,100	-	-	58	2,159
Children's historical	104	-	-	-	-	104
Digital	10,295	1,422	-	-	-	11,717
Drawings and prints	240,927	1	-	-	-	240,928
Ephemera	14,896	3	-	-	-	14,899
Formed	1,369	-	-	-	-	1,369
General	7,445	4	-	-	-	7,449
Manuscripts/archives	183,566	8	-	-	-	183,574
Multi-format	689	1,326	-	-	2	2,017
Music	1,507	166	-	-	-	1,673
New Zealand and Pacific	13,311	-	-	-	(58)	13,253
Newspapers	1,049	1	-	-	-	1,050
Oral history	29,189	275	-	-	-	29,464
Photographic	31,286	959	-	-	-	32,245
Rare books and fine prints	253,294	5	-	-	-	253,299
Serials	12,412	164	-	-	-	12,576
Short title	31,459	1	-	-	-	31,460
Total value Alexander Turnbull Library heritage collections	908,052	6,436	-	-	2	914,490
Total value heritage collections	1,502,380	7,730	-	-	-	1,510,110
Total cost/value	1,584,070	7,971	1,455	-	-	1,593,496

2022

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	339	161	(500)	-	-	-
Boating facilities	26	2,362	-	-	-	2,388
Land	-	-	-	-	-	-
Total accumulated depreciation property, plant and equipment	365	2,523	(500)	-	-	2,388
Net book value						
Buildings - residential	4,317	(161)	955	119	-	5,230
Boating facilities	64,438	(2,362)	-	122	-	62,198
Land	12,570	-	1,000	-	-	13,570
Heritage collections	1,502,380	-	-	7,730	-	1,510,110
Total net book value	1,583,705	(2,523)	1,955	7,971	-	1,591,108

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	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

Capital work in progress

The total amount of property, plant and equipment under construction is \$3.320 million (2020/21: \$0.570 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 \$18.782 million (2020/21: \$16.886 million).

5. Creditors and other payables

Actual 2021 \$000	Actual 2022 \$000
Creditors and other payables under exchange transactions	
15,660 Accrued expenses	17,954
37 Accrued heritage collection purchases	566
15,697 Total creditors and other payables	18,520

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 2021 \$000		Note	Actual 2022 \$000
Financial assets at fair value through profit or loss			
18,949	Shares	3	20,912
18,949	Total financial assets at fair value through profit or loss		20,912
Loans and receivables			
115,362	Cash and cash equivalents		75,943
182	Debtors and other receivables	2	1,017
63,198	Receivable – repayable equity	9	50,917
178,742	Total loans and receivables		127,877
Financial liabilities measured at amortised cost			
15,697	Creditors and other payables	5	18,520
15,697	Total financial liabilities measured at amortised cost		18,520

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.

The Standard & Poor's credit ratings for cash and cash equivalents held at Westpac is AA-.

Although cash and cash equivalents as at 30 June 2022 are subject to the expected credit loss requirements of PBE IFRS 9, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

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
2022						
Creditors and other payables	5	18,520	18,520	-	-	-
2021						
Creditors and other payables		15,697	15,697	-	-	-

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.

	2021	2022
Discount rate	2.08%	4.02%
Consumer price index	2.00%	2.00%

8. Revaluation of property, plant and equipment and collections

2022	Balance at 1 July \$000	Revaluation movement \$000	Balance at 30 June \$000
Land and buildings	10,774	1,955	12,729
Boating facilities	9,637	-	9,637
Archives New Zealand heritage collection	12,207	-	12,207
Alexander Turnbull Library heritage collections	320,691	-	320,691
Total revaluation reserves	353,309	1,955	355,264
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

Critical accounting estimates and assumptions

Land and residential buildings – Ministerial properties

The land and buildings were revalued in June 2022, effective from 30 June 2022, by CBRE Limited a Licensed Real Estate Agent (REAA 2008) and registered independent valuer.

The Ministerial properties were valued at fair value using market-based evidence based on comparative residential sales.

- Capital value gross rate (inclusive of land and buildings) analysis range from \$6,500 to \$13,000 per square metre.
- Net rate (excluding land value) analysis range from \$500 to \$3,750 per square metre.

Boating facilities – Lake Taupō and Waitangi Wharf (Chatham Island)

The boating facilities were revalued in June 2021, with the valuations being effective from 30 June 2021, 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 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 2021 \$000		Actual 2022 \$000
56,579	Balance at 1 July	63,198
19,089	Face value of repayable equity movement	-
(13,000)	Repayment of repayable equity	(13,000)
(336)	Less: fair value write-down at initial recognition	-
866	Interest unwind	719
63,198	Carrying value at 30 June	50,917
Current and non-current apportionment		
12,114	Repayable equity – current	12,114
51,084	Repayable equity – non-current	38,803
63,198	Carrying value repayable equity	50,917

Further information

There was no capital injection or repayable capital injection in 2021/22 (2020/21: \$19.089 million) 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 2021/22 (2020/21: \$13 million).

The fair value of the repayable equity is \$50.917 million (2020/21: \$63.198 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 2021/22 actuals and the Main Estimates

The following major budget variances occurred between the 2021/22 Actuals and the 2021/22 the Main Estimates.

	Actual 2022 \$000	Unaudited Budget 2022 \$000	Variance \$000	Variance %
Schedule of non-Departmental revenue				
Total operating revenue	9,146	1,000	8,146	815%
Schedule of non-Departmental expenditure				
Total operating expenses	394,414	368,653	25,777	7%

Explanations for significant variances between the 2021/22 actuals and the Main Estimates are detailed below:

Operating revenue

Operating revenue was higher than budget by \$8.146 million mainly due to the following:

- higher value of accession of records received by Archives New Zealand and National Library of New Zealand during 2021/22, and
- fines, penalties and levies, grant refunds, dividends and interest are not budgeted for.

Operating expenses

Operating expenses were higher than budget by \$25.777 million mainly due to the following:

- higher Three Waters Infrastructure Investment and Service Delivery grants to territorial authorities, and
- higher grants to support local Government with Natural Events and distribution of Offshore betting charges.

This is offset by,

- lower travel costs mainly due to international and domestic travel restrictions resulting from the COVID-19 pandemic,
- lower operation costs for Chatham Islands Wharves, 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.

Schedule of non-Departmental assets and liabilities

Variations between 2021/22 actuals and the Main Estimates

The following major budget variances occurred between the 2021/22 actuals and the 2021/22 Main Estimates.

	Actual 2022 \$000	Unaudited Budget 2022 \$000	Variance \$000	Variance %
Schedule of non-Departmental assets				
Cash and cash equivalents	75,943	15,370	60,573	394%

Explanations for significant variances between the 2021/22 actuals and the Main Estimates are detailed below:

Cash and cash equivalents

Cash and cash equivalents were higher than budget by \$60.573 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 various Three Waters Reform initiatives budgeted for but not paid to the territorial authorities or other parties as at year end,
- capital injections for Fire and Emergency New Zealand for rebuild and upgrade of fire stations that have not been paid 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.

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 costs associated with, 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

2022	FBT	Airfares	Surface Travel	Total
	\$	\$	\$	\$
Lady Beverley Reeves	-	-	5,434	5,434
Dame Catherine Tizard	-	-	1,712	1,712
The Rt Hon Sir Michael Hardie-Boys	-	-	5,434	5,434
Dame Sylvia Cartwright	282	2,190	6,246	8,718
The Rt Hon Sir Anand Satyanand	787	734	6,092	7,613
Lt Gen the Rt Hon Sir Jerry Mateparae	649	602	5,621	6,872
Dame Patsy Reddy	771	2,311	4,613	7,695
Total	2,489	5,837	35,152	43,478

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

Former Prime Ministers

2022	FBT	Airfares	Surface Travel	Total
	\$	\$	\$	\$
Lady Glen Rowling	-	-	3,129	3,129
Margaret Pope	-	-	3,129	3,129
The Rt Hon Sir Geoffrey Palmer	4,124	1,078	26,969	32,171
Yvonne Moore	5,489	-	26,626	32,115
The Rt Hon Jim Bolger	6,979	-	29,921	36,900
The Rt Hon Dame Jenny Shipley	10,118	6,021	29,598	45,737
The Rt Hon Helen Clark	7,328	1,511	28,458	37,297
The Rt Hon Sir John Key	77	-	3,129	3,206
The Rt Hon Sir Bill English	7,123	-	26,626	33,749
Total	41,238	8,610	177,585	227,433

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 Moore	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

Ngā Tauākī Whakapaunga, Whakapaunga Rawa Hoki

Statements of Expenses and Capital Expenditure

Appropriation statements

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 2022. 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 2022, direct costs accounted for 79% of the Department's costs and indirect costs of 21% (2020/21: 78% and 22%).

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 budgeted and actual expenses and capital expenditure incurred against appropriations

for the year ended 30 June 2022

Annual and Permanent Appropriations for Vote Internal Affairs

Actual 2021 \$000		Expenditure before remeasurement 2022 \$000	Remeasurement 2022 \$000	Expenditure after remeasurement 2022 \$000	Appropriation voted* 2022 \$000	Location of end of year performance information**
Vote Internal Affairs						
Departmental Output Expenses						
2,349	Contestable Services RDA	3,434	-	3,434	3,200	1
-	Digital Safety Initiatives for the Pacific MYA	137	-	137	200	1
36,782	Local Government Policy and Related Services	53,746	-	53,746	72,788	1
40,304	Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions - Operating Expenses MYA	42,599	-	42,599	46,312	1
79,435	Total Departmental Output Expenses	99,916	-	99,916	122,500	
Departmental Capital Expenditure						
80,386	Department of Internal Affairs - Capital Expenditure PLA	59,857	-	59,857	76,600	1
80,386	Total Departmental Capital Expenditure	59,857	-	59,857	76,600	
Non-Departmental Output Expenses						
3,315	Classification of Films, Videos and Publications	3,169	-	3,169	3,169	2
10,000	Fire and Emergency New Zealand – Public Good Services	10,000	-	10,000	10,000	1
13,315	Total Non-Departmental Output Expenses	13,169	-	13,169	13,169	
Benefits or Related Expenses						
55,123	Rates Rebate Scheme	55,340	-	55,340	58,000	2
55,123	Total Benefits or Related Expenses	55,340	-	55,340	58,000	
Non-Departmental Other Expenses						
3,539	Chatham Islands Wharves – Operational Costs	1,864	-	1,864	4,139	2
9,367	Executive Council and Members of the Executive - Salaries and Allowances PLA	10,174	-	10,174	11,360	2
497	Former Governors-General - Annuities and Other Payments PLA	(987)	1,437	450	596	2
213	Former Prime Ministers - Annuities PLA	(1,123)	1,330	207	228	2
143	Former Prime Ministers - Domestic Travel PLA	(249)	479	230	386	2
266,847	Grants for Water Infrastructure and Delivery	239,101	-	239,101	240,834	1
10,275	Miscellaneous Grants - Internal Affairs	2,144	-	2,144	4,179	1
1,018	Racing Safety Development Fund	990	-	990	990	2
1,250	Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions - Commissioners' Fees MYA	1,382	-	1,382	3,503	1

Actual 2021 \$000		Expenditure before remeasurement 2022 \$000	Remeasurement 2022 \$000	Expenditure after remeasurement 2022 \$000	Appropriation voted* 2022 \$000	Location of end of year performance information**
1,167	Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions - Counselling Costs MYA	709	-	709	5,088	1
816	Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions - Legal Assistance Costs MYA	1,479	-	1,479	11,538	1
-	Rural Drinking Water Supplies	1,450	-	1,450	10,000	1
-	Supporting Local Government with Natural Hazard Events	3,029	-	3,029	3,250	2
1,500	Tūwharetoa Māori Trust Board PLA	1,500	-	1,500	1,500	2
24,973	COVID-19 Foreign National Support	-	-	-	-	1
4,464	Ethnic Communities Grants	-	-	-	-	2
7,099	Support to the Racing Industry - Grants and Subsidies	-	-	-	-	1
333,168	Total Non-Departmental Other Expenses	261,463	3,246	264,709	297,591	
	Non-Departmental Capital Expenditure					
19,292	Fire and Emergency New Zealand - Rebuild and Upgrade of Fire Stations MYA	32,008	-	32,008	32,008	1
3,400	Capital Injection to Taumata Arowai	-	-	-	-	2
175	Capital Investments - Chatham Islands Wharves	-	-	-	-	1
19,089	Fire Service Reform - Capital Injection MYA	-	-	-	-	1
41,956	Total Non-Departmental Capital Expenditure	32,008	-	32,008	32,008	
	Multi-Category Expenses and Capital Expenditure Appropriations (MCA)					
	Civic Information Services MCA					
	Departmental Output Expenses					
134,679	Managing and Accessing Identity Information	155,459	-	155,459	194,232	1
761	Publishing Civic Information	839	-	839	938	1
	Non-Departmental Output Expenses					
116	Development of On-line Authentication Services	116	-	116	116	2
135,556	Total Civic Information Services MCA	156,414	-	156,414	195,286	
	Community Development and Funding Schemes MCA					
	Departmental Output Expenses					
5,678	Administration of Grants	2,777	-	2,777	3,455	1
-	Community Development and Engagement Advice	5,206	-	5,206	5,191	1
	Non-Departmental Other Expenses					
-	Building Community Capability	500	-	500	500	2
5,783	Community Development Scheme	5,608	-	5,608	7,200	1
176	Community Internship Programme	172	-	172	425	2
12,500	Community Organisation Grants Scheme	12,474	-	12,474	12,500	1
200	Disarmament Education Grants	200	-	200	200	2
4,277	Safer Communities Fund	58	-	58	587	
1,001	Support for Volunteering	1,002	-	1,002	1,002	2
197	Youth Workers Training Scheme	218	-	218	217	2
617	Social Enterprise Development	-	-	-	-	2
30,429	Total Community Development and Funding Schemes MCA	28,215	-	28,215	31,277	

Actual 2021 \$000		Expenditure before remeasurement 2022 \$000	Remeasurement 2022 \$000	Expenditure after remeasurement 2022 \$000	Appropriation voted* 2022 \$000	Location of end of year performance information**
Government Digital Services MCA						
Departmental Output Expenses						
1,679	Government Chief Privacy Officer	1,396	-	1,396	1,414	1
17,161	Government Digital Strategy, System Investment and Leadership	22,327	-	22,327	21,396	1
27,580	System Capabilities, Services and Platforms	21,845	-	21,845	25,806	1
46,420	Total Government Digital Services MCA	45,568	-	45,568	48,616	
Local Government Administration MCA						
Departmental Output Expenses						
3,421	Local Government Services	3,636	-	3,636	4,659	1
Non-Departmental Output Expenses						
7,830	Taumata Arowai	18,016	-	18,016	18,016	1
Non-Departmental Other Expenses						
3,776	Chatham Islands Council	4,355	-	4,355	4,355	2
602	Crown-owned Assets at Lake Taupō – Depreciation and Maintenance Costs	680	-	680	1,016	2
Non-Departmental Capital Expenditure						
21	Capital Investments - Lake Taupō	124	-	124	180	2
15,650	Total Local Government Administration MCA	26,811	-	26,811	28,226	
National Archival and Library Services MCA						
Departmental Output Expenses						
127,580	Knowledge and Information Services	145,329	-	145,329	155,441	1
Non-Departmental Output Expenses						
2,414	Public Lending Right for New Zealand Authors	2,400	-	2,400	2,400	2
Non-Departmental Capital Expenditure						
2,315	Heritage Collections – Annual	2,504	-	2,504	3,505	2
132,309	Total National Archival and Library Services MCA	150,233	-	150,233	161,346	
Offshore Betting Charges MCA						
Departmental Output Expenses						
-	Administration of Offshore Betting Charges Regime	199	-	199	210	1
Non-Departmental Other Expenses						
-	Distribution of Offshore Betting Charges	2,674	-	2,674	4,090	2
-	Total Offshore Betting Charges MCA	2,873	-	2,873	4,300	
Policy and Related Services MCA						
Departmental Output Expenses						
422	Crown Entity Monitoring	721	-	721	731	1
1,806	Policy and Related Services - Community and Voluntary Sector	2,105	-	2,105	2,544	1
2,310	Policy and Related Services – Digital Economy and Communications	2,552	-	2,552	2,669	1
7,637	Policy and Related Services - Internal Affairs	8,000	-	8,000	8,399	1

Actual 2021 \$000		Expenditure before remeasurement 2022 \$000	Remeasurement 2022 \$000	Expenditure after remeasurement 2022 \$000	Appropriation voted* 2022 \$000	Location of end of year performance information**
439	Policy and Related Services - Ministerial Services	439	-	439	537	1
2,187	Policy and Related Services - Racing	1,257	-	1,257	1,430	1
2,248	Policy and Related Services - Ethnic Communities	-	-	-	-	1
17,049	Total Policy and Related Services MCA	15,074	-	15,074	16,310	

Regulatory Services MCA

Departmental Output Expenses

6,446	Charities Regulation	6,776	-	6,776	7,663	1
44,392	Regulatory Services	47,289	-	47,289	49,670	1
50,838	Total Regulatory Services MCA	54,065	-	54,065	57,333	

Services Supporting the Executive MCA

Departmental Output Expenses

4,489	Coordination of Official Visits and Events	4,446	-	4,446	5,682	1
30,897	Support Services to Members of the Executive	32,485	-	32,485	33,479	1
8,750	VIP Transport Services	9,376	-	9,376	9,704	1
	Non-Departmental Other Expenses					
161	Depreciation on Official Residences	161	-	161	297	2
690	Official Residences - Maintenance Costs	823	-	823	707	2
8,687	Services Supporting the Executive - Travel	10,200	-	10,200	12,397	2
	Non-Departmental Capital Expenditure					
123	Capital Investments - Official Residences	118	-	118	144	2
53,797	Total Services Supporting the Executive MCA	57,609	-	57,609	62,410	

Support for Statutory and Other Bodies MCA

Departmental Output Expenses

3,823	Commissions of Inquiry and Similar Bodies	809	-	809	880	1
605	Statutory Body Support - Gambling Commission	678	-	678	1,186	1
1,094	Statutory Body Support - Local Government Commission	1,107	-	1,107	1,460	1
326	Support for Grant Funding Bodies - Community and Voluntary Sector	285	-	285	294	1
11,014	Support for Grant Funding Bodies - Internal Affairs	13,201	-	13,201	15,738	1
171	Statutory and Advisory Body Support - Archives New Zealand	-	-	-	-	1
60	Statutory and Advisory Body Support - National Library	-	-	-	-	1
	Non-Departmental Other Expenses					
522	Statutory Inquiries	-	-	-	-	2
17,615	Total Support for Statutory and Other Bodies MCA	16,080	-	16,080	19,558	

Actual 2021 \$000		Expenditure before remeasurement 2022 \$000	Remeasurement 2022 \$000	Expenditure after remeasurement 2022 \$000	Appropriation voted* 2022 \$000	Location of end of year performance information**
Supporting Ethnic Communities MCA						
Departmental Output Expenses						
-	Advisory and information Services to assist Ethnic Communities	8,048	-	8,048	8,736	1
-	Policy and Related Services - Diversity, Inclusion and Ethnic Communities	2,904	-	2,904	2,914	1
Non-Departmental Other Expenses						
-	Ethnic Communities Grants	4,677	-	4,677	4,432	2
-	Total Supporting Ethnic Communities MCA	15,629	-	15,629	16,082	
Three Waters Reform MCA						
Non-Departmental Other Expenses						
-	Iwi/Māori Involvement in Three Waters Reform	108	-	108	3,063	1
-	Sector Involvement in Three Waters Reform	-	-	-	3,047	1
-	Total Three Waters Reform MCA	108	-	108	6,110	
Community Information and Advisory Services MCA						
Departmental Output Expenses						
6,306	Advisory and Information Services to Ethnic Communities	-	-	-	-	1
3,334	Community Development and Engagement Advice	-	-	-	-	1
9,640	Total Community Information and Advisory Services MCA	-	-	-	-	
509,303	Total Multi-Category Expenses and Capital Expenditure Appropriations	568,679	-	568,679	646,854	
1,112,686	Total Annual and Permanent Appropriations	1,090,432	3,246	1,093,678	1,246,722	

Actual 2021 \$000		Expenditure before remeasurement 2022 \$000	Remeasurement 2022 \$000	Expenditure after remeasurement 2022 \$000	Appropriation voted* 2022 \$000	Location of end of year performance information**
Summary of Departmental Appropriations						
79,435	Departmental Output Expenses	99,916	-	99,916	122,500	
457,295	Multi-Category Expenses and Capital Expenditure Appropriations (MCA)	501,491	-	501,491	566,458	
536,730	Total Appropriations for Departmental Expenses	601,407	-	601,407	688,958	
80,386	Total Appropriations for Departmental Capital Expenses	59,857	-	59,857	76,600	
617,116	Total Departmental Annual and Permanent Appropriations and Multi-Year Appropriation	661,264	-	661,264	765,558	
Summary of Non-Departmental Appropriations						
13,315	Non-Departmental Output Expenses	13,169	-	13,169	13,169	
55,123	Benefits or Related Expenses	55,340	-	55,340	58,000	
333,168	Non-Departmental Other Expenses	261,463	3,246	264,709	297,591	
49,549	Multi-Category Expenses and Capital Expenditure Appropriations (MCA)	64,442	-	64,442	76,567	
451,155	Total Appropriations for Non-Departmental Expenses	394,414	3,246	397,660	445,327	
44,415	Total Appropriations for Non-Departmental Capital Expenses	34,754	-	34,754	35,837	
495,570	Total Non-Departmental Annual and Permanent Appropriations and Multi-Year Appropriation	429,168	3,246	432,414	481,164	
1,112,686	Total Annual and Permanent Appropriations and Multi-Year Appropriation	1,090,432	3,246	1,093,678	1,246,722	

* 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 budgeted and actual expenses and capital expenditure incurred against appropriations (cont.)

for the year ended 30 June 2022

Multi-Year Appropriations for Vote Internal Affairs

Actual 2021 \$000		Actual 2022 \$000	Location of end of year performance information**
Appropriation for Departmental Output Expenses:			
	Digital Safety Initiatives for the Pacific (1 July 2021 to 30 June 2026)		1
	This multi-year appropriation for output expenses to be incurred by the Department exists for the provision of advice, information, expertise and technology to improve digital safety for countries in the South Pacific.		
	- Original Appropriation	860	
	- Cumulative Adjustments	-	
	- Total adjusted approved appropriation	860	
	- Cumulative actual expenditure at 1 July	-	
	- Current year actual expenditure	137	
	- Cumulative actual expenditure at 30 June	137	
	- Appropriation remaining at 30 June	723	
	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)		
	This multi-year appropriation for output expenses to be incurred by the Department exists to support the Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions.		
56,066	Original Appropriation	56,066	1
92,000	Cumulative Adjustments	92,000	
148,066	Total adjusted approved appropriation	148,066	
30,775	Cumulative actual expenditure at 1 July	71,079	
40,304	Current year actual expenditure	42,599	
71,079	Cumulative actual expenditure at 30 June	113,678	
76,987	Appropriation remaining at 30 June	34,388	
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)		
	This multi-year appropriation for other expenses to be incurred by the Crown for the provision of payment of Commissioners' fees for the Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions.		
6,123	Original Appropriation	6,123	1
2,248	Cumulative adjustments	2,248	
8,371	Total adjusted approved appropriation	8,371	
1,826	Cumulative actual expenditure at 1 July	3,076	
1,250	Current year actual expenditure	1,382	
3,076	Cumulative actual expenditure at 30 June	4,458	
5,295	Appropriation remaining at 30 June	3,913	

Actual 2021 \$000		Actual 2022 \$000	Location of end of year performance information**
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)			
This multi-year appropriation for other expenses to be incurred by the Crown for the provision of counselling services for individuals participating in the Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions.			
15,335	Original Appropriation	15,335	1
(1,862)	Cumulative adjustments	(1,862)	
13,473	Total adjusted approved appropriation	13,473	
203	Cumulative actual expenditure at 1 July	1,370	
1,167	Current year actual expenditure	709	
1,370	Cumulative actual expenditure at 30 June	2,079	
12,103	Appropriation remaining at 30 June	11,394	
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)			
This multi-year appropriation for other expenses to be incurred by the Crown for the provision of 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.			
8,790	Original Appropriation	8,790	1
6,656	Cumulative adjustments	6,656	
15,446	Total adjusted approved appropriation	15,446	
121	Cumulative actual expenditure at 1 July	937	
816	Current year actual expenditure	1,479	
937	Cumulative actual expenditure at 30 June	2,416	
14,509	Appropriation remaining at 30 June	13,030	
Appropriation for Non-Departmental Capital Expenditure			
Fire and Emergency New Zealand - Rebuild and Upgrade of Fire Stations (1 July 2020 – 30 June 2023)			
This multi-year appropriation for capital expenditure to be incurred by the Crown for the provision of a capital injection to enable Fire and Emergency New Zealand to rebuild and upgrade fire stations.			
51,300	Original Appropriation	51,300	1
-	Cumulative adjustments	-	
51,300	Total adjusted approved appropriation	51,300	
-	Cumulative actual expenditure at 1 July	19,292	
19,292	Current year actual expenditure	32,008	
19,292	Cumulative actual expenditure at 30 June	51,300	
32,008	Appropriation remaining at 30 June	-	

Actual 2021 \$000		Actual 2022 \$000	Location of end of year performance information**
Fire Service Reform – Capital Injection (20 September 2016 – 30 June 2021)			
	This multi-year appropriation for capital expenditure to be incurred by the Crown for the provision of a repayable capital injection to support the transition of the New Zealand Fire Service Commission to Fire and Emergency New Zealand.		
111,940	Original Appropriation	-	1
-	Cumulative adjustments	-	
111,940	Total adjusted approved appropriation	-	
92,850	Cumulative actual expenditure at 1 July	-	
19,089	Current year actual expenditure	-	
111,939	Cumulative actual expenditure at 30 June	-	
1	Appropriation remaining at 30 June	-	

** 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 2022

Actual 2021 \$000		Actual 2022 \$000
543,225	Total expenses in Departmental statement of comprehensive revenue and expense	586,879
(6,495)	Remeasurements	14,528
536,730	Total appropriations for Departmental expenses	601,407

Reconciliation between total appropriations for non-Departmental expenses and the schedule of non-Departmental expenditure

for the year ended 30 June 2022

Actual 2021 \$000		Actual 2022 \$000
515,050	Total expenses in schedule of non-Departmental expenditure	450,779
(66,427)	GST input expense	(56,365)
2,531	Remeasurements	3,246
451,155	Total appropriations for non-Departmental expenses	397,660

Statement of Departmental expenses and capital expenditure incurred without, or in excess of, appropriation or other authority

for the year ended 30 June 2022

There was no unappropriated expenditure for the year ended 30 June 2022. There were two instances of unappropriated Departmental expenditure in the year ended 30 June 2021.

Statement of non-Departmental expenses and capital expenditure incurred without, or in excess of, appropriation or other authority

for the year ended 30 June 2022

There was no unappropriated expenditure for the year ended 30 June 2022. There were two instances of unappropriated non-Departmental expenditure in the year ended 30 June 2021.

Statement of Departmental capital injections

for the year ended 30 June 2022

Actual 2021 \$000		Actual 2022 \$000	Approved appropriation
	Vote Internal Affairs		
36,429	Department of Internal Affairs – Capital Injection	51,221	93,221

Statement of Departmental capital injections incurred without, or in excess of, appropriation or other authority

for the year ended 30 June 2022

The Department has not received any capital injections without, or in excess of, authority for the year ended 30 June 2022. (2020/21: 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)

Providing translation and other language services to government agencies and the public, and support services to government agencies.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2021	Revenue and output expenses	2022	2022	2022
\$000		\$000	\$000	\$000
-	Revenue Crown	-	-	-
2,386	Revenue other	2,000	3,200	3,493
2,386	Total revenue	2,000	3,200	3,493
2,349	Expenses	2,000	3,200	3,434
37	Net surplus/(deficit)	-	-	59

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$1.200 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	2020/21	2021/22
1.01 Customers' satisfaction as to whether translations were provided within 'good' timeframes ¹	At least 80%	84%	86%

Digital Safety Initiatives for the Pacific (M41)

This appropriation is limited to the provision of advice, information, expertise and technology to improve digital safety for countries in the South Pacific.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2021	Revenue and output expenses	2022	2022	2022
\$000		\$000	\$000	\$000
-	Revenue Crown	-	-	-
-	Revenue other	200	200	137
-	Total revenue	200	200	137
-	Expenses	200	200	137
-	Net surplus/(deficit)	-	-	-

1 Good is assessed as 7, 8, 9, 10 on an eleven point scale (0-10).

This appropriation is intended to improve digital safety for countries in the South Pacific.

Performance information		Standard	2020/21	2021/22
1.02	Number of child exploitation websites being filtered by the specialist software developed and maintained by the Department of Internal Affairs	300-1,200	New measure	Not Reported ²

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 Budget	Unaudited Supp EST	Actual
2021	Revenue and output expenses	2022	2022	2022
\$000		\$000	\$000	\$000
39,832	Revenue Crown	37,514	72,263	72,263
-	Revenue other	-	150	150
39,832	Total revenue	37,514	72,413	72,413
36,782	Expenses	37,514	72,788	53,746
3,050	Net surplus/(deficit)	-	(375)	18,667

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$35.274 million is due to:

- funding to meet the departmental costs associated with the Three Waters transition and implementation work programme until 30 June 2022 (increase of \$31.677 million)
- funding for the Future for Local Government Review (increase of \$1.816 million)
- expense transfers from 2020/21 to 2021/22 to enable the delivery of the 'Better Water is Better for Everyone' public information and education campaign to provide a national picture of the case for change and to build understanding of the Three Waters Reform Programme (increase of \$500,000), to progress the local government reform programmes and support local government responses and recovery (increase of \$500,000) and for Taumata Arowai (increase of \$500,000)
- an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets (increase of \$731,000)
- funding for skilled advisory services to advise Ministers on the financial health of the Buller District Council and other assurance that may be required (increase of \$150,000), and
- a transfer of funding from the Waihangā Ara Rau Construction and Infrastructure Workforce Development Council for the development of a workforce strategy for the Three Waters sector (increase of \$150,000).

These increases were partially offset by:

- transfers of funding to the Local Government Administration Multi-Category Appropriation to preserve the full budget allocated by Cabinet to Taumata Arowai (decrease of \$500,000) and to reflect the provision of services within the Local Government portfolio (decrease of \$250,000).

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	2020/21	2021/22
1.03	Ministers satisfaction with the quality of policy advice	No standard	4.5	4.4
1.04	Required timeframes are met: Parliamentary Questions (written) – within three days of notifications or as agreed with the Minister	At least 95%	100%	100%
1.05	Required timeframes are met: Ministerial correspondence (draft responses) – within 15 days of receipt or as specifically agreed	At least 95%	99.8%	97%
1.06	Required timeframes are met: Ministerial Official Information Act requests – at least five days prior to statutory timeframes	At least 95%	100%	97%

2 The Digital Safety Child Exploitation filter system to Pacific nations (Tonga and Samoa) has not yet been operationalised and engagements are continuing with relevant stakeholders.

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
2021	Revenue and output expenses	2022	2022	2022
\$000		\$000	\$000	\$000
40,333	Revenue Crown	42,783	46,312	46,312
-	Revenue other	-	-	-
40,333	Total revenue	46,312	46,312	46,312
40,304	Expenses	42,783	46,312	42,599
29	Net surplus/(deficit)	-	-	3,713

The increase in this multi-year appropriation budget between the Main Estimates and the Supplementary Estimates of \$3.529 million was due to updates of the 2021/22 indicative spending profile associated with supporting 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 effective support for the Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions.

Performance information	Standard	2020/21	2021/22
1.07 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'	At least 4	3 – Satisfactory ³	3 – Satisfactory ⁴

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
2021	Departmental Capital expenses	2022	2022	2022
\$000		\$000	\$000	\$000
80,386	Capital expenditure	82,969	76,600	59,857

The decrease in the capital expenditure budget between the Main Estimates and the Supplementary Estimates of \$6.369 million was mainly as a result of external factors such as COVID19 restrictions and resourcing issues.

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	2020/21	2021/22
1.08 Asset development, purchase and use are in accordance with section 24(1) of the Public Finance Act 1989	Achieved	Achieved	Achieved

3 The survey response noted that transactional services were generally viewed positively. Challenges included property and some process matters.

4 The survey response noted some challenges including property and information technology (IT) issues.

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
2021 \$000	Non-Departmental Output expenses	2022 \$000	2022 \$000	2022 \$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	2020/21	2021/22
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

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
2021 \$000	Non-Departmental Other expenses	2022 \$000	2022 \$000	2022 \$000
266,847	Non-Departmental other expenses	211,574	240,834	239,101

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$29.260 million was due to:

- an expense transfer from 2020/21 to 2021/22 to enable the Crown to fulfil its contractual obligations under the funding agreements entered into with each individual council and to continue to support the local government sector (increase of \$47.727 million)
- funding to enable Local Government New Zealand and Taituarā to support and provide advice to councils in relation to the Three Waters Reform Programme (increase of \$1.533 million), and
- funding for iwi/Māori to participate in the Three Waters Reform (increase of \$1.448 million).

These increases were partially offset by:

- an expense transfer from 2021/22 to 2022/23 to progress the stimulus funding to councils associated with the Three Waters Reform Programme (decrease of \$20 million), and
- a transfer of funding to the Three Waters Reform Multi-Category Appropriation to enable iwi/Māori to participate in the Three Waters Reform (decrease of \$1.448 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	2020/21	2021/22
2.02 A case study is provided to show the impact of the stimulus funding in water infrastructure and water services	No standard	Achieved ⁵	See case study below
2.03 Reported number of additional full-time equivalent positions for water infrastructure and water services	No standard	1367.2	936.6
2.04 Number of stimulus projects on water infrastructure and water services by councils	No standard	463	470 ⁶

Horowhenua District Council Case Study: Three Waters Upgrade For 13 Marae Across Horowhenua

Horowhenua District Council allocated \$520,000 of its Three Waters Stimulus Programme funding to improve water, stormwater and wastewater infrastructure at 13 marae across the district. This project is a catalyst for working with mana whenua to enhance Three Waters Infrastructure at local marae and has been rewarding on many levels – not least the relationship Council staff have developed with marae leaders. This project has ensured that marae community has safe drinking water and improved wastewater and stormwater.

Horowhenua District Council initially carried out a Three Waters condition assessment at each marae in collaboration with each marae representative. It was important that we ensured the specific needs of each marae were assessed and incorporated. All 13 Horowhenua marae have received upgrades to their wastewater, stormwater and drinking water services. Twenty-three 30,000 litre water tanks were installed at different rohe, as well as drinking water and UV filtration water treatment systems.

One of those marae to benefit was Motuiti Marae on State Highway 1, north of Foxton, which belongs to Ngāti Raukawa hapū Ngāti Rākau. Previously the marae had four 20,000 litre concrete water tanks, but three were broken and leaking. The damage meant that there was only around 40,000 litres of water accessible at any time and there was no provision for water filtering. Problems arose during large hui hosted at the marae and iwi would have to buy water to accommodate their visitors. The marae now have three new high-grade polyethylene plastic tanks, which included debris filters.

Twenty-three 30,000 litre water tanks have been installed alongside nine new drinking water and UV filtration water treatment systems. The upgrades highlight the significance of marae as community hubs and the importance of having well equipped facilities to meet the needs of the people.

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
2021	Non-Departmental Other expenses	2022	2022	2022
\$000		\$000	\$000	\$000
10,275	Non-Departmental other expenses	1,049	4,179	2,144

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$3.130 million was due to:

- an expense transfer from 2020/21 to 2021/22 to enable the full delivery of the digital skills programme (increase of \$2.980 million), and
- a transfer of funding from the Regulatory Services Multi-Category Appropriation to ensure the Film and Video Labelling Body can meet its financial obligations in 2021/22 following years of revenue decline exacerbated by COVID-19 (increase of \$150,000).

This appropriation is intended to achieve support for building a strong and safe nation.

Performance information	Standard	2020/21	2021/22
2.05 Percentage of invoices that are paid within 10 business days from receipt	At least 95%	New measure	83% ⁷

5 Refer to page 166 of the 2020/21 Annual Report for the case study 'Taupō Case Study – Three Waters Stimulus Programme'.

6 In 2021/22 councils upgraded 290.9km of potable water mains/pipes, 159.3km of wastewater pipes, 101 water treatment plants and 128 wastewater treatment plants. The end date of the programme has been extended to 31 December 2022 to allow councils an additional six months to complete any projects underway but not completed by 30 June 2022.

7 12 invoices worth \$4.1 million were processed within 10 working days. One invoice worth \$0.025 million took over 30 working days to process due to delay in obtaining the required approval. By invoice value 99% was paid within 10 working days.

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
2021	Non-Departmental Other expenses	2022	2022	2022
\$000		\$000	\$000	\$000
1,250	Non-Departmental other expenses	2,646	3,503	1,382

The increase in this multi-year appropriation budget between the Main Estimates and the Supplementary Estimates of \$857,000 was due to a technical adjustment to recognise an update to the 2021/22 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	2020/21	2021/22
2.06	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%	100%	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
2021	Non-Departmental Other expenses	2022	2022	2022
\$000		\$000	\$000	\$000
1,167	Non-Departmental other expenses	5,733	5,088	709

The decrease in this multi-year appropriation budget between the Main Estimates and the Supplementary Estimates of \$645,000 was due to a technical adjustment to recognise an update to the 2021/22 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.

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	2020/21	2021/22
2.07	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%	97%	98%

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
2021	Non-Departmental Other expenses	2022	2022	2022
\$000		\$000	\$000	\$000
816	Non-Departmental other expenses	3,685	11,538	1,479

The increase in this multi-year appropriation budget between the Main Estimates and the Supplementary Estimates of \$7.853 million was due to a technical adjustment to recognise an update to the 2021/22 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.

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	2020/21	2021/22
2.08	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%	98%

Rural Drinking Water Supplies (M49)

This appropriation is limited to supporting the improvement and maintenance of drinking water supplies in areas that are not urban areas.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2021	Non-Departmental Capital expenditure	2022	2022	2022
\$000		\$000	\$000	\$000
-	Non-Departmental capital expenditure	-	10,000	1,450

This appropriation was established in 2021/22 to provide funding to meet the costs of financial support for rural drinking water services (increase of \$30 million). This increase was partially offset by an expense transfer from 2021/22 to 2022/23 to progress the rural drinking water supplies package associated with the Three Waters Reform Programme (decrease of \$20 million).

This appropriation is intended to achieve effective support for rural drinking water suppliers to deliver safer drinking water and to transition to the new drinking water regulatory regime.

Performance information		Standard	2020/21	2021/22
Performance information for this appropriation will be reported on in the Department's 2022/23 Annual Report.				

Non-Departmental Capital Expenditure

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
2021	Non-Departmental Capital expenditure	2022	2022	2022
\$000		\$000	\$000	\$000
19,292	Non-Departmental capital expenditure	24,729	32,008	32,008

The increase in this multi-year appropriation budget between the Main Estimates and the Supplementary Estimates of \$7.279 million was due to a technical adjustment to recognise an update to the indicative spending profile for the investment in rebuilding and upgrading fire stations.

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	2020/21	2021/22
2.09	Percentage of projects that are on schedule to be completed within the agreed time frame	At least 75%	100%	90%

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	2020/21	2021/22
3.01	Perception of the overall ease of Identity and Life Event Services	At least 80%	90%	91%

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 Budget	Unaudited Supp EST	Actual
2021	Non-Departmental Capital expenses	2022	2022	2022
\$000		\$000	\$000	\$000
28,205	Revenue Crown	26,312	32,128	32,128
49,368	Revenue other	61,229	132,354	68,184
77,573	Total revenue	87,541	164,482	100,312
134,679	Expenses	148,891	194,232	155,459
(57,106)	Net surplus/(deficit)	(61,350)	(29,750)	(55,147)

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$45.341 million was due to:

- an increase in expenditure for Passport products as a result of an anticipated return in deferred demand from the planned international border reopening (increase of \$26.991 million)
- an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets (increase of \$11.292 million)
- an increase in expenditure for Passport products due to Te Ara Manaaki ongoing support costs (increase of \$2.229 million)
- funding for the Civil Registration (including enabling identity services) workstream of Te Ara Manaaki - Phase 2 (increase of \$1.572 million)
- an increase in expenditure for Citizenship products to address the current backlog of applications (increase of \$1.500 million)
- an increase in expenditure for Citizenship products due to Te Ara Manaaki ongoing support costs (increase of \$557,000)
- an increase in expenditure for Birth, Death and Marriage Certifications and other products for backfill resource to allow for a capability uplift in staff (increase of \$500,000)
- an increase in expenditure for Passport products for backfill resource to allow for a capability uplift in staff (increase of \$500,000), and
- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (increase of \$250,000).

These increases were partially offset by:

- a transfer of funding to Vote Justice to reflect the Department of Internal Affairs' contribution towards Transparency International New Zealand (decrease of \$50,000).

This category is intended to achieve secure and effective management of New Zealand's identity information.

Performance information		Standard	2020/21	2021/22
3.02	Ease of Identity and Life Event services	At least 80%	91%	91%
3.03	Identity and Life Event services issued or registered without error	At least 99%	99.9%	99.8%

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%	97% ⁸	92% ⁹
3.05	Passports issued within business timeframe standards on receipt of applications	At least 97%	93% ¹⁰	52% ¹¹
3.06	Percentage of all Identity and Life Event applications received via online service	At least 65%	75%	82%
3.07	Number of new RealMe verified identities issued	At least 120,000 ¹²	119,965 ¹³	142,364
3.08	Customer satisfaction with the process of applying for a RealMe verified identity assessed as '4' or '5'	At least 75%	88%	79%
3.09	Number of customer consents to share information	At least 450,000 ¹⁴	417,058	697,032
3.10	Applications for verified identity are processed within five days	At least 95%	98%	52% ¹⁵
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
2021	Revenue and output expenses	2022	2022	2022
\$000		\$000	\$000	\$000
-	Revenue Crown	-	33	33
884	Revenue other	844	844	919
884	Total revenue	844	877	952
761	Expenses	870	938	839
123	Net surplus/(deficit)	(26)	(61)	113

- 8 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 Auckland COVID-19 lockdowns, significant changes to citizenship processing systems and the requirement for staff to learn new ways of working.
- 9 A range of factors have contributed to the 7% variance. These include the ability of staff to access secure systems during the national and Auckland lockdowns, significant changes to citizenship processing systems and the requirement for staff to learn new ways of working. Although processing timeframes have been extended, customers have gained significant benefits through the ease of applying online and the reduction in time between the completion of application processing and the final activation of citizenship. Customer satisfaction levels remain very high.
- 10 This measure was impacted by the time taken for applicants to respond to queries regarding their passport application. With COVID-19 border restrictions, applicants took longer than usual to respond to information requests.
- 11 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. Application demand has increased since the border opening announcement. We have recruited and trained more than 100 full and part-time staff, which will be joined by a further 100 additional staff coming on board by the end of July 2022 to address the heightened demand for passports.
- 12 The standard was reduced in 2021/22 from a range of '150,000-175,000' to 'At least 120,000' to reflect a more realistic level of activity.
- 13 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) were not yet integrated.
- 14 The standard was increased in 2021/22 from a range of '250,000-290,000' to 'At least 450,000' to reflect a more realistic level of activity.
- 15 Increased volume of applications relating to announcement of COVID-19 vaccination certificates combined with reduced staff available to process due to Auckland lockdown has led to increased processing times. Staff training has commenced to increase the number of staff able to process applications. This is a mix of new and existing staff.

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$68,000 was due to an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets.

This category is intended to achieve accurate publication of the New Zealand Gazette.

Performance information	Standard	2020/21	2021/22
3.12 Accuracy: Notices published consistent with text supplied by clients	99%	99.8%	99.7%

Community Development and Funding Schemes¹⁶ (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	2020/21	2021/22
3.13 Case studies completed that demonstrate benefits to community grant funding recipients	No standard ¹⁷	Achieved ¹⁸	See case studies ¹⁹

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 Budget 2022 \$000	Unaudited Supp EST 2022 \$000	Actual 2022 \$000
6,019	Revenue Crown	4,227	3,141	3,141
-	Revenue other	-	-	-
6,019	Total revenue	4,227	3,141	3,141
5,678	Expenses	4,227	3,455	2,777
341	Net surplus/(deficit)	-	(314)	364

The decrease in this expense budget between the Main Estimates and the Supplementary Estimates of \$772,000 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 \$1.670 million).

This decrease was partially offset by:

- an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets (increase of \$613,000)
- an expense transfer from 2020/21 to 2021/22 for the administration costs associated with the Safer Communities Fund (increase of \$245,000), and
- funding for the administration costs associated with supporting community groups and non-government organisations to build capability and undertake engagement in response to the recommendations of the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Mosques on 15 March 2019 (increase of \$40,000).

¹⁶ This appropriation was renamed in 2021/22 from 'Community Funding Schemes' to 'Community Development and Funding Schemes'.

¹⁷ The standard was changed in 2021/22 from 'Achieved' to 'No standard'.

¹⁸ Refer to page 174 of the 2020/21 Annual Report for the case studies 'Te Herenga Waka o Orewa Incorporated Society' and 'Lifeline Aotearoa Helplines'.

¹⁹ See page 14 for the case studies.

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	2020/21	2021/22
3.14	Grant decisions are transparent and consistent with regard to eligibility requirements	At least 97%	99%	100%
3.15	Grant requests are managed within business timeframes ²⁰	At least 95%	99%	100%
3.16	Customers are satisfied with the ease with which they are able to apply for grants and advisory services	At least 70%	73%	77%
3.17	Grant decision-making committees are satisfied with the operational support received	At least 90%	98%	94%

Category: Community Development and Engagement Advice

This category is limited to the provision of advisory support and information (including information related to accessing grants) to support community groups with community development.

Actual	Unaudited Budget	Unaudited Supp EST	Actual
2021 Revenue and output expenses \$000	2022 \$000	2022 \$000	2022 \$000
- Revenue Crown	3,706	5,191	5,191
- Revenue other	-	-	-
- Total revenue	3,706	5,191	5,191
- Expenses	3,706	5,191	5,206
- Net surplus/(deficit)	-	-	(15)

The increase in this expense budget between the Main Estimates and the Supplementary Estimates of \$1.485 million 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 \$1.235 million), and
- a reallocation of funding from the Community Development Scheme category to reflect the costs associated with co-developing a framework for hapū-led development (increase of \$250,000).

This category is intended to achieve advisory and information support for communities and community groups for the purpose of community development.

Performance information		Standard	2020/21	2021/22
3.18	Customers are satisfied with the quality of the advice received	At least 75%	New measure	89%

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
2021 Non-Departmental Other expenses \$000	2022 \$000	2022 \$000	2022 \$000
5,783 Non-Departmental other expenses	6,700	7,200	5,608

²⁰ The business timeframe standard is within 15 weeks of submission of a request.

The increase in this expense budget between the Main Estimates and the Supplementary Estimates of \$500,000 was due to:

- an expense transfer from 2020/21 to 2021/22 to enable funding to be available at the appropriate time for communities participating in the Community-led Development Programme to maximise community outcomes of resilience and sustainability (increase of \$750,000).

This increase was partially offset by:

- a reallocation of funding to the Community Development and Engagement Advice category to reflect the costs associated with co-developing a framework for hapū-led development (decrease of \$250,000).

This category is intended to achieve support for diverse communities to improve economic, social and cultural wellbeing.

Performance information	Standard	2020/21	2021/22
3.19 Number of Community-Led Development partnering agreements in place	At least 15	18	20

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
2021 \$000	Non-Departmental Other expenses	2022 \$000	2022 \$000	2022 \$000
12,500	Non-Departmental other expenses	12,500	12,500	12,474

This category is intended to achieve benefit from social services provided by grass-roots non-profit organisations to communities.

Performance information	Standard	2020/21	2021/22
3.20 Two case studies that assess the benefits to communities from the grants, are completed	Achieved	Achieved ²¹	Achieved (see case studies 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. In 2021/22 COGS made 2,702 grants through its 37 Local Distribution Committees (LDC), with a total of 3,463 requests considered.

Banaban Cultural Community of Auckland

The Banaban Cultural Community of Auckland Incorporated made a request to the COGS Manukau LDC in the 2021 funding round and received a grant of \$1,500. The grant went towards the running of Te bwimanimaua celebrations event on 15 December 2021.

They are a community group of 12 families and membership of 60 people including youth and children. The Te bwimanimaua celebration (literally means 15 December) is an annual event on their calendar which celebrates the arrival of their ancestors to Rabi Island in Fiji on 15 December 1945. This is the day that their ancestors were gathered from the islands of the Pacific where the Banabans were taken by the Japanese as forced labour during World War II. It celebrates the survival and resilience of their people. During the celebration they camp as a community group on a marae or other community accommodation and offer thanksgiving, perform cultural songs and dances and feasting. They also have competitions in cultural sports and history retelling and quizzes for their youth and children.

The grant benefits the whole community by building stronger community connections and maintaining their cultural identity and that their history is maintained and passed on to the next generation.

The organisation contributed to the COGS Manukau LDC priorities of “Māori and Pasifika aspirations are enhanced and supported and migrants and newcomers are well supported and integrated into the community” and the national COGS priorities of “Pacific communities, families, youth and children, and community-based organisations with limited access to other government funding”.

²¹ Refer to page 174 of the 2020/21 Annual Report for the case studies ‘Te Herenga Waka o Orewa Incorporated Society’ and ‘Lifeline Aotearoa Helplines’.

Older Persons Community Centre Trust (also known as Parksyde Community Centre)

Parksyde Community Centre is based in Rotorua and run by the Older Persons Community Centre Trust. In 2021, it made a request to COGS Rotorua LDC for a multi-year grant of \$5,000 a year for the next three years. The Centre was awarded \$2,000 each year for the next three years. The grant contributes towards the operational costs of the community centre and in particular for the support of the many volunteers that effectively “run” Parksyde.

Parksyde successfully caters for the social, recreational, health and educational needs of older people (over 55) in Rotorua and surrounding districts. This is through a weekly schedule of activities. There is no membership fee, however, there is a small door charge to participate in each activity. Activities include Mah-jong, Zumba, Indoor bowls, Line Dancing, Canasta, Probus meetings, Housie, U3A History, Table Tennis, Tai Chi, Scrabble, Parkinson’s Counterpunch, Embroidery, social cycling, seated aerobics, petanque and more.

Open Monday to Friday, Parksyde has an on-site Café providing healthy home-cooked morning teas and lunches and can cater for events. There is also a Salon where you can book a haircut, see a toenail technician or have a massage. Between April 2019 and March 2020 Parksyde had 33,706 people attend activities.

This organisation contributed to the COGS Rotorua priorities of “people are able to be connected to their communities through support and services that address isolation” and to the national COGS priorities of “women, older people, Māori, Pacific communities, other ethnic communities, and community-based organisations with limited access to other government funding”.

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	2020/21	2021/22
3.21 A case study that demonstrates how digital investment decisions that are aligned to the Strategy for Digital Public Service contributes to the delivery of digital services for New Zealand ²²	No standard ²³	Achieved ²⁴	See case study below

All-of-Government Common Process Model

In July 2021, the Department of Internal Affairs’ Digital Public Service Branch took stewardship of the All-of-Government (AoG) Common Process Model (CPM) in the Common Process Model Unit (now the Back-office Digital Transformation Service (BDTS)). Since then, the BDTS has successfully supported 25 new organisations to adopt the CPM, through proactive engagement and communication. Currently 63 agencies have access to the team and the model.

Nearly all government agencies are planning to upgrade their back-office systems to modern, Software as a Service (SaaS) systems over the next 10 years. In 2020/21, a survey of 42 core government agencies showed current plans to spend \$827.5 million on corporate or back-office systems, from baseline budgets alone.

Through these planned investments, the government risks significant duplication of back-office system procurement and implementation costs, embedding of divergent and incomplete back-office process, poor system integration, and divergent data standards across government.

BDTS will support future government investments in back-office systems, to ensure efficient and effective investment to strengthen government’s ability to improve back-office implementation investment.

When the Ministry of Social Development (MSD) needed to replace its Financial Management and Information System (FMIS) due to its current system being at end of life, the business processes surrounding their FMIS also needed updating. MSD chose to use the artefacts from CPM as part of the upgrade programme. The benefits from using the CPM were shorter implementation time and cost, reduced risk, and fewer resources were needed during the implementation phase. MSD were able to focus time on the change process for its staff to learn to use the new FMIS system. The staff adapted quickly because the modern systems were intuitive, and MSD could re-use a library of artefacts including detailed user experience designs from IRD.

22 This replaces the performance measure ‘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’.

23 The standard was changed in 2021/22 from ‘Achieved’ to ‘No standard’.

24 Refer to page 49 of the 2020/21 Annual Report, for the case study ‘All-of-Government and Cloud Digital Services’.

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
2021	Revenue and output expenses	2022	2022	2022
\$000		\$000	\$000	\$000
1,414	Revenue Crown	1,342	1,377	1,377
-	Revenue other	-	-	-
1,414	Total revenue	1,342	1,377	1,377
1,679	Expenses	1,342	1,414	1,396
(265)	Net surplus/(deficit)	-	(37)	(19)

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$72,000 was due to an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets.

This category is intended to achieve support for government in privacy matters.

Performance information	Standard	2020/21	2021/22
3.22 Percentage of agencies responding to Privacy Maturity Assessment Framework (PMAF) by year ²⁵	At least 75%	New measure	89%

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 Budget	Unaudited Supp EST	Actual
2021	Revenue and output expenses	2022	2022	2022
\$000		\$000	\$000	\$000
23,535	Revenue Crown	19,962	20,775	20,775
-	Revenue other	-	365	499
23,535	Total revenue	19,962	21,140	21,274
17,161	Expenses	19,962	21,396	22,327
6,374	Net surplus/(deficit)	-	(256)	(1,053)

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$1.434 million was due to:

- expense transfers from 2020/21 to 2021/22 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 \$1.172 million) and to enable the completion of the development of legislation to create a Digital Identity Trust Framework in 2021/22 (increase of \$443,000)
- an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets (increase of \$497,000), and
- a contribution from agencies towards the development of a Digital Strategy for Aotearoa (increase of \$365,000).

These increases were partially offset by:

- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (decrease of \$1.043 million).

²⁵ This new performance measure for 2021/22 aligns with the updated PMAF and replaces three previous performance measures.

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	2020/21	2021/22
3.23 Effectiveness of ICT Functional Leader assessed under agreed maturity framework	3	2 ²⁶	3.7

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 2022 \$000	Unaudited Supp EST 2022 \$000	Actual 2022 \$000
2021	Revenue and output expenses			
18,528	Revenue Crown	11,551	11,781	11,781
8,741	Revenue other	7,368	8,914	10,523
27,269	Total revenue	18,919	20,695	22,304
27,580	Expenses	23,572	25,806	21,845
(311)	Net surplus/(deficit)	(4,653)	(5,111)	459

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$2.234 million was due to:

- an increase in expenditure associated with the recovery of costs from participating agencies for the Common Process Model (increase of \$1.546 million), and
- an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets (increase of \$890,000).

These increases were partially offset by

- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (decrease of \$202,000).

This category is intended to achieve infrastructure to support digital transformation across government.

Performance information	Standard	2020/21	2021/22
3.24 All-of-Government Common Capability products, where the Department of Internal Affairs is the lead agency, meet service level agreements	Achieved	Not Achieved ²⁷	Not Achieved ²⁸

26 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.

27 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.

28 Service Level Agreements (SLA) for the services contributing to this measure are generally set at 99.99% uptime over agreed periods. Four outages failed to be restored within SLA resulting in this measure not being achieved. These included three supplier service outages under Telecommunication as a Service and one supplier service outage under Infrastructure as a Service.

Performance information		Standard	2020/21	2021/22
3.25	GIS All-of-Government digital services meet performance measures, assessed under an agreed service performance framework	100%	91% ²⁹	82% ³⁰
3.26	Satisfaction with the quality of advice and support received by the Digital Council assessed as at least 3 ³¹	At least 75%	Not available ³²	Not available ³³

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	2020/21	2021/22
3.27	The time the harbourmaster takes to resolve reported or discovered missing or damaged navigational aids is within 20 working days	At least 95%	100%	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
2021	Revenue and output expenses	2022	2022	2022
\$000		\$000	\$000	\$000
2,452	Revenue Crown	2,189	3,015	3,015
1,438	Revenue other	1,380	1,380	1,457
3,890	Total revenue	3,569	4,395	4,472
3,421	Expenses	3,732	4,659	3,636
469	Net surplus/(deficit)	(163)	(264)	836

The increase in this expense budget between the Main Estimates and the Supplementary Estimates of \$927,000 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 \$480,000)
- a reallocation of funding from the Local Government Policy and Related Services appropriation to reflect the provision of services within the Local Government portfolio (increase of \$250,000), and
- an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets (increase of \$197,000).

29 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.

30 This measure has 11 components, with two of the components not achieved. Minor enhancements made to data.govt.nz resulted in lower sessions, but increased engagement with datasets on the website. The Domain Name Service (DNS) metric only captures usage of the product by users who login to the portal (i.e. does not capture usage by agencies that use the DNS product but do not require to login and make domain changes).

31 Satisfaction is rated on a scale from 1 to 5, with 5 being the highest rating.

32 No assessments were received as at 31 August 2021.

33 This performance measure was unable to be measured as the Digital Council did not met.

This category is intended to achieve effective and consistent local government operation within New Zealand.

Performance information	Standard	2020/21	2021/22
3.28 Responses to requests for information from the public about the Rates Rebate Scheme – within ten days of receipt	At least 98%	100%	100%
3.29 Eligible claims from councils for reimbursement of rates rebates processed within 20 days of receipt	At least 98%	99.6%	99.8%
3.30 Boating facilities and navigational safety equipment inspected in accordance with an annual compliance programme	100% ³⁴	100%	100%
3.31 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% ³⁵	96% ³⁶

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 Budget	Unaudited Supp EST	Actual
2021 Revenue and output expenses \$000	2022 \$000	2022 \$000	2022 \$000
7,830 Expenses	11,650	18,016	18,016

The increase in this expense budget between the Main Estimates and the Supplementary Estimates of \$6.366 million was due to:

- funding to meet Taumata Arowai's funding shortfall (increase of \$3.355 million)
- a transfer of funding from Vote Health to reflect the ongoing costs of the Ministry of Health discharging its regulatory responsibilities as drinking water regulator following the Water Services Bill being passed (increase of \$2.511 million), and
- a transfer of funding from the Local Government Policy and Related Services appropriation to preserve the full budget allocated by Cabinet to Taumata Arowai (increase of \$500,000).

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	2020/21	2021/22
3.32 The percentage of critical business readiness conditions that have been met to allow Taumata Arowai to act as a Crown Entity	100%	100%	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	2020/21	2021/22
3.33 Number of items accessed that are held by National Library and Archives New Zealand	At least 26.5 million	31,678,359	33,528,156

34 The standard was changed in 2021/22 from 'All' to '100%'.

35 Based on the 2019/20 survey.

36 Based on the 2021/22 survey.

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
2021	Revenue and output expenses	2022	2022	2022
\$000		\$000	\$000	\$000
145,408	Revenue Crown	139,511	145,015	145,015
7,848	Revenue other	5,290	7,246	8,040
153,256	Total revenue	144,801	152,261	153,055
127,580	Expenses	144,825	155,441	145,329
25,676	Net surplus/(deficit)	(24)	(3,180)	7,726

The increase in this expense budget between the Main Estimates and the Supplementary Estimates of \$10.616 million was due to:

- expense transfers from 2020/21 to 2021/22 to enable the delivery of the Tāhuhu: Preserving the Nation's Memory Programme (increase of \$19.700 million) and to cover the impact of project and operating costs associated with the delayed recruitment process and ensure that public libraries are able to continue in-flight recruitment processes and implement projects to achieve the desired impacts for their staff and communities (increase of \$977,000)
- an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets (increase of \$5.607 million)
- funding for the delivery of the Heke Rua Archives, associated activities and ongoing operating costs, and to progress the Heke Puna Library design (increase of \$2.710 million)
- an increase in expenditure for Kōtui shared library and resource discovery services due to an increase in computer related costs (increase of \$454,000)
- a contribution from Te Puna Foundation towards the National Library's 'Community of Readers' service (increase of \$390,000)
- an increase in expenditure associated with the recovery of costs from the Ministry of Education for the 'Any Questions' initiative (increase of \$355,000)
- an increase in expenditure for the Electronic Purchasing in Collaboration service for state sector organisations that were not covered by the fee waivers associated with the New Zealand Libraries Partnership Programme due to increased vendor costs (increase of \$334,000)
- an increase in expenditure associated with the recovery of the Christchurch Archives facility litigation costs (increase of \$332,000)
- an increase in revenue and expenditure for rental and associated operating expenses for the National Library building recovery from Ngā Taonga Sound and Vision (increase of \$200,000)
- a grant from the Australian Department of Foreign Affairs and Trade for the Pacific Virtual Museum Pilot Programme (increase of \$95,000)
- an increase in expenditure associated with the recovery of costs from the School Library Association of New Zealand Aotearoa for the 'Any Questions' initiative (increase of \$40,000), and
- an increase in expenditure associated with the recovery of costs from various digitisation partners for National Library digitisation activity (increase of \$38,000).

These increases were partially offset by:

- an expense transfer from 2021/22 to 2022/23 and 2023/24 for the continuation of the Tāhuhu: Preserving the Nation's Memory Programme (decrease of \$18.500 million)
- expense transfers from 2021/22 to 2022/23 for the New Zealand Libraries Partnership Programme due to COVID-19 (decrease of \$1.250 million) and to enable the continuation of the National Library of New Zealand and Archives New Zealand audio-visual conservation and preservation work in 2022/23 (decrease of \$200,000)
- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (decrease of \$470,000), and
- a transfer of funding to the Policy and Related Services Multi-Category Appropriation to enable additional policy support for Knowledge and Information Services (decrease of \$196,000).

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	2020/21	2021/22
Archives New Zealand – managing Public Archives			
3.34 Availability of online services 24 hours a day, 7 days a week	At least 95%	98%	99.8%
3.35 The percentage of Archives New Zealand storage units providing storage conditions to required standards	At least 80%	86%	95%
Demand information – Estimates			
3.36 Archives held in storage: Physical archives – linear metres	108,000 – 114,000	111,749	111,749
Archives New Zealand – Provision of Access to Public Archives			
3.37 Digital Archives available online	100,000 – 150,000	447,418	159,473
3.38 Number of items produced in public reading rooms	30,000 – 40,000	30,336	16,746 ³⁷
3.39 Digital items accessed for use – Rosetta	At least 135,000	597,914	680,890
3.40 Digital items accessed for use – Social Media	At least 2 million	3,062,048	3,101,340
National Library – Access to Information			
3.41 Requests (non-school) for the off-site supply of documents – completed within two days of receipt	At least 90%	100%	100%
3.42 Public Lending Right payments to all authors eligible for payment made within the timeframe stipulated by regulation	At least 99%	100%	100%
3.43 Digitised items newly available for access online	At least 450,000	592,587	661,692
3.44 Availability of Te Puna catalogue and interloan services to subscribers during advertised hours	At least 95%	99%	97%
National Library – Collection and Preserving information			
3.45 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%	78% ³⁸	85%
3.46 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%	87%	82%

37 Reading room closures, occupancy restrictions and appointment-only requirements due to COVID-19 Alert levels since 18 August 2021 have meant this number is significantly lower than the target standard. Following the shift to the orange traffic light setting, the requirement for appointments for public users was lifted on Wednesday 11 May 2022. From 23 May 2022, the new COVID-19 policy came into effect and the My Vaccine pass requirement was removed. This allowed reading rooms to open to a wider range of visitors and lifted visitor numbers. This standard should be met in the future now that COVID-19 restrictions have eased.

38 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.

Performance information	Standard	2020/21	2021/22
3.47 'At risk' items digitised or digital formats transformed: Audio-visual items	At least 1,500	836 ³⁹	1,067 ⁴⁰
3.48 'At risk' items digitised or digital formats transformed: Images	At least 500	507	524
3.49 Published acquisitions to the Alexander Turnbull Library (new heritage collections)	65,000 – 75,000	86,450	63,885 ⁴¹
National Library – Library and Information Services to Schools			
3.50 Number of visits to schools online services	240,000 – 300,000	255,468	271,760
3.51 Number of schools supported	650-700	818	746
3.52 Items supplied on request from the schools collection	300,000 – 450,000	359,672	295,608 ⁴²
Public Sector Recordkeeping			
3.53 Number of Public Offices, Local Authorities and other organisations provided with targeted records and archives management advice	100 – 150	218	238
Statutory and Advisory Body Support			
3.54 Statutory body member satisfaction with the quality of secretariat services provided – Archives New Zealand	At least 4	New measure	4.3
3.55 Statutory body member satisfaction with the quality of secretariat services provided – National Library	At least 4	New measure	5
New Zealand libraries Partnership Programme			
3.56 Number of Librarians in public libraries supported by the New Zealand Libraries Partnership Programme	At least 170	174	194
3.57 Number of library staff receiving training through the New Zealand Libraries Partnership Programme	No standard	New measure	404

Offshore Betting Charges (M55)

The single overarching purpose of this appropriation is for the operation of the offshore betting charges regime and distribution in accordance with the Racing Industries Act 2020 and related regulations.

This appropriation is intended to achieve financial support for racing and sports, and support measures to prevent and minimise harm from gambling in accordance with the Racing Industry Act 2020 and related regulations.

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- 39 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.
- 40 Staff and resources are being channelled to the Utaina! project to prepare identified collections for digitisation, which has had implications on business-as-usual digitisation. This project is working towards the preservation of the at-risk magnetic audio-visual collections of the Library, Archives New Zealand and Ngā Taonga Sound and Vision, who are prioritising the long-term outcomes that will be achieved by the Utaina! project. There is now backfill in place.
- 41 Acquisitions of published materials were impacted by COVID-19 lockdowns and protest actions as a physical presence in the Alexander Turnbull Library is required. It also depends on the number of items published and national and international supply chain issues, which were also affected by COVID-19. Significant effort has been put into working through backlogs that are generated when the building is closed.
- 42 Service delivery to schools has been actively prioritised to meet the needs of school communities and uptake has increased in recent months. This measure is driven by demand from Schools. We try to minimise impact to Schools by processing requests as they reopen as quickly as possible. We anticipate this target will be met in the future.

Performance information	Standard	2020/21	2021/22
3.58 Percentage of distribution payments under the Racing Industry (Offshore Betting – Consumption Charges) Regulations 2021 made within the agreed timeframes	No standard ⁴³	New measure	Not available ⁴⁴

Category: Administration of Offshore Betting Charges Regime

This category is limited to operational policy advice and services to administer the offshore betting charges regime in accordance with the Racing Industry Act 2020 and related regulations.

Actual	Unaudited Budget 2022 \$000	Unaudited Supp EST 2022 \$000	Actual 2022 \$000
2021 Revenue and output expenses			
- Revenue Crown	-	-	-
- Revenue other	-	210	199
- Total revenue	-	210	199
- Expenses	-	210	199
- Net surplus/(deficit)	-	-	-

This category was established in 2021/22 to provide funding for the administration of the Offshore Betting Charges regime (increase of \$210,000).

This category is intended to achieve effective administration of the offshore betting charges regime in accordance with the Racing Industry Act 2020 and related regulations.

Performance information	Standard	2020/21	2021/22
3.59 Percentage of distribution payments under the Racing Industry (Offshore Betting – Consumption Charges) Regulations 2021 made within the agreed timeframes	No standard ⁴⁵	New measure	Not available ⁴⁶

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.

This 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	2020/21	2021/22
3.60 Policy advice and policy briefings delivered to agreed quality criteria and standards – demonstrated through independent assessment: Average Score	3 out of 5	3.8	3.7
3.61 Policy advice and policy briefings delivered to agreed quality criteria and standards – demonstrated through independent assessment: 3 or higher	80%	100%	93%
3.62 Portfolio Ministers' satisfaction with the overall quality of policy advice	No standard	3.7	4.2

43 The Offshore Betting Charges MCA was a new appropriation introduced in 2021/22. A standard will be included for 2022/23 once trend information has been established and distribution timeframes are finalised.

44 Refer to footnote 43.

45 Refer to footnote 43.

46 Refer to footnote 43.

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
2021	Revenue and output expenses	2022	2022	2022
\$000		\$000	\$000	\$000
511	Revenue Crown	380	705	705
-	Revenue other	-	-	-
511	Total revenue	380	705	705
422	Expenses	380	731	721
89	Net surplus/(deficit)	-	(26)	(16)

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$351,000 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 \$300,000), and
- an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets (increase of \$51,000).

This category is intended to achieve support for responsible Ministers in monitoring the performance of Crown entities.

Performance information	Standard	2020/21	2021/22
3.63 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%

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		Unaudited Budget	Unaudited Supp EST	Actual
2021	Revenue and output expenses	2022	2022	2022
\$000		\$000	\$000	\$000
2,143	Revenue Crown	1,495	2,483	2,483
-	Revenue other	-	-	-
2,143	Total revenue	1,495	2,483	2,483
1,806	Expenses	1,495	2,544	2,105
337	Net surplus/(deficit)	-	(61)	378

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$1.049 million was due to:

- transfers of funding from the Policy and Related Services - Racing and Policy and Related Services - Internal Affairs categories to ensure long-term solutions to community funding are identified and pressures intensified by COVID-19 are addressed (increase of \$420,000)
- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (increase of \$350,000)
- an expense transfer from 2020/21 to 2021/22 to ensure long-term solutions to community funding are identified and pressures intensified by COVID-19 are addressed (increase of \$160,000), and
- an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets (increase of \$119,000).

This category is intended to achieve support and high-quality advice for the Minister for the Community and Voluntary Sector.

Performance information		Standard	2020/21	2021/22
3.64	Required timeframes are met: Parliamentary Questions (written) - within 3 days of notification or as agreed with the Minister	At least 95%	100%	99%
3.65	Required timeframes are met: Ministerial correspondence (draft responses) - within 15 days of receipt or as specifically agreed	At least 95%	100%	100%
3.66	Required timeframes are met: Ministerial Official Information Act requests - at least 5 days prior to statutory timeframes	At least 95%	100%	100%
3.67	Minister's satisfaction with the quality of policy advice ⁴⁷	No standard	2.3	3.8

Category: Policy and Related Services – Digital Economy and Communications

This category is limited to the provision of policy advice and services to support Ministers to discharge their portfolio responsibilities relating to the digital economy and communications.

Actual		Unaudited Budget	Unaudited Supp EST	Actual
2021	Revenue and output expenses	2022	2022	2022
\$000		\$000	\$000	\$000
2,434	Revenue Crown	1,999	2,569	2,569
-	Revenue other	-	-	-
2,434	Total revenue	1,999	2,569	2,569
2,310	Expenses	1,999	2,669	2,552
124	Net surplus/(deficit)	-	(100)	17

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$670,000 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 \$350,000)
- an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets (increase of \$195,000), and
- an expense transfer from 2020/21 to 2021/22 to enable the completion of the development of legislation to create a Digital Identity Trust Framework in 2021/22 (increase of \$125,000).

This category is intended to achieve support and high-quality advice for the Minister for the Digital Economy and Communications.

Performance information		Standard	2020/21	2021/22
3.68	Required timeframes are met: Parliamentary Questions (written) - within three days of notification or as agreed with the Minister	At least 95%	97%	98%
3.69	Required timeframes are met: Ministerial correspondence (draft responses) - within 15 days of receipt or as specifically agreed	At least 95%	100%	100%

47 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.

Performance information		Standard	2020/21	2021/22
3.70	Required timeframes are met: Ministerial Official Information Act requests - at least 5 days prior to statutory timeframes ⁴⁸	At least 95%	100%	100%
3.71	Minister's satisfaction with the quality of policy advice ⁴⁹	No standard	Not Available ⁵⁰	3.9

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 Budget	Unaudited Supp EST	Actual
2021	Revenue and output expenses	2022	2022	2022
\$000		\$000	\$000	\$000
8,093	Revenue Crown	7,745	8,047	8,047
-	Revenue other	36	36	-
8,093	Total revenue	7,781	8,083	8,047
7,637	Expenses	7,781	8,399	8,000
456	Net surplus/(deficit)	-	(336)	47

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$618,000 was due to:

- an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets (increase of \$616,000)
- a transfer of funding from the National Archival and Library Services Multi-Category Appropriation to enable additional policy support for Knowledge and Information Services (increase of \$196,000)
- a transfer of funding from the Regulatory Services Multi-Category Appropriation to reflect the work associated with the Content Regulation Review (increase of \$150,000), and
- an expense transfer from 2020/21 to 2021/22 to ensure long-term solutions to community funding are identified and pressures intensified by COVID-19 are addressed (increase of \$100,000).

These increases were partially offset by:

- a transfer of funding to the Policy and Related Services - Community and Voluntary Sector category to ensure long-term solutions to community funding are identified and pressures intensified by COVID-19 are addressed (decrease of \$300,000), and
- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (decrease of \$144,000).

This category is intended to achieve support and high-quality advice for the Minister of Internal Affairs.

Performance information		Standard	2020/21	2021/22
3.72	Required timeframes are met: Parliamentary Questions (written) - within 3 days of notification or as agreed with the Minister	At least 95%	100%	99.7%
3.73	Required timeframes are met: Ministerial correspondence (draft responses) - within 15 days of receipt or as specifically agreed	At least 95%	100%	98%
3.74	Required timeframes are met: Ministerial Official Information Act requests - at least 5 days prior to statutory timeframes	At least 95%	100%	97%
3.75	Minister's satisfaction with the quality of policy advice ⁵¹	No standard	4.6	4.5

48 This replaces the performance measure 'Required timeframes are met: Ministerial Official Information and Privacy Act requests within agreed timeframes'.

49 Refer to footnote 47.

50 No response was received from the Minister for Digital Economy and Communications as at 31 August 2021.

51 Refer to footnote 47.

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
2021	Revenue and output expenses	2022	2022	2022
\$000		\$000	\$000	\$000
426	Revenue Crown	506	521	521
-	Revenue other	-	-	-
426	Total revenue	506	521	521
439	Expenses	506	537	439
(13)	Net surplus/(deficit)	-	(16)	82

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$31,000 was due to an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets.

This category is intended to achieve support and high-quality advice for the Minister Responsible for Ministerial Services.

Performance information		Standard	2020/21	2021/22
3.76	Required timeframes are met: Parliamentary Questions (written) - within three days of notification or as agreed with the Minister	At least 95%	100%	100%
3.77	Required timeframes are met: Ministerial correspondence (draft responses) - within 15 days of receipt or as specifically agreed	At least 95%	No correspondence received	100%
3.78	Required timeframes are met: Official Information and Privacy Act requests, and Ombudsmen inquiries - within agreed timeframes	At least 95%	100%	96%

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
2021	Revenue and output expenses	2022	2022	2022
\$000		\$000	\$000	\$000
3,230	Revenue Crown	815	1,397	1,397
-	Revenue other	-	-	-
3,230	Total revenue	815	1,397	1,397
2,187	Expenses	815	1,430	1,257
1,043	Net surplus/(deficit)	-	(33)	140

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$615,000 was due to:

- expense transfers from 2020/21 to 2021/22 to support the racing industry following the commencement of the regulations provided by the Racing Industry Act 2020 (increase of \$550,000) and to ensure long-term solutions to community funding are identified and pressures intensified by COVID-19 are addressed (increase of \$40,000)
- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (increase of \$80,000), and

- an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets (increase of \$65,000).

These increases were partially offset by:

- a transfer of funding to the Policy and Related Services - Community and Voluntary Sector category to ensure long-term solutions to community funding are identified and pressures intensified by COVID-19 are addressed (decrease of \$120,000).

This category is intended to achieve support and high-quality advice for the Minister for Racing.

Performance information		Standard	2020/21	2021/22
3.79	Required timeframes are met: Parliamentary Questions (written and oral) - within three days of notification or as agreed with the Minister	At least 95%	100%	100%
3.80	Required timeframes are met: Ministerial correspondence (draft responses) - within 15 days of receipt or as specifically agreed	At least 95%	100%	98%
3.81	Required timeframes are met: Ministerial Official Information Act requests - at least five days prior to statutory timeframes	At least 95%	100%	100%
3.82	Minister's satisfaction with the quality of policy advice ⁵²	No standard	4.3	4.6

Regulatory Services (M41)

The single 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	2020/21	2021/22
3.83	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
2021	Revenue and output expenses	2022	2022	2022
\$000		\$000	\$000	\$000
5,872	Revenue Crown	5,917	6,545	6,545
889	Revenue other	852	852	820
6,761	Total revenue	6,769	7,397	7,365
6,446	Expenses	6,769	7,663	6,776
315	Net surplus/(deficit)	-	(266)	589

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$894,000 was due to:

- an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets (increase of \$519,000), and
- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (increase of \$375,000).

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.

⁵² Refer to footnote 47.

Performance information	Standard	2020/21	2021/22
3.84 Customer satisfaction with Charities Services service received assessed as '4' or '5'	At least 75%	91%	89%
3.85 Charities Services regulatory decisions are independently assessed to measure quality and timeliness	At least 75%	100%	100%
3.86 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
2021	Revenue and output expenses	2022	2022	2022
\$000		\$000	\$000	\$000
26,973	Revenue Crown	24,712	25,286	25,286
25,271	Revenue other	25,637	24,637	24,729
52,244	Total revenue	50,349	49,923	50,015
44,392	Expenses	45,791	49,670	47,289
7,852	Net surplus/(deficit)	4,558	253	2,726

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$3.879 million was due to:

- an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets (increase of \$2.900 million), and
- an increase in Gaming expenditure to review operational policy in relation to Class 4 venues and to progress the ICT improvement work programme and platform refresh (increase of \$1.700 million).

These increases were partially offset by:

- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (decrease of \$421,000)
- a transfer of funding to the Miscellaneous Grants - Internal Affairs appropriation to ensure the Film and Video Labelling Body can meet its financial obligations in 2021/22 following years of revenue decline exacerbated by COVID-19 (decrease of \$150,000), and
- a transfer of funding to the Policy and Related Services Multi-Category Appropriation to reflect the work associated with the Content Regulation Review (decrease of \$150,000).

This category is intended to achieve effective regulatory activity.

Performance information	Standard	2020/21	2021/22
Gambling			
3.87 Club and non-club venue assessments conducted	At least 30	122	69
Number of provisional audit reports completed:			
3.88 Non-club gaming machine societies	10-30	11	10
3.89 Casinos	5-25	5	6
3.90 Proportion of provisional audit reports to non-club gaming machine societies and casinos completed within six months	At least 75%	100%	94%

Performance information	Standard	2020/21	2021/22
Demand information			
Applications for gambling licences processed:			
3.91 Club and non-club licence renewals	120-220 ⁵³	175 ⁵⁴	211
3.92 Other Class 3 and 4 licence applications and Certificates of Approval	4,500-6,000	4,092 ⁵⁵	1,435 ⁵⁶
Digital Safety – Censorship			
3.93 Number of images uploaded, as a result of investigation, to the Interpol Child Sexual Exploitation Database	2,000-6,000	3,568	4,200
3.94 Number of child exploitation websites being filtered by the specialist software developed and maintained by DIA	300 – 1,200	453	399
Demand information			
3.95 Number of justified appeals compared to the total number of appeals received from websites being filtered	Less than 10%	0%	0%
Digital Safety – Unsolicited Electronic Messages			
Number of email and text notifications received:			
3.96 Email and text spam notifications	40,000 - 55,000	51,622	944,211 ⁵⁷
3.97 Email and text spam complaints	500-800	394 ⁵⁸	1,070 ⁵⁹
3.98 Percentage of nuisance spam complaints received which are triaged within 14 days	At least 80%	89%	100%
3.99 The number of civil liability proceedings undertaken relating to nuisance spam - covering warning letters, infringement notices and statements of claim	At least 10	17	13
3.100 Number of education related activities provided relating to nuisance spam	50 – 250	131	552 ⁶⁰
Anti-Money Laundering and Countering Financing of Terrorism			
3.101 Number of desk-based reviews of reporting entities' Anti-Money Laundering and Countering Financing of Terrorism risk assessments and compliance programmes completed	150-350	219	233

53 The standard was reduced in Estimates 2021/22 from '250-325' to '120-220' to reflect a more realistic level of activity.

54 The number of renewals is demand driven and declining mainly due to a decline in the number of clubs and venues.

55 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.

56 This measure is demand driven, and the Department is anticipating an increase in Class 3 and 4 licence applications and Certificates of Approval for the 2022/23 financial year. This measure is planned to be replaced with the introduction of new measures in 2023/24.

57 This is a demand driven measure. In addition to an increase in reports of all text and email scams, a large-scale malware scam campaign, nicknamed 'Flubot' targeted New Zealanders in October 2021. This resulted in an increase in notifications to the Department through various spam reporting mechanisms including the 7726 text messaging system.

58 This is a demand driven measure reflecting the number of complaints submitted by the public.

59 This is a demand driven measure. Complaints logged against this measure are a subset of performance measure 3.97.

60 As a result of the large-scale malware scam 'Flubot', the Department provided messaging through multiple channels to reduce harm.

Performance information		Standard	2020/21	2021/22
3.102	Number of onsite and online inspections auditing reporting entities' compliance with Anti-Money Laundering and Countering Financing of Terrorism obligations completed ⁶¹	70-180	New measure	78
3.103	Number of education-focused proactive engagements with reporting entities regarding Anti-Money Laundering and Countering Financing of Terrorism obligations	200-800	369	360
Private Security Personnel and Private Investigators				
3.104	Ministry of Justice satisfaction with services provided by the Complaints, Investigation and Prosecution Unit ⁶²	3	2 - Satisfied	3 - Neutral
Demand Information				
3.105	Number of investigation requests received from Private Security Personnel Licensing Authority	15-45	43	42

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	2020/21	2021/22
3.106	Minister Responsible for Ministerial Services' satisfaction with the quality of support provided by the Department to the Executive	Satisfied	Very 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
2021	Revenue and output expenses	2022	2022	2022
\$000		\$000	\$000	\$000
5,400	Revenue Crown	5,651	5,579	5,579
-	Revenue other	-	-	-
5,400	Total revenue	5,651	5,579	5,579
4,489	Expenses	5,651	5,682	4,446
911	Net surplus/(deficit)	-	(103)	1,133

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$31,000 was due to:

- an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets (increase of 201,000).

This increase was partially offset by:

- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (decrease of \$170,000).

61 This replaces the performance measure 'Number of onsite visits auditing reporting entities' compliance with Anti-Money Laundering and Countering Financing of Terrorism obligations completed'.

62 Satisfaction is rated on a five-point scale from '1-Very satisfied' through to '5-Very unsatisfied'.

This category is intended to achieve facilitation of ceremonies of national and international importance and official visits.

Performance information		Standard	2020/21	
3.107	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%	97%
Demand Information				
3.108	Number of Guests of Government visits	35-50	3 ⁶³	2 ⁶⁴
3.109	Number of Partial Guests of Government visits	15-25	2 ⁶⁵	1 ⁶⁶
3.110	Number of Commemorative and special events	10-15	20	11
3.111	Facilitations through New Zealand International Airports ⁶⁷	100-200	New measure	57 ⁶⁸

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 Budget	Unaudited Supp EST	Actual
2021	Revenue and output expenses	2022	2022	2022
\$000		\$000	\$000	\$000
32,887	Revenue Crown	31,061	32,613	32,613
-	Revenue other	-	-	1
32,887	Total revenue	31,061	32,613	32,614
30,897	Expenses	31,061	33,479	32,485
1,990	Net surplus/(deficit)	-	(866)	129

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$2.418 million was due to:

- an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets (increase of \$2.044 million), and
- expense transfers from 2020/21 to 2021/22 to enable the completion of a business case for the development of a Ministers' Information Management Programme in 2021/22 (increase of \$327,000) and to enable the completion of a project to undertake remediation works on Crown-owned Ministerial residences (increase of \$57,000).

These increases were partially offset by:

- a transfer of funding between departmental appropriations based on the provision of services across the portfolios within Vote Internal Affairs (decrease of \$10,000).

63 As COVID-19 border restrictions were 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.

64 COVID-19 border restrictions have limited the number of Guest of Government visits for 2021/22. With the borders fully reopening from 31 July 2022 we anticipate demand for official visits will return to normal levels in 2022/23.

65 As COVID-19 border restrictions were in place the number of official visits has been impacted.

66 Refer to footnote 64.

67 This is a new performance measure for 2021/22 and replaces the performance measure 'Facilitations through Auckland and Wellington International Airports'. This change was made to measure all international guest facilitations.

68 The standard was revised during 2021/22 to reflect the expected demand based on the most up to date information at the time. With the borders fully reopening from 31 July 2022 we anticipate demand for facilitations will be sufficient to meet the standard in 2022/23.

This category is intended to achieve support for Members of the Executive to enable the discharge of their Ministerial responsibilities.

Performance information		Standard	2020/21	2021/22
3.112	Minister Responsible for Ministerial Services' satisfaction with the quality of support provided by the Department to the Executive ⁶⁹	Satisfied	Very Good	Very Good
Demand Information				
3.113	Average number of Ministerial office personnel provided	150-170	151	155

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 Budget	Unaudited Supp EST	Actual
2021	Revenue and output expenses	2022	2022	2022
\$000		\$000	\$000	\$000
-	Revenue Crown	-	343	343
8,784	Revenue other	9,000	9,000	9,485
8,784	Total revenue	9,000	9,343	9,828
8,750	Expenses	9,000	9,704	9,376
34	Net surplus/(deficit)	-	(361)	452

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$704,000 was due to an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets.

This category is intended to achieve efficient and effective land transport services for Members of the Executive and other VIPs.

Performance information		Standard	2020/21	2021/22
3.114	Chauffeur-driven services provided leading to no sustained complaints	At least 99.5%	99.98%	99.95%
Demand information				
3.115	Total vehicle fleet	75-85	78	79

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	2020/21	2021/22
3.116	Statutory body members' satisfaction with the quality of the support provided by the Department assessed as good or better	Good	Good – Very Good (4.9)	Good (4.3)

69 This performance measure was reworded in 2021/22, to align with the overarching appropriation performance measure for consistency, and replaces the performance measure 'Minister Responsible for Ministerial Services' satisfaction with the quality and level of support services provided to the Members of the Executive'.

Category: Commissions of Inquiry and Similar Bodies

This category is limited to supporting commissions of inquiry and similar bodies.

Actual		Unaudited Budget 2022 \$000	Unaudited Supp EST 2022 \$000	Actual 2022 \$000
3,859	Revenue Crown	-	839	839
-	Revenue other	-	-	-
3,859	Total revenue	-	839	839
3,823	Expenses	-	880	809
36	Net surplus/(deficit)	-	(41)	30

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$880,000 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 \$800,000), and
- an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets (increase of \$80,000).

This category is intended to achieve effective support for inquiries and similar bodies.

Performance information	Standard	2020/21	2021/22
3.117 Inquiries satisfaction with timeliness and quality of services	At least 4	New measure	3 ⁷⁰

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 2022 \$000	Unaudited Supp EST 2022 \$000	Actual 2022 \$000
-	Revenue Crown	-	14	14
605	Revenue other	1,158	1,158	664
605	Total revenue	1,158	1,172	678
605	Expenses	1,158	1,186	678
-	Net surplus/(deficit)	-	(14)	-

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$28,000 was due to an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets.

This category is intended to achieve effective support for the Gambling Commission.

Performance information	Standard	2020/21	2021/22
3.118 Gambling Commission's satisfaction with the quality of advice and support services	At least 4	New measure	5

70 The survey response noted some challenges including property and information technology issues.

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
2021	Revenue and output expenses	2022	2022	2022
\$000		\$000	\$000	\$000
1,413	Revenue Crown	1,394	1,426	1,426
-	Revenue other	-	-	4
1,413	Total revenue	1,394	1,426	1,430
1,094	Expenses	1,394	1,460	1,107
319	Net surplus/(deficit)	-	(34)	323

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$66,000 was due to an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets.

This category is intended to achieve effective support for the Local Government Commission.

Performance information	Standard	2020/21	2021/22
3.119 Local Government Commission's satisfaction with the quality of advice and support services	At least 4	New measure	5

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
2021	Revenue and output expenses	2022	2022	2022
\$000		\$000	\$000	\$000
362	Revenue Crown	362	283	283
-	Revenue other	-	-	-
362	Total revenue	362	283	283
326	Expenses	362	294	285
36	Net surplus/(deficit)	-	(11)	(2)

The decrease in the expense budget between the Main Estimates and the Supplementary Estimates of \$68,000 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 \$90,000).

This decrease was partially offset by:

- an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets (increase of \$22,000).

This category is intended to achieve effective support of grant funding bodies.

Performance information		Standard	2020/21	2021/22
3.120	Grant decisions are managed within business timeframe standards	At least 95%	78% ⁷¹	96%
3.121	Grant decisions are transparent and consistent with regard to eligibility requirements	At least 97%	98%	99%

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
2021	Revenue and output expenses	2022	2022	2022
\$000		\$000	\$000	\$000
614	Revenue Crown	574	1,041	1,014
10,901	Revenue other	11,050	14,205	12,479
11,515	Total revenue	11,624	15,246	13,493
11,014	Expenses	11,624	15,738	13,201
501	Net surplus/(deficit)	-	(492)	292

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$4.114 million was due to:

- a one-off increase in funding from the New Zealand Lottery Grants Board to support the Community Funding Model work programme and the evaluation of the Lottery COVID-19 Community Wellbeing fund (increase of \$2.646 million)
- an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets (increase of \$959,000), and
- an increase in expenditure associated with an increase in the provision of services for the New Zealand Lottery Grants Board (increase of \$509,000).

This category is intended to achieve effective support for grant funding bodies to enable them to make appropriate grant decisions.

Performance information		Standard	2020/21	2021/22
3.122	Customers are satisfied with the ease with which they are able to apply for grants and advisory services	At least 70%	73%	77%
3.123	Grant decisions are transparent and consistent with regard to eligibility requirements	At least 97%	99%	99%
3.124	Grant decisions are managed within business timeframe standards	At least 95%	99%	98%
3.125	Grant decision making committees are satisfied with the operational support received	At least 90%	97%	95%

Supporting Ethnic Communities (M30)

The single overarching purpose of this appropriation is to improve the wellbeing of ethnic communities.

This appropriation is intended to achieve wellbeing of ethnic communities, improved social cohesion and well-formed decision making by Government.

⁷¹ 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.

Performance information	Standard	2020/21	2021/22
3.126 Satisfaction with the Intercultural Capability e-learning modules	3	New measure	4.2

Category: Advisory and Information Services to assist Ethnic Communities

This category is limited to the provision of information, advisory and support services to ethnic communities.

Actual	Unaudited Budget	Unaudited Supp EST	Actual
2021 Revenue and output expenses \$000	2022 \$000	2022 \$000	2022 \$000
- Revenue Crown	8,314	8,473	8,473
- Revenue other	-	-	-
- Total revenue	8,314	8,473	8,473
- Expenses	8,314	8736	8,048
- Net surplus/(deficit)	-	(263)	425

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$422,000 was due to:

- an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets (increase of \$522,000), and
- an expense transfer from 2020/21 to 2021/22 to support the Government roll out of the COVID-19 vaccine and ensure targeted communication and minimisation of misinformation (increase of \$300,000).

These increases were partially offset by:

- a reallocation of funding to the Policy and Related Services - Diversity, Inclusion and Ethnic Communities category based on the provision of services within the Diversity, Inclusion and Ethnic Communities portfolio (decrease of \$400,000).

This category is intended to achieve improved increased participation and belonging in New Zealand society for ethnic communities.

Performance information	Standard	2020/21	2021/22
3.127 Number of unique visits to the Intercultural Capability e-learning modules	800 – 1,000	New measure	2,600
3.128 Approved Ethnic Communities Development Fund grant applications are paid within business timeframe standards	At least 95%	New measure	98%
3.129 Ethnic Communities Development Fund decisions are consistent with priorities, policies and procedures	At least 95%	New measure	97%

Category: Policy and Related Services – Diversity, Inclusion and Ethnic Communities

This category is limited to the provision of policy advice and services to support Ministers to discharge their portfolio responsibilities relating to diversity, inclusion and ethnic communities.

Actual	Unaudited Budget	Unaudited Supp EST	Actual
2021 Revenue and output expenses \$000	2022 \$000	2022 \$000	2022 \$000
- Revenue Crown	2,373	2,842	2,842
- Revenue other	-	-	-
- Total revenue	2,373	2,842	2,842
- Expenses	2,373	2,914	2,904
- Net surplus/(deficit)	-	(72)	(62)

The increase in the expense budget between the Main Estimates and the Supplementary Estimates of \$541,000 was due to:

- a reallocation of funding from the Advisory and Information Services to assist Ethnic Communities category based on the provision of services within the Diversity, Inclusion and Ethnic Communities portfolio (increase of \$400,000), and
- an increase in expenditure associated with the recognition as an expense, of previously capitalised Software as a Service intangible assets (increase of \$141,000).

This category is intended to achieve support and high-quality advice for Ministers and other government agencies for matters related to the diversity, inclusion and ethnic communities portfolio.

Performance information		Standard	2020/21	2021/22
3.130	Required timeframes are met: Parliamentary Questions (written) - within 3 days of notification or as agreed with the Minister	At least 95%	New measure	99%
3.131	Required timeframes are met: Ministerial correspondence (draft responses) - within 15 days of receipt or as specifically agreed	At least 95%	New measure	91% ⁷²
3.132	Required timeframes are met: Ministerial Official Information Act requests - at least 5 days prior to statutory timeframes	At least 95%	New measure	78% ⁷³
3.133	Minister's satisfaction with the quality of policy advice ⁷⁴	No standard	New measure	3.7

Three Waters Reform (M49)

The single overarching purpose of this appropriation is to facilitate the reform of three waters service delivery in Aotearoa New Zealand.

This appropriation is intended to achieve achieve support for the effective and efficient delivery of the three waters service delivery in Aotearoa New Zealand.

Performance information		Standard	2020/21	2021/22
3.134	Percentage of key milestones that have been met within the agreed timeframes by year for workstreams funded by this appropriation	At least 80%	New measure	Not achieved ⁷⁵

Category: Iwi/Māori Involvement in Three Waters Reform

This category is limited to providing financial support to iwi/Māori to enable participation and engagement in the reform of three waters service delivery.

Actual	Unaudited Budget	Unaudited Supp EST	Actual
2021 Revenue and output expenses \$000	2022 \$000	2022 \$000	2022 \$000
- Expenses	-	3,063	108

This appropriation was established in 2021/22 due to:

- funding to provide financial support to iwi/Māori to engage with the Three Waters Reform (increase of \$1.615 million), and
- a transfer of funding from the Grants for Water Infrastructure and Delivery appropriation to enable iwi/Māori to participate in the Three Waters Reform (increase of \$1.448 million).

72 The Ministry exceeded standards for 11 months of 2021/22. It did not meet standards in December 2021 as it received one item of Ministerial Correspondence for that month and it was late in responding to that by 4 days.

73 The Ministry exceeded standards for 6 months of 2021/22. Seven Ministerial Official Information Act requests were sent late to the Minister's office as the Ministry was in its first year and was operating at extremely low capacity.

74 Refer to footnote 47.

75 There was no funding spent or committed in 2021/22 for the 'Sector Involvement in Three Waters Reform' category (refer to footnote 77). Work commenced to develop an updated work programme for the 'Iwi/Māori Involvement in Three Waters Reform' category which will be finalised and implemented from 2022/23.

This category is intended to achieve effective support for iwi/Māori to participate and engage in the reform of three waters service delivery.

Performance information		Standard	2020/21	2021/22
3.135	The number of water service entities with documented Kaupapa Māori processes in place	4 by 1 July 2024	New measure	0 ⁷⁶

Category: Sector Involvement in Three Waters Reform

This category is limited to providing financial support to territorial authorities and sector organisations to enable participation and engagement in the reform of three waters service delivery.

Actual	Revenue and output expenses	Unaudited Budget	Unaudited Supp EST	Actual
2021		2022	2022	2022
\$000		\$000	\$000	\$000
-	Expenses	-	3,047	-

This appropriation was established in 2021/22 to provide financial support to territorial authorities and sector organisations to engage with the Three Waters Reform (increase of \$3.047 million).

This category is intended to achieve effective support for territorial authorities and sector organisations to participate and engage in the reform of three waters service delivery.

Performance information		Standard	2020/21	2021/22
3.136	Percentage of key milestones that have been met within the agreed timeframes by year for workstreams that support sector organisations to participate and engage in the delivery of the Three Waters Reform	At least 80%	New measure	Not achieved ⁷⁷

⁷⁶ Work is underway with iwi/Māori within each entity boundary to engage with each other about Three Waters Reform and the associated mechanisms.

⁷⁷ Funding for this category was not spent or committed in 2021/22 and the entire balance will transfer forward to 2022/23. For 2022/23, this category will have \$44 million to be paid to councils to resource them up to participate in transition activity (including the \$3.047 million transferred from 2021/22).



08

Ngā Tāpiritanga
Appendices

Tāpiritanga A

Appendix A

Statistical information regarding employees of Te Tari Taiwhenua

This appendix sets out statistical information regarding the employees of Te Tari Taiwhenua.

Table 1: Permanent full-time and part-time employees by job family as at 30 June 2022:

Job family	Full-time	Part-time	Total
Corporate	271	21	292
Delivery	818	90	908
Information Management	19		19
Information Technology	330	29	359
Policy	126	9	135
Regulatory	170	6	176
London	10		10
Sydney	11	1	12
Non-banded	71	7	78
Grand Total	1826	163	1989

Note: Numbers are based on headcount for permanent employees only. The permanent equivalent full-time employees as at 30 June 2022 was 1,941.75 (this excludes events-based employees). Non-banded are a small number of jobs which have not been sized by our Job Evaluation Committee due to their short-term temporary nature.

Table 2: Permanent employees by job family and gender as at 30 June 2022:

Job family	Female	Male	Gender Not Specified	Total
Corporate	185	107		292
Delivery	633	272	3	908
Information Management	13	6		19
Information Technology	170	184	5	359
Policy	83	52		135
Regulatory	84	91	1	176
London	5	4	1	10
Sydney	7	5		12
Non-banded	46	31	1	78
Grand Total	1226	752	11	1989

Note: Numbers are based on headcount for permanent employees only. The permanent equivalent full-time employees as at 30 June 2022 was 1,941.75 (this excludes events-based employees). Non-banded are a small number of jobs which have not been sized by our Job Evaluation Committee due to their short-term temporary nature.

Tier 2 and 3 People Leaders by gender and ethnicity as at 30 June 2022

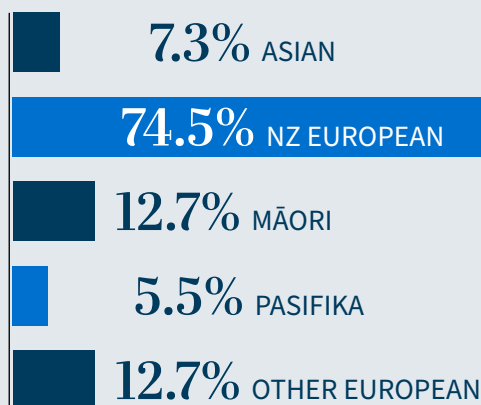
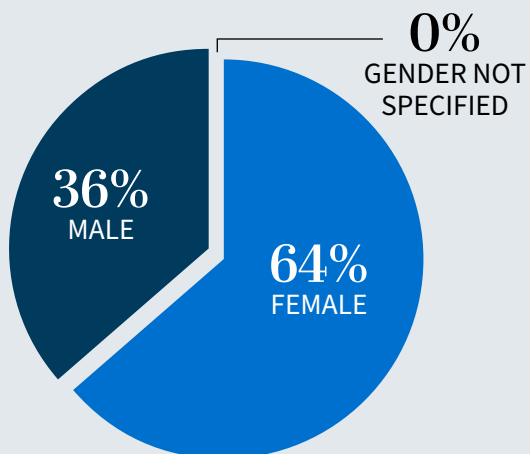
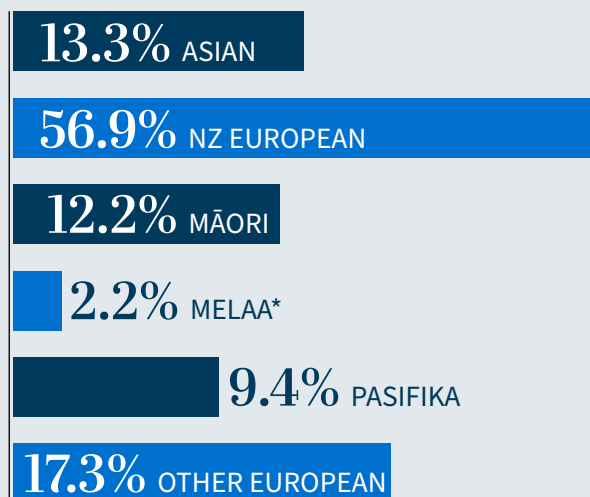
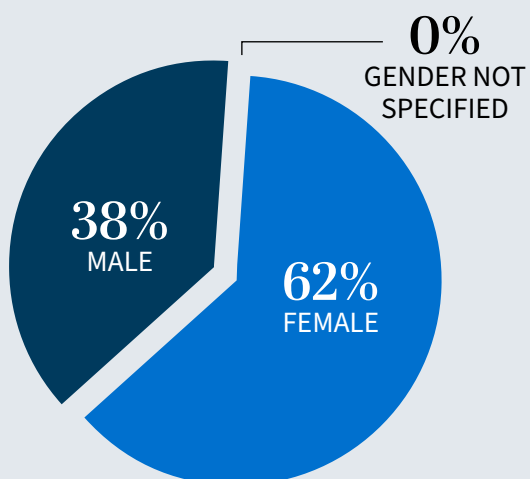


Fig 1: Tier 2 and 3 People Leaders by gender

Fig 2: Tier 2 and 3 People Leaders by ethnicity

Note: Employees may choose up to 2 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 2022



*MELAA = Middle Eastern, Latin American, African

Fig 3: Employees by gender

Fig 4: Employees by ethnicity

Note: Employees may choose up to 2 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 2022:

Location	Job Family	Female	Male	Unknown	Total
Auckland	Corporate	4	14	-	18
	Delivery	145	40	1	186
	Information Management	3	1	-	4
	Information Technology	4	3	-	7
	Non-banded	3	2	1	6
	Policy	5	5	-	10
	Regulatory	22	22	-	44
Auckland Total		186	87	2	275
Christchurch	Corporate	2	4	-	6
	Delivery	49	16	-	65
	Information Management	1	-	-	1
	Information Technology	3	4	2	9
	Non-banded	1	1	1	3
	Policy	-	1	-	1
	Regulatory	5	10	-	15
Christchurch Total		61	36	3	100
Dunedin	Delivery	14	4	-	18
	Information Technology	-	1	-	1
Dunedin Total		14	5	-	19
Gisborne Total	Delivery	4	1	-	5
Greymouth Total	Delivery	2	-	-	2
Hamilton	Corporate	-	1	-	1
	Delivery	8	-	-	8
Hamilton Total		8	1	-	9
Invercargill Total	Delivery	4	1	-	5
Kaitaia Total	Delivery	3	-	-	3
Napier Total	Delivery	2	2	-	4

Location	Job Family	Female	Male	Unknown	Total
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	2	-	7
Taupo	Corporate	1	-	-	1
	Regulatory	-	4	-	4
Taupo Total		1	4	-	5
Wellington	Corporate	270	145	2	417
	Delivery	520	249	2	771
	Information Management	10	5	-	15
	Information Technology	195	195	3	393
	Royal Commission	119	40	1	160
	Non-banded	109	59	1	169
	Policy	105	85	2	192
	Regulatory	60	58	2	120
Wellington Total		1388	836	13	2237
Whangarei Total	Delivery	4	1	-	5
London Total	London	7	4	1	12
Sydney Total	Sydney	7	5	-	12
Total		1704	989	19	2712

Note: Numbers are based on headcount for permanent, fixed-term and events-based employees only. The equivalent full-time of permanent, fixed-term and events-based employees as at 30 June 2022 was 2,644.16.

Table 4: Core unplanned turnover

Financial year	2017/18	2018/19	2019/20	2020/21	2021/22
Turnover rate	13.2%	13.3%	11.6%	10.3%	18.7%

Note: Core unplanned turnover is defined as resignations, retirements, dismissals and death of permanent employees. The turnover rate for Te Tari Taiwhenua has increased significantly over the last 12 months. This is similar to many other public and private sector organisations, with the buoyant labour market and public sector pay restraint among the contributing factors.

Table 5: Average leave entitlement

Financial year	2017/18	2018/19	2019/20	2020/21	2021/22
Average leave entitlement (weeks)	4.23	4.23	4.23	4.25	4.27

Note: Numbers are based on headcount for employees eligible for annual leave (excluding London and Sydney employees).

Tāpiritanga B

Appendix B

Asset performance

Asset Performance

Property asset performance measures

Measure	Indicator	2020/21 Target	2020/21 Actual	2021/22 Target	2021/22 Actual
The percentage 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%
Percentage of owned buildings that have maintained their annual Building Warrant of Fitness where required (see note below)	Condition	100%	70%	100%	100%
Office space density	Functionality	12 – 16 sqm per person	13.99 sqm per person	12 – 16 sqm per person	14.23 sqm per person
Archive storage environments maintained to required standards 24/7: Humidity and Temperature	Functionality	80%	86%	80%	96.9%

Information Communications Technology (ICT) asset performance measures

Measure	Indicator	2020/21 Target	2020/21 Actual	2021/22 Target	2021/22 Actual
Average percentage of time our IT business services are available	Availability	98.5%	99.3%	98.5%	99.5%
Percentage of incidents restored within SLA timeframes (all incidents P1-P4)	Condition	80%	79%	80%	70%
Percentage of workstation devices in use	Utilisation	85%	90%	85%	85%
Percentage of successful changes	Functionality	95%	99.5%	95%	99.0%

Tāpiritanga C

Appendix C

Approved Information Sharing Agreement Reporting

Approved Information Sharing Agreement Reporting

Identity Services AISA

An Approved Information Sharing Agreement (AISA) was established between Te Tari Taiwhenua and the Registrar-General, for the Births, Deaths and Marriages registers during 2019/20. This is known as the Identity Services AISA¹.

Reporting Requirements:

Schedule A: Citizenship by grant applications

35,968 Citizenship applications (individuals) were received in the Customer Centred Management Solution (CCMS) in 2021-2022². Of these:

1. 10,492 have been granted
2. 4,344 have been approved and are awaiting their ceremony
3. 20,987 are being processed
4. 19 have been cancelled
5. 126 have been withdrawn

As a result of the sharing, enabled by the Identity Service AISA, between Te Tari Taiwhenua and the Registrar-General, for the Births, Deaths and Marriages register, 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 notice
6. Zero investigations or civil proceedings under paragraph 10 of the AISA
7. Zero complaints received about an alleged interference with privacy under the agreements and the disposition of those complaints

1 [https://www.dia.govt.nz/diawebsite.nsf/Files/IdentityServicesApprovedInformationSharingAgreement/\\$file/IdentityServicesApprovedInformationSharingAgreement.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/IdentityServicesApprovedInformationSharingAgreement/$file/IdentityServicesApprovedInformationSharingAgreement.pdf)

2 These numbers are as at 24 August 2022 and will continue to be updated as applications are processed. These numbers include both applications submitted directly to CCMS by applicants and paper applications digitised into CCMS by DIA staff

Schedule B: Provision of death information for expired passport-holders contact initiative

1. 19,706 expired passports included in match
2. 389 deceased passports holders identified as a result of the match

Approved Information Sharing Agreement reporting customer nominated services

An Approved Information Sharing Agreement (AISA) known as the Customer Nominated Services AISA³. was established between: Accident Compensation Corporation, Te Tari Taiwhenua, 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 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 Te Tari Taiwhenua; or
- Provided by the Registrar-General

Schedule A: Automatic notification of New Zealand Citizens

Scale

1. 16,684 records provided
2. Zero corrections provided by Te Tari Taiwhenua to MBIE

Benefits: *Quantitative*

1. 16,900 records updated by MBIE
2. 16,172 visas cancelled

Assurance

Details of any difficulties experienced and how they are being, or have been, overcome

No major difficulties have been experienced this year. The automatic updates of citizenship information continue within the system of INZ and client records are updated in the appropriate manner and the applicable resident visa is cancelled as per the relevant legislation.

The 2 potential API enhancements identified last year have been reviewed and further investigation is required to better understand the requirements. The first one was placed on hold due to the other priorities of INZ. However the second one has an agreed and robust manual process in place that is working extremely well at this point in time.

1. The API was not designed to call residence permits and it has been identified that there are still INZ clients who have never travelled out of New Zealand or applied for and been issued a new visa under the 2009 Immigration Act. They still hold a valid resident permit.
2. The API request does not return a 1:1 match when there is more than one identity attached to a client's immigration record. INZ systems holds identity information in a different order and manner compared to the system of Te Tari Taiwhenua. When this occurs, the API will return either a no match or a list of potential client record matches.

³ [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)

Schedule B: Citizenship Online Presence Calculator

1. **263,484** uses of the calculator
2. **79,165** API calls made to INZ
3. **Not recorded⁴**: number of individual client records returned by INZ
4. **8,270** complaints about improper use of the calculator by unauthorised individuals

Benefits: *Quantitatively*

Number of each type of determination made (meets, not meets, no determination)

- a. Meets = 19,029
- b. Not meets = 10,504
- c. No determination = 3,132

Benefits: *Qualitatively*

- Reduces the requirement for individuals to check their presence information with INZ before making a decision to apply for citizenship.
- Reduces wasted time and cost by individuals spent applying for citizenship when they don't meet the presence requirements.
- Reduces the number of applications for citizenship by grant that are declined due to the individual not meeting the presence requirements.

Assurance

Details of any difficulties experienced and how they are being, or have been, overcome.

Difficulties:

Calculating presence in events where our Identity Match API has not returned an exact match to the identity that is queried. This has been addressed as follows:

- An update to the INZ search rules implemented in October 2021 has resulted in more accurate search results.
- A manual process is in place whereby INZ can investigate why this has occurred and provide further information back to Te Tari Taiwhenua.

Te Tari Taiwhenua and Immigration New Zealand continue to work together to seek improvements to the system through periodic updates.

⁴ To protect the privacy of individuals, Te Tari Taiwhenua does not store the data of individuals who use the calculator, and therefore are unable to report the 'Number of individual client records returned by INZ.'

Schedule C: Citizenship Online Staff Summary

Scale:

1. 35,968 individuals applied for citizenship by grant
2. 73,123 API calls were made from Te Tari Taiwhenua to INZ
3. 48,082 individual client records were returned by INZ to Te Tari Taiwhenua⁵
4. 831 applicants withdrew their citizenship by grant application after applying
5. 101 applicants proceeded with their application to the Minister even though they did not meet the criteria. Of these;
 - a. 86 proceeded as a submission⁶, and
 - b. 15 proceeded with exceptions⁷

Benefits: *Quantitatively*

1. 46,770 applicants met the identity criteria. Of these:
 - a. 46,390 had an exact match⁸ and
 - b. 380 matched to many⁹
2. 1,113 applicants did not meet the identity criteria
3. 12,771 applicants met the presence criteria
4. An additional 26,485 applicants met the presence criteria, however had additional visa conditions to be reviewed
5. 8,627 applicants did not meet the presence criteria
6. 815 applicants did not meet the good character criteria¹⁰
7. Zero (0) adverse action letters sent
8. Zero (0) adverse action letters contested
9. Zero (0) adverse action letters not sent due to an active investigation

5 There are more individual client records returned by INZ than individuals who applied for citizenship by grant due to those people who failed the criteria and decided not to apply.

6 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.

7 *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.

8 Personal information submitted to the API returned with an exact match to a person record held by INZ.

9 Personal information submitted to the API returned with a match to 2 or more potential person record held by INZ.

10 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.



Te Tari Taiwhenua
Internal Affairs

Te Tari Taiwhenua Department of Internal Affairs

45 Pipitea Street, PO Box 805, Wellington 6011, Telephone +64 4 495 7200

For more information on the work of the Department of Internal Affairs
please visit our website dia.govt.nz