

# **VOTE** *Internal Affairs*

---

# *Internal Affairs*

---

## Overview

### Departmental Appropriations

Departmental appropriations sought for Vote Internal Affairs in 2006/07 total \$116.263 million. This is intended to be spent as follows:

- \$22.340 million (19% of total departmental appropriations in this Vote) on gaming, regulatory services and censorship to regulate and monitor gaming activity and the control of objectionable material.
- \$83.175 million (72% of total departmental appropriations in this Vote) on identity services including issuing New Zealand passports, processing citizenship applications and the registration of births, deaths, marriages and civil unions.
- \$1.733 million (1% of total departmental appropriations in this Vote) on information, advisory support services to commissions of inquiry and similar bodies, provision of the "New Zealand Gazette" and the authentication of official documents.
- \$4.901 million (4% of total departmental appropriations in this Vote) on policy advice relating to gaming, censorship, fire, and identity; the performance of and appointments to Crown entities; appointments to statutory bodies; policy advice and support for the "Significant Community Based Projects Fund"; and including ministerial correspondence and questions.
- \$3.179 million (3% of total departmental appropriations in this Vote) on services relating to ethnic affairs involving policy advice, ministerial services and the provision of advisory and information services to ethnic communities.
- \$935,000 (1% of total departmental appropriations in this Vote) on contestable services including the provision of translation and other foreign language services to Ministers and third parties.

Details of how appropriations are to be applied appear in Parts B1 and C.

### Non-Departmental Appropriations

Non-departmental appropriations sought for Vote Internal Affairs in 2006/07 total \$2.024 million and also contain a multi-year appropriation for the four-year period 2005/06 to 2008/09 of \$32.000 million. This is intended to be spent as follows:

- \$1.960 million on a non-departmental output for purchasing services from the Office of Film and Literature Classification for examination and classification of films, videos and publications (including digital material).
- \$15,000 for the Commission of Inquiry into Police Conduct.
- \$48,000 on Crown grants to a range of community organisations.
- \$1,000 on the Royal Lifesaving Society (NZ) to enable participation in international forums.
- \$32.000 million to be spent over a four-year period on the "Significant Community Based Projects Fund" to support major community-based projects.

Further information and explanations of the appropriations appear in Parts B2, C and E of this Vote.

## Terms and Definitions Used

MYA	Multi-Year Appropriation
WHRS	Weathertight Homes Resolution Service

## Footnotes

Note 1	For this output expense, the Minister of Finance has approved the incurring of costs up to the estimated level of revenue to be earned from third parties other than the Crown. This approval is given under section 21 of the Public Finance Act 1989.
--------	---

## Minister Portfolio Table

30	Minister for Ethnic Affairs
41	Minister of Internal Affairs

# *Internal Affairs*

---

VOTE MINISTER: Minister of Internal Affairs

ADMINISTERING DEPARTMENT: Department of Internal Affairs

The Minister of Internal Affairs is the Responsible Minister for the Department of Internal Affairs

## Part A - Statement of Objectives and Trends

### Part A1 - Objectives for Vote

#### *Related Government Outcomes*

The Department contributes to the following outcomes:

- Strong, sustainable communities/hapū/iwi
- Safer communities
  - gambling activities are fair and lawful, and harm has been prevented and minimised
  - harm from restricted and objectionable material has been minimised
- Trusted records of New Zealand identity.

#### *Output Expense Appropriations*

The Department of Internal Affairs administers Vote Internal Affairs. The appropriations in this Vote fund a wide range of activities, including policy advice and/or other services, relating to:

- Gaming and censorship regulatory services
- Identity services
- Information and advisory services
- Policy advice on matters relating to gaming, censorship, fire, and identity
- Policy advice and support for the “Significant Community-Based Projects Fund”
- Services for ethnic affairs, including policy advice
- Contestable services.

The outputs provided by the Department are set out in section C1.

## Linkages between Departmental Output Expenses and Outcomes

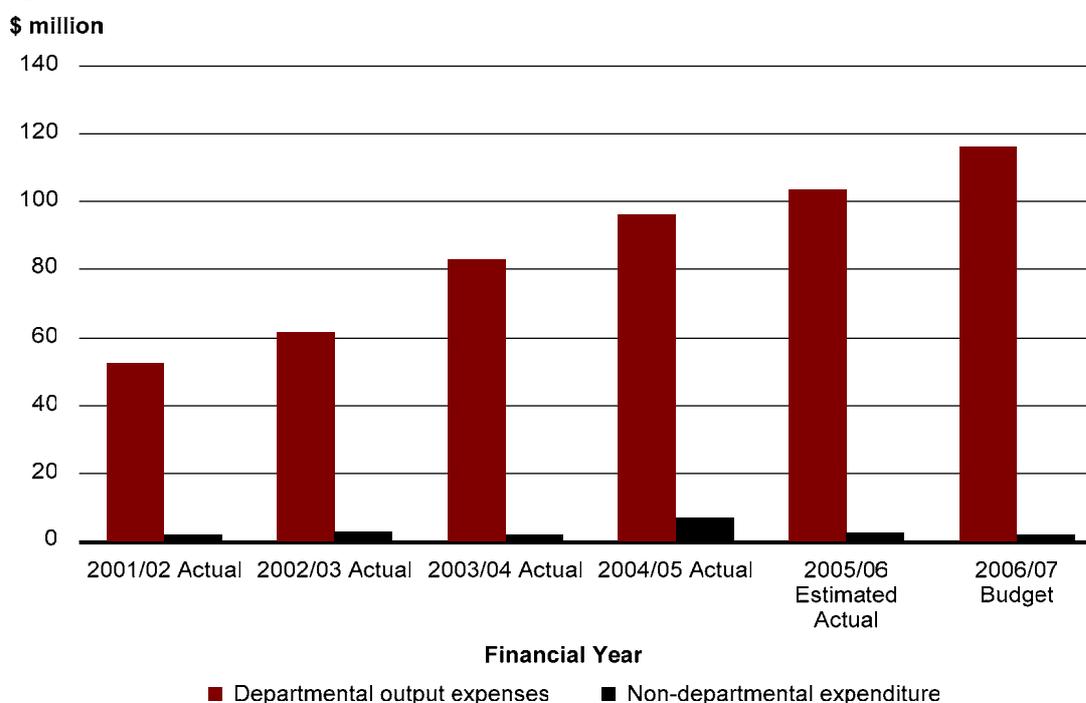
The links between the output expenses to be purchased and the particular outcomes for the Department of Internal Affairs are set out below:

Departmental Output Expenses	Outcomes
Gaming and censorship Regulatory Services	<ul style="list-style-type: none"> <li>• Safer communities</li> </ul>
Identity Services	<ul style="list-style-type: none"> <li>• Trusted records of New Zealand identity</li> <li>• Strong, sustainable communities/hapū/iwi</li> </ul>
Information and Advisory Services	<ul style="list-style-type: none"> <li>• Strong, sustainable communities/hapū/iwi</li> </ul>
Policy Advice - Internal Affairs	<ul style="list-style-type: none"> <li>• Strong, sustainable communities/hapū/iwi</li> <li>• Safer communities</li> <li>• Trusted records of New Zealand identity</li> </ul>
Services for Ethnic Affairs	<ul style="list-style-type: none"> <li>• Strong, sustainable communities/hapū/iwi</li> </ul>
Contestable Services	<i>(This expense funds translation services)</i>

## Part A2 - Trends in Vote

The chart below compares the actuals for 2001/02, 2002/03, 2003/04, 2004/05 and estimated actuals for 2005/06 with the budget for 2006/07, for both Departmental Output Expenses and Non-Departmental Expenditure.

**Figure 1** - Trends in departmental output expenses



Source: Department of Internal Affairs

### *Departmental Output Trends: 2001/02 - 2006/07*

Departmental output expense appropriations in 2006/07 increased by \$12.488 million compared to the 2005/06 Estimated Actuals. Key areas of changes in funding for 2006/07 are:

- Overall increase in funding of \$13.084 million relates to Identity Services mainly due to increased demand for Passport and Citizenship products, Passport Initiatives, funding for Marriage and Civil Union registers and Citizenship by birth registrations.
- Decrease in funding of \$4.215 million for Information and Advisory Services mainly due to a decrease in funding for the Commission of Inquiry into Police Conduct (\$2.457 million), the transfer of Blue Pages to the private sector (\$363,000) and the Ministerial Inquiry into Confidential Forum for Former In-Patients of Psychiatric Hospitals (\$925,000) funded in 2005/06 and the decrease in funding for the Working Group on Concerns of Vietnam Veterans funded in 2005/06 only (\$500,000).
- Decrease in funding in 2006/07 of \$140,000 for Ethnic Affairs Services for the fixed costs of “Language Line” telephone interpreting service.
- Increase in funding in 2006/07 of \$4.211 million for Gaming and Censorship Regulatory Services relates to the introduction of electronic monitoring of gaming machines under the Gambling Act 2003.

Movements in output expenditure between 2001/02 and 2005/06 are mainly due to the transfer of a number of outputs to new Votes. The significant changes are outlined below:

- In 2001/02, services for the community and voluntary sector were transferred to a new vote, Vote Community and Voluntary Sector.
- In 2002/03, the increase was mainly due to the establishment of the Weathertight Homes Resolution Service (WHRS), and transfer of responsibility for building policy and regulation to the Ministry of Economic Development.
- In 2003/04, the increase was mainly due to funding for WHRS, implementation of the Gambling Act 2003, and implementation of the review of the policy functions of the Department.
- In 2004/05, increase in funding relates to the costs of implementing the provisions of the Gambling Act 2003, an increase in compliance with the censorship laws, implementation of authentication services for the State Services Commission, pilot of the “Language Line” telephone interpreting services, and for a full year of operation for the WHRS. Decreases in funding relate to the transition costs for implementing the recommendations of the reviews of the Department’s policy functions and business services and a decrease in the level of administrative services provided to other agencies.
- In 2005/06, decrease in funding was mainly due to the transfer of WHRS to the Department of Building and Housing, and increased security measures for Identity Services systems and products.

### *Non-Departmental Expenditure Trends: 2001/02 to 2006/07*

Marked variations in non-departmental expenses tend to reflect one-off rather than ongoing transactions.

#### **Other expenses to be incurred by the Crown**

- In 2001/02, all payments relating to community grants were transferred to the new vote, Vote Community and Voluntary Sector.
- In 2002/03, interim funding was provided to Water Safety New Zealand, Royal New Zealand Coastguard Federation and the New Zealand Mountain Safety Council. This was to address short-term problems faced by these organisations due to lower grants from the Lottery Grants Board.
- In 2004/05, funding was provided for the Chinese Poll Tax Reconciliation Trust to preserve and support the Chinese New Zealand history, language and culture, and fees to the Commissioners for the Commission of Inquiry into Police Conduct, the Ministerial Review into Allegations of Abuse at the Regular Force Cadet School and the Confidential Forum for Former In-Patients of Psychiatric Hospitals.
- An Expense Transfer from 2003/04 to 2004/05 for the Chinese Poll Tax Reconciliation Trust to preserve and support the Chinese New Zealand history, language and culture.
- In 2005/06, funding was provided for the Commission of Inquiry into Police Conduct.

## New Policy Initiatives by Appropriation

Initiative	Appropriation as shown in Part B	\$000 increase/(decrease)				
		2005/06	2006/07	2007/08	2008/09	2009/10
Agent Orange Joint Working Group	Departmental Output Expense - Information and Advisory Services	500	-	-	-	-
Commission of Inquiry into Police Conduct	Departmental Output Expense - Information and Advisory Services	2,668	211	-	-	-
	Other Expenses To Be Incurred By The Crown - Commission of Inquiry into Police Conduct	207	15			
Confidential Forum for Former In-Patients of Psychiatric Hospitals	Departmental Output Expense - Information and Advisory Services	1,185	260	-	-	-
Development of Evidence of Identity - technical infrastructure	Departmental Output Expense - Identity Services	-	200	900	1,050	1,050
	Impact on Net Asset Schedule	-	-	2,000	-	-
Evidence of Identity - custodianship of standard	Departmental Output Expense - Identity Services	-	100	100	100	100
Maintenance of Public Registers - Citizenships, Marriages and Civil Unions	Departmental Output Expense - Identity Services	250	523	523	523	523
	Impact on Net Asset Schedule	300				
Securing and protecting New Zealanders' identity information	Departmental Output Expense - Identity Services	16,370	16,757	17,228	17,228	17,228
<b>Total Initiatives</b>		<b>21,480</b>	<b>18,066</b>	<b>20,751</b>	<b>18,901</b>	<b>18,901</b>

## Part B - Statement of Appropriations

### Summary of Financial Activity

	2001/02	2002/03	2003/04	2004/05	2005/06		2006/07 Appropriations to be Used				2007/08	2008/09	2009/10	
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budget \$000	Estimated Actual \$000	By the Department Administering the Vote		For Non-Departmental Transactions		Total \$000	Estimated \$000	Estimated \$000	Estimated \$000
							Annual \$000	Other \$000	Annual \$000	Other \$000				
<b>Appropriations</b>														
Output Expenses	54,384	63,804	85,082	98,146	111,735	105,735	115,328	935	1,960	-	118,223	117,941	120,006	124,364
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Other Expenses	89	1,061	76	5,065	256	256	-	-	64	-	64	49	49	49
Capital Expenditure	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	-	N/A	N/A	-	-	-	-
<b>Total Appropriations</b>	<b>54,473</b>	<b>64,865</b>	<b>85,158</b>	<b>103,211</b>	<b>111,991</b>	<b>105,991</b>	<b>115,328</b>	<b>935</b>	<b>2,024</b>	<b>-</b>	<b>118,287</b>	<b>117,990</b>	<b>120,055</b>	<b>124,413</b>
<b>Crown Revenue and Receipts</b>														
Tax Revenue	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Non-Tax Revenue	126	187	3	94	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
<b>Total Crown Revenue and Receipts</b>	<b>126</b>	<b>187</b>	<b>3</b>	<b>94</b>	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Part B1 - Details of Appropriations

Appropriations	2005/06				2006/07		Scope of 2006/07 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Departmental Output Expenses (General)</b>							
Gaming and Censorship Regulatory Services (M41)	18,228	-	18,228	-	22,340	-	- Advice and services to regulate and monitor gaming activity and the control of objectionable material.  Reason for Change: Implementing and operating electronic monitoring under the Gambling Act 2003.
Identity Services (M41)	76,091	-	70,091	-	83,175	-	- Providing effective management of New Zealand's records of identity including: issuing New Zealand passports; processing citizenship applications and the registration of births, deaths, marriages and civil unions.  Reason for Change: Passport Initiatives, increased demand for Passport and Citizenship products, funding for Marriage and Civil Union registers and Citizenship by birth registrations.
Information and Advisory Services (M41)	5,948	-	5,948	-	1,733	-	- Publishing the New Zealand Gazette; authenticating official documents; supporting commissions of inquiry.  Reason for Change: The decrease relates to 2005/06 funding for the Commission of Inquiry into Police Conduct, the Confidential Forum for Former In-Patients of Psychiatric Hospitals, the Working Group on Concerns of Vietnam Veterans and the Ministerial Inquiry into the Waiouru Regular force Cadet School.
Policy Advice - Internal Affairs (M41)	4,810	-	4,810	-	4,901	-	- Policy advice on matters relating to: gaming, censorship, fire, identity and the "Significant Community-based Projects Fund"; the performance of and appointments to Crown entities; appointments to statutory bodies; and drafting ministerial correspondence and questions.
Services for Ethnic Affairs (M30)	3,319	-	3,319	-	3,179	-	- Policy advice on ethnic affairs and the provision of advisory and information services to ethnic communities; drafting ministerial correspondence and questions. Management of the contract for the telephone interpreting service (Language Line).  Reason for Change: The decrease relates to funding for the fixed costs for Language Line.
<b>Total Departmental Output Expenses (General)</b>	<b>108,396</b>	<b>-</b>	<b>102,396</b>	<b>-</b>	<b>115,328</b>	<b>-</b>	

	2005/06				2006/07		Scope of 2006/07 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Appropriations							
Departmental Output Expenses (Restricted by Revenue)							
Contestable Services (M41)	-	1,379	-	1,379	-	935	Providing translation and other foreign language services to Ministers and third parties (see Note 1). Reason for Change: The decrease relates to a reduction in the provision of information technology services to other government departments.
Total Departmental Output Expenses (Restricted by Revenue)	-	1,379	-	1,379	-	935	
Non-Departmental Output Expenses							
Classification of Films, Videos and Publications (M41)	1,960	-	1,960	-	1,960	-	The examination and classification of films, videos and publications by the Office of Film and Literature Classification under the Films, Videos and Publications Classification Act 1993. Provision of information and research on classification procedures and systems.
Total Non-Departmental Output Expenses	1,960	-	1,960	-	1,960	-	
Other Expenses to be Incurred by the Crown							
Commission of Inquiry into Police Conduct (M41)	207	-	207	-	15	-	Fees to Commissioners, for the Commission of Inquiry into Police Conduct - in response to allegations of rape and other conduct, and complaints about the handling of these allegations. Reason for Change: Funding to 31 July 2006.
Miscellaneous Grants - Internal Affairs (M41)	48	-	48	-	48	-	Discretionary funding provided on application.
Royal Life Saving Commonwealth Council (M41)	1	-	1	-	1	-	Enables the Royal Lifesaving Society New Zealand to participate in, and benefit from, international forums.
Total Other Expenses to be Incurred by the Crown	256	-	256	-	64	-	
Total Appropriations	110,612	1,379	104,612	1,379	117,352	935	

## Part B2 - Details of Multi-Year Appropriations

Appropriations	Current Appropriation \$000	Scope of Appropriations
<b>Non-Departmental Output Expense</b>		
<b>Significant Community Based Projects Fund (M41)</b>		This appropriation is to support major community-based projects, with significant participation of the community, that have a range of benefits contributing to regional and/or national outcomes with particular reference to arts, culture and heritage; sport and recreation; tourism; conservation and the environment; and economic development.
Original Appropriation	32,000	
MYA commences	1 July 2005	
MYA Expires	30 June 2009	
Adjustments 2005/06	-	
Appropriation	32,000	
Estimated Actual to 2005/06 Year End	14,000	
Estimated Actual to 2006/07 Year End	23,000	

## Part C - Explanation of Appropriations for Output Expenses

### Part C1 - Departmental Output Expenses

#### *Gaming and Censorship Regulatory Services*

This output covers:

- issuing licences to, and analysing data from, operators involved in the higher-risk forms of gambling
- auditing and monitoring casinos, and gaming sector organisations containing gaming machines, to assess compliance, with an emphasis on high-risk organisations, operators and activities
- investigations, inspections, information gathering and intelligence dissemination regarding possible breaches of the gaming and censorship legislation, and taking enforcement action against those who breach the legislation
- responding to public inquiries and providing targeted education, advice and information regarding gambling and censorship laws, to minimise harm to the community and encourage voluntary compliance
- providing policy advice on the gaming licensing regulatory regime and associated fees
- providing services to the Gambling Commission (these functions are carried out entirely separately to the Department's gambling-related policy and operational functions, to underpin the independence of the Gambling Commission).

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

#### *Identity Services*

This output covers:

- assessing applications for and issuing New Zealand passports and other travel documents
- assessing applications for grant of citizenship
- registering and confirming citizenship
- registering births, deaths, marriages and civil unions
- issuing certificates and providing information and services relating to births, deaths, marriages and civil unions
- maintaining national records relating to passports, citizenship, births, deaths, marriages and civil unions
- developing authorised information-matching programmes with specified government agencies
- providing data to international government agencies, to enhance border security and facilitate travel
- advising Government about authentication of identity and evidence of identity standards.

This work contributes to the development of the following outcomes:

- *Trusted records of New Zealand identity*
- *Strong, sustainable communities/hapū/iwi.*

## *Information and Advisory Services*

This output covers:

- publishing the 'New Zealand Gazette'
- authenticating official documents
- providing information, advisory and support services to commissions of inquiry and similar bodies, as required.

This work is an administrative service for Government.

## *Policy Advice - Internal Affairs*

This output covers:

- policy advice and information on matters relating to:
  - gaming, censorship, fire and identity
  - the performance of and appointments to Crown entities
  - appointments to statutory bodies
  - the Significant Community-Based Project Fund.

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

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

This work contributes to the development of the following outcomes:

- *Strong, sustainable communities/hapū/iwi*
- *Safer communities*
- *Trusted records of New Zealand identity.*

## *Services for Ethnic Affairs*

This output covers:

- providing policy advice and information on matters relating to ethnic affairs. This also involves:
  - arranging meetings for the Minister to facilitate contact with ethnic communities
  - preparing ministerial briefings and speech notes, and providing support for the Minister for Ethnic Affairs, as required, in Cabinet committees, select committees and Parliament
- providing draft replies to ministerial correspondence, Official Information Act 1982 requests, Ombudsman's inquiries and parliamentary questions addressed to the Minister for Ethnic Affairs or referred from other Ministers
- providing advisory and information services to ethnic communities, and information to the public to raise the level of knowledge about ethnic communities and their contribution to New Zealand

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

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

### *Contestable Services*

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

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

## **Part C2 - Non-Departmental Output Expenses**

### *Classification of Films, Videos and Publications*

This Output covers the examination and classification of films, videos and publications under the Films, Videos and Publications Classification Act 1993. The Office of Film and Literature Classification will maintain a register of decisions for public inspection, operate an information unit to provide research, disseminate to the public information about the Office and classification procedure, and receive inquiries and complaints about the classification system.

#### **Performance measures**

A Memorandum of Understanding has been signed between the Minister of Internal Affairs and the Chief Censor of Film and Literature.

The expected results are that all classifications are examined, determined and registered in accordance with the law in the most efficient and effective manner.

Performance Measure	Standard/Target 2006/07	Standard/Target 2005/06
<b>Quantity</b>		
Publications received	1617 - 2500	1600 - 2500
Publications examined	1617 - 2500	1600 - 2500
Publications classified/registered	1617 - 2500	1600 - 2500
Inquiries received	708 - 900	648 - 852
Annual research projects	1	1
<b>Quality</b>		
Classifications consistent with standards in the Classification Office Practice Manual	95%	95%
<b>Timeliness</b>		
Classifications for "simple" section 12 publications completed within 25 days	90%	90%
Classification/registration completed within agreed timeframes	100%	100%
Inquiries responded to within 20 days of receipt	100%	100%

#### **Cost**

This Output Expense will be provided within the appropriated sum of \$1.960 million.

	2005/06 \$000	2006/07 \$000
Total output class expenses	1,960	1,960

**Provider**

The Office of Film and Literature Classification.

***Significant Community Based Projects Fund***

This fund involves the provision of funding to support major community-based projects, with significant support from, and participation by the community, that have a range of benefits contributing to regional and/or national outcomes, with particular reference to arts, culture and heritage; sport and recreation; conservation and environment; tourism; and economic development.

This fund targets those community-based projects, of a regional and/or national significance that would result in a range of benefits, but are unable to progress either because they cannot access appropriate funding, or available funding is insufficient.

**Performance measures**

The Department will measure and report on:

- The process undertaken to determine funding decisions made, i.e. selection criteria have been met.
- Monitoring and accountability reporting of projects.
- Evaluation of progressive measurement of contribution to regional and/or national outcomes.

This output expense will be provided within the multi-year appropriated sum of \$32.000 million over 4 years from 2005/06 to 2008/09.

**Provider**

Community-based organisations.

## Part E - Explanation of Capital Flows

### Part E1 - Explanation of Movements in Departmental Net Asset Schedules

Details of Net Asset Schedule for Department of Internal Affairs	Estimated Actual 2005/06 \$000	Projected 2006/07 \$000	Explanation of Projected Movements in 2006/07
Opening Balance	31,182	40,086	
Capital Injections	11,856	5,042	Capital injections for 06/07 are for IT infrastructure development (\$3.019 million) and securing and protecting identity information (\$2.010 million) and Ruapehu Lahar Management (\$13,000).
Capital Withdrawals	(603)	-	
Surplus to be Retained (Deficit Incurred)	(2,349)	-	
Other Movements	-	2,349	This is a non-cash movement to cover the forecast output deficits.
Closing Balance	40,086	47,477	

### Part E2 - Statement of Estimated and Forecast Net Worth of Entities Owned

	Balance Date	Estimated Net Worth 2006 \$000	Forecast Net Worth 2007 \$000
Crown Entities:			
New Zealand Fire Service Commission	30 June	348,844	368,767
New Zealand Lottery Grants Board	30 June	38,247	39,247
Office of Film and Literature Classification	30 June	2,886	2,731