

VOTE *Internal Affairs*

Internal Affairs

Overview

Departmental Appropriations

Departmental appropriations sought for Vote Internal Affairs in 2007/08 total \$120.739 million. This is intended to be spent as follows:

- \$23.908 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.
- \$85.479 million (71% 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.
- \$1.470 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.
- \$4.980 million (4% of total departmental appropriations in this Vote) on policy advice relating to gaming, censorship, fire, identity, public inquiries and daylight saving; 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.
- \$4.003 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.
- \$899,000 (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 2007/08 total \$2.009 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).
- \$49,000 on Crown grants to a range of community organisations.
- \$32.000 million to be spent over a four-year period on the “Significant Community Based-Projects Fund” to support major community-based projects of national or regional significance.

Further information and explanations of the appropriations appear in Parts B1, B2, C and E of this Vote.

Terms and Definitions Used

MYA	Multi-Year Appropriation
SSRSS	State Sector Retirement Savings Scheme
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.
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Minister Portfolio Table

30	Minister for Ethnic Affairs
41	Minister of Internal Affairs

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, the growth of gambling has been controlled and harm has been prevented and minimised
 - harm from restricted and objectionable material has been minimised
- Trusted records of New Zealand identity.

The Department makes a positive contribution across all the Government's Themes in areas such as:

- **economic transformation** - identify services (passports and other travel documents) and translation and other foreign languages services can help facilitate travel and trade.
- **families - young and old** - effective regulation and enforcement for gambling and objectionable material contributes to safer communities
- **national identity** - records of identity formalise key aspects of our identity as New Zealanders, and services for ethnic affairs provide a point of contact between government and ethnic people and encourage them to participate in New Zealand society.

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, identity, public inquiries and daylight saving
- 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

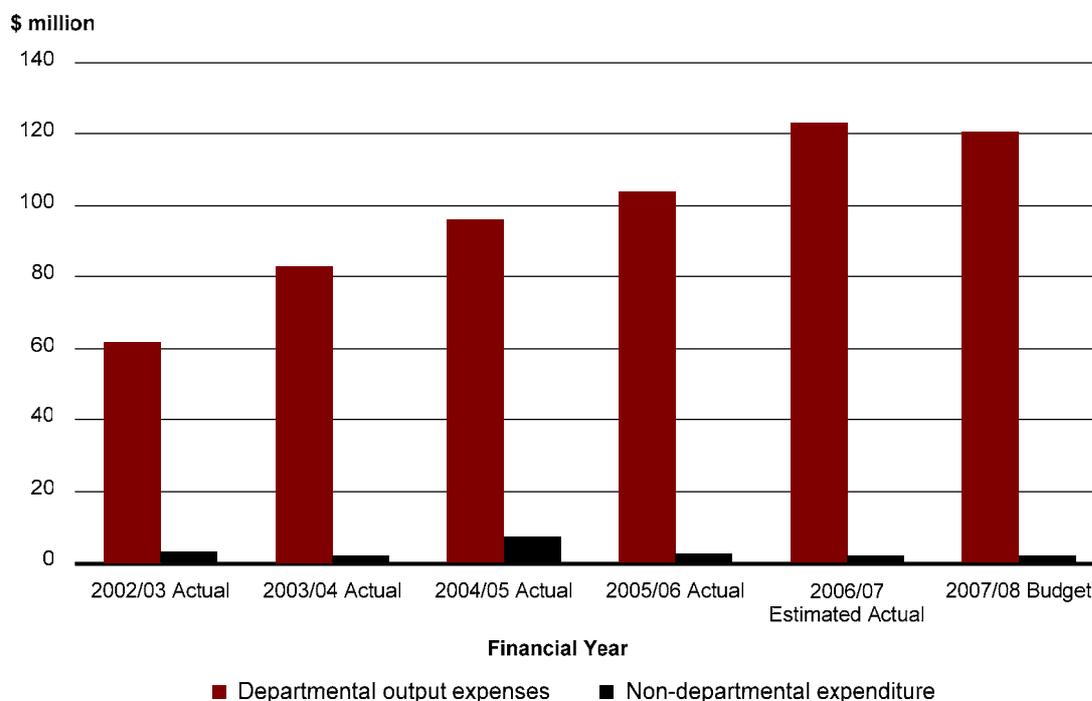
The links between the output expenses to be purchased and the particular outcomes for the Department of Internal Affairs are set out below:

Departmental Output Expenses	Outcomes
Gaming and Censorship Regulatory Services	<ul style="list-style-type: none"> • Safer communities
Identity Services	<ul style="list-style-type: none"> • Trusted records of New Zealand identity • Strong, sustainable communities/hapū/iwi
Information and Advisory Services	<ul style="list-style-type: none"> • Executive Government is well supported
Policy Advice - Internal Affairs	<ul style="list-style-type: none"> • Strong, sustainable communities/hapū/iwi • Safer communities • Trusted records of New Zealand identity • Executive Government is well supported
Services for Ethnic Affairs	<ul style="list-style-type: none"> • Strong, sustainable communities/hapū/iwi
Contestable Services	<ul style="list-style-type: none"> • Executive Government is well supported

Part A2 - Trends in Vote

The chart below compares the actuals from 2002/03 to 2005/06 and estimated actuals for 2006/07 with the budget for 2007/08, for both departmental output expenses and non-departmental expenditure.

Figure 1 - Trends in appropriations



Source: Department of Internal Affairs

Departmental Output Trends: 2002/03- 2007/08

Departmental output expense appropriations in 2007/08 decrease \$2.328 million compared to the 2006/07 Estimated Actuals. Key changes in funding for 2007/08 are:

- Overall decrease in funding of \$953,000 mainly relates to one-off funding in 2006/07 only for the Identity Verification Service (\$3.189 million), and additional resources in 2006/07 to reduce citizenship work in progress (\$1.021 million). This has been potentially offset by a forecast retention of expenditure in 2006/07 of \$4.000 million.
- In 2007/08 additional funding for increasing the security of identity records (\$1.000 million). Decrease in funding of \$3.126 million for Information and Advisory Services mainly due to a decrease in funding for the Commission of Inquiry into Police Conduct (\$1.312 million), the Confidential Forum for Former In-Patients of Psychiatric Hospitals (\$635,000) and the Local Government Rating Inquiry (\$1.079 million).
- Additional funding of \$600,000 for Services to Ethnic Affairs mainly to increase the capacity of the Office of Ethnic Affairs to respond to increased demand from ethnic communities and government.
- Additional funding of \$900,000 for increased electronic monitoring of gaming under the Gaming Act 2003 and for the establishment of an enforcement unit to monitor and enforce compliance with the Unsolicited Electronic Messages Act 2007.

Significant movements in output expenditure between 2002/03 and 2006/07 are mainly due to:

- In 2002/03, 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, funding for WHRS, implementation of the Gambling Act 2003, and implementation of the review of the policy functions of the department.
- In 2004/05, 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 related 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, the transfer of WHRS to the Department of Building and Housing, and increased security measures for Identity Services systems and products.
- In 2006/07, an increase in demand for identity products.

Non-Departmental Expenditure Trends: 2002/03 to 2007/08

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

Other expenses to be incurred by the Crown

- 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 for fees related to 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 was made 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 and 2006/07, 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)				
		2006/07	2007/08	2008/09	2009/10	2010/11
Increasing Ethnic Diversity Leadership	Services for Ethnic Affairs	-	600	600	600	600
Modernisation of Birth and Death Records	Identity Services	-	1,000	1,000	-	-
Local Government Rating Inquiry	Information and Advisory Services	1,284	205	-	-	-
Anti-Spam Regulation	Gaming and Censorship Regulatory Services	450	900	900	900	900
Births, Deaths, Marriages and Relations Registration Amendment Bill	Identity Services	-	165	86	86	86
Total Initiatives		1,734	2,870	2,586	1,586	1,586

Part B - Statement of Appropriations

Summary of Financial Activity

	2002/03	2003/04	2004/05	2005/06	2006/07		2007/08 Appropriations to be Used				2008/09	2009/10	2010/11	
	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				
Appropriations														
Output Expenses	63,804	85,082	98,146	103,465	129,272	125,027	119,840	899	1,960	-	122,699	123,267	125,736	143,081
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Other Expenses	1,061	76	5,065	200	157	157	-	-	49	-	49	49	49	49
Capital Expenditure	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	-	N/A	N/A	-	-	-	-
Total Appropriations	64,865	85,158	103,211	103,665	129,429	125,184	119,840	899	2,009	-	122,748	123,316	125,785	143,130
Crown Revenue and Receipts														
Tax Revenue	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Non-Tax Revenue	187	3	94	7	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Total Crown Revenue and Receipts	187	3	94	7	-	-	N/A	N/A	N/A	N/A	-	-	-	-

Part B1 - Details of Appropriations

Appropriations	2006/07				2007/08		Scope of 2007/08 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Expenses (General)							
Gaming and Censorship Regulatory Services (M41)	23,059	-	22,827	-	23,908	-	<p>Operational advice and services to regulate and monitor gaming activity; the control of objectionable material and enforcement services to address the problem of spam.</p> <p>Reason for Change: The increase relates to implementing and operating electronic monitoring under the Gambling Act 2003 and the establishment of an enforcement unit to enforce the anti-spam legislation.</p>
Identity Services (M41)	89,935	-	86,432	-	85,479	-	<p>Providing effective management of New Zealand's records of identity including: issuing New Zealand passports; processing citizenship applications; and registering births, deaths, marriages and civil unions; developing authorised information-matching programmes with specified government agencies; providing data or data verification to international government agencies, to enhance border and facilitate travel; working across government to develop authentication of identity and to facilitate good practice based on Evidence of Identity Standard.</p> <p>Reason for Change: The decrease relates to funding for Identity Verification Service, additional costs to reduce the volume of Citizenship work in progress and a forecast decrease in expenditure in 2006/07 only, partially offset by an increase in 2007/08 for securing identity records.</p>
Information and Advisory Services (M41)	5,007	-	4,596	-	-	-	<p>Publishing the New Zealand Gazette; authenticating official documents; coordinating the congratulatory message service; supporting commissions of inquiry.</p> <p>Reason for Change: This output expense now forms part of the multi-class output appropriation Policy and Advisory Services.</p>
Policy Advice - Internal Affairs (M41)	4,977	-	4,906	-	-	-	<p>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.</p> <p>Reason for Change: This output expense now forms part of the multi-class output appropriation Policy and Advisory Services.</p>

Appropriations	2006/07				2007/08		Scope of 2007/08 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Policy and Advisory Services MCOA							Basis: Both output expenses contribute to the strengthening of national identity and maintaining trust in government.
Information and Advisory Services	-	-	-	-	1,470	-	- Publishing the New Zealand Gazette; authenticating official documents; supporting commissions of inquiry and coordinating the congratulatory message service. Reason for Change: The decrease relates to 2006/07 funding for the Commission of Inquiry into Police Conduct, the Confidential Forum for Former In-Patients of Psychiatric Hospitals and the Local Government Rating Inquiry.
Policy Advice - Internal Affairs	-	-	-	-	4,980	-	- Policy advice on matters relating to: gaming, censorship, fire, identity, public inquiries, daylight saving 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.
Policy and Advisory Services (M41)	-	-	-	-	6,450	-	
Services for Ethnic Affairs (M30)	3,395	-	3,367	-	4,003	-	- Policy advice on ethnic affairs and 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); and provision of information and training to ethnic communities and government agencies using Language Line. Reason for Change: The increase relates to funding for increasing ethnic diversity leadership.
Total Departmental Output Expenses (General)	126,373	-	122,128	-	119,840	-	
Departmental Output Expenses (Restricted by Revenue)							
Contestable Services (M41)	-	939	-	939	-	899	Providing translation and other foreign language services to Government and the public.
Total Departmental Output Expenses (Restricted by Revenue)	-	939	-	939	-	899	
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	-	

Appropriations	2006/07				2007/08		Scope of 2007/08 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Other Expenses to be Incurred by the Crown							
Commission of Inquiry into Police Conduct (M41)	108	-	108	-	-	-	- 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 30 June 2007 only.
Miscellaneous Grants - Internal Affairs (M41)	48	-	48	-	49	-	- Miscellaneous Grant payments to individuals or organisations to assist in building a strong and safe nation through serving and connecting citizens, communities and Government.
Royal Life Saving Commonwealth Council (M41)	1	-	1	-	-	-	- Enables the Royal Lifesaving Society New Zealand to participate in, and benefit from, international forums. Reason for Change: This item has been consolidated with the non-departmental other expense Miscellaneous Grants - Internal Affairs.
Total Other Expenses to be Incurred by the Crown	157	-	157	-	49	-	
Total Appropriations	128,490	939	124,245	939	121,849	899	

Part B2 - Details of Multi-Year Appropriations

Appropriations	Current Appropriation \$000	Scope of Appropriations
Non-Departmental Output Expenses		
Significant Community Based Projects Fund (M41)		
Original Appropriation	32,000	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.
Commences	1 July 2005	
Expires	30 June 2009	
Adjustments 2006/07	-	
Appropriation	32,000	
Estimated Actual to 2006/07 Year End	32,000	
Estimated Actual to 2007/08 Year End	32,000	

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 operating 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 operational 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)
- establishing and providing enforcement services and participating in international regulatory arrangements to address the problem of spam.

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 or data verification to international government agencies, to enhance border security and facilitate travel
- working across government to develop authentication of identity and to facilitate good practice based on the Evidence of Identity Standard.

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
- coordinating the congratulatory message service
- providing information, advisory and support services to commissions of inquiry and similar bodies, as required.

This work is an administrative service for Government and contributes to the key objective of ensuring Executive Government is well supported.

Policy Advice - Internal Affairs

This output covers:

- policy advice and information on matters relating to:
 - gaming, censorship, fire, identity, public inquiries and daylight saving
 - the performance of and appointments to Crown entities
 - appointments to statutory bodies
 - the Significant Community-Based Projects 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*
- *Ensuring Executive Government is well supported.*

Services for Ethnic Affairs

This output covers policy advice and information on matters relating to ethnic affairs including:

- 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
- providing advice on ethnic perspectives to other agencies through participating in cross-government initiatives and providing secondary policy advice
- managing the contract for the telephone interpreting service (Language Line)
- providing information and training to ethnic communities and government agencies using 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 Government and the public.

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, classified and registered in accordance with the law in the most efficient and effective manner.

Performance Measure	Standard/Target 2007/08	Standard/Target 2006/07
Quantity		
Publications received	1617 - 2500	1600 - 2500
Publications examined	1617 - 2500	1600 - 2500
Publications classified/registered	1617 - 2500	1600 - 2500
Inquires received	708 - 900	648 - 852
Annual research projects	1	1
Performance Measure	Standard/Target 2007/08	Standard/Target 2006/07
Quality		
Classifications consistent with standards in the Classification Office Practice Manual	95%	95%
Timeliness		
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.

	2006/07 \$000	2007/08 \$000
Total output class expenses	1,960	1,960
Total output class revenues	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, ie, 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 2006/07 \$000	Projected 2007/08 \$000	Explanation of Projected Movements in 2007/08
Opening Balance	44,218	44,738	
Capital Injections	520	9,472	Capital injections for 2007/08 are for Backup Emergency Operations Facilities (\$2.000 million), Anti-Spam Regulation (\$250,000), for the development of Evidence of Identity Technical Infrastructure (\$2.000 million) and to implement changes to provisions contained in the Births, Deaths, Marriages and Relationships Registration Amendment Bill (\$180,000). In-principle capital transfers from 2006/07 to 2007/08 (\$5.042 million).
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	(289)	
Other Movements	-	-	
Closing Balance	44,738	53,921	