

# VOTE *Internal Affairs*

---

# *Internal Affairs*

---

## Overview

### Departmental Appropriations

Departmental appropriations sought for Vote Internal Affairs in 2004/05 total \$97.038 million including GST. This is intended to be spent as follows:

- \$3.911 million (4% of 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; and including Ministerial correspondence and questions.
- \$3.038 million (3% of departmental appropriations in this Vote) on information, advisory support services to the Commission of Inquiry into Police Conduct, provision of the New Zealand Gazette and the authentication of official documents.
- \$17.202 million (18% of departmental appropriations in this Vote) on encouraging and enforcing compliance with censorship and gaming legislation and regulations, maximizing the returns to the community from gambling and ensuring the social and economic harm from gambling is minimised, and the function of the Gambling Commission.
- \$54.030 million (55% of departmental appropriations in this Vote) on identity services including issuing New Zealand passports, processing citizenship applications and the registration of births, deaths and marriages.
- \$2.606 million (3% of 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.
- \$15.315 million (16% of departmental appropriations in this Vote) to provide owners of dwellinghouses affected by the leaky building “syndrome” with access to speedy, flexible and cost-effective procedures for assessment and resolution of claims relating to those buildings.
- \$936,000 (1% of departmental appropriations in this Vote) on contestable services including the provision of translation and other foreign language services to third parties and services provided to other Government departments.

### Non-Departmental Appropriations

Non-departmental appropriations sought for Vote Internal Affairs in 2004/05 total \$2.437 million. This is intended to be spent as follows:

- \$2.205 million on a non-departmental output relating to purchasing services from the Office of Film and Literature Classification for examination and classification of films, videos and publications (including digital material).
- \$183,000 for fees to Commissioners, 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.

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

## Terms and Definitions Used

**WHRS**                      Weathertight Homes Resolution Service

## Footnotes

**Note 1**                      For this output class, the Minister of Finance has approved the incurring of costs up to the estimated level of trading revenue earned from third parties. This approval is given under section 10 of the Public Finance Act 1989.

# *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 Internal Affairs

#### *Related Government Outcomes*

The appropriations to Vote Internal Affairs will fund advice and services in the areas of gaming and censorship regulation, identity information, ethnic affairs and policy advice to Ministers. These services will contribute to the following Government key goals:

- Strengthen national identity and uphold the principles of the Treaty of Waitangi.
- Grow an inclusive, innovative economy for the benefit of all.
- Maintain trust in Government and provide strong social services.

#### *Output Class Linkage to Government's Outcomes*

The output classes of Vote Internal Affairs contribute to the Departmental outcomes:

“Strong sustainable communities/hapū/iwi”

“Safer communities”

“New Zealand and international communities trust the integrity of New Zealand's records of identity”

Key strategies for this Vote in 2004/05 to achieve these outcomes include:

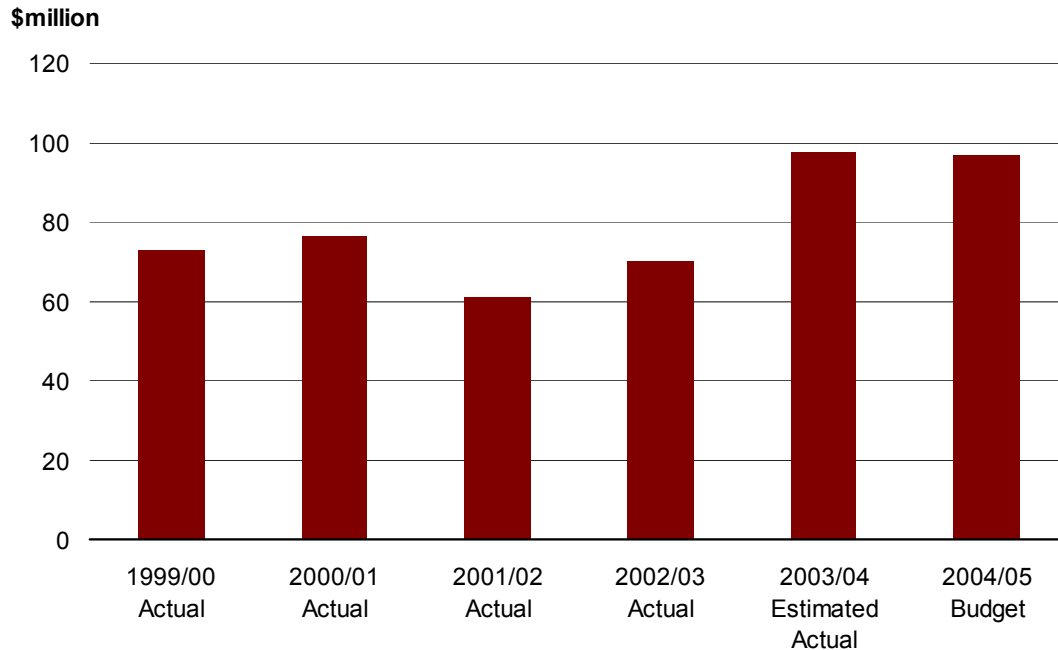
- Implementation of the operational requirements of the Gambling Act 2003.
- Development of an Electronic Monitoring System (EMS) for non-casino gaming machines.
- Redevelopment of the passports system, the first stage of which will be incorporation of a microchip into the passport to hold biometric data.
- Contribute to development of a whole of government authentication solution.
- Implementation of legislative changes that enhance protection of identity records and enable e-government initiatives.
- Development of new fire and rescue legislation.
- Support the establishment of a trust as part of the Chinese poll tax descendants reconciliation package.
- Continued development of Language Line.

## Part A2 - Trends in Vote Internal Affairs

### *Departmental Output Trends: 1999/2000 to 2004/05*

The chart below shows the trend in departmental output class appropriations over time.

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



Source: Department of Internal Affairs

Departmental output class appropriations in 2004/05 decreased by \$364,000 compared to the 2003/04 Estimated Actuals. This is mainly due to:

- Decrease in funding in 2004/05 by \$887,000 mainly relates to the transition costs for implementing the recommendations of the reviews of the Department's policy function and business services.
- Increase in funding in 2004/05 of \$1.093 million mainly relates to the costs of implementing the provisions of the Gambling Act 2003 and additional funding to increase compliance with censorship laws.
- Estimated actuals for Identity services in 2003/04 is higher than the budget in 2004/05 mainly due to an increase in funding of \$3,333 million for increased demand for Identity Services products in 2003/04, funding of \$607,000 for passport security and development activity in 2003/04, and an increase in funding of \$1.309 million in 2004/05 for implementation of authentication services for the State Services Commission.
- Increase in funding in 2004/05 of \$544,000 mainly relates to the pilot "Language Line" telephone interpreting service.
- Increase in funding in 2004/05 of \$2.072 million for a full year of operation of the WHRS.
- Reduction of \$440,000 in 2004/05, mainly due to a decrease in the level of administrative services provided to other agencies.

Movements in output expenditure between 1999/2000 and 2003/04 are mainly due to the transfer of a number of outputs to new Votes. The significant changes are outlined below:

- In 2000/01, the increase related principally to Royal Commission on Genetic Modification.
- 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 is mainly due to the establishment of the Weathertight Homes Resolution Service, and transfer of responsibility for building policy and regulation to the Ministry of Economic Development.
- In 2003/04, the increase is mainly due to funding for WHRS, implementation of the Gambling Act 2003, increase in casino monitoring activity, and implementation of the review of the policy functions of the department.

### *Non-Departmental Expenditure and Revenue Trends: 1999/2000 to 2004/05*

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

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

- In 2000/01, the overall decrease in funding is mainly due to decrease in Commonwealth War Graves which was transferred to Vote Arts, Culture and Heritage partially offset by increases relating to fees to Commissioners for the Royal Commission on Genetic Modification, Community Organisation Grant Schemes, and Māori Community Development Workers Scheme.
- 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 2003/04, 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.

**Capital contribution**

The capital contributions received by the Department are set out below:

- In 1999/2000 and 2000/01, to fund an increase in accommodation for the National Archives in Wellington.
- In 2001/02, for the computerisation of historical births, deaths and marriage records.
- In 2001/02 and 2002/03 to fund the development of Identity Services systems.
- In 2004/05 to fund the development of a case management system for WHRS, and Ruapehu Lahar management.



## Reconciliation of New Initiatives to Appropriations

Initiative	Appropriations as shown in Part B	\$000 increase/(decrease)				
		2003/04	2004/05	2005/06	2006/07	2007/08
Additional funding to improve the policy capability and capacity of the Department	Departmental Output Class - Policy Advice - Internal Affairs	3,093	1,266	1,266	1,266	1,266
Commission of Inquiry into Police Conduct	Departmental Output Class - Information and Advisory Services	1,333	1,272	-	-	-
	Non-Departmental Output Class - Commission of Inquiry into Police Conduct	183	183	-	-	-
Censorship - Increased Protection	Departmental Output Class - Gaming and Censorship Regulatory Services	-	356	317	317	317
Implementation of the provisions and administration of the Gambling Act 2003	Departmental Output Class - Gaming and Censorship Regulatory Services	2,855	3,208	3,034	2,918	2,834
Language line telephone interpreting services	Departmental Output Class - Services for Ethnic Affairs	-	1,266	-	-	-
Continued funding for the Weathertight Homes Resolution Service	Departmental Output Class - Weathertight Homes Resolution Service	3,383	12,273	-	-	-
	Capital Contribution to the Department - Capital Investment	-	600	-	-	-
Ruapehu Lahar Management	Capital Contribution to the Department - Capital Investment	-	37	13	13	-
<b>Total Initiatives</b>		<b>10,847</b>	<b>20,461</b>	<b>4,630</b>	<b>4,514</b>	<b>4,417</b>

## Trends in Vote Internal Affairs - Summary of Appropriations and Crown Revenue

Types of Appropriation	1999/2000	2000/01	2001/02	2002/03	2003/04		2004/05 Appropriations to be Used				2005/06	2006/07	2007/08	
	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>Operating Flows</b>														
Classes of Outputs to be Supplied	78,643	79,197	62,016	72,181	100,967	99,607	96,102	936	2,205	-	99,243	80,678	79,624	79,540
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Other Expenses	14,175	13,237	89	1,188	5,232	5,232	-	-	232	-	232	49	49	49
<b>Capital Flows</b>														
Capital Contributions	2,220	2,799	4,038	4,055	-	-	637	-	-	-	637	13	13	-
Purchase or Development of Capital Assets	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Repayment of Debt	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
<b>Total Appropriations</b>	95,038	95,233	66,143	77,424	106,199	104,839	96,739	936	2,437	-	100,112	80,740	79,686	79,589
<b>Total Crown Revenue and Receipts</b>	173	34	126	187	-	-	N/A	N/A	N/A	N/A	-	-	-	-

## Part B - Statement of Appropriations

### Part B1 - Details of Appropriations

	2003/04				2004/05		Description of 2004/05 Appropriations
	Vote		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Departmental Output Classes (Mode B Gross)</b>							
Policy Advice - Internal Affairs	5,652	-	4,798	-	<b>3,911</b>		- Policy advice on matters relating to gaming, censorship, fire, and identity; the performance of and appointments to Crown entities; appointments to statutory bodies; and including Ministerial correspondence and questions. The reduction in funding mainly relates to the transition costs for the implementation of the recommendations of the reviews of the Department's policy functions, and business services.
Information and Advisory Services	3,193	-	3,153	-	<b>3,038</b>		- The provision of the New Zealand Gazette and the authentication of official documents. This output class also provides for information, advisory and support services to Commission of Inquiry into Police Conduct. The reduction in funding mainly relates to an increase in the level of activity for NZ Gazette in 2003/04.
Gaming and Censorship Regulatory Services	16,433	-	16,109	-	<b>17,202</b>		- Encourages and enforces compliance with censorship and gaming legislation and regulations, maximizing the returns to the community from gambling and ensuring the social and economic harm from gambling is minimised. The increase in funding mainly relates to implementing the provisions of the Gambling Act 2003 and increased compliance with censorship laws.
Identity Services	56,661	-	56,661	-	<b>54,030</b>		- Issuing New Zealand passports. Processing citizenship applications. Registration of births, deaths and marriages. The reduction in funding in 2004/05 mainly relates to an increase in demand for Identity Services products in 2003/04, higher level of funding for passport security and development activity in 2003/04, partially offset by an increase in funding for implementation of authentication services for the State Services Commission in 2004/05.

## Part B1 - Details of Appropriations (continued)

	2003/04				2004/05		Description of 2004/05 Appropriations
	Vote		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Departmental Output Classes (Mode B Gross) - cont'd</b>							
Services for Ethnic Affairs	2,204	-	2,062	-	<b>2,606</b>	-	- Policy advice on ethnic affairs and the provision of advisory and information services to ethnic communities; responses to Ministerial correspondence and questions. Management of the contract for the telephone interpreting service pilot. The increase in funding relates to the pilot "Language Line" telephone interpreting service.
Weathertight Homes Resolution Service	13,243	-	13,243	-	<b>15,315</b>	-	- Provide owners of dwelling houses affected by the leaky building "syndrome" with access to speedy, flexible and cost-effective procedures for assessment and resolution of claims relating to those buildings. The increase in funding relates to a full year of operation of the service in accordance with the WHRS Act 2002.
<b>Total Appropriations for Departmental Output Classes (Mode B Gross)</b>	97,386	-	96,026	-	96,102	-	
<b>Departmental Output Classes (Mode B Net)</b>							
Contestable Services	-	1,376	-	1,376	-	936	Provision of translation and other foreign language services to third parties. Also includes services provided to other government departments (see Note 1).
<b>Total Appropriations for Departmental Output Classes (Mode B Net)</b>	-	1,376	-	1,376	-	936	

<b>Non-Departmental Output Classes</b>							
Classification of Films, Videos and Publications	2,205	-	2,205	-	<b>2,205</b>	-	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.
<b>Total Appropriations for Non-Departmental Output Classes</b>	2,205	-	2,205	-	2,205	-	
<b>Other Expenses to be Incurred by the Crown</b>							
Chinese Poll Tax Reconciliation Trust	5,000	-	5,000	-	-	-	To preserve and support the Chinese New Zealand history, language and culture.
Commission of Inquiry into Police Conduct	183	-	183	-	<b>183</b>	-	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.
Miscellaneous Grants - Internal Affairs	48	-	48	-	<b>48</b>	-	Discretionary funding provided on application.
Royal Life Saving Commonwealth Council	1	-	1	-	<b>1</b>	-	Enables the Royal Lifesaving Society (NZ) to participate in, and benefit from, international forums.
<b>Total Appropriations for Other Expenses to be Incurred by the Crown</b>	5,232	-	5,232	-	232	-	
<b>Capital Contributions to the Department</b>							
Capital Investment	-	-	-	-	<b>637</b>	-	Capital contribution for the development of a case management system for WHRS, and Ruapehu Lahar management in 2004/05.
<b>Total Appropriations for Capital Contributions to the Department</b>	-	-	-	-	637	-	
<b>Total Appropriations</b>	104,823	1,376	103,463	1,376	99,176	936	

## Part C - Explanation of Appropriations for Output Classes

### Part C1 - Departmental Output Classes

#### *Output Class - Policy Advice - Internal Affairs*

This output class involves the provision of:

- Policy advice and information on matters relating to gaming, censorship, fire and identity; the performance of and appointments to Crown entities; and appointments to statutory bodies. Policy advice also involves preparation of Ministerial briefings and speech notes and the provision of 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 enquiries, and parliamentary questions, addressed to the Minister of Internal Affairs or referred from other Ministers.

#### *Output Class - Information and Advisory Services*

This output class involves:

- Delivery of the New Zealand Gazette and the authentication of official documents.
- Information, advisory and support services to Commissions of Inquiry when warranted.

#### *Output Class - Gaming and Censorship Regulatory Services*

This output class involves the provision of a range of services aimed at encouraging and enforcing compliance with censorship and gaming legislation and regulations, maximising the returns to the community from gambling and ensuring the social and economic harm from gambling is minimised. It also includes the function of the Gambling Commission. The four objectives in this output class are to:

- Increase compliance in the gaming sector.
- Increase the return to the community from non-casino gaming machine operations.
- Contribute effectively to strategies to prevent and minimise harm.
- Increase compliance with censorship laws.

### *Output Class - Identity Services*

This output class involves the provision of identity products and information about the services, entitlements and obligations arising from the Citizenship Act 1977, the Passport Act 1992 and the Births, Deaths and Marriages Registration Act 1995 including:

- Assessment of applications for and issuing of New Zealand passports and other travel documents.
- Assessment of applications for grant of citizenship.
- Registration and confirmation of citizenship.
- Registration of births, deaths and marriages.
- Issuing certificates and providing information and services relating to births, deaths and marriages.
- Maintenance of associated national records relating to passports, citizenship, births, deaths and marriages.

### *Output Class - Services for Ethnic Affairs*

This output class involves the provision of:

- Policy advice and information on matters relating to ethnic affairs. This also involves arranging meetings for the Minister to facilitate contact with ethnic communities, preparation of briefings, speech notes and support for the Minister for Ethnic Affairs, as required, in Cabinet committees, select committees and Parliament.
- Draft replies to Ministerial correspondence, Official Information Act 1982 requests, Ombudsman's enquiries, and parliamentary questions, addressed to the Minister for Ethnic Affairs or referred from other Ministers.
- Advisory and information services to ethnic communities and the provision of public information to raise the level of knowledge about ethnic communities and their contribution to New Zealand.
- Management of the contract for the telephone interpreting service pilot (Language Line).

### *Output Class - Weathertight Homes Resolution Service*

The purpose of the Weathertight Homes Resolution Services Act 2002 is to provide owners of dwellinghouses that are leaky buildings with access to speedy, flexible, and cost-effective procedures for assessment and resolution of claims relating to those buildings.

The Weathertight Homes Resolution Service, established in December 2002, provides a dispute resolution process for homeowners whose homes are affected by the leaky building “syndrome”. This dispute resolution process is an alternative to legal action through the court system.

- The Service assesses eligibility of claims under identified criteria, and provides for an independent assessment of the specific technical issues of each case, including remedial measures.
- The Service provides a voluntary mediation facility through which affected parties can express their perspectives and potentially agree on a binding settlement acceptable to them all.
- Where mediation is not the preferred option of the parties, or where a successful resolution is not achieved, the Service provides the option of an adjudication process. The adjudication service includes provision for compulsory involvement and for enforceable determinations by an adjudicator appointed by the Crown.

### *Output Class - Contestable Services*

This output class involves the provision of services to both government and non-government agencies, which may be provided by other organisations and are therefore contestable services. These services include translation and other foreign language services to Ministers and third parties, and administrative support services provided to other government departments.

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

### *Output Class - Classification of Films, Videos and Publications*

This output class involves the examination and classification of films, videos and publications under the Films, Videos and Publications Classification Act 1993. This service is provided by the Office of Film and Literature Classification. The Office 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.



**Quantity, quality, timeliness and cost**

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.

This output class will be provided within the appropriated sum of \$2.205 million (inclusive of GST).

<b>2004/05</b>	Total output class to be provided within (GST inclusive)	\$2.205 million
<b>2003/04</b>	Total output class to be provided within (GST inclusive)	\$2.205 million

**Provider**

The Office of Film and Literature Classification.

## Part E - Explanation of Appropriations for Capital Flows

### Part E1 - Capital Contributions

#### *Net Worth of Entities Owned*

The Minister of Internal Affairs is responsible for the Government's ownership interests in certain agencies and organisations. The estimated net worth (total assets less total liabilities) of these bodies is listed in the table below.

#### Statement of Estimated and Forecast Net Worth

	Balance Date	Estimated Net Worth 2004 \$ million	Forecast Net Worth 2005 \$ million
Department of Internal Affairs	30 June	23.459	20.354
Crown Entities:			
Casino Control Authority	30 June	0.804	-
New Zealand Fire Service Commission	30 June	241.871	241.871
New Zealand Lottery Grants Board	30 June	7.861	8.861
Office of Film and Literature Classification	30 June	2.647	2.647