

PART TWO: THE YEAR IN REVIEW



introduction

Integral to New Zealand's 'home affairs' since 1840, the Department of Internal Affairs is a core contributor to achieving government goals and to our system of government itself.

Our purpose is to serve and connect citizens, communities and government to build a strong, safe nation.

During the year, the Department has been able to make good progress towards the following three intermediate outcomes, aligned with key government goals as recorded in our Statement of Intent for 2002 – 2003.

1. Fostering community, citizenship and democracy

Active citizenship, democracy and community life are supported by enabling and encouraging participation in our society and communities, and by providing access to information, funding and services.

2. Assuring the integrity of identity and official information

The stewardship and integrity of New Zealanders' personal identity and official information is assured; citizens and international agencies are able to trust our documents and formal records.

3. Enhancing safety in communities

New Zealanders can trust that effective systems are in place for civil defence, emergency management, fire protection and safe buildings, so that safety is enhanced and the likelihood and effects of disasters are reduced and managed and have confidence that their values and laws are upheld in the enforcement of censorship and gaming legislation.

While during the year we have successfully maintained day-to-day operations (refer to Part 3 Performance Information pages 47 – 87), we have also advanced strategic goals. At the same time, we have been tasked with finding processes and tools to help resolve situations that have seized national awareness.

No one measure can adequately reflect the well-being of our communities. However, the following pages show that good progress is being made towards the Department's intermediate outcomes along a number of key measures of significance for all New Zealanders. We review a number of the Department's main achievements under the intermediate outcome each contributes to most strongly. In reality, our activities are interlinked and many contribute to several outcomes.

fostering **Community,** **Citizenship** and **democracy**

A strong, cohesive nation is built on thriving communities.

The Department contributes towards the well-being of our communities at a number of levels. Our Community Development Group, for example, has developed a central 'brokering' role in maximising the efforts and resources of local and central government in specific communities, and engaging community groups with the available agencies, services and resources.

By encouraging participation in local government, we also help provide the framework through which communities can make choices about their futures. Our Office of Ethnic Affairs helps New Zealand's growing ethnic minorities to participate in and contribute to our social and economic life.

The following reports on major items of work through the year show how the Department fosters community, citizenship and democracy.

'Joined-up government initiatives'

Te Rarawa

Supporting Te Rarawa iwi development plan, via a Memorandum of Understanding with 31 government agencies to develop a single government contract for services.

Violence Free Wairarapa Strategy

Changing social attitudes to family violence, supported by a co-ordinated network of helping services.

Sustainable Housing Forum

Linking agencies to improve housing in Northland and East Coast - Bay of Plenty.

Towards strong, sustainable communities

The government and community sectors share goals of social participation, social equity and strengthened communities. The Department's Community Development Group focused on three key areas during the year.

Building positive partnerships

Operationally, our Community Advisors are becoming catalysts for 'joined-up government initiatives' at a local level. Through these initiatives, the considerable resources within central and local government are co-ordinated to work together in a planned, focused and sometimes very innovative response to the specific needs of individual communities. In helping communities to identify their needs and work towards their objectives, our Community Advisors draw on the Department's community development tools and methodologies, and advise communities on available sources of funding to support their initiatives.

At the strategic level, we liaise closely with other agencies interested or active in the community sector. A joint Community Agency monthly meeting brings together the Department's community policy team, with the Ministry of Social Development community policy, the Community Employment Group and Child Youth and Family.

Increasing government and community connectedness

Through the process of community development, we are helping communities, hapū/iwi and Māori to plan and act on their strategies to achieve sustainable social, economic, and environmental well-being.

Key elements of our 'sustainable community development project' include:

- developing and testing tools, methods and models through community action research projects. We released a discussion paper jointly with the Ministry of Social Development in November 2002
- Te Whakamotuhaketanga Hapū strategy to improve effectiveness for Māori. We released a draft strategy in April 2003
- a Skills Training project, to design and deliver an 18-month learning programme on contemporary community development practice for the Community Development Group.

Streamlining community funding

To support the community and voluntary sectors in their work for the well-being of our communities, we administer over \$114 million a year in community funding.

Grants Online (GOL) is a new online grants application processing system, due to go live in November 2003. The new system will enable community groups to apply for grants online, track their applications, manage their own details, find information, and communicate with local advisors. It will also help improve allocation decision-making.

Encouraging participation in local government

On 20 December 2002, Local Government Minister Chris Carter welcomed "the start of a fresh era for New Zealand's city, district and regional councils", as Parliament passed the new Local Government Act.

Described by the Minister as "...a great day for communities everywhere who will have more voice in their local government, and more opportunity to ensure their needs are met," he said the Act will "allow communities to express their differences rather than restrict them in 'a one-size fits all' approach."

Shaping the legislation has been a major item of work for the Department for over two years. During this year, we also worked to support implementation, through joint working parties with key local and central government agencies, and provision of information via LG KnowHow Guides, seminars, newsletters, and presentations to Māori and other community

Community funding we administer:

- *\$100 million Lotteries Commission profits*
- *\$12 million Community Organisation Grants Scheme*
- *Other grants schemes and trusts.*

Local Government Sector:

Financial Facts (at June 2001)

Total revenue: \$3,500 million

Capital expenditure: \$1,386 million

Income from sales of goods and services \$736 million (19.1% of total revenue).

groups. The Local Government Commission also issued guidelines to assist local authorities conduct representation reviews.

In 2004, elections in 10 local authorities and all District Health Board (DHB) elections will be held under STV. The Department set up a STV Implementation Project to help ensure that the 2004 elections run smoothly and effectively and that STV is well understood and is seen as a viable option by the New Zealand public.

During the year, the Project covered two tasks - providing information about STV to the public and developing the STV Calculator. New Zealand STV requires a computer program to count votes and the Department developed the STV Calculator to do this. The STV Calculator will be provided free of charge to local authorities and DHBs.

The Project is being carried out in close consultation with the local government sector and Ministry of Health.

Supporting Executive Government

Following the 2002 general election, the Department undertook the staffing and office set-up requirements to support the incoming government and a later reallocation of some portfolios.

We have also supported the Executive Government's infrastructure requirements for ongoing secure communications, transportation and accommodation.

New Zealand's increasing ethnic diversity

In 2001:

- *90% of the population were of Māori, Pacific or Anglo-Celtic ethnicity*
- *The remaining 10% comprised around 200 separate ethnic identities*
- *6.6% were of Asian ethnicities, including 100,000 Chinese and 60,000 identifying as Indian*
- *2.7% were of mainland European ethnicities.*

Source: *Census 2001*

Gaining Ethnic Perspectives for Government

New Zealand's 'ethnic' communities—the 10 percent of our population of other than Māori, Pacific or Anglo-Celtic ethnicity—make an increasing contribution to our society.

To ensure public policy and service delivery accommodates ethnic people's needs, the Office of Ethnic Affairs developed an ethnic perspectives in policy document which sets out government's policy objectives and outcomes supported by guidelines for policy development, consultation and organisational responsiveness.

'Ethnic Perspectives in Policy' was distributed wider to all government departments and local authorities earlier this year.

The Office of Ethnic Affairs has also assisted government departments in their policy roles and in identifying ethnic communities' needs, initially focusing on three high-impact agencies; New Zealand Police, Ministry of Social Development, and Department of Internal Affairs.

Helping non-English speakers access services

Around 50,000 people in New Zealand speak no English, and a further 250,000 people speak only limited English. To help these people access essential government services, the Office of Ethnic Affairs arranged a pilot telephone interpreting service. This commenced on 30 April 2003. Using Language Line, the six participating agencies are able to provide immediate telephone access to interpreters of 35 languages. Over 2,000 calls were received in the first three months of operation. The six participating agencies are: The Department of Internal Affairs, New Zealand Immigration Service, Housing New Zealand Corporation, Accident Compensation Corporation, the New Zealand Police, and New Zealand Work and Income.

Office of Ethnic Affairs Project Manager, Deborah Burns: "Our experience so far is that there are key benefits, for clients and for agencies. It's immediately responsive, so there's no waiting. People gain a more accurate understanding of what information an agency is asking for, and tend to provide the agency with more complete information".

The Office of Ethnic Affairs is continuing to raise awareness of the service within ethnic communities and the participating agencies, and will evaluate the service next year.



Chris Carter, Minister of Ethnic Affairs officially opening the Language Line, "an opportunity for ethnic peoples to access services in a way that has not previously been possible."

More information:

www.ethnicaffairs.govt.nz

Working towards reconciliation

In February 2002, the Prime Minister, Rt Hon Helen Clark, formally apologised to the Chinese people who paid New Zealand's poll tax and suffered other discrimination, and to their descendants.

Pictured are the representatives of those early settler families. Along with the Office of Ethnic Affairs, the 31-member advisory team has been sifting through the results of numerous community meetings and written submissions from poll-tax paying families.



Their aim is to create a reconciliation proposal for government to consider. The proposal focuses on the unique history and identity of Chinese New Zealanders.

Poll Tax Reconciliation

1881: Poll tax of £10 introduced, levied on every Chinese person entering New Zealand.

1896: Poll tax raised to £100.

2002: Formal apology to descendants.

assuring the **Integrity** of **identity** and **official** information



New Zealanders expect that the integrity of their personal identity and official information is assured, and that citizens and international agencies are able to trust our documents and formal records.

As the guardian of New Zealanders' core identity information, the Department ensures the integrity of that information is maintained. We are also working to continuously enhance both our customer service and our security.

The Department is also a trusted provider of translation services and official information.

Promoting identity security and e-government

Many countries, including New Zealand, are developing e-government strategies in the drive to enhance national economic competitiveness. Since the September 11 terrorist attacks in the United States, the integrity and security of identity information have also increased in priority. Identity Services has put in place an extensive programme of development targeting e-government, security and enhancing capability in key areas. A major focus of activity this year has been the completion of an enhanced technology infrastructure which has provided the basis for future development of robust and secure online services.

Identity Services' registers (including births, deaths, marriages and citizenship) and passport documents have a high reputation for reliability and integrity, and are valued as "safe" documents, from a country perceived to be of low international threat. However, recent international terrorist attacks and more sophisticated organised crime have increased the security expectations on government agencies around management of identity documents. Measures have been put in place to address this issue, including increased penalties for passport crime, enhanced integrity assurance capability, anti-fraud training for all staff and collaboration with other government agencies to solve new challenges. We chaired the technology advisory group of the International Civil Aviation Organisation in its work to arrive at new standards for the use of biometrics in international travel documents.

In addition to 'business as usual' delivery of identity information services, the Department has taken an active role in the whole-of-government project

Statistics:

- 108,000 birth, death and marriage registrations
- 229,000 birth, death and marriage certificates issued
- 310,000 passports issued
- 26,000 granted citizenship.

Customer satisfaction rating:

90% of customers pleased with our overall service.

to develop online authentication solutions. The resulting Cabinet paper was approved on 30 June 2003. We have also taken the lead in setting up a cross-government working party to develop standards for documents and processes used to verify identity in the public sector.

We developed policy content for the Births, Deaths and Marriages Registration Amendment Bill, and the Identity (Citizenship and Travel Documents) Bill. These are the legislative vehicles for reforms driven by post-September 11 concerns, and the need to provide for operational efficiencies and system changes to accommodate social change (for example in family law) and e-government.

Improving access to identity information

All New Zealanders are required to produce relevant identity information at one time or another, to verify their eligibility for a range of government services.

The Department is working to a long-term strategy to reduce the need to produce paper documentation, by sharing information electronically with other agencies. We have already set up information sharing and authorised information matching programs with a number of agencies. During the year, we have worked on refining the requirements of other government agencies, trialling authorised information matches and developing an information systems architecture that will enable effective and secured extraction of information required by other agencies. An early result is a reduced need for BDM certificates for enrolment in the tertiary education sector.

We have also made key customer information available in te reo Māori via our website.

Official information

The Translation Service maintained quality through the year by adhering to quality processes and spreading the workload effectively by using contract translators.

The Department developed and tested an online database of all New Zealand Gazette notices from 1993 on. This will permit printing of individual notices. The database will go live in October 2003. Separately, we are also posting issues of the New Zealand Gazette as pdf documents on our website.

Translation Service:

- *Offers translation services in over 70 languages*
- *97% customer satisfaction rating.*

enhancing Safety in communities

Thriving communities are better able to face up to and prepare for their particular natural and human hazards. With a greater sense of community, their citizens are also more willing to participate in activities that build and protect their communities, and to refrain from activities that harm them.

The Department is a central player in enhancing the safety of our communities at a number of levels. Our work includes devising policy, for example in such areas as the regulation of gambling. We are active in enforcement, for example of regulations to minimize harm from objectionable material, and keeping gaming activity fair and beneficial to the community. We also implement policy, often bringing together agencies, organisations and resources from across the central and local government, commercial and community sectors, for example in leading the implementation of the new Civil Defence Emergency Management Act.



Minister of Civil Defence Hon George Hawkins (2nd from right) at the launch of the consultation phase of the National CDEM strategy, "It is absolutely certain that we will have another disaster. Our best protection is to be prepared."

Also in attendance is Police Commissioner Rob Robinson, Director of Civil Defence and Emergency Management John Norton and the Fire Service's Director of Fire Safety Jim Dance.

Towards a resilient New Zealand

On 1 December 2002 the Civil Defence Emergency Management Act came into effect, launching a new era in civil defence.

During the 1990s, awareness grew that New Zealand faced new forms of hazard, such as terrorism, technology failures and dangerous material releases. New central and local government structures and utility ownership also left the old Civil Defence Act 1983 increasingly out of date.

The new Act is the product of thorough research and consultation, and is internationally innovative. By fundamentally changing the framework for emergency planning and management in New Zealand, it institutes an ordered and practical framework to deal with hard issues.

The framework brings together the right groups, region by region, to work together to reduce risk over time, so the impacts of disasters are reduced. It institutes arrangements for co-ordinating planning and resources across agencies so that communities can manage when disaster strikes.

Building Urban Search & Rescue capability

As the population density of New Zealand's towns and cities increases, the potential consequences of building or other structural collapse become more severe.

Urban Search and Rescue (USAR) involves the mobilisation of resources to locate and rescue people trapped in a structural collapse, most probably resulting from such events as a landslide or earthquake, hurricane, terrorist action or construction accident.

Recognising a significant gap in New Zealand's emergency response capability, the Ministry of Civil Defence and Emergency Management worked with a co-ordinating group from the emergency management sector to plan and build a New Zealand USAR capability.

NZ USAR now brings together, in an integrated response, highly-trained personnel from the emergency services plus engineers, medics and search dog pairs, working with specialised equipment, under agreed command and control methods, with access to logistical support.

During the year, two 'national level' USAR taskforces were established (based in Christchurch and Palmerston North), with a third to follow in Auckland. Five regional CDEM Groups are planning to develop 'initial response' teams.



Upgrading facilities for managing a national crisis

Following a review of arrangements for managing national emergencies, government agreed to the establishment of a multi-functional, multi-agency, National Crisis Management Centre to replace the current National Emergency Operations Centre.

The Ministry worked with other lead agencies to agree a programme charter and requirements for the new Centre. The Centre facility will be completed and operational by the end of 2003, enhancing agencies' strategic decision-making in national crises, whoever the lead agency may be.

“..trading or collecting of child pornography ..help create an environment where some people believe that sex with children is acceptable.”

“We’re not dealing with erotica or images from R18 magazines. These are images of young children, even babies, being sexually abused.”

Department Media Releases following child pornography prosecutions.

Successful prosecutions for possession or trading of child pornography include:

- *18 months prison on 33 charges*
- *9 months prison on 16 charges*
- *26 months prison on 33 charges.*

Reviewing Fire Fighting Services

With ministerial agreement, we have set up an officials’ working group, including Local Government New Zealand and the Fire Service Commission, to examine the delivery and funding of urban and rural fire services and opportunities for closer collaboration between fire and other first-response services.

Minimising harm from objectionable material

The Department’s intent for 2002 – 2003 was to provide effective policy advice, information, education and enforcement services to strengthen censorship policies, legislation and compliance.

During the year, the Department advised the select committee considering changes to the Films, Videos and Publications Classifications Act 1993, and was also involved in implementing increased penalties for censorship offences.

The Department’s Censorship Unit was active in detecting and prosecuting offences involving objectionable material, focusing on the trade in child pornography over the Internet. We prepared 26 cases for the Attorney General’s consent for prosecution, with some notable successes, including sentences of imprisonment for serious offending, development of important case law, and international co-operation.

Key to these successes have been close working relationships, especially with the New Zealand Police and Customs, international law enforcement agencies and not-for-profit organisations such as the Internet Safety Group and ECPAT NZ Inc.

The Department has continued to educate the community about Internet safety and the law through our website, information leaflets, media releases, and communications targeting Internet cafes, computer game outlets and computer repair services.

Keeping gaming fair and beneficial to the community

Our three key objectives during the year were:

- to increase compliance with gambling laws
- to increase returns to the community from non-casino gambling
- to contribute effectively to strategies to prevent and minimise harm from gambling.

Firmly and fairly regulating the gaming sector, and stopping those that do not comply with the law, increases the amount of money available to the community.

During the year, the Department issued 13 cancellations and 21 suspensions of licences, and issued 236 formal warnings about breaches of licence conditions. Most breaches relate to deficiencies in accounting for gaming machine profits, incorrect banking or problems with grant making processes.

Contrary to occasional adverse publicity, the amount of gaming machine profits available for community grants continues to rise steadily.

The Department's enforcement activities help to ensure that the right amount of money is available for community grants, and is not siphoned off for private gain.

During the year, we developed a clearly defined regulatory 'toolbox' of interventions, which will further streamline the Department's enforcement activities. We have also redefined our risk management strategy, to focus our efforts to greatest effect, allowing for both monitoring of the entire sector and more proactive investigations.

Keeping racing healthy

Following an initiative developed by the key bodies within New Zealand's racing industry, the new Racing Act 2003 provides for a single body – the New Zealand Racing Board – to simplify governance of the industry.

The Board will be responsible for administering racing and also for providing racing and sports betting services. It will promote the racing industry and aim to maximise its profits for the long-term benefit of New Zealand racing.

Racing Minister Damien O'Connor: "This Act helps move the industry forward and gives it the impetus to successfully tackle future challenges."

Acting to control dogs

In January, Local Government Minister Chris Carter directed the Department to undertake a review of dog controls legislation. This was given added urgency following a spate of serious dog attacks in the following month.

The Government subsequently agreed to a three part strategy to improve dog control, based on:

- strengthening provisions in the Dog Control Act
- public education
- promoting good dog control practice by territorial authorities.

Player losses on gaming machines (non-casino sector):

*To 30 June 2002: \$777 million
(up from \$360 million in 1999).*

Racing statistics:

- *contributes 0.34% of New Zealand's GDP*
- *employs 5,800 'full-time equivalents'*
- *exports 3,000 racehorses a year, earning over \$150 million.*

New Zealand's dog population, 2002:

400,000 dogs (estimated).

How many dog attacks on people?

Year 2001 - 2002.

- *3,435 (reported dog bites/attacks - survey of local authorities)*
- *8,677 (new ACC claims resulting from dog bites).*

Statistics at 30 June:

- 789 applications accepted
- 1,835 dwellings affected
- 313 assessments completed or in progress
- 4,035 calls to the free phone information service.

More Information:

WHRS freephone information line
0800 116 926.

www.weathertightness.govt.nz

Building Act Review and the Leaky Buildings Situation

The Building Act Review was completed to the stage of draft Cabinet papers before being transferred to the Ministry of Economic Development in January 2003, along with responsibility for matters relating to the Building Industry Authority.

Following the Hunn Report into 'Leaky Buildings', the Department established an Expert Panel, then the Weathertightness Establishment Unit to advance the panel's recommendations.

In December 2002, the Department established the Weathertight Homes Resolution Service (WHRS). The service helps owners of homes less than 10 years old that are not weathertight by offering:

- free advice to owners of affected homes
- free assessments to determine the extent of water damage
- low-cost access to mediation and adjudication services.

A new and unique service, the WHRS has had to establish its own processes. Although a national shortage of qualified assessors provides challenges to deliver speedy service, we anticipate that the number of mediations and adjudications will build up through the coming year.

reducing inequalities

The Department of Internal Affairs contributes to the Government's key goal of addressing social disparities through the efficient and effective delivery of community funding and advisory services to those in need. This responsibility is aligned to the Government's goal of reducing inequalities for disadvantaged people by building their capacity and supporting on-going development of capability. It also contributes to Government goals for a more inclusive society, growing stronger communities and strengthening national identity.

Through its regional delivery structure, the Department delivers government funding and advisory services to community groups and other agencies to encourage the development of strong, safe and sustainable communities.

Improving our Organisational Capability

The Department's goal is to be recognised as one of the Effectiveness for Māori leaders in the public service. During 2002/03 we revised our Te Reo, Tikanga and Treaty of Waitangi policies and initiated a department-wide training programme to assist all staff to meet the mandatory Effectiveness for Māori competencies in their performance agreements. We completed a department-wide Effectiveness for Māori Staff Survey in October 2002. Results showed that more than 70% of staff were interested in Effectiveness for Māori training.

In 2002 we developed Māori consultation guidelines to assist Department staff to consult more effectively with Māori.

A new policy approach to reducing inequalities

Te Whakamotuhaketanga Hapū – A Hapū Development Framework

The long term goal of Te Whakamotuhaketanga Hapū is to remove the barriers to whānau, hapū, iwi and Māori access to quality services. Over the next three years the implementation of the framework will help us identify and achieve common goals, realign funding scheme systems and enable best practice policy and operational outcomes through:

- improved policy to enable whānau, hapū, iwi and Māori organisations to achieve their aspirations for their own development

- improved systems to enable whānau, hapū, iwi and Māori participation to influence policy and programme development.

Over the past year we have held community consultation hui in Rotorua, Kaitiāia and Wellington to identify sustainable Māori development issues and priorities. These issues and priorities have provided the focus for the development of Te Whakamotuhaketanga Hapū.

Effectiveness for Māori - Staff

As at June 2003, 13% percent of all departmental employees who provided ethnicity information were Māori. This result shows the Department is on track to achieve its EEO strategy goal of 16% Māori staff by 2005. The goal for Māori representation in management positions is 12% by 2005. At 30 June 2003, 5% of all second and third tier managers who provided ethnicity information were Māori.

Government funding

The Department is involved in assisting the distribution of three types of funding:

- Community Organisation Grants Scheme (COGS)
- Other Crown funding
- Lottery Grants Board funding.

It is not possible to identify specified target groups (e.g. Māori, Pacific peoples, women) for all of the grants provided. All target groups will benefit in whole and/or in part from the grants awarded to many of the other broad categories that enable community driven development and sustained capability through greater skills and self-help.

Community Organisation Grants Scheme - \$12.355 million

COGS approved 86% of the applications received that identified Māori as the group that would benefit primarily from the grant. The resources that went specifically to Māori were \$1.312 million. This represented approximately 11% of the \$12.355 million that was distributed. Grant recipients provide a report on what has been achieved with the grant. Recipients of larger grants are required to provide quarterly progress reports on the project funded.

Example: Te Taiwhenua o te Whanganui a Orotu – Kahungunu

This group was granted \$24,370, of which \$18,000 went towards the cost of wānanga for the completion of a strategic plan for Te Whanganui a Orotu hapū. Outcomes from the wānanga have included whānau and hapū strategic development and goal setting and the identification of cultural, social and economic opportunities. Whānau and hapū skills identification and greater participation of whānau within their marae, hapū and iwi were also achieved.

COGS made 204 grants, totalling \$935,827 (7.5% of total funding) to community organisations that identified their ethnicity or main benefiting sector as Tagata Pasifika. Grants ranged from \$19,000 made to the Niue Mumuafi Elderly Support Group in Auckland to several small grants of \$500. Approximately half of the grants were made in Manukau City, with the balance spread throughout New Zealand.

In 2002/03 COGS made grants totalling \$1.041 million (8% of the total funding) to 219 community organisations that had a major purpose of supporting women. This does not include a large number of grants for 'parent' and 'family' support, where women may be major beneficiaries as, in many cases, primary parents. Nineteen grants were over \$10,000, the average grant was \$4,630.

Grants ranged from \$300 to the New Zealand Tongan Women's Council to \$25,190 to the Te Whare Pounamu Women's Refuge in Dunedin. Most larger grants were made to organisations such as women's refuges to enable them to meet essential operating costs and wages for co-ordinators. In such cases the main outcome is the continued operation of such essential community services.

Community Internship Programme - \$451,000

This is an organisational capacity building programme involving 20 initiatives that place experienced people from the public, private or community sectors on six-month internships with host community organisations. Each host agency receives \$22,500 towards salaries and resource costs associated with the placement.

Currently 10 of the 20 internships focus on Māori placements or Māori communities. These include nine internships placed with Māori providers. There is one internship placement with a focus on Pacific communities. This is a reduction from last year's four internships, and the Department is working to regain substantial Pacific participation in 2003. This will focus on strategies to increase awareness and promotion of the programme, and more intensive work with groups to ensure that they receive any assistance to help them complete the application process.

An initial evaluation, in August 2002, indicated that the programme has strengthened the organisational capacity of the host organisations and the interns' capability. Networking amongst community organisations was improved and increased organisational future development opportunities are further key outcomes achieved to date. Evaluation of the second round is to be completed by August 2003.

Example: Folou Alofa Trust; Lower Hutt

This group received \$15,760 towards paying a co-ordinator and volunteer expenses. The group provides culturally relevant educational programmes, counselling and support for Pacific men, women, children and families that assist in stopping violence, and encouraging anger management. The programmes focus on preventing all forms of domestic violence and abuse in the home.

Example: Te Whare Pounamu Women's Refuge

Te Whare Pounamu Women's Refuge in Dunedin received a grant of \$25,190 to enable it to employ a community worker and pay volunteers' travel costs and expenses. The community worker provides support services and programmes for women in the community in addition to the services and support provided by the safe house. During the year the Dunedin Women's Refuge closed, putting more pressure on Te Whare Pounamu to provide support for battered women and their families in Dunedin.

Example: Te Hauora O Ngāti Haua

This group received \$70,000 to effect positive social change to improve the quality of life for youth and iwi of Ngāti Haua. The project focused on three different rural communities. The outcomes achieved have included an increase in the number of whānau who own homes, have employment and are participating in tertiary education. There has also been improved access and utilisation for youth and iwi of relevant community and statutory health and social support services. Ngāti Haua have established computer suites, pastoral support groups, student workshops and a youth advisory panel.

Community Project Worker Scheme: Crime Prevention - \$207,000

Four of the five projects under this scheme were Māori targeted. This funding (\$165,600 or 80% of the total pool of \$207,000) provided salaries and programme funding to reduce Māori youth offending. The fifth project targeted Pacific youth.

In 2003/04 the Department will develop a number of new projects to be funded under this scheme. A formative evaluation is planned for 2004/05.

Community Project Worker: Social Entrepreneur Scheme - \$980,000

The Social Entrepreneur Scheme realigns and broadens the Community Project Worker Scheme. It focuses on youth and community development. Of the 24 projects funded during 2002/03, 11 have been Māori targeted totalling \$624,475 or 63% of the total pool of \$980,000. Four projects targeting Pacific youth development were funded during the year, totalling \$207,165.

The performance standard assessment of the scheme, completed in June 2003, identifies a range of positive outcomes. These include: improved capacity building, collaborative working relationships within communities, support and the creation of educational and vocational opportunities for youth, and better co-ordination of youth services. Further evaluation is planned for 2004.

Community Based Youth Development Fund - \$473,000

Two of six projects in this scheme are Māori targeted for at-risk youth development projects. Of the \$473,000 allocated, the Māori projects are receiving \$143,750 or 30% of the total pool. Two of the six projects in this scheme target Pacific youth. The total funding allocated to these projects during 2002/03 was \$142,000.

Evaluation of the first seven projects (two of which are current) was completed in 2002. Key outcomes for participants of the youth development projects have included an increased sense of connectedness between parents, family, school, community and other adults. The projects have also contributed to the development and enhancement of academic and social competence and greater involvement in extra curricular activities that create multiple friendship networks. Formative evaluation of the six current projects has begun (2003) and will be followed by process and outcome evaluations in 2004.

Māori Community Development Workers - \$200,000

Two pilots (Taumarunui and Kawerau) were developed as a government capacity building initiative designed to transfer social and economic development skills to enable Māori communities to increase their self-reliance. This is the second year of three year funding for the projects, each receiving \$100,000 for salaries and operating costs. Evaluation of this project is ongoing and will be completed by September 2004.

Lottery Grants – Marae Heritage and Facilities Committee - \$4.135 million

The Lottery Marae Heritage and Facilities Committee is dedicated to ensuring an equitable distribution of funds to whānau, hapū, iwi and Māori organisations for the development and conservation of marae facilities.

In 2002/03 the Lottery Marae Heritage and Facilities Committee distributed \$4.135 million to whānau, hapū, iwi, and Māori organisations (compared to \$5.28 million distributed the previous year).

Lottery Marae Heritage and Facilities Committee funded the development and conservation of marae facilities in recognition of their pivotal role in the promotion of their community's spiritual, cultural, physical and social well-being.

Lottery Grants – Lottery General Pacific Provider Development Subcommittee - \$581,000

Last year a sub-committee of the Lottery Grants Board was established to distribute funding to assist the development and strengthening of Pacific community groups and social service providers to Pacific people in New Zealand. In its first year of operation, the Subcommittee allocated a total of \$332,000.

In its second year of operation (2002/03) the allocation increased to \$581,000, comprising 128 grants with an average value of \$4,540.

Example: Northland Pacific Islands Charitable Trust

The Northland Pacific Islands Charitable Trust was established in November 1991 and is located in Whangarei. The group was set up to provide support services to Pacific families throughout Te Taitokerau.

The Subcommittee approved a training and follow up support grant of \$10,000 for up-skilling 20 members of the trust in financial, governance and general business management skills. This is the first grant this group has received from the Lottery Grants Board.

Example: Awa Tupua Development Project

This project is administered by the Hinengakau Development Trust, Taumarunui. The overall objective of the project is to reoccupy and resettle Hinengakau rohe papakainga and awa by creating self-sufficient sustainable communities that link Whanganuitanga in harmony with the environment. Outcomes to date have included:

- *the development/ strengthening of vital community and governmental partnerships and networks*
- *the breaking down of physical and perceived barriers that inhibit Hinengakau from access to information, support, resources and service provision*
- *numerous economic initiatives have been developed to create employment for people for when they reoccupy and resettle Hinengakau rohe papakainga and awa.*

Initiative	Total Funding (incl GST)	Māori Targeted Funding (incl GST)	Pacific Targeted Funding (incl GST)	Initiative Evaluation
<p>Community Organisation Grants Scheme (COGS)</p> <p>86% of applications that identified benefits to Māori were approved. Approximately 11% of the total resource pool specifically allocated to Māori.</p> <p>7.5% of total funding provided to groups that identified either their ethnicity or main benefiting sector as Tagata Pasifika.</p>	\$12,355,000	\$1,312,000	\$935,827	Not evaluated
<p>Community Internship Programme</p> <p>10 of 20 placements focus on Māori communities – capacity building.</p> <p>1 of the 20 placements focuses on Pacific organisations.</p>	\$451,000	\$225,000	\$22,500	Initial evaluation completed August 2002 (see page 35). Evaluation of the second round to be completed by August 2003.
<p>Community Project Worker Scheme - Crime Prevention</p> <p>4 of 5 projects were Māori targeted - salary funding to reduce youth offending.</p> <p>The fifth project targeted Pacific peoples.</p>	\$207,000	\$165,600	\$41,400	An evaluation of new projects planned for late 2004.
<p>Community Project Worker Scheme - Social Entrepreneur</p> <p>11 of 24 projects targeted Māori. Youth development towards social entrepreneurship.</p> <p>4 of the 24 projects targeted Pacific youth development.</p>	\$980,000	\$624,475	\$207,165	Performance Standard assessment completed June 2003 (see page 36). Further evaluation planned for 2004.
<p>Community Based Youth Development Fund</p> <p>2 of 6 projects Māori targeted - at-risk youth development projects.</p> <p>2 of the 6 projects targeted Pacific peoples.</p>	\$473,000	\$143,750	\$142,000	Evaluation of the first 7 projects, completed in 2002 (see page 36). Formative evaluation on the six new projects has begun (2003) and will be followed by process and outcome evaluations in 2004.

Initiative	Total Funding (incl GST)	Māori Targeted Funding (incl GST)	Pacific Targeted Funding (incl GST)	Initiative Evaluation
<p>Māori Community Development Workers</p> <p>Funding two community development workers to facilitate social and economic development in Māori communities. 2 projects.</p>	\$200,000	\$200,000	n/a	Evaluation underway, to be completed by September 2004.
<p>Lottery Grants Board²</p>	\$43,682,000	\$4,135,000	\$581,000	Not evaluated.
<p>Marae Heritage and Facilities Committee</p> <p>Funding the development and conservation of marae facilities. Applicants are whānau, hapū, iwi and Māori organisations.</p>				
<p>Lottery General Pacific Provider Development Subcommittee</p> <p>All targeted at Pacific peoples.</p>				
<p>Support for Volunteering</p> <p>Assistance for Māori interim working party on volunteering</p>	\$599,000	\$30,000	n/a	

²In addition to the two examples given, all target groups will benefit in whole and/or in part from the grants awarded by the Lottery Grants Board Committees.

capability



Graeme Carley (pictured), is one of two staff who this year were awarded a Queen's Service Medal for public services. Graeme was recognised for his 40 years' service with the Department which includes chauffeuring Royals during their visits to New Zealand. Gary Tonkin (retired) was also awarded a QSM for his 50 years' service with the Department and New Zealand Post.

The Department's 2002/03 Statement of Intent (SOI) described five core capability objectives. The following outlines the Department's progress during the year in achieving these objectives.

Capability Objective One: full and consistent reflection of the Government's desired outcomes

Over the course of the year the Department continued with the development of outcome focused management. We are working to develop a management approach and culture within the organisation that is focused on results and the achievement of the Departmental outcomes linked to the government goals.

Through this process we have refined our original outcome statements and articulated the logic that links what we do with the benefits we hope to achieve for the community. In a tangible sense the results of this process are contained in our SOI for 2003/04. Less obviously, it has set the foundation for further developing our capability to manage the Department's resources to achieve the best outcomes for New Zealanders.

We have begun work on identifying outcomes we share with other government agencies. For example, our Office of Ethnic Affairs and Identity Services Group have developed a common outcome with the New Zealand Immigration Service (NZIS), which aims to achieve 'thriving, well-settled and inclusive communities supported by trusted identity information.' This has provided a focus for working together more effectively, with ongoing joint initiatives between Identity Services and the NZIS.

Capability Objective Two: a consistently high standard of public service

During the year we have worked to ensure a consistently high standard of service, underpinned by integrity and adherence to public sector standards. Staff received harassment awareness and Human Rights legislation training. This training not only focuses on internal application but also the impact Human Rights legislation has on our interaction with our clients.

We conducted reviews of our business which included assurance that our activities comply with relevant legislation, and to ensure that we have in place policies, processes and training to enhance the integrity of our work.

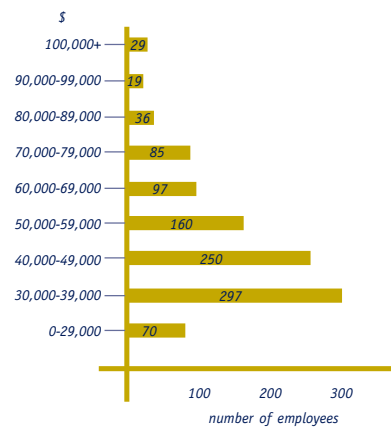
During the year we improved our risk management capability, by undertaking comprehensive risk profiling within several of our business groups.

Capability Objective Three: the Department’s people can deliver on current and expected future requirements

A number of initiatives were undertaken in 2002/03 to further build our human resource capability.

Performance Management and Remuneration

As part of its strategy to attract and retain high calibre staff, the Department completed the implementation of the new performance management and remuneration systems. All staff and managers have received training on the performance management system. As well as providing employees with a clear idea of their performance and how it relates to the achievement of outputs and outcomes, the system also provides the basis for identifying the development that staff need to become fully competent in their current roles.



Total Remuneration Ranges as at 30 June 2003.

Talent Management

The Department initiated three projects designed to enable a more systematic approach to ensuring it has the people it needs to be able to successfully deliver on its outcomes. On this basis we began a review of our competencies to ensure they reflect what the Department needs both now and in the future. We also began projects to ensure that our people are able to get the development they need to carry out their current roles as well as being able to develop careers that will provide both the Department and the wider public sector with future capability it needs.

Review of the Centre

During the year we participated in helping to develop public sector wide HR Framework projects and the development of the senior leadership profile designed to systematically build capability across the wider public sector. The link between the wider public sector and the Department is essential



Photo: (from left to right) *Shareez Farouk, Elly-Ann Pritchard and Peter Andrews* who are the Department's first participants in the Australia and New Zealand School of Government's (ANZSOG) Executive Master of Public Administration Programme.



Alison Fleming, General Manager Information and Facilities who is one of two public servants to be awarded this years FCO Aotearoa Fellowship. Alison will attend the Executive Development Programme at Henley Management College and study e-government initiatives in London.

in ensuring the success of our own initiatives. For example, three of our managers were successful in gaining entry to the new Australian and New Zealand School of Government.

Chief Executive Awards

We have also put in place a revised 'Chief Executive Awards' programme designed to reward high achievers and to improve both our leadership and professional expertise within the Department. Eleven awards were given this year (see left and page 44).

Employee Well-being

The Department has carried out a comprehensive review of its Health and Safety management systems. An outcome of this review is that the Department will be seeking entry into the ACC Workplace Safety Management Practices programme. This will assist in creating and maintaining safer work places, achieving financial cost savings, and ensuring legislative compliance on health and safety.

The Department is presently conducting a Flexible Leave Scheme trial. The objective of the scheme is to achieve a healthy and productive workforce and to support people to take the leave they require to recover from illness. The scheme is being trialled for a period of two years to ensure that the organisation is not placed at risk by the introduction of this policy. During the course of the trial, the scheme is being closely monitored by a project team comprising departmental and PSA representatives. At the end of the trial a decision will be made as to whether the scheme should be implemented on an ongoing basis or discontinued.

Employee Relations

The Department continued to build on its Partnership for Quality relationship with the PSA. A number of positive working relationships are now occurring at both the Department level and within its business groups.

Effectiveness for Māori

Refer to "Improving our Organisational Capability" in the Reducing Inequalities section on page 33.

Capability Objective Four: our systems and facilities support the delivery of our current and expected future functions.

We have continued to actively transform service delivery through the use of technology.

For example, the major processes by which funding is distributed to community groups are well on the way to being electronically-based, with on-line application and administration of Lottery and COGS grants due to go 'live' in November. We have also developed an online database of all New Zealand Gazette notices from 1993 onwards, and are in the process of posting issues of the New Zealand Gazette as pdf documents on our website.

In addition, more and more of our information and forms are now available on-line, and simple transactions can be made electronically.

Behind the scenes, these initiatives have entailed upgrading our websites to comply with e-government guidelines, and upgrading our IT infrastructure to support electronic access to information. We have enhanced our capability by completing a rollout of an electronic Document Management System, implementing a new intranet, and using our website to consult on policy developments. This has entailed significant up-skilling to support the new electronic information management competence required of the organisation.

Our effort in this area has been noted by the SSC's E-government Unit, with the Department being recognised as one of the top three government agencies making an outstanding contribution to e-government. This included supporting the E-government Unit through being a pilot site for the GoProcure project, leading the review of e-government website guidelines, and contributing to strategy and operational projects.

Capability Objective Five: production of required outputs is cost effective

During the year we raised the capability of those of our people who have budget responsibilities, by running a number of financial management training sessions. These sessions included the financial management requirements set out in the Public Finance Act and State Sector Act.

We also undertook a financial review of the operations of one of our business groups this year, with the objective of ensuring we have efficient ways of working.

A significant recent initiative was the introduction of Memorandum Accounts. These are notional accounts to record the accumulated balance of surpluses and deficits for outputs funded by fees charged to third parties, for example the fees customers pay for a passport. This provides a long-run perspective to the pricing of our outputs and by careful monitoring and managing of these accounts we will be able to achieve the best advantage for the Crown, the Department and our customers.



Fiona Illingsworth

Senior Policy
Analyst

To attend the Public Executive Programme, Queens University School of Business, Ontario, Canada. Fiona's studies in Canada - a country considered cutting-edge in this field - will improve the Department's policy expertise.



Stephen Blyth

Analyst

For two work-based placements in Melbourne - VicNet (part of the state library) and non-profit organisation Infoxchange - to study the way information and communication technologies are used to help communities overcome the IT divide.



Policy Group

Policy Analyst

Jane Paterson

To study for a Master of Public Management at Victoria University, to improve her policy analyst expertise and move into a policy management role.



Vailoa Milo-Harris

Community
Funding Advisor

To study for an Advanced Diploma in Management to develop a career in management in the public sector.

Chief Executive Scholarship Award Recipients 2003



Kim Penetito

Community
Funding Advisor

To complete her Masters in Māori Development at Auckland University of Technology. This will help improve the Department's expertise in an area where a large part of the population is Māori, especially in rural communities.



Sharon Dilks

Systems
Administrator

To gain a qualification in web management to improve her expertise in using web-based technologies. This will allow her to efficiently implement new web-based projects for Identity Services.



Pauline Hill

Manager
Effectiveness for
Māori

To attend the Mt Eliza Management Development Programme in Melbourne, and engage a mentor through the Management Development Centre to develop her governance skills and help her move to a more senior position in the public sector.

equal employment Opportunities

We have continued to make progress towards achieving the Department's EEO Strategy to 2005 in the areas of leadership, organisational culture and strategic human resource management, and employment of EEO target groups.

Leadership

This year all General Managers had specific EEO objectives in their performance agreements. From July 2003 all other managers will be required to attain a standard level of EEO competence as well as having specific EEO objectives in their performance agreements. Managers have undertaken training in the development of constructive employment relationships, including anti-harassment and anti-discrimination training, as well as human rights awareness training.

Organisational Culture and Strategic Human Resource Management

We have reviewed our progress against the EEO strategy implemented in July 2000. The results showed that some areas needed strengthening while in other areas EEO practice had been mainstreamed into good practice. A number of initiatives were put in place to move the Department forward, such as revitalising our EEO networks.

We launched a new HR policy and procedures database, accessible to all staff and continuously updated. The database includes all of the Department's EEO policies and procedures and provides a forum for promoting the Department's EEO networks. The information contained in the database is inclusive of and compliant with the changes to the Human Rights Act.

This year we held the Department's first Pacific Peoples national fono, which was organised by the Pacific Peoples Network. All Pacific peoples within the Department were invited to attend this fono.

We implemented a new Disability Strategy in line with the New Zealand Disability Strategy. This has five objectives aimed at creating a working environment that supports and meets the needs of people with disability as well as improving customers' access to our information and services.

All managers and policy advisors within the Department and all staff within the Identity Services Group (our largest business group) received training in the Human Rights Act.

We also largely completed staff training in harassment policy and procedures. Key contact people have also been selected and trained from within the Department to act as referral people.

Employment of EEO Target group members

This year we have on the whole maintained the proportion of people we employ in the various target groups, although in some cases the percentages have reduced slightly where the numbers are small and therefore the percentages volatile. Initiatives around recruitment and retention and career development to be undertaken in the coming year will help to provide a basis for improving the recruitment of these target groups.

In response to the Government's ethnic perspectives strategy, ethnic minority groups will be included in EEO data from next year.

EEO Group	Date	Senior Management (Levels 2TM-3TM)%	Overall Representation %
Māori	June 2003	5	13
	2005 Milestone	12	16
	2010 Target	17.5	17.5
Pacific Peoples	June 2003	0	6
	2005 Milestone	4	7
	2010 Target	8.5	8.5
Women	June 2003	36	54
	2005 Milestone	45	54
	2010 Target	56	56
People with Disabilities	June 2003	4	6
	2005 Milestone	9	9
	2010 Target	11	11