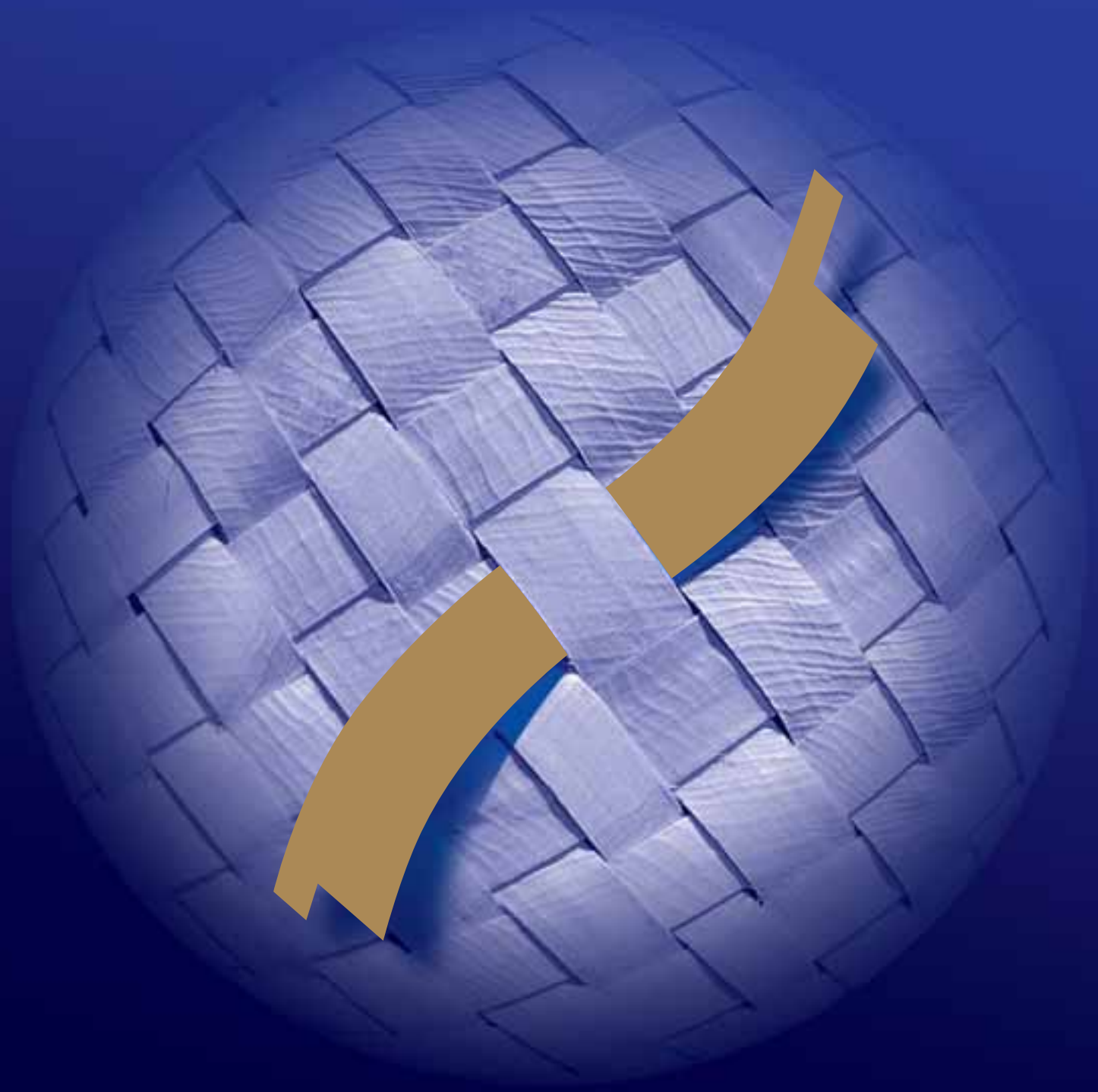


# STATEMENT OF INTENT

TAUĀKĪ WHAKAMAUNGA ATU

2 0 0 5



## Vision

The Department of Internal Affairs is a recognised leader in public service – known for innovation, essential to New Zealand, and trusted to deliver.

## Purpose

The Department of Internal Affairs serves and connects citizens, communities and government to build a strong, safe nation.

DEPARTMENT OF INTERNAL AFFAIRS  
TE TARI TAIWHENUA

# Statement of Intent 2005

Presented to the House of Representatives  
Pursuant to Section 39 of the Public Finance Act 1989

ISSN: 1175-8333





# Contents

Declaration by the Minister and Chief Executive of Internal Affairs	5
Chief Executive's Overview	6
<b>Part One: Outcomes</b>	
Introduction	9
Departmental Purpose	10
Departmental Activities	11
Strategic Directions	13
Outcomes	15
Managing for Outcomes – Approach	15
Managing for Outcomes – Progress	16
Strong, Sustainable Communities/Hapū/Iwi	17
Safer Communities	23
New Zealand and International Communities Trust the Integrity of New Zealand's Records of Identity	37
Executive Government is Well Supported	43
Uncertainty and Risk	45
Capability	47
<b>Part Two: Statement of Forecast Service Performance</b>	
Statement of Responsibility	53
Statement of Forecast Service Performance for 2005/06	54
Quick Guide to Output Expenses	55
Vote Community and Voluntary Sector	56
Vote Emergency Management	61
Vote Internal Affairs	67
Vote Local Government	78
Vote Ministerial Services	82
Vote Racing	85
Policy Advice Quality Criteria	87

## Contents *continued*

### **Part Three: Forecast Financial Statements**

Financial Summary	91
Statement of Significant Underlying Assumptions	93
Statement of Significant Accounting Policies	94
Forecast Financial Performance	97
Forecast Financial Position	98
Forecast Cash Flows	99
Reconciliation of Forecast Net Cash Flows	100
Forecast Movement in Taxpayers' Funds	101
Forecast Property, Plant and Equipment	102
Capital Expenditure	103
Statement of Objectives	104
Statement of Commitments	105
Memorandum Accounts	106
Financial Performance for Each Class of Outputs	108

# Declaration by the Minister and Chief Executive of Internal Affairs

**This Statement of Intent outlines Government expectations of the Department of Internal Affairs in 2005/06. The information contained in the Statement of Intent is consistent with the policies and performance expectations of the Government.**

The Statement also sets out the strategic outcome framework for the Department's operations and activities over the next three years. The relevant sections have been agreed with the Department's other Vote Ministers (Community and Voluntary Sector, Emergency Management, Local Government, Ministerial Services and Racing).

The Statement of Intent is the principal public record of the decisions of the Minister of Internal Affairs and the Chief Executive of the Department of Internal Affairs on the overall direction of the Department and the alignment of strategies and resources to support that direction. It also identifies environmental factors impacting on the work of the Department and risks to be managed in achieving the desired outcomes and in maintaining Departmental capability.

Information is also provided on the shorter-term work programme. The Statement also includes performance information to enable progress to be measured, financial forecasts for 2005/06, and other technical requirements of the Public Finance Act 1989.



Hon George Hawkins  
**Minister of Internal Affairs**



Christopher Blake  
**Chief Executive**

# Chief Executive's Overview



**This Statement of Intent is the 4th produced by the Department. A look back over these statements and the corresponding achievements reported in our Annual Reports shows our success in improving the coherence and clarity of our reporting, and the improvements we have made in our effectiveness.**

Everything we do works towards outcomes of support for central government, making our communities stronger, sustainable and safer, and ensuring trust in the records establishing each New Zealander's identity as a part of those communities.

Because we focus on outcomes, we now see the Department as "one organisation" – an understanding previously obscured by the diversity of our tasks and legislation.

We are the oldest government department, and the only department which provides direct, continuing personal services to every Minister. We take seriously our purpose to serve and connect citizens, communities and government to build a strong, safe nation.

The strategy which underlies this Statement of Intent responds to the new legislative roles and responsibilities given to us by reform of laws governing local government, civil defence, citizenship, gambling and civil unions.

We face challenges of critical importance for New Zealand's future. Issues of national security and identity of citizens are now linked throughout the world in the struggle to contain terrorism. The democracy threatened by terrorism is at the same time being strengthened by the Department's work in building stronger links between central and local government, and promoting the community outcomes process. By 2021 it is expected that one in five of us will come from an ethnic background. The Department supports ethnic communities in their dealings with government and this also strengthens our nation.

Threats to safety are not limited to those of human instigation. Natural disaster awareness is now at a high point for recent years. The Department is well-placed to take advantage of this in helping citizens prepare for the role we must each take up when disaster strikes.

The uncertainties and risk of our world can confound and frustrate the most careful and detailed planning. We are implementing strategies to manage risk and improve our capacity. We are developing new leaders, improving our recruitment and the way we manage our performance. We are reviewing our technology. All this is done in the context of new business arrangements which strengthen the Department's central services and leadership, and use the resources of our "one organisation" to improve the work of all its parts.

The old adage remains true: "ma whero, ma pango, ka oti te mahi". Every one of us, the staff of the Department, has a clear contribution to make to the work with which the government has entrusted us. I look forward, in the Annual Report of 2005/06, to reporting on the way we have delivered on this trust.

# OUTCOMES





# Introduction

**This Statement of Intent for the Department of Internal Affairs sets out who we are and what we do, what we seek to achieve in the next three years, how we intend to do this and how we will measure progress.**

The Statement of Intent also provides information on the Department's services and financial objectives for the 2005/06 financial year.

We are responsible to five Ministers administering six Votes (Community and Voluntary Sector, Emergency Management, Internal Affairs, Local Government, Ministerial Services, and Racing), as well as to the Minister Responsible for the Fire Service Commission.

We administer over 100 Acts and sets of Regulations, monitor three Crown entities (the New Zealand Fire Service Commission, the Office of Film and Literature Classification, and the Charities Commission) and the New Zealand Lottery Grants Board. We support various statutory bodies, trusts and committees including managing appointments processes.

The Department of Internal Affairs – Te Tari Taiwhenua – is the oldest New Zealand government department. We trace our history back to the structures put in place immediately after the signing of the Treaty of Waitangi in 1840.

Our 1,000 staff work in a wide range of roles. We come from diverse backgrounds and cultures, and work from 17 locations in New Zealand, and small offices in Sydney and London.

# Departmental Purpose

1

We aim to achieve a positive impact for New Zealanders by contributing, as one organisation, to the following key Government goals for the public sector:

- 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

The underlying purpose of our endeavours is to *serve and connect citizens, communities and government to build a strong, safe nation.*

We organise the Department in support of our purpose by focussing on outcomes – that is, states or conditions of New Zealand society which we are able to influence to varying degrees. Our outcomes are:

**STRONG, SUSTAINABLE COMMUNITIES/HAPŪ/IWI**

**SAFER COMMUNITIES**

**NEW ZEALAND AND INTERNATIONAL COMMUNITIES TRUST THE INTEGRITY OF NEW ZEALAND'S RECORDS OF IDENTITY**

We also have a key Departmental objective:

**EXECUTIVE GOVERNMENT IS WELL SUPPORTED**

# Departmental Activities

To a large extent the Department's current activities are determined by Government strategies, legislation and associated regulations. For example, the following comparatively recent legislation all directly influences our work:

- Local Electoral Act 2001
- Local Government Act 2002
- Civil Defence Emergency Management Act 2002
- Gambling Act 2003
- Civil Union Act 2004
- Human Assisted Reproductive Technology Act 2004
- Films, Videos and Publications Classification Amendment Act 2005
- Citizenship Amendment Act 2005
- Passports Amendment Act 2005

Our customers and other stakeholders have high expectations about the quality and continuity of services and products that we provide. For example, last year we issued approximately 380,000 passports, which had to be completely accurate and delivered on time.

Changes to our existing mix of outputs and activities over the next few years will be influenced by our increasing understanding of how what we do achieves our outcomes, by analysing the implementation of new legislation, and by government investment in our work.

The relationship between the Government goals, Departmental outcomes and objectives, and the Department's areas of operation is shown in the following diagram. This reflects the broad sweep of the Department's initiatives, outputs and activities at a high level. The section 'Managing for Outcomes'(page 15) shows how the Department manages each aspect of its business in support of outcomes. We also provide services which are ancillary to our work towards outcomes. For example, we provide translation and other language services to Ministers and third parties, authenticate official New Zealand documents for use in other countries, and publish the *New Zealand Gazette*, the official newspaper of the Government of New Zealand.

Key Government Goals	<p>The Key Government Goals to which the Department of Internal Affairs contributes:</p> <ul style="list-style-type: none"> <li>• Strengthen national identity and uphold the principles of the Treaty of Waitangi</li> <li>• Grow an inclusive, innovative economy for the benefit of all</li> <li>• Maintain trust in government and provide strong social services</li> </ul>			
DIA Outcomes & Objectives	Strong, sustainable communities/hapū/iwi	Safer communities	New Zealand and international communities trust the integrity of New Zealand's records of identity	Executive Government is well supported
DIA initiatives, outputs and activities	<ul style="list-style-type: none"> <li>• Providing policy advice (community, ethnic affairs, local government)</li> <li>• Implementing and evaluating sustainable community development projects and the hapū development strategy</li> <li>• Administering, implementing and evaluating local government legislation</li> <li>• Providing community and ethnic advisory services</li> <li>• Administering and evaluating community grant and funding schemes</li> <li>• Providing interpreting and web-based services to facilitate access to information and advice</li> <li>• Advice and information on the local government and local electoral systems</li> </ul>	<ul style="list-style-type: none"> <li>• Providing Civil Defence and Emergency Management (CDEM), fire, gaming and censorship policy advice</li> <li>• Providing information, support and professional development to the CDEM sector</li> <li>• Co-ordinating central government response and recovery support</li> <li>• Gambling licensing, enforcement, audits, investigations and monitoring</li> <li>• Censorship inspections, investigations, monitoring, enforcement and prosecutions</li> <li>• Facilitating the operation of the Publications and Classifications Regime</li> </ul>	<ul style="list-style-type: none"> <li>• Providing identity policy advice</li> <li>• Developing and managing Evidence of Identity standards</li> <li>• Registration of information</li> <li>• Provision of authorised access to information</li> <li>• Issuing Passports</li> <li>• Recommending citizenship grants</li> </ul>	<ul style="list-style-type: none"> <li>• Providing support services to Ministers</li> <li>• Co-ordinating Visits and official events</li> <li>• Providing VIP transport services</li> <li>• Providing support services for Commissions of Inquiry and similar bodies</li> </ul>

# Strategic Directions

We have identified specific areas for strategic focus. These are at the forefront of the environmental factors impacting on the Department, complement our existing roles, and support the achievement of our outcomes.

1

## Outcome: Strong, sustainable communities/hapū/iwi

### Central Government/Local Government Interface

The Government has recognised the Department as the mandated “home” for leadership and management of the interface between central and local government. We seek to support and improve relations between central and local government. Ultimately this should assist the better integration of national and local outcomes and investment strategies. Further discussion of initiatives relating to this area is contained in the outcomes section “Strong, sustainable communities/hapū/iwi”.

### Ethnic Diversity

The increasing profile of ethnic issues in New Zealand is driven by significant changes occurring in New Zealand’s ethnic makeup. For example, it is anticipated that ethnic<sup>1</sup> people will comprise 18% of the New Zealand population by 2021, and already 1 in 8 Auckland families are of Asian ethnicity. Changing social, economic and political forces, with associated pressure for discussion about New Zealand identity and calls from ethnic communities for more responsive policies and services, and for support to help themselves are all contributing to our growing involvement in this area. Our response to these issues is discussed further in the outcomes section “Strong, sustainable communities/hapū/iwi”.

### Citizenship

During the 2004/05 year the Department launched a review of the concept of citizenship, including the principles underpinning New Zealand citizenship policy and legislation. Key issues being addressed include the relevance of the concept of citizenship in today’s world, the rights and responsibilities of citizens, the distinction between citizens and residents, whether there is a need in New Zealand for promotion of citizenship, and whether citizenship is a measure of successful migrant settlement. This work continues in 2005/06.

## Outcome: Safer communities

### Civil Defence and Emergency Management

The two major flood events in New Zealand during 2004, and the South East Asian Tsunami on Boxing Day 2004, have raised awareness of New Zealand’s exposure to a wide variety of natural hazards. New Zealand had been free from major events over the past 20 years, but the events of 2004 are a timely reminder of our vulnerability and of the need for this to be addressed. It is therefore essential that all involved in civil defence and emergency management in New Zealand are committed to developing the capability necessary to reduce risks and improve the planning for and operational arrangements in the event of a disaster. The ways in which we are responding to these challenges are outlined in the section on “Safer communities”.

<sup>1</sup> ‘Ethnic’ as used in this Statement of Intent refers to people who identify with ethnic groups originating from Asia, Africa, Central and South America, continental Europe, and the Middle East, and includes migrants and refugees as well as people born in New Zealand who identify with these ethnic groups.

## Outcome: New Zealand and international communities trust the integrity of New Zealand's records of identity

### Identity Management

Internationally trusted records of identity, and particularly passports, are important for a small, geographically isolated country such as New Zealand to interact with the rest of the world and trade goods and services. These documents are also important for our individual and collective identity as New Zealanders, and for our social and economic development.

Our developmental focus on this area is driven by a range of increasing concerns about identity-related security, fraud and criminal activity. There is a high level of political and cross-government interest in this area: for example, in 2004 the New Zealand and Australian Governments signed an agreement to share passport and visa information in order to combat terrorism and other trans-national crime by detecting lost, stolen, cancelled or other invalid passports.

Identity security is particularly important given the environment of increasing opportunities for electronic transactions as government agencies develop E-government services. Our planned initiatives in support of improved identity security are described within the outcomes section "New Zealand and international communities trust the integrity of New Zealand's records of identity".

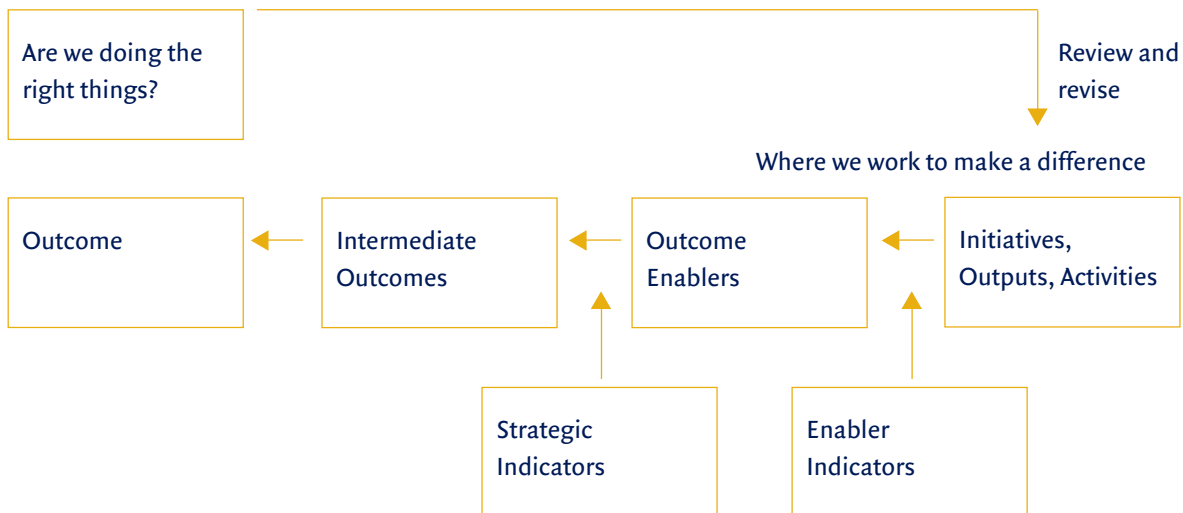
# Outcomes

The following sections outline our *approach* to managing for outcomes, and describe within each of our outcomes the *progress* we are making and how what we have learnt so far is shaping future initiatives.

## Managing for Outcomes – Approach

We organise ourselves to achieve our purpose by focussing on outcomes – that is, states or conditions of New Zealand society which we are able to influence to varying degrees to make a positive impact on the lives of New Zealanders.

Our generic approach to ‘managing for outcomes’ is shown below. This describes the cause-and-effect links between what we do (initiatives, outputs, activities) and what we are ultimately trying to achieve (outcomes). ‘Intermediate outcomes’ refers to lower-level outcomes that, when achieved, will influence the final outcome. ‘Enablers’ are the mechanisms that help the outcomes occur.



Our main influence is at the enablers level – this is where the impacts of what we do are most obvious and attributable to us. By measuring ‘enabler indicators’, we seek to understand whether our interventions are correct or the best influence on outcomes. We also review a range of other information (‘strategic indicators’) that helps confirm whether or not these enablers are effective in contributing to the desired outcomes. Over time this knowledge will shape our future actions.

In last year’s Statement of Intent we presented an initial set of indicators, based on our understanding at that time of which indicators might provide a reasonable assessment of the impacts of our interventions on each of our outcomes. These were a mixture of strategic and enabler indicators.

Since then we have refined these, for example through the development of a Sustainable Community Development indicator measurement framework (applicable to the *Strong, sustainable Communities/hapū/iwi* outcome). Similar measurement frameworks are under development for our other outcomes.

A Research and Evaluation Framework will be implemented by the Department in 2005/06. The framework will make sure that our outcomes and strategic direction are determining our research and evaluation programme and provide a growing evidence base for reviewing the effectiveness of our interventions.

Our expectations are that this evidence base will allow us to make more informed decisions in the future about the cost effectiveness of our interventions and possible alternatives.

## **Managing for Outcomes – Progress**

The following sections look at each of our outcomes in turn, and highlight areas of progress.

# Strong, sustainable communities/hapū/iwi

In last year's Statement of Intent, we outlined our thinking about the importance of strong, sustainable communities/hapū/iwi<sup>2</sup> for a more cohesive society, as this is one of the cornerstones of an inclusive, innovative New Zealand. The appropriate social and economic infrastructure can enable people to develop their own capabilities, to overcome disadvantage, to cope with change and to grasp opportunities to advance themselves and society. Strong sustainable communities/hapū/iwi have the potential to more effectively find solutions to local problems and achieve their own well-being. They are inclusive – providing a sense of belonging and purpose.

## Challenges facing communities/hapū/iwi

Over the next 20-25 years, our communities and hapū/iwi face specific challenges that we need to take account of as we work with them. They are aging. The younger populations are becoming more ethnically diverse. For example, it is anticipated that ethnic<sup>3</sup> people will comprise 18% of the New Zealand population by 2021. Already 1 in 8 Auckland families are of Asian ethnicity. The equivalent projections for 2021 are 17% Māori and 9% Pacific. Overall, these groups are moving to the four northern regions of the country. Those same communities will:

- Need to find new ways of getting people to participate and engage in local democracy and long-term planning without suffering consultation fatigue.<sup>4</sup>
- Have to identify where they want to develop and what partnerships they have to build to get there.
- Increasingly be facing decisions about how to fund social and physical infrastructure for growing or declining population segments.
- Make decisions about their future while having regard for the needs of subsequent generations, and the impact of growth on the environment, access to energy and climate change.
- Need to find and develop future leaders, at a time when already fewer people are putting themselves forward to work for their communities.

Changing social, economic and political forces, and the associated pressure to discuss issues of New Zealand identity, as well as calls from ethnic communities for more responsive policies and services, contribute to our growing involvement in this area.

During the 2004/05 year the Department launched a review of the concept of citizenship, including the principles underpinning New Zealand citizenship policy and legislation. Key issues being addressed include the relevance of the concept of citizenship in today's world, the rights and responsibilities of citizens, the distinction between citizens and residents, whether there is a need in New Zealand for promotion of citizenship, and whether citizenship is a measure of successful migrant settlement. Our analysis is based on a review of the history of New Zealand's citizenship policy and law, including the national and international legal context; consideration of the Treaty of Waitangi; and international developments, particularly documents about citizenship originating from the Council of Europe.

This review of the concept of citizenship is linked to work on the National Settlement Strategy currently underway in the Department of Labour, Ministry of Social Development and the Office of Ethnic Affairs, part of the Department of Internal Affairs.

In addition, the Office of Ethnic Affairs will continue to promote strength in diversity to ensure a strong self directed ethnic sector and to enable all New Zealanders to appreciate the advantages of cultural and linguistic diversity.

<sup>2</sup> When we talk of communities/hapū/iwi, the Department is referring to both geographic communities and communities of shared identity. It encompasses the community governance provided by local government as well as other entities.

<sup>3</sup> 'Ethnic' as used in this Statement of Intent refers to people who identify with ethnic groups originating from Asia, Africa, Central and South America, continental Europe, and the Middle East, and includes migrants and refugees as well as people born in New Zealand who identify with these ethnic groups.

<sup>4</sup> For example, the community outcomes processes due to be reported by local authorities in 2006 require local authorities to consult widely with their communities. In addition, Parliament's select committee review of the last local authority election processes could impact on the future decisions that communities need to make.

Outcome	Intermediate Outcomes	Outcome Enablers	Government Interventions	DIA Outputs and Activities	
Strong, sustainable communities/hapū/iwi	Community/hapū/iwi capacity strengthened	Community/hapū/iwi identity, shared values and self-determination	<b>Strengthening capacity building</b> Strengthening the leadership, organisational capabilities, decision making and asset (capital stocks) of communities and hapū/iwi	Implementing and evaluating initiatives to empower communities and build capacity  Implementing and evaluating sustainable community development projects	
		Skilled leaders	<b>Addressing barriers and enhancing social inclusion</b> Helping overcome the intervening factors and processes (internal and external) affecting capability development of communities Supporting the development of strong networks and civic participation	Advice, information and brokering by community development and ethnic advisors  Advice and information on the local government and local electoral systems	
	Enhanced social inclusion and opportunity	Capable organisations		Advising on ethnic and citizenship perspectives in government policy, and citizenship grant administration processes	
	Responsive and accountable local organisation, guided by diverse local communities/hapū/iwi	Strong network and civic participation opportunities		<b>Influencing the regulatory/policy environment in which institutions and communities operate</b> Promoting frameworks to guide the activities of institutions or agencies Monitoring those institutions or agencies against national policies and legislation, and international conventions and agreements	Developing and advising on community and local government policy and strategic issues  Developing agency capability
		Fair and effective representation	Administering, implementing and evaluating local government legislation		
	Community hapū/iwi initiatives are properly resourced	Supportive legislative and regulatory environment	Necessary local infrastructure	<b>Providing Assistance and Resourcing</b> Providing advice, facilitation, information, social services and funding to enable communities to meet needs, address problems and undertake development	Facilitating links between local and central government and local communities in the community outcomes process
			Access to necessary resources		Administering and evaluating community grant and funding schemes
		Access to advice, research, information and technology	Interpreting and web-based services to facilitate access to information and advice		

Note: Indicator information will be published in November 2005

## Outcomes Development

The outcome of strong, sustainable communities/hapū/iwi is broad and encompassing, and is one that the Department is not able to achieve by itself. Indeed our role is often to enable communities/hapū/iwi to identify and work towards their own well-being, rather than “doing it for them”. This places the Department in a different position to many other government agencies, which have a clearer accountability for achievement of their own outcomes.

As can be seen in the associated diagram, we are focussing our interventions on the mechanisms that are necessary to achieve strong, sustainable communities/hapū/iwi. We have identified nine such ‘enabler’ mechanisms that guide our policy and strategic advice, community advisory services, grants administration, regulatory roles, information and evaluation work.

The activities and outputs identified here are those that we lead. In addition, as may be expected, there are many interventions where others have a leadership role and the Department actively contributes. However, our focus is on measuring the impact only of those activities and outputs that our Department leads.

The first report on the impact we are having will be available for analysis in November 2005. As a starting point, this report will create some benchmarks. It will also draw on some of the initial evaluations of Crown-funded grant schemes, from which early lessons are already being drawn (e.g. that providing funding for longer than the current limit of three years is likely to be more effective for the community). The evaluative information will also allow us to review and potentially make clearer the relationships between our key activities, interventions and enablers and how they contribute to the outcomes. As we identified last year, our activities often contribute to more than one intervention and enabler.

The Department plays a unique role at the interface between central government and communities, based on its breadth of community engagement including its role in local government and association with the voluntary sector. This resulted in the assignment of several new initiatives to the Department in 2005/06, including responsibility for policy advice on, and monitoring of, the Charities Commission.

The Department will be building on this role over the next three years, by developing a sustainable communities investment strategy to guide our activities and outputs. We will explore with other agencies whether this strategy could be useful in improving the alignment of cross government activities aimed at strengthening local communities. We will also review the contributions that existing departmental activities might make to new government initiatives.

## Departmental Initiatives

### Strengthening capacity building

- *Strengthening the identity, leadership, organisation capabilities, decision-making and assets of communities/hapū/iwi.*

A significant development during the last year has been aligning the Crown-funded Community Development Scheme more closely with our framework for developing strong, sustainable communities (SCD). The Department is interested in using the framework to guide decisions on the types of initiatives this scheme and others should fund. To apply and test the SCD framework, the Department is participating in four action research projects in Kaikohe, Raetihi, Papakura and Waitakere City (Twin Streams) – the latter two are also part of the Auckland sustainable communities work-stream that the Department is leading. A SCD Action-Research Evaluation Project was initiated this year to improve how the Department works with communities in the future.

During 2004/2005 Te Whakamotuhaketanga Hapū (TWH), our Māori community development strategy aimed at supporting Māori moves to sustainable development, was in the second year of implementation. The focus for the next three years is to integrate TWH into the core business of the Local Government and Community Branch. We will be preparing for the introduction of specialist TWH advisors (2005) and developing Te Kete Awhina (an internal toolkit centred on practically applying the TWH strategy in the field). An evaluation framework will be adopted for TWH from 2005/06, to review both the implementation process and the difference the strategy is making to people who deal with us.

The Department administers and evaluates a range of community grant or funding schemes. These support capacity and relationship building, local initiatives, community services and community-based youth development. Evaluation of the Community Development Scheme, Māori Community Development Worker Scheme, and the Community Based Youth Development Fund has been a focus in 2004/05.

The Rates Rebate Scheme administered by the Department is enhanced for 2006/07. The scheme provides a subsidy to low income home owners and ratepayers. The scheme will be extended by increasing the thresholds for rebate entitlement and the amount of the rebates. A review of the implementation of the enhanced scheme will be conducted in 2007/08.

#### **Addressing barriers and enhancing social inclusion**

- *Helping overcome the intervening factors and processes (internal and external) affecting capability development of individuals, families, groups and communities.*
- *Supporting the development of strong networks and civic participation opportunities.*

Participation in local elections is a key way in which individuals can participate in their community. With a view to making the introduction of a new voting system (single transferable voting (STV)) as simple as possible for voters in the 2004 local authority elections, we provided public information about the new voting system in the period leading up to the elections. A survey of a cross section of councils conducted with Local Government New Zealand indicated that two-thirds of electors had seen one or more sources of information.

We are now collecting and analysing voter-turnout and other statistics on the 2004 local elections, and information on the characteristics of candidates and candidates' expenditure. This information will be made available publicly, to enhance community understanding of the democratic process. It will be analysed to assess whether local electoral processes could be improved. A key task for us in 2005 is as an advisor to the select committee reviewing the 2004 local elections, and providing policy advice on any recommendations that the committee makes. As a result of this process, we may also be implementing changes to local electoral processes in the lead-up to the 2007 local elections.

Over the last year we have been working with the Department of Labour to harmonise immigration and citizenship processes. One of the key objectives is to ensure that the settlement process better enables individuals to feel included and participate in New Zealand's communities as they move from immigrant to citizenship status. This will continue to be a focus over the next three years.

As part of the Chinese poll tax descendants reconciliation package in 2004/05, a trust administered by the Department was established to assist poll tax descendants to overcome concerns they had about their ancestors' integration into New Zealand communities and to enhance their own and the public's understanding of their place in New Zealand's cultural history.

### **Influencing the regulatory / policy environment in which institutions and communities operate**

- *Promoting frameworks to guide the activities of institutions.*
- *Monitoring those institutions against national policies and legislation, and international conventions and agreements.*

The policy work programme for the Department is discussed with our Ministers on an annual basis, and revised at six-month intervals. As already mentioned, we have several projects related to local government funding and regulation. These will be priorities in the coming period, as will our activities at the interface between central government, local government and the community.

The Department supports the Local Government Commission, which has consulted with key local government stakeholders on the preparation of an initial report on the operational effectiveness of the Local Government Act 2002 and the Local Electoral Act 2001 (as required by the Local Government Act). The Commission is now preparing for its substantive report on those Acts, following the 2007 local elections. Over the years from 2005 the Department will also be evaluating the Local Electoral Act 2001, the Local Government Act 2002 and the Local Government (Rating) Act 2002 .

The Department and the local government sector are working together to produce a national dog database. The database will provide information to dog control officers. From 2006, when the database goes live, there will be better information about dangerous dogs available to enforcement officers, helping them keep their communities safe.

The Department will work with Auckland local authorities and Government agencies to review statutory provisions relating to Auckland regional governance and Watercare during 2005-2007.

### **Providing assistance and resourcing**

- *Providing advice, facilitation, information and funding to enable communities to meet needs, address problems and undertake development.*

We provide administrative support to the Lottery Grants Board (LGB) and the Community Organisation Grants Scheme (COGS). A key role for the Department in 2004/05 was to support the LGB as it implemented a new community committee structure. Three committees and their associate regional subcommittees were disestablished and 11 community committees were set up in their place. Last year we also developed for the LGB an online grant applications system. 63% of community committee grant applications are now received online. Full online access for all grant applications for the Lottery and COGS funding schemes, within the Grants Online system, is to be in place by November 2005. A focus over the next three years is the development and implementation of guidelines for Better Practice Funding.

Following the successful trial of Language Line, the government allocated ongoing funding to the Office of Ethnic Affairs to make Language Line a permanent service. This service helps immigrants whose first language is not English obtain information and advice about government agencies, as they develop their place in New Zealand.

### **Working with others**

The Government has recognised that the Department can become the mandated “home” for leadership and management of central and local government interface and ethnic affairs. In assuming this role, the Department

seeks to support and improve relations between central and local government. Ultimately this should assist the better integration of national and local outcomes and investment strategies.

In 2004/05, we established a relationship team to liaise with central and local government and to improve information flows about the community outcomes process between them, on a local basis. We also set up a national network of key government organisations, hosted a national workshop for central and local government on the community outcomes processes and launched a website directory of central government contacts for the community outcomes processes.

The role of the central/local government liaison team will be reviewed in 2006/07, to ensure this activity remains effective, along with the Department's other initiatives to implement the Local Government Act. This review will happen after councils have completed the first full round of community outcomes processes, creating an opportunity to consider how the Department can best assist central and local government with the consequent implementation strategies.

The Department also led work with departments and local government on reviews of processes for allocating new regulatory roles to local government, and of local authority funding powers. Each is due for report to government in 2005, and decisions on the funding review could potentially form the basis of a significant work programme for the Department from 2005 - 2007.

During the next three years, we will continue to support and facilitate central/local government engagement, and identify ways to improve alignment between central/local government outcomes and investment strategies. We will:

- provide information to communities/hapū/iwi (including local government) about local government;
- launch a new website on the local government sector in 2005; and
- publish the results of evaluation of the three key local government Acts that the Department administers, which will become available from 2006.

The Office of Ethnic Affairs is working with government agencies to implement Ethnic Perspectives in Policy throughout government as required by Cabinet. This includes working with other parts of the Department of Internal Affairs to upgrade its current plan and develop a collaborative approach to enhance the ethnic responsiveness of territorial authorities.

The Office will also continue to work with other population agencies to improve the links between Māori, Pacific and ethnic communities.

The Office identifies a need for better, evidence-based research about ethnic communities. It will develop a strategic approach which can be promoted throughout government and research institutions. A strategic approach in this area will mean accounting for government goals and major Departmental outcomes as plans are developed, so that research results will be immediately, and widely, useful.

# Safer Communities

A fundamental responsibility of the government is to protect the citizens of New Zealand. People want to be safe.

The Department makes the following specific contributions to achieving safer communities:

- reducing vulnerability of communities to hazards and their risks
- ensuring gambling activities are fair and lawful, and harm has been prevented and minimised; and
- minimising harm from restricted and objectionable material.

## Safer Communities – Reduced Vulnerability of Communities to hazards and their risks

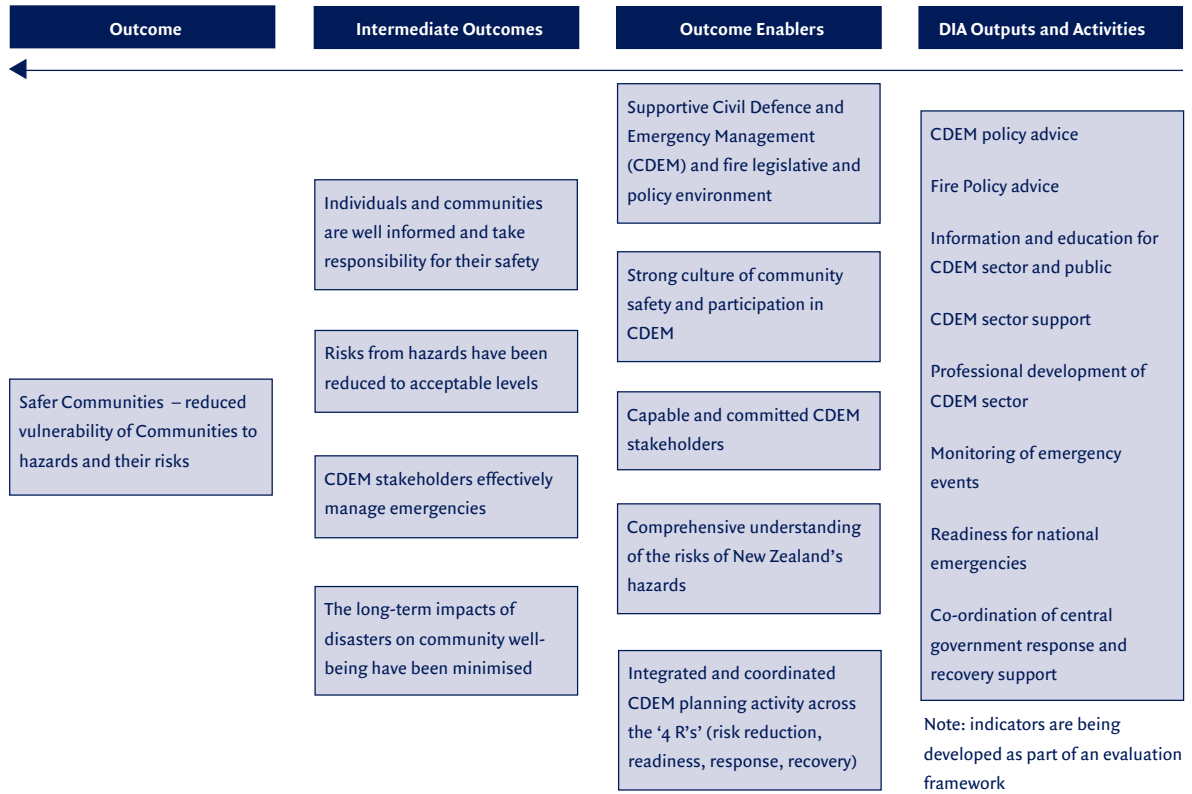
New Zealand's dynamic physical environment and level of technological development means that we are exposed to a wide variety of hazards, both natural and industrial. Better understanding of our hazards, coupled with effective planning means we can greatly reduce the potential impact on our communities. We can be better prepared to deal with, respond to, and recover from disasters when they occur. We all have a role to play in civil defence and emergency management.

New Zealand has excellent fire and rescue services. Rural fire services minimise the threats from forest fire and wildfire over 97% of the country, while 96% of the population can be reached by an urban fire service within 10 minutes. Both the NZFS and the rural services rely heavily on large numbers of volunteer firefighters. Today fires are only about one third of the incidents attended by all fire emergency services (that is, the New Zealand Fire Service, industrial brigades and rural fire forces).

Hazardous emergencies (which involve, for example, cleaning up hazardous materials such as petrol at vehicle accidents) are the single most common non-fire incident. Natural disasters such as floods occur less frequently than other types of incident, but have major consequences when they occur.

The two major flood events in New Zealand during 2004, plus the South East Asian Tsunami on Boxing Day 2004, have raised awareness of New Zealand's exposure to a wide variety of natural hazards. New Zealand had been free from major events over the past 20 years, but the events of 2004 are a timely reminder of our vulnerability and of the need for this to be addressed. It is therefore essential that all stakeholders involved in CDEM in New Zealand are committed to developing the capability necessary to reduce risks and improve the planning for and operational arrangements in the event of a disaster.

The Civil Defence Emergency Management Act 2002 requires a new focus for those key agencies who have a role in improving New Zealanders' resilience in the face of such emergencies. Our role is to give effect to this legislation. The Ministry of Civil Defence and Emergency Management, which is a part of the Department, has a leadership role providing support, tools and facilitating a collaborative approach within the sector.



## Outcomes Development

The Department has continued to develop and deepen its understanding of how it can influence this outcome. It has identified a set of enablers that the Department's interventions aim to positively influence. These are derived from detailed research and analysis completed during the development of the Civil Defence Emergency Management Act (CDEM Act) 2002 and the National Civil Defence Emergency Management Strategy released in 2004.

The February 2004 storms and floods created the largest emergency management event in the past 20 years, and was the first major event since the passing of the Civil Defence Emergency Management (CDEM) Act in December 2002. Given the significance of this event, the Department commissioned a review of the management of the response and initial recovery efforts at local, regional and national levels. The focus of the review was to identify, from an emergency planning perspective, lessons to be learned, good practices to be reinforced and processes to be improved.

In addition to the review of this specific event, the State Services Commission, at the request of the Ministers of State Service and Civil Defence, led a review of the Ministry of Civil Defence and Emergency Management. This review considered the readiness of communities to respond effectively to a civil defence emergency and disaster and what progress had been made at national and local levels towards implementing the new civil defence and emergency management environment. It also assessed the Ministry's progress towards meeting its obligations under the Act and reviewed how well equipped the Ministry is to support achievement of the functions of the Act.

Key themes to emerge from these reviews included:

### LEGISLATIVE FRAMEWORK

- Good progress is being made towards implementing the CDEM Act 2002.
- The Act provides an appropriate structure and methodology for dealing with large-scale emergency events. It was not seen to introduce any structures or procedures that hindered authorities at any level in carrying out their responsibilities for emergency management.

### SECTOR CAPABILITY

- Many of the elements of effective emergency management capability and processes are in place or developing at local, CDEM Group and national levels, however further support is required to develop and strengthen these linkages.
- A need and expectation from the sector for a greater degree of national direction and guidance, including the need to standardise and extend national training programmes.
- The flood event was notable for the breakdown, overloading and/or ineffectiveness of communications systems including some flood warning systems.

### PUBLIC EDUCATION/ COMMUNITY INVOLVEMENT

- Public understanding of the new Civil Defence environment is still not high and they commonly do not understand their role in it.
- New Zealanders are disinclined to prepare for civil defence emergencies despite their general awareness of the hazards and risk and the potential disruption to everyday life.

- The concept that the community should prepare for, endure and unite to recover from a range of disasters has not taken hold.

#### CAPACITY AND CAPABILITY OF THE MINISTRY

- Enhance its capability and capacity to develop its role as the sector leader capable of developing and maintaining strong relationships.
- Strengthen its national coordination role during events including the management of the National Crisis Management Centre.

Many of these themes are addressed by the Departmental initiatives discussed below.

## Departmental Initiatives

### Supportive CDEM and fire legislation and regulatory environment

A key initiative in the area that will contribute to a supportive CDEM and fire legislation and regulatory environment is the fire legislative review.

Currently there are two fire management systems in New Zealand: a national service provided by the New Zealand Fire Service (NZFS) and a “rural” system under the control of 86 rural Fire Authorities. There are also a number of specialised private brigades protecting major commercial installations such as the Marsden Point Oil Refinery, the Tiwai Point Aluminium Smelter, and airports.

The three main problems which the sector has to contend with are:

- ambiguity and inconsistency arising from deficiencies and gaps in the legislation;
- the lack of a mandate in legislation for the evolving role of firefighting services in non-fire emergencies; and
- inefficiencies resulting from the dual fire management system created by the legislation.

In order to address these problems, Ministers agreed in December 2003 that the Department, in consultation with Local Government New Zealand, the NZFS Commission and government agencies, should develop comprehensive new fire and rescue legislation to replace the existing two acts. The new legislation is to extend the mandate for firefighters to carry out the general rescue work they currently perform, and will include provisions for a property based system of funding fire and rescue services.

There is a comprehensive process of public consultation planned, to reflect the importance of the new legislative development. Policy proposals will be written in 2006 on the basis of analyses of public submissions, and it is possible that new legislation could be before the House by 2007.

### Strong culture of community safety and participation in CDEM

To support a strong culture of community safety and participation in CDEM we must increase the awareness and understanding of the CDEM environment. This can then lead to more committed and involved communities. The Ministry will develop and implement an enhanced public education programme. This programme incorporates implementation of the CDEM in schools project.

The Ministry will also facilitate the development of capacity and commitment for CDEM through engagement with existing community groups. This is not about forming CDEM groups within communities, rather using the strength of existing community groups to become involved in local CDEM planning and in response and recovery should a civil defence event occur.

### **Integrated and coordinated CDEM activity across the 4R's**

#### **Capable and committed CDEM stakeholders**

Initiatives related to the integrated and coordinated CDEM activity across the 4R's (risk reduction, readiness, response and recovery) and capable and committed CDEM stakeholders include ongoing support to CDEM groups to further enhance their capability. The Ministry will continue to develop tools and provide appropriate education and training opportunities to improve CDEM planning, operational arrangements and performance.

The Ministry will assist CDEM Groups to enhance their relationships with each other and with national agencies.

The Ministry is developing a whole-of-government policy framework for CDEM and building the required operational arrangements for managing a national level disaster. The Ministry will also be leading and supporting the development of sector-wide operational capacity for use at the time of a disaster, which will include improved communication systems and process and developing a management information capability.

A capable CDEM sector also relies on the Ministry having the necessary capability and capacity to lead and support the sector. The Ministry is developing a programme to increase its own capability and capacity over the next three years, including a significant increase in resources to effectively deliver on its obligations and responsibilities.

#### **Comprehensive understanding of the risks of New Zealand's hazards**

To support a comprehensive understanding of the risks of New Zealand's hazards, the Ministry will lead the identification and analysis of hazards to inform risk reduction priorities, and will support national and local risk reduction initiatives.

### **Working with others**

The new approach to emergency management established in the CDEM Act relies on a strong collaborative approach including integrated planning and promoting interagency co-ordination. We all have roles to play during a disaster – individuals, businesses, emergency services and government departments alike. The challenge is how best to coordinate our planning and efforts.

The Ministry will encourage organisations with similar objectives to work together to:

- Clarify goals, responsibilities and roles for disaster management;
- Identify gaps in capability and capacity; and
- Address the gaps through action plans.

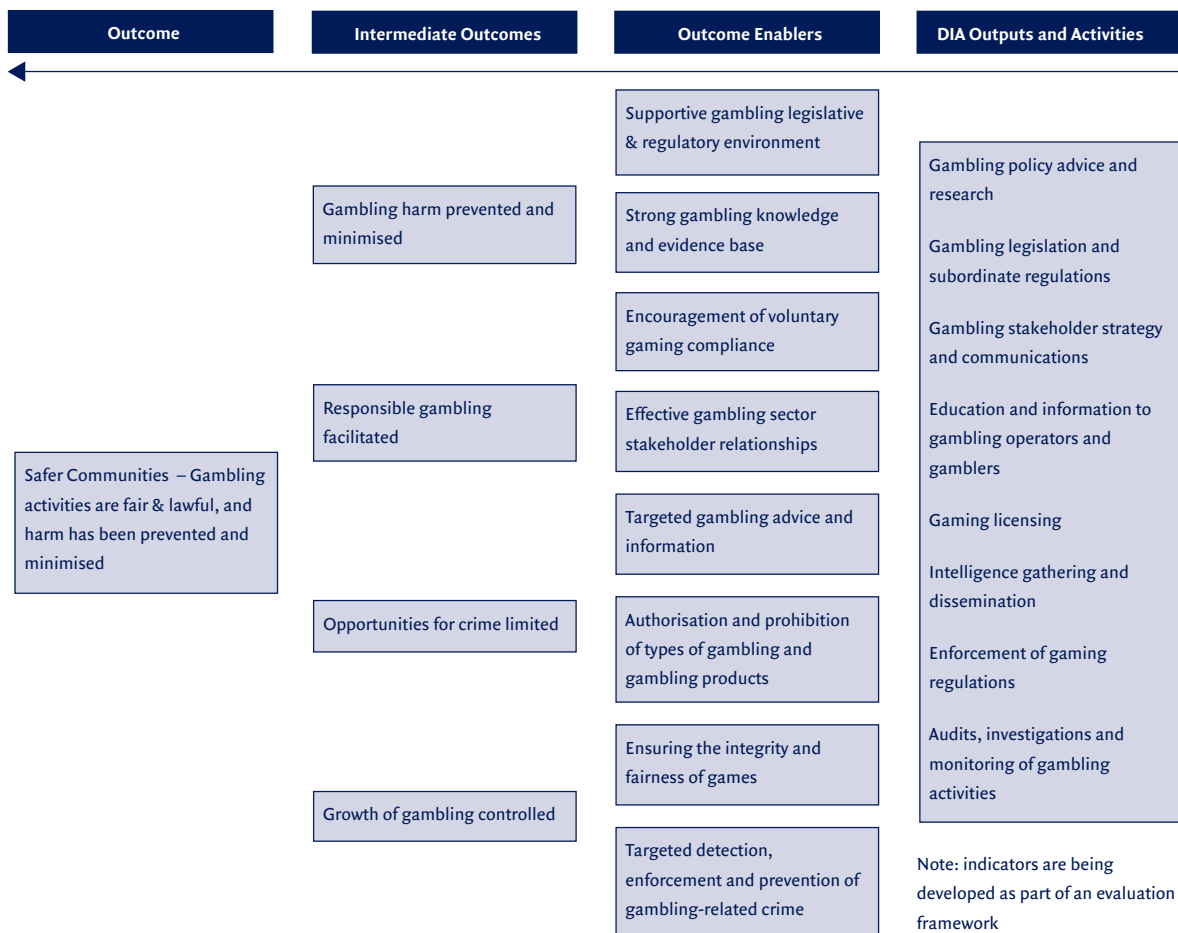
This 'Cluster Approach' is not new, being based on the concept of a group of agencies, either within or across sectors that interact to achieve common (disaster management) outcomes in a coordinated manner. Most clusters will include agencies other than central government departments including Non Government Organisations (NGOs), local government and others. The Ministry will also be a full member of all the CDEM Clusters.

## **Safer Communities – Gambling activities are fair and lawful, and harm has been prevented and minimised**

Gambling in New Zealand comprises casino gambling; non-casino gaming machines; New Zealand Lotteries Commission products such as “Lotto”; race and sports betting; housie; lotteries; prize competitions; and other games of chance. In some areas, gambling activity has increased considerably over recent years. For example, the number of gaming machines (“pokies”) in pubs and clubs increased from 7,770 in June 1994 to 25,221 in June 2003 and operators’ profits increased accordingly, from \$450 million in the year ended 30 June 2000, to \$1.035 billion in the year ended 30 June 2004.

The key piece of legislation which influences this outcome is the Gambling Act 2003. This Act seeks to:

- Control the growth of gambling.
- Prevent and minimise the harm caused by gambling, including problem gambling.
- Authorise some gambling and prohibit the rest.
- Facilitate responsible gambling.
- Ensure the integrity and fairness of games.
- Limit opportunities for crime or dishonesty associated with gambling.
- Ensure that money from gambling benefits the community.
- Facilitate community involvement in decisions about the provision of gambling.



## Outcomes Development

Since the publication of the last Statement of Intent, we have begun developing a three-year plan to take a more strategic, longer-term view of achieving *safer communities* through gambling policy and regulation.

The first part of this plan has been to identify the high-level intermediate outcomes that contribute to the ways we can help achieve *safer communities* for New Zealanders. The way our activities and outputs link to the enablers also has been made clearer and our improved approach is shown in the associated diagram in this year's Statement of Intent.

The second part of the plan includes assembling information from research and operational experience to make sure that our understanding of how our interventions impact on our outcomes is based on current and comprehensive evidence from New Zealand and overseas. This also includes developing a framework of indicators and measures to evaluate the effectiveness of our interventions and confirm that they are contributing to our outcomes as intended.

## Departmental Initiatives

### **A supportive gambling legislative and regulatory environment and strong gambling knowledge and evidence base.**

This year we will carry out the fifth survey in a series looking at New Zealanders' *Participation in, and Attitudes Towards Gambling*. The survey provides information on the level and frequency of gambling participation in New Zealand and investigates public attitudes to gambling, covering which factors people think should guide gambling legislation, the desirability of gambling activities, and where the profits from gambling activities go. The survey is highly regarded nationally and internationally because it is a survey repeated at regular intervals and carried out to a high standard. For the Department, and other agencies such as the Ministry of Health, it is a key piece of research that informs policy advice and contributes to a supportive gambling legislative and regulatory environment and strong gambling knowledge and evidence base.

The Gambling Act 2003 provides a solid, coherent regulatory framework within which the Department, the sector and the community can all operate. Now that the initial focus on implementation of the Act has passed, we wish to communicate on an ongoing basis with stakeholders about key issues. This includes the electronic monitoring of gaming machines and responsible gambling as well as engaging stakeholders at a strategic level to obtain high-level feedback on the ongoing implementation and other aspects of the new regulatory framework. We will ensure our role as the regulator remains clear and understood by the sector, but will balance that by seeking a level of dialogue and feedback from all stakeholders that provides a greater level of understanding of respective positions on regulatory issues.

### **Encouragement of voluntary gambling compliance**

Our immediate priority has been implementing the new Gambling Act, although work is also underway to monitor and evaluate whether or not we are achieving our outcomes. This work included collecting information for the last two years on the extent of non-compliance by gaming sector organisations with the provisions of the Gambling Act, so that we could set a benchmark for non-compliance. Based on this information, the benchmark for non-compliance with gambling laws detected and not subsequently rectified has been set at no greater than 20%. We shall monitor compliance and report the first year's results at the end of 2004/05. We are also continuing to collect information and assess the percentage return to the community from non-casino gaming machine operations.

Over the last 12 months our efforts have been focused on ensuring that the Gambling Act 2003 is successfully implemented. We have a number of key projects over the medium term that support the purposes of the Act and enhance the effective regulation of the sector, and so contribute to our intermediate outcomes.

### **Targeted gambling advice and information**

Our ultimate goal is that the gaming sector will achieve a significant level of “voluntary compliance” as the sector understands the rules and recognises the reasons for compliance and risk of non-compliance. One of the key ways of achieving this goal is the provision of targeted gambling advice and information. A measure of our effectiveness in advising and informing the sector is the results of a survey conducted for the Department in 2003/04 that showed that over 90% of the gambling sector organisations and operators were satisfied or very satisfied with how the information services provided by the Department supported their ability to comply with relevant laws, conditions and rules. The survey also highlighted some aspects which could be improved, such as further development of our website, and this feedback is being used to improve our information services for the sector.

### **The integrity and fairness of games and the targeted detection, enforcement and prevention of gambling-related crime**

In 2005/06 the development of an Electronic Monitoring System (EMS) for all gaming machines in pubs and clubs will continue with planning, building and testing of the chosen system, followed by a pilot phase at selected venues. This will be followed by a phased connection of all the approximately 22,000 non-casino gaming machines in New Zealand to the EMS by the statutory deadline of 19 March 2007. EMS will help ensure the integrity and fairness of games and the targeted detection, enforcement and prevention of gambling-related crime through prompt detection of fraud or any leakages of community funds that should ultimately be provided to the community. It will also enable the collection of additional, improved information on the whereabouts and operation of gaming machines to support policy development and research.

### **Working with others**

Our stakeholders fall into three general groups; community interests, government agencies and operators in the gambling sector.

In moving towards the outcome of *safer communities*, our focus is on community groups, for whom gambling raises funds, and gamblers. Over the past twelve months we have engaged in a series of high-level meetings with key community and sporting groups that receive money from gambling and organisations representing the community and voluntary sector. The purpose of the meetings was to explain the changes to the regulatory regime as a result of the Gambling Act, to exchange views on the gambling environment and its operation and to explore ways of working together in a cooperative fashion. We intend to continue these contacts on an ongoing basis.

One of the key intermediate outcomes contributing to *safer communities* is that *gambling harm is prevented and minimised*. We develop and implement controls and limits on gambling activities that contribute to the prevention and minimisation of harm. The Ministry of Health is responsible for the development and implementation of an integrated strategy to prevent and minimise gambling harm.

The Department and the Ministry of Health have recognised that a “whole of government” approach is necessary to achieve the prevention and minimisation of gambling harm and officials from both organisations have been working

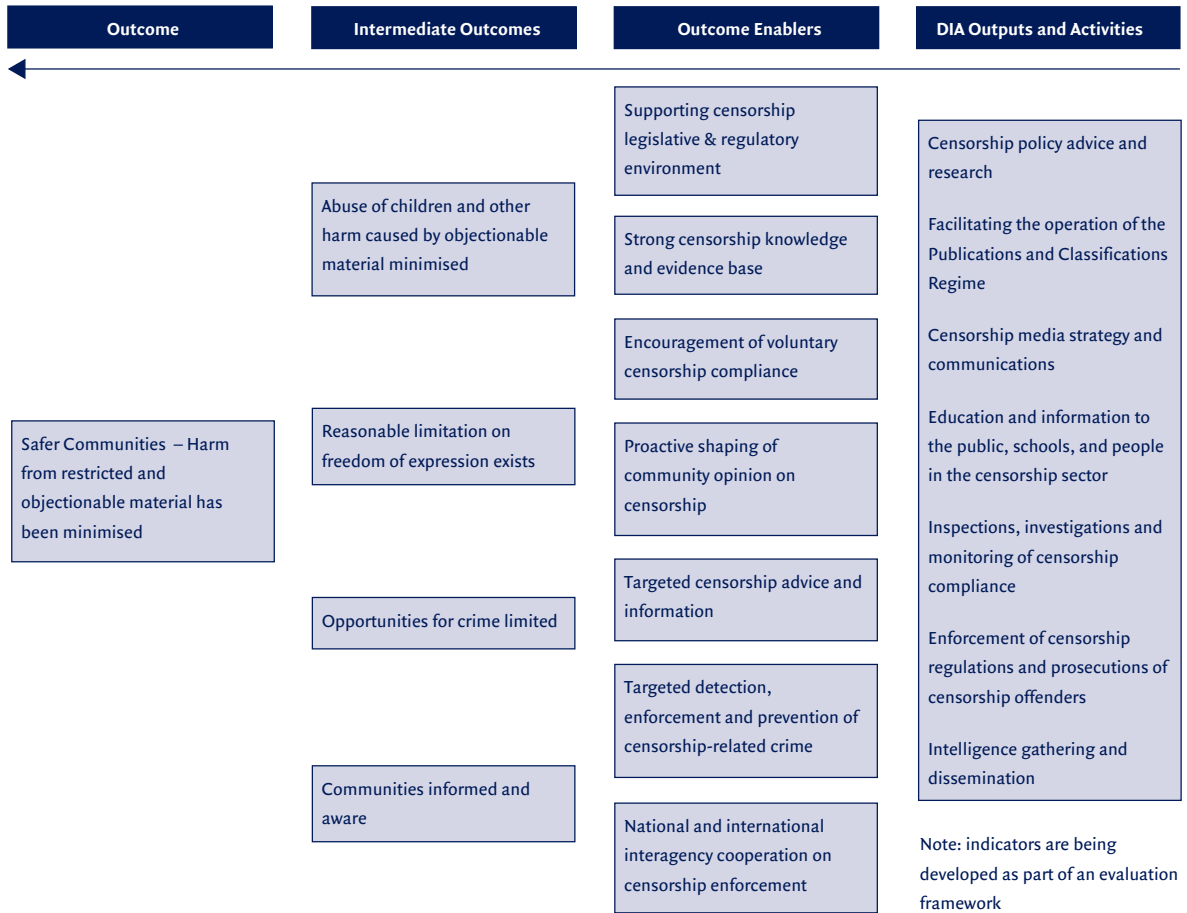
closely together to address gambling issues collaboratively. A number of joint initiatives are currently in the planning stage, including formation of a sector-wide forum for raising and discussing issues related to gambling, and officials have also begun to explore the possibility of a shared outcome for this area. The Ministry published *Preventing and Minimising Gambling Harm: Strategic Plan 2004-2020* in March 2005.

One of the contributors to *safer communities* is *targeted detection, enforcement and prevention of gambling-related crime*. We have built our intelligence capability and networks to gather and disseminate intelligence on illegal activity within the gaming sector and the community. We work in partnership with other enforcement agencies, and through a Combined Law Agency Group (CLAG), to prevent and detect illegal gambling activity and other illegal activity within the gambling sector.

## **Safer Communities – Harm from restricted and objectionable material has been minimised**

The community seeks to balance, on the one hand, the minimisation of harm from restricted and objectionable material (ensuring that criminal behaviour is effectively dealt with) and the preservation of freedom of expression on the other. In the case of objectionable material involving minors particularly, harm is caused through the making, possession and/or distribution of the material because of the nature of the material itself, and the fact that it can only be derived from situations in which actual harm is caused, or the only intention is to cause harm.

The Department enforces the Films, Videos, and Publications Classification Act 1993. Most of our monitoring and compliance work is focussed on the trading of objectionable material over the Internet.



## Outcomes Development

Since the publication of the last Statement of Intent, and as with gaming policy and regulation above, we have begun developing a three-year plan to take a more strategic, longer-term view of achieving *safer communities* through censorship policy and regulation. The first part of this plan has been to identify ways in which can help achieve *safer communities* for New Zealanders. The way our current activities and outputs link to the enablers also has been made clearer and our improved approach is shown in the associated diagram in this year's SOI.

The second part of the plan includes assembling information from research and operational experience to make sure that our understanding of how our interventions impact on our outcomes is based on current and comprehensive evidence from New Zealand and overseas. The second part also includes developing a framework of indicators and measures to evaluate the effectiveness of our interventions and confirm that they are contributing to our outcomes as intended.

One of our key intermediate outcomes towards the achievement of *safer communities* is that the *abuse of children and other harm caused by objectionable material is minimised*. Since the publication of the last Statement of Intent, Parliament has passed amendments to the Films, Videos and Publications Classifications Act 1993. The changes include the creation of new offences, broader investigative powers and greater penalties for those caught possessing, making and distributing objectionable publications.

The changes to the Act are partly in response to the community's increasing concerns with such offending, as understanding of the true nature of this offending increases. This is also reflected in the tougher sentences handed out by the Courts. Until 2002, the Department's cases brought before the courts resulted in, on average, 16-17 convictions a year. Of those, only five resulted in jail terms. In 2003, there were 26 convictions with eight offenders being jailed and in 2004 there were 24 convictions with seven jail terms imposed.

## Departmental Initiatives

### **A supportive censorship legislative and regulatory environment.**

In addition to our regulatory and enforcement role, we also contribute towards *safer communities* by facilitating the operation of the publications and classifications decision-making regime. We provide administrative support to the Film and Literature Board of Review, and the Secretary of Internal Affairs must decide on applications to grant leave to refer a matter to the Board for review. We also monitor the performance of the Office of Film and Literature Classification (OFLC) and provide advice to the Minister. We are continually reviewing our effectiveness in undertaking these activities and how they contribute to a supportive censorship legislative and regulatory environment.

### **A strong censorship knowledge and evidence base**

We have been engaged in research (*Traders Of Child Pornography And Other Censorship Offenders In New Zealand*) in order to gain a better understanding of offender behaviour. The development of such a knowledge base is considered valuable given the current lack of research in this area. Developing profiles of censorship offenders has meant that the information can be used to improve the way in which offenders are identified, processed and treated and to proactively respond to the issues surrounding the prevention of offences of this nature. We published the initial research outcomes in April 2004 and the future work will continue to support the outcome enabler of a strong censorship knowledge and evidence base.

The Department and OFLC are jointly commissioning research to gather information, by way of a youth based survey, on the effectiveness of the classification regime with respect to the current age restrictions on computer games. Anecdotal information suggests that young people are playing restricted games and in many cases obtaining such games from adults, such as their parents. We will use the information gained from the survey, which will be available in 2005/06, to review the enforcement approach to such activities and, in particular, whether additional focus is required on education and communicating the purpose and nature of the classification regime as it applies to computer games.

### **Encouragement of voluntary censorship compliance**

One of the outcome indicators for *safer communities* is the extent of non-compliance with censorship laws. We intervene to ensure that the film and video industry, magazine distributors and shops are correctly labelling and displaying restricted material and objectionable material is not available to the public through those outlets and over the Internet. For the last two years we have been collecting indicator information on the extent of non-compliance with censorship laws, excluding Internet related non-compliance. For 2003/04 the non-compliance rate for shops, video outlets and the like was 12% and we are again aiming at instances of non-compliance being no greater than 15% for 2005/06.

### **Working with others**

*National and international interagency cooperation* is important for *safer communities*. We work closely and share information with many overseas jurisdictions, such as Australia, Singapore, USA, Canada and a number of Western European countries. Our Censorship Compliance Unit also has links with international enforcement agencies such as Interpol and other agencies with an interest in Internet-related crime including the National Centre for Missing and Exploited Children (USA), and Search Inc (UK). An important focus for cooperation and information sharing is on developments in technology, forensic investigation techniques and software development.

In New Zealand close partnerships have been established with the Police and New Zealand Customs, with the objective of detecting and prosecuting offenders and reducing the level of offending. We also work and share information with other government agencies such as the Department of Child Youth and Family and OFLC, non-government organisations involved in Internet safety such as ECPAT (End Child Prostitution, Child Pornography, Child Sex Tourism and Trafficking in Children for sexual purposes) New Zealand and the Internet Safety Group. Direct relationships are also maintained with key sector groups such as Internet Service Providers, film and magazine distributors and the computer game industry.

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

Internationally trusted records of identity, and particularly passports, are important for a small, geographically isolated country such as New Zealand to interact with the rest of the world and trade goods and services. These documents are also important for our individual and collective identity as New Zealanders, and for our social and economic development. We are responsible for the creation and stewardship of trusted records of, or relating to, New Zealanders' identity. For example, in the year ended 30 June 2004, we issued 384,000 New Zealand passports, issued 220,000 birth, death or marriage certificates, and presented to the Minister 21,000 applications for the grant of New Zealand citizenship. Our success depends on these records being trusted by the public, the government sector and internationally.

Our developmental focus on this area is driven by increasing concerns about identity-related security, fraud and criminal activity. There is a high level of political and cross-government interest in this area: for example, in 2004 the New Zealand and Australian Governments signed an agreement to share passport and visa information in order to combat terrorism and other trans-national crime by detecting lost, stolen, cancelled or other invalid passports. We are also working with a large number of other Governments on the development of E-passports incorporating new security technology.

We provide leadership on identity management issues, including development of an Evidence of Identity standard for use across the New Zealand public sector. This builds on the recently published Evidence of Identity framework, developed with input from many other agencies, and will foster a consistent approach to processes used to verify and to establish entitlement to many government services.

Identity management is particularly important given the environment of increasing opportunities for electronic transactions as government agencies develop E-government services. It is central to our outcome of *New Zealand and international communities trust the integrity of New Zealand's records of identity*, and fits well with our responsibilities for key identity systems and for good stewardship of identity information about the people of New Zealand.



## Outcomes Development

Our recent focus on outcomes has been at a practical level. We have developed new, dependable services for New Zealanders, and worked on activities intended to enhance the integrity and security of New Zealand's identity records and travel documents. We have also developed an initial set of relevant measures, for example New Zealand passport standards meeting international security standards. A more comprehensive framework for monitoring and evaluating the effectiveness of our interventions will be developed this year.

## Departmental Initiatives

In the next three years, we will focus on the following key initiatives:

### A supportive identity legislative and regulatory environment

We will continue to develop a legislative and regulatory environment that takes account of identity security concerns and technological and social developments. This will include supporting the passage of legislation such as the Births, Deaths and Marriages Registration Amendment Bill, and the promulgation of regulations in the areas of citizenship and births, deaths and marriages.

We are reviewing the concept of citizenship, including the principles underpinning New Zealand citizenship policy and legislation. Key issues include the relevance of the concept of citizenship, the rights and responsibilities of citizens, the distinction between citizens and residents, whether there is a need in New Zealand for promotion of citizenship, and whether citizenship is a measure of successful immigrant settlement. This review is linked to work on the settlement of migrants currently underway in the Department of Labour, Ministry of Social Development and the Office of Ethnic Affairs.

### Dependable services that meet New Zealanders' needs

To provide identity products that are trusted by New Zealanders, we need to provide dependable services that meet their needs. Our experience in managing identity and life event databases and providing customer-focussed services to the public has greatly assisted the implementation of the Civil Union Act on 26 April 2005. Customer satisfaction research has indicated ongoing high levels of satisfaction with the Department's identity services, and a similar research approach will be adopted to monitor satisfaction with civil union services. Registry services under the Human Assisted Reproductive Technology Act are also in preparation for implementation in August 2005.

A series of online registration services will be implemented to allow for faster, more efficient processes that will also offer security and integrity gains. A service allowing funeral directors to lodge death information online is currently in pilot operation, with full implementation planned in 2005. Online marriage and birth notification registration systems will follow.

We are currently investigating appropriate policy and service options for provision of access to historic information and more current information contained in its public registers. Major service delivery initiatives include:

- Implementation of Civil Union and Human Assisted Reproductive Technology services as new legislation comes into effect.
- Completion of review of register access options and implementation of appropriate online services.

- Implementation of online registration services.
- Continuing to explore alternatives to enhance disaster recovery preparedness and business continuity.
- Where possible, identifying and exploiting efficiencies and cost savings.

### **Processes, systems and people highly regarded for their integrity and security**

The Identity Services Development Programme has continued to prepare services and systems to meet a combination of challenges presented by E-government and security needs. Over the past year information systems have been reviewed and strengthened to support secure online transactions with other government agencies and with the public.

Changes to enhance security around citizenship processing and passports have been included in new legislation passed in 2005. Notable changes include the extension of the Citizenship qualifying period from three years to five, and the reduction of the validity period of a NZ passport to five years. Publicity about these proposals led to a major surge in citizenship applications and may be a contributing factor in record volumes of passport applications in 2004/05. Managing these volumes within stated performance levels and without loss of integrity is a major operational challenge.

We also recognise that ongoing integrity of its own staff and processes is essential to trust, and have developed a comprehensive integrity assurance programme which has been rolled out to all staff in Identity Services.

Other major initiatives planned to enhance integrity and security include:

- Data moderation of specified BDM records to enhance data validity.
- Implementation of direct online lodgement of registration information (deaths, marriages, civil unions).

### **A comprehensive approach to identity management**

For some time we have been providing leadership and coordination of cross-government work aimed at improving the consistency and assurance of identity verification processes in New Zealand. The first output of this work was achieved with the publication of the Evidence of Identity (EOI) Framework in February 2005, approved by Cabinet for use as guidance across the public sector.

Further developments include:

- Completion and implementation of the EOI standard, which sets out good practice for establishing the identity of customers seeking government services.
- Exploration of alternative implementation approaches for all-of-government authentication (with E-government Unit (EGU) of the State Services Commission).
- Ongoing exploration of appropriate information-sharing with other government agencies to simplify identity verification and enhance security.
- Exploring options for enhancing the completeness of New Zealand's identity records by inclusion of information about New Zealanders registered elsewhere.

### Accurate information that is trusted and used by government agencies

A number of authorised information matching programmes have been activated during the year, with good indications of the usefulness of this type of service to other government agencies for detecting fraud and enhancing customer service.

Ongoing initiatives include:

- Continued development of authorised information-matching programmes with other government agencies.
- Implementation of information-sharing to support Advanced Passenger Processing<sup>5</sup> and processes to verify citizenship status at birth.

### Enhanced detection and prevention of identity fraud

We work together with a number of other agencies to detect and prevent identity and document fraud, and are continually exploring ways of improving the effectiveness of our fraud detection and prevention.

Initiatives in this area include:

- Deployment of technology and process tools to identify applicants who are attempting to steal identities or fraudulently use multiple identities.
- Extension of passport application checking against birth and death databases to cover renewals.
- Implementation of longer citizenship qualifying period.
- Closer collaboration with Department of Labour (Immigration) on a 'single customer path' and process harmonisation, to better integrate immigration and citizenship processes.
- Provision of passport data relating to lost and stolen documents to international border control agencies via the international policing agency Interpol.
- Development of a fraud control strategy and implementation of a work programme to address emerging risk areas.

### Secure documents that meet international standards

New Zealand has one of the best passports in the world, providing visa-free travel to 53 countries. This makes it highly sought after by international identity fraudsters and we must therefore remain at the forefront of international travel document security.

To meet these challenges, we are on track with our programme to meet the US deadline (October 2005) for the introduction of a new E-passport incorporating biometric information in an embedded chip. This has involved considerable international collaboration, and the New Zealand E-passport is expected to undergo initial testing in the USA in June 2005.

We have also invested considerable effort in meeting enhanced security standards for international travel documents. October 2004 saw the successful international rollout of the new Emergency Travel Document, together with the withdrawal of manual passport issuance. This effectively took out of circulation the lowest-security travel document issued by New Zealand, replacing it with a shorter-validity document with considerably stronger security features.

<sup>5</sup> A border security system to help airlines identify persons carrying unauthorised and stolen travel documents before they leave New Zealand, or board aircraft bound for New Zealand.

Further developments include:

- Rollout of the New Zealand E-passport.
- Further phases of passport system redevelopment .
- Reduction of passport validity period from 10 to 5 years, to minimise document risks.

## Working with others

We have continued to work closely with international partners to facilitate travel and develop travel and identity documentation that meets international standards.

Of particular importance is our collaboration with the Department of Labour (Workforce), as both agencies deal with issues of security, identity verification, fraud prevention and facilitation of settlement outcomes. Specific initiatives underway include joint work on a Regional Movement Alert List under the APEC umbrella and initial exploration of a more coordinated approach to customer identity information management.

We also have an ongoing involvement with groups developing responses to security and risk issues, including the Border Agency Risk Management group, Officials Committee for Domestic and External Security Co-ordination (ODESC), and the Combined Law Agencies Group.

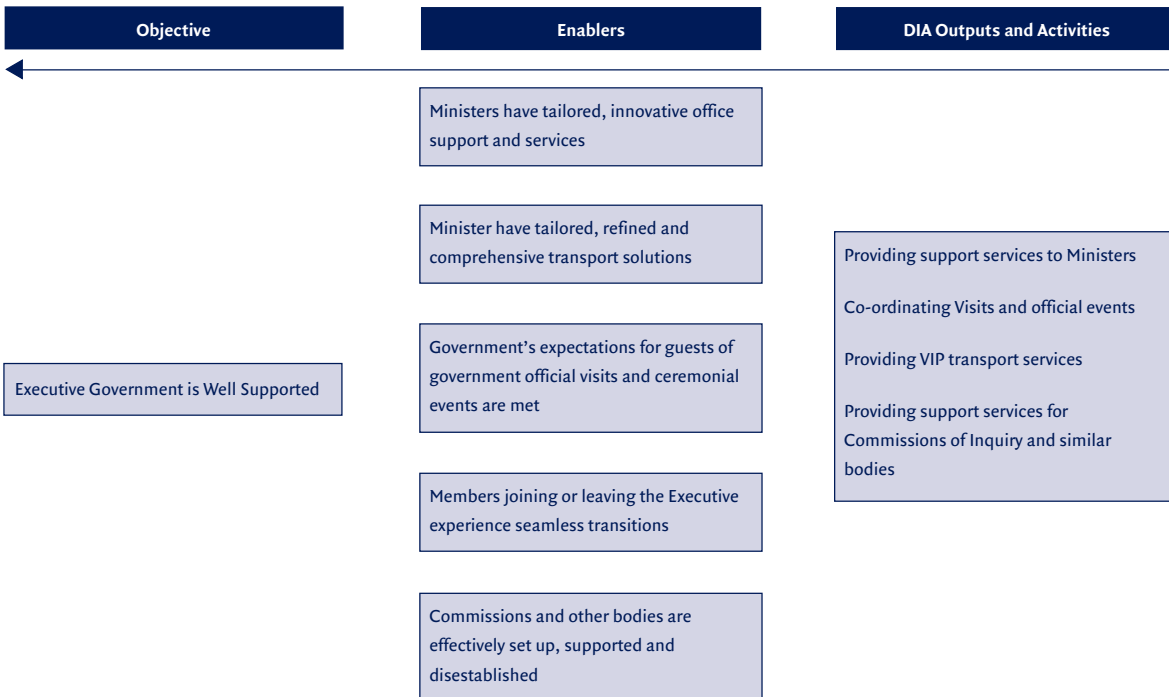
In the international arena, we work closely with New Zealand Customs Service, Department of Labour, Australia's Department of Immigration and Multicultural and Indigenous Affairs and other border control agencies to ensure New Zealanders are able to travel efficiently through international borders. We are also making a significant contribution to the International Civil Aviation Organisation (ICAO) as it develops new technology and security standards, and collaborate with partner nations in the Five Nations Passports and Citizenship fora and in Trans-Tasman Births, Deaths and Marriages Registry information-sharing.

Work continues with the E-government Unit (EGU) of the State Services Commission on cross-government authentication and associated standards. We are currently leading work on exploring potential alternative implementation options for all-of-government authentication, drawing on our existing identity verification operations, and are developing an Evidence of Identity (EOI) standard for use within and beyond the E-government authentication programme.

Other agencies also continue to make a significant contribution as partners in service delivery. The Ministry of Justice will add civil union services to the marriage services it already provides on an agency basis. The Ministry of Foreign Affairs and Trade has ceased to issue manual passports, but has taken on the task of issuing Emergency Travel Documents to New Zealanders in need of urgent, short-term documentation.

# Executive Government is well supported

“Good Government” depends on the effective functioning of executive government processes. Executive Government, which includes Ministers in Cabinet, Ministers outside Cabinet, and Parliamentary Under-Secretaries, need services that will assist them to maximise their time to focus on running the country.



## Outcomes Development

The Public Finance Act Amendment 2004 recognises that not all departmental functions are intended to achieve outcomes as defined in the Act – i.e. a state or condition of society, the economy or the environment. An additional category – called objectives – has been included in the legislation to cover such important departmental activities that do not target a direct societal, economic or environmental effect.

In light of this new definition, we have reclassified this previous outcome *Executive Government is well supported* as a key objective. We have continued to develop our understanding of how our interventions impact the objective, but recognising that our effectiveness will not be judged on the same criteria as for outcomes.

## Departmental Initiatives

Key initiatives over the next three years will include formalising collaboration agreements, or joint outcome statements with other agencies as appropriate. This will include in particular the other Parliamentary Agencies and the Ministry of Foreign Affairs and Trade (MFAT).

Other initiatives will be:

To ensure that *Ministers have tailored, innovative support and services* we will develop and implement a common strategy for information systems with other parliamentary agencies. We will also develop joint governance covering information systems, human resources and other areas of mutual benefit.

To support *Ministers have tailored, refined and comprehensive transport solutions* our main initiatives are to enhance the security of clients, and develop and implement a strategic plan to ensure current and future needs for the transport service can be achieved.

To support the *Government's expectations for guest of government official visits and ceremonial events are met* we will develop and implement a strategic plan to ensure current and future needs for the Visits and Ceremonial service can be achieved, create a best practice knowledge base, and continue to enhance relationships with other agencies, particularly MFAT, to identify how best to support their objectives.

In order that *Members joining or leaving the Executive experience seamless transitions* we are developing comprehensive documentation for Change of Executive processes, will establish a joint working party with other Parliamentary Agencies to support a change of government, and implement common systems and processes where appropriate to reduce the impact of transitions.

So that *Commissions and other bodies are effectively set up, supported and disestablished*, we are creating a best practice knowledge base for future use, especially for those other bodies, such as the Confidential Forum for Former Patients of Psychiatric Hospitals, not explicitly covered by the Commissions of Inquiry Act 1908.

## Working with others

We work closely with other agencies to achieve our objectives, and sometimes to contribute to outcomes led by others. Our relationship with other parliamentary agencies is particularly important. New Zealand parliamentary agencies have specific responsibilities for supporting the institution of parliament, members of parliament and executive government. The five parliamentary agencies are:

- The Department of the Prime Minister and Cabinet
- The Department of Internal Affairs (Executive Government Support)
- The Office of the Clerk
- The Parliamentary Counsel Office
- The Parliamentary Service

These agencies are independent from each other but all operate within the parliamentary complex and have overlapping client groups. Over the past year, we have been working with these other agencies to ensure that, collectively, we provide Parliament and the Executive with an effective, co-ordinated and seamless service and will continue to do so in the future.

We also work closely with MFAT and other agencies in planning and hosting visits and events for guests of government.

# Uncertainty and Risk

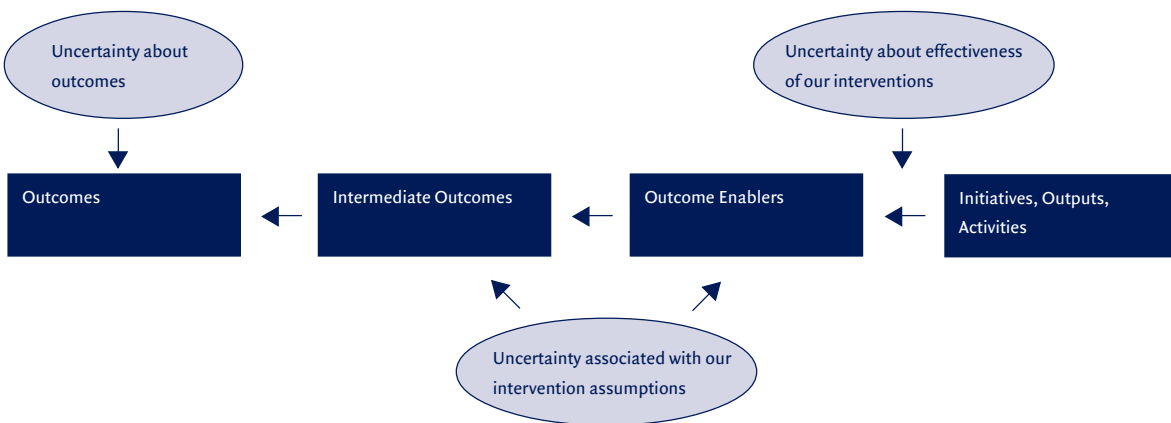
Risk arises from uncertainty. Uncertainties will exist for the strategic, project and operational objectives of the Department.

At the **strategic** level, we have identified a set of outcomes which we believe will have a positive impact on the lives of New Zealanders. However, we must be as certain as possible that we have defined these correctly to ensure that we really are working to achieve the right results for New Zealanders consistent with Government objectives. We must also be aware of the possibility that our efforts will produce results different to those we intended. These may be outcomes that we did not plan for, or just that our efforts are not as effective as they should be, in other words are we making enough of a difference?

Areas of strategic risk that we monitor include trends in government expectations for the public sector, inter-agency issues, sector group issues and interests, and changes in public expectations.

The effectiveness of our activities is determined in large measure by how clearly we understand the ‘cause-and-effect’ process that leads from what we do to what we are trying to achieve. We must continually test the validity of the assumptions that we are working with.

We use the ‘managing for outcomes’ framework (see page 15) to help reduce the risks that arise from strategic uncertainty, as shown in the following diagram. We have established measures and evaluative mechanisms to provide early indicators of any significant change in the strategic context. In this way we will be able to assess any risk to the directions, choices or assumptions that have shaped our strategic priorities.



The successful completion of key **projects** and initiatives is critical to achieving our interventions. We are committed to ensuring that all key projects are managed to best practice and that project risks and uncertainties are identified early and managed effectively. Examples of the project risks we seek to mitigate include possible non-achievement of project objectives, budget and time overruns, and poor quality output. To improve our project management capability, we have established an Information and Technology Project Office which has a cross-departmental role in supporting and advising on standards and methodologies for best practice IT project management.

At the **operational** level, we must manage and maintain a broad range of services and activities, which contribute to our areas of policy, outputs and outcomes. Areas of operational risk that we manage include business process and design, data integrity, and staff integrity.

We have a comprehensive set of Risk Management policies and practices that support and instruct all business groups in the identification, characterisation and management of operational risks.

We also have specific governance mechanisms that have responsibilities to oversee, evaluate, and enquire on key projects and initiatives. Our Risk & Audit Committee, Human Resources Governance Committee and Information and Technology Governance Committee provide further assurance that risks and uncertainties arising in the strategic, project and operational areas will be recognised and responded to in a timely and effective manner.

# Capability

The Department has three key areas of capability development focus over the next three years, Organisational Design, Human Resources and Information and Technology. These developments will not only improve the Department's capability to support the achievement of outcomes, they will also ensure the organisation's 'health' and sustainability over the medium to long term.

These areas encompass organisation-wide capability initiatives. Individual business areas have specific capability requirements relative to the achievement of their outcomes. An example is the Ministry of Civil Defence and Emergency Management, discussed in the outcomes section *Safer communities*. The Ministry has received additional funding in the 2005 Budget to increase its capacity to engage with local government and community groups on CDEM issues, and to reinforce its capability to manage large scale emergency events. This increased capability building will take place over the next five years.

## Organisational Design

In March 2004, two new Branches – *Local Government and Community*, and *Regulation and Compliance* – were established to support key areas of strategic focus for the Department, to improve the quality and increase the capacity of policy advice, and to integrate policy and operations.

During 2004/05, we undertook a review of our business services, recognising that excellent business services are essential to the success of the Department's policy and service delivery outcomes. This review has been completed, and the previous corporate functions have been reorganised into two new groups, an *Office of the Chief Executive* to provide key strategic planning, legal and risk management advice and support, and a *Business Services Branch*, to provide improved, professional support to business groups. The Department's Information and Technology group remains as a separate group, with a sharpened focus on excellence in information and technology development and delivery.

This new business services structure will be fully operational from 1 July 2005.

## Human Resources

Our people capability initiatives are designed to enable the Department to consolidate a 'one organisation' approach to align and build our people capability in our strategic areas. One of the recommendations of the review of our business services was the establishment of a Human Resources Governance Committee to provide strategic oversight, direction and advice on Human Resources development and delivery, to achieve optimum results in support of the Department's outcomes.

During 2004, the Department developed a People Strategy, which sets the overall framework for human resources activity.

Since then, we have developed a three-year plan that will give effect to that strategy, based on the key objectives of:

- Developing leaders and managers within the Department with the appropriate skills and competencies for current and future roles – by implementing a range of manager coaching, learning & development programmes, and other initiatives such as secondments to enhance manager competence. This will include participation in government-wide capability development initiatives such as the Leadership Development Programme and the Australia and New Zealand School of Government's Executive Master of Public Administration Programme.

- Building the capability of our staff by recruiting effectively and retaining quality people – by modernising and streamlining our recruitment and induction processes, and establishing coordinated training and development programmes across the Department.
- Creating a high performing inclusive work environment by ensuring effective performance management processes are in place.
- Enhancing a safe and healthy work environment (the Department has achieved primary level of the Workplace Safety Management Practices programme, and is working towards achieving secondary level).

These objectives will also serve as a reference point for other capability strategies within the Department, such as our Effectiveness for Māori (EfM) Strategy which contains a number of initiatives to develop manager and staff capability and responsiveness, for example EfM training offered to all managers and staff. A new EfM Strategic Plan for the period 2006 – 2010 has been developed.

The Department will undertake a comprehensive review of its remuneration policy and procedures in conjunction with the Pay and Employment Equity audit. Any findings from the audit will be incorporated into and form the basis for recommendations on the remuneration and other policies and procedures.

## Information and Technology

Arising from the business services review was a separate review of the Department’s information and technology (I&T) capability. The review concentrated on identifying ways in which new systems and services could be developed to support the Department’s key outcomes and objectives, as shown in the following diagram.



The review found that a number of the Department’s long-serving I&T systems needed modernisation, and that delivery of the Department’s outcomes could be enhanced through the adoption of new technology.

Capability enhancements will include:

- a new, standardised technological base to be used for all systems;
- a new I&T governance structure to oversee compliance with the technology standards and ensure that all I&T projects are managed in a consistent, professional fashion;

- enhanced network facilities to provide rapid, secure service to office and field workers throughout the country; and
- a two to three-year programme of system modernisation aimed at improving quality of service and participation in E-government initiatives.

In implementing the findings of the review, the Department is aiming to achieve the following by the end of 2005/06:

- the new I&T governance structure will be operating effectively;
- all Department staff will be using a single, high-performance network;
- all Departmental systems will operate according to a single set of technology standards; and
- the system modernisation programme will be providing staff with new levels of service in terms of functionality and performance.