G.7 (2025)

Internal Affairs
Te Tari Taiwhenua

2024/2025

Annual Report
Pūrongo ā-Tau

Te Kāwanatanga o Aotearoa
New Zealand Government

Internal Affairs
Te Tari Taiwhenua

Presented to the House of Representatives pursuant to sections 39 and 40 of the Public Finance Act 1989

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Our purpose

The Department of Internal Affairs serves and connects people, communities and government to build a safe, prosperous and respected nation.

Our principles and behaviours – Mātāpono

He Tāngata

People are important to what we do and the culture we create. This principle is about people, both internal and external, being important.

Manaakitanga

To manaaki is to show kindness, respect and hospitality towards others. This principle is about maintaining and nurturing relationships and ensuring people are looked after.

Whanaungatanga

Kinship and relationships. This principle is nurtured through shared experiences and working together, which provides people with a sense of belonging.

Kotahitanga

Expresses values of togetherness, solidarity, collective action, reciprocity and respect. Strength in unity.

We're stronger together

Work as a team. Value each other.

—

We take pride in what we do

Make a positive difference. Strive for excellence.

—

We make it easy, we make it work

Customer centred. Make things even better.

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Our year in review

Statement of responsibility

I am responsible, as Secretary for Internal Affairs, for:

- the preparation of the Department of Internal Affairs' financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them;
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting;
- ensuring that end-of-year performance information on each appropriation administered by the Department of Internal Affairs is provided in accordance with Sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this annual report; and
- the accuracy of any end-of-year performance information prepared by the Department of Internal Affairs, whether or not that information is included in this annual report.

In my opinion:

- the annual report fairly reflects the operations, progress, and organisational heath and capability of the Department of Internal Affairs;
- the financial statements fairly reflect the financial position of the Department of Internal Affairs as at 30 June 2025 and its operations for the year ended on that date; and
- the forecast financial statements fairly reflect the forecast financial position of the Department of Internal Affairs as at 30 June 2026 and its operations for the year ending on that date.

Paul James

Paul James

Secretary for Internal Affairs

30 September 2025

SMitchell

Sharyn Mitchell

Chief Financial Officer

30 September 2025

Secretary for Internal Affairs' foreword

Tēnā tātou

The Department of Internal Affairs plays a role in the everyday lives of New Zealanders. I'm proud to share this report and reflect on the positive impact we have made over the past year.

This year we have made substantial progress across several major areas.

The new National Archives building was completed with kaimahi beginning to move in from July 2025. A public opening is planned for 2026.

The Local Water Done Well policy addresses New Zealand's long-standing water services challenges by giving councils choice in how local services are managed.

The Water Services team developed guidance and information for councils to assist their consultation with communities and to develop water services delivery plans. The first water services delivery plan was received in mid-June 2025 and accepted by myself as Secretary for Local Government.

This year has also been one of continued change, as we focused on increasing efficiency and reducing costs. In August 2024, we launched a Fiscal Sustainability Programme, a two-phase initiative to reset and resize our organisational structure.

Phase 1, completed in February 2025, focused on leadership restructuring - reducing branches and senior leadership roles, and realigning functions for greater efficiency and accountability.

Phase 2, launched in March 2025, is streamlining management layers, removing duplicate support roles, and optimising corporate services.

From 1 July 2025, the National Library and Archives New Zealand has operated under a new joint leadership model, led by the National Librarian and Chief Archivist. This model supports shared aspirations and is expected to save around $2.5 million. The statutory responsibilities of both institutions remain unchanged.

We modernised core systems, including the roll out of a new Health & Safety management system and the migration of HR, Privacy, Property, and Security workflows onto our central platform. We transitioned our enterprise content management system and intranet to SharePoint Online - laying a more connected foundation for future work.

I want to acknowledge the commitment and resilience of our people. Despite change, they've continued to strengthen the services we provide to New Zealanders every day.

We also couldn't do our work without strong partnerships. I extend my sincere thanks to our colleagues across government, local authorities, iwi, Māori and community partners. Your collaboration and commitment have shaped much of what we've achieved this year.

The Local Government (Water Services) Bill, which sets out comprehensive enduring settings for water services, was reported back from select committee in early July and is expected to pass remaining legislative stages shortly.

Our Digital Services team developed a Roadmap to modernise how citizens and businesses interact with government. We also advanced our work to safely use Artificial Intelligence (AI) across the public sector, publishing the *Public Service AI Framework* and *Responsible AI Guidance*, launching a new *Community of Practice*, and providing AI training and tools for agencies.

Our Identity Services group implemented the Citizenship (Western Samoa) (Restoration) Amendment Act 2024, restoring citizenship to people unfairly deprived of it over four decades ago. As of 30 June 2025, 2,011 people have been granted citizenship through this work.

We also took decisive steps to disrupt criminal scam campaigns. Our Digital Messaging team led *Operation Orca*, dismantling a sophisticated scam operation and partnering with Apple to improve real-time scam reporting for iPhone users in New Zealand.

Looking ahead, we face a rapidly evolving environment shaped by fiscal constraints, technological advancement, and rising public expectations. These pressures also present opportunities - to innovate, modernise how we serve, and to deliver smarter, more accessible services.

Over the coming year, we will refresh both our organisational strategy and our Strategic Framework for Working Effectively with Māori. From 25 September 2025, we also take on hosting responsibility for the National Emergency Management Agency.

We remain focused on adapting with purpose, embracing change, and strengthening our impact for the people of New Zealand.

Thank you to all who contributed to our success this year. I'm proud of what we've achieved and I look forward to continuing our journey together in service of a stronger, more inclusive Aotearoa New Zealand.

Included in this Annual Report is reporting for the Ministry for Ethnic Communities and the Digital Executive Board, which are included in Vote Internal Affairs. It is also the first year we have included reporting on the Trust Framework Board and the Trust Framework Authority.

Ngā mihi nui

Paul James

Secretary for Internal Affairs, Secretary for Local Government, Government Chief Digital Officer, Chief Executive of the Department of Internal Affairs

Highlights

Developed
Online Casino Gambling legislation
to establish a licensing regime to protect consumers, minimise gambling harm, limit opportunities for crime and dishonesty, and provide regulatory oversight of online gambling providers operating in New Zealand.

Worked with the Ministry of Foreign Affairs and Trade and the Department of Prime Minister and Cabinet to develop a **framework for welcoming Heads of Government to New Zealand**. The framework ensures clear roles and consistent, successful delivery of official visits.

The Chief Archivist Poumanaaki **apologised to survivors of abuse in care** for failings in the effective monitoring of government recordkeeping by Archives New Zealand.

Worked with local government to identify **water service delivery** options that support councils in overcoming financial sustainability challenges.

Over **842,000 reports of potential scams** were received by the **7726 text message service** and the **Digital Child Exploitation Filtering System** blocked over **735,000 attempts** to access websites hosting child sexual abuse material.

Delivered the first
Regional Deals Strategic Framework
detailing how these long-term partnerships between central and local government will promote economic growth, deliver infrastructure and improve the supply of quality housing across Aotearoa.

89 water treatment sites
installed and provided safe drinking water to rural communities – reducing health risks for communities who otherwise would not meet drinking water standards.

Digitised and preserved
over 400,000 audio visual items
into formats the public can access and use, including music, oral histories, recordings of community events, news and current affairs, documentaries, TV series and films.

Granted New Zealand **citizenship to 2,011 people**, mostly born in Samoa and had their citizenship unfairly removed in 1982.

More than **75,000** people have successfully used the new **Identity Check facial recognition** service to verify their identity.

About us

Our Executive Leadership Team

Our Executive Leadership Team (ELT) includes the Secretary for Internal Affairs, six Deputy Secretaries and the Director of the Office of the Secretary.

Paul James
Secretary for Internal Affairs
Secretary for Local Government and Government Chief Digital Officer

Karen Hope-Cross
Director, Office of the Secretary

Katrina Casey
Acting Deputy Secretary Local Government

Melanie Carpinter
Acting Deputy Secretary Policy and Te Tiriti

Hoani Lambert
Deputy Secretary Partnerships and Commissions

Darrin Sykes
Deputy Secretary Enterprise Services

Myles Ward
Deputy Secretary Digital Services
Deputy Government Chief Digital Officer

Rachel Leota
Deputy Secretary Regulatory and Identity Services

Our governance

Our governance system helps ensure we deliver on our purpose, strategic priorities and stewardship roles, and achieve sound and sustainable long-term decision-making.

Governance is collectively led by the ELT and supported by two sub-committees:

- Finance and Investment: provides assurance that the Department has the capability to deliver our strategy, maintain financial sustainability and manage our investment portfolio effectively.
- Performance, Risk and Assurance: oversees the Department's approach to non-financial performance, risk management, and assurance practices, providing strategic direction and oversight.

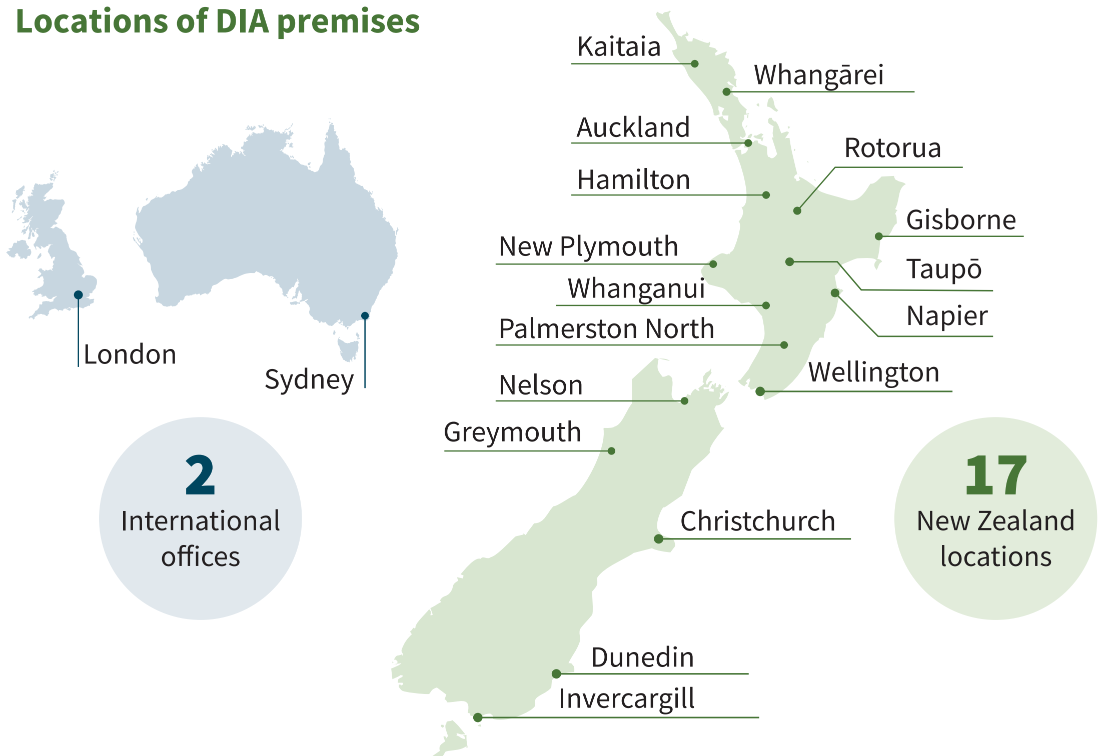
We also have an External Advisory Committee that provides independent advice to the Secretary for Internal Affairs and the ELT on its management and governance responsibilities. This includes guidance on strategic direction, systems of governance, risk and assurance, organisational performance, and the integrity of performance information.

Our risk and assurance

Effective risk and assurance systems and good practices are key components of effective governance. Good risk management practice helps us identify key risks to delivery and enables early intervention before risks impact on outcomes. Our assurance processes support governance bodies in their decision-making, provides evidence of how well business risks are being managed, whether opportunities are being taken, and how well the business is performing. Applying more consistent risk and assurance advice and support over priority and/or higher-risk projects and programmes is helping to embed good risk management practices as integral to our mahi, and ensure we focus on the right things. Our Assurance Policy and Framework supports an integrated view of assurance.

Our locations

The Department has 17 locations nationwide and two overseas - Sydney and London.



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Progress on Strategic Intentions

Our Outcomes Framework

Our Strategic Intentions 2024–2028[1] describes our Outcomes Framework. We continue to develop and refine our organisational strategy, Ā Mātou Mahi. This strategy includes our purpose, five outcomes and our priorities for making a difference over time for people and society. Our outcomes are encompassed by the following statement, which reinforces our commitment to and encourages better understanding and capability of te ao Māori.

Whāia te hīnātore o te mauri atua, hei oranga mō te mauri tāngata

The pursuit of environmental sustenance and potential enhances the wellbeing and life essence of people and place.

We have five outcomes to achieve our purpose, which support and bolster each other.


New Zealand is a well-functioning democracy across central and local government.


People can easily access the services and information they need.


People's sense of belonging and collective memory builds an inclusive New Zealand.


Iwi, hapū and communities across New Zealand are safe, resilient and thriving.


Oranga hapū, iwi and Māori is improved through an enduring, equitable and positive Māori-Crown relationship.

1 A copy of the 2024-2028 Strategic Intentions document can be found at https://www.dia.govt.nz/Strategic-Intentions

Outcome indicators and performance measures

The Department uses **outcome indicators** to demonstrate the impact of the work we do to benefit New Zealand and those who live here. We use statistical surveys and other research from local and international sources to see whether trends over time represent good progress towards achieving the outcomes. We consider the trend of results over the medium and long term (five or more years) to be more informative than minor changes from one year to the next. Indicators can only illustrate an aspect of an outcome and the partial influence of Te Tari Taiwhenua.

To the extent that we can, we show the trend in movement. We use the following legend to indicate whether the outcome indicator trend is increasing, being maintained or decreasing.

Legend for outcome indicators

Trend is increasing (positive).

Trend is being maintained. Result is within 5% of the historical average over the medium to long term (five to 10 years).

Trend is decreasing (negative).

Our **performance measures** are reported in Section 3 - *Assessment of operations - Year-end performance information on Appropriations*. These performance measures assess whether we have achieved specific services or functions that collectively support the overall achievement of our outcomes.

A summary of results is below:

Performance measures status	Actual 2023/24	Percentage 2023/24	Actual 2024/25	Percentage 2024/25
Standard has been met	127	87%	123	88%
Standard has not been met	18	12%	17	12%
Standard is on-track to be met	1	1%	-	-
Total	**146**[2]		**140**[3]	

The overarching reasons for measures not being met in 2024/25 are due to:

- limited specialist resources in areas of high demand
- roll out of new systems and processes for our work.

2 In total for 2023/24, there were 155 performance measures, out of which 146 measures produced results, five measures do not have a standard, three measures are reported in two Crown entities' Annual Reports, and the result for one measure was not available.

3 In total for 2024/25, there were 150 performance measures, out of which 140 measures produced results. Three measures were reported in two Crown entities' Annual Reports, and the result for seven measures was not available. These ten and seven measures for Ministry for Ethnic Communities have been excluded from the summary of results.

Outcome: New Zealand is a well-functioning democracy across central and local government

About this outcome

Both central and local government have big impacts on the lives of New Zealanders and are an essential part of our democracy. Ensuring that government is accountable and transparent builds trust and confidence in central and local government and contributes to people's willingness and ability to participate in society.

Cooperation and coordination across central and local government is critical to address complex issues that have both local and national implications and solutions.

Contributing to the achievement of this outcome we have four intermediate outcomes that represent more specifically the impact we will have:

- Executive Government functions well through support, services and advice
- Engagement between Māori and local government is strengthened
- Government transparency is upheld
- Local government works collectively to address national objectives.

For information on what our indicators are telling us for this outcome see page 18, and for further information on performance results see Section 3 - *Assessment of operations - Year-end performance information on Appropriations*.

Welcoming Heads of Government to New Zealand

Official visits strengthen New Zealand's global relationships and priorities. Led by the Visits and Ceremonies Office, these visits succeed through strong interagency collaboration.

Agencies' understanding of roles and responsibilities may vary, affecting their planning and delivery of official visits. To overcome this challenge, the Department co-developed a framework called Welcoming Heads of Government to New Zealand: Hei Ārahi. The framework was designed with the Ministry of Foreign Affairs and Trade and the Department of the Prime Minister and Cabinet, to support consistent delivery of official visits.

During the March 2025 visit of Papua New Guinea's Prime Minister, Hei Ārahi ensured clear roles and a cohesive, successful delivery. Hei Ārahi is now actively used in the planning and delivery of official visits to New Zealand, providing a reliable framework for cross-agency coordination and excellence in diplomatic hosting.

Chief Archivist apology to survivors of abuse in care and advisory work with Crown response

Over the course of the Abuse in Care Royal Commission of Inquiry, many survivors detailed how public recordkeeping had failed them, including areas where the National Archives had a responsibility to make sure important records were protected and retained.

In November 2024, the Chief Archivist Poumanaaki apologised for failings in the effective monitoring of government recordkeeping by Archives New Zealand.

Our apology recognised the people affected by poor public recordkeeping. The way they described their experiences makes clear how inadequate or absent records caused real harm to people in care and their families. People were disconnected from whānau, family, and culture, and their identities were erased or misrepresented.

Advocacy groups were pleased that the government had heard their concerns and taken action and provided positive feedback on the apology[4].

We are working on improvements to public recordkeeping, including a disposals review and advice on recordkeeping improvements, support for the care records website, Kōnae[5], and the establishment of a new Records Support Service. We are leading implementation of the Care Records Framework in collaboration with agencies responsible for care services, with quarterly reporting.

Rural Drinking Water Upgrades

The Rural Drinking Water Programme delivers practical treatment solutions to rural communities who lack the infrastructure or financial resources to provide safe drinking water for local people. 89 sites have been installed and are providing safe drinking water that reduces health risks to communities who otherwise would be unable to meet drinking water standards.

Using local businesses for site installations has contributed to local economies. The programme also provides five years of training and maintenance to help local communities maintain and operate their treatment plants into the future.

The programme overcame a number of challenges, including remoteness of sites, power issues and lack of power and digital connectivity. The lessons learned from this work have improved the roll out of the new Marae Drinking Water Programme. National Infrastructure, who has assisted with the roll out of this programme, publish progress reports on their website[6].

4 To read or listen to the apology you can visit https://www.archives.govt.nz/about-us/whats-new/chief-archivist-apology-to-survivors-of-abuse-in-care

5 You can access the website here https://www.konae.org.nz/

6 You can find the progress reports on https://nationalinfrastructure.govt.nz/publications/

Local Water Done Well

Local Water Done Well (LWDW) is the Government's plan to address long standing infrastructure and financial sustainability challenges in New Zealand's water services sector.

The LWDW team developed policy and supported passage of the Local Government (Water Services Preliminary Arrangements) Act in September 2024. Guidance and templates were created to support councils' development of Water Services Delivery Plans[7] as required by the Act.

Some councils have significant barriers to financial sustainability as defined and required under the Act. Department officials provided detailed technical advice, financial analysis and facilitated discussions with councils to identify options for water services delivery that enable councils to address these barriers.

The team developed policies for inclusion in the Local Government (Water Services) Bill and supported the Bill through legislative stages, including select committee[8].

The Department's tracking indicates as of May 2025, councils considering a new Water Services Council Controlled Organisation enabled by the legislation cover 80 percent of New Zealand's population.

Better off Funding

The multi-year Better off Funding package supports councils to delivers outcomes associated with climate change and resilience, housing and urban design and planning and community wellbeing. 165 projects have been completed, which range from flood mitigation works, to establishing community grants, and playground upgrades and new facilities.

In April 2024, councils were requested to consider opportunities to redirect their unspent Better off Funding towards investment in water infrastructure or supporting the implementation of Local Water Done Well. To date, approximately $28.86 million has been redirected to 48 new projects to support Local Water Done Well work and enable water infrastructure improvements. As a monitor of this fund, National Infrastructure publish progress reports on their website[9].

7 These guidance and templates can be found on https://www.dia.govt.nz/Water-Services-Policy-Water-Services-Delivery-Plans

8 You can view the Local Government (Water Services) Bill on the parliament website https://bills.parliament.nz/v/6/fb7b9127-28f5-42b3-5e06-08dd18a12bfb?Tab=history

9 You can find the progress reports on https://nationalinfrastructure.govt.nz/publications/

Delivery snapshots

We delivered 22 official Guests of Government visits and 503 airport facilitations supporting effective diplomatic engagement.

We established new levy rates that will support the financial sustainability of Fire and Emergency New Zealand from 2026 to 2029.

The report of Phase 1 of the Royal Commission of Inquiry into COVID-19 Lessons was delivered on 28 November 2024.

Phase 2 of the Royal Commission COVID-19 Inquiry was established in August 2024.

The New Government Chief Digital Officer standard, effective 1 July 2025, will protect personal information shared by government Agencies and third parties.

Crown interventions in Wairoa and Wellington strengthened effective local government for these communities.

What are our outcome indicators telling us?

▶ Perceptions of corruption are maintained or decreased

Metric	2020/21	2021/22	2022/23	2023/24	2024/25	Trend
Score out of 100	88 (Rank = 1)	88 (Rank = 1)	87 (Rank = 2)	85 (Rank = 3)	83 (Rank = 4)	↘

Source: Transparency International's Corruptions Perceptions Index[10]

▶ New Zealand's global ranking in the Democracy Index is maintained or increases

Metric	2020/21	2021/22	2022/23	2023/24	2024/25	Trend
Score out of 10	9.25 (Rank = 4)	9.37 (Rank = 2)	9.61 (Rank = 2)	9.61 (Rank = 2)	9.61 (Rank = 2)	→

Source: The Economist's Democracy Index[11]

▶ New Zealanders' trust in public services based on personal experience is maintained or increases

Metric	2020/21	2021/22	2022/23	2023/24	2024/25	Trend
%	80%	81%	82%	80%	81%	→

Source: Kiwi Counts Survey – Public Service Commission[12]

Our indicators tell us that the level of trust in the New Zealand Parliament has been maintained. This continues to be supported by The Economist's Democracy Index as number two in the world, with a full democracy regime in place. The Transparency International's Corruptions Perceptions Index shows a decrease from previous years. However, New Zealand remains one of the countries with the lowest perceived levels of corruption, ranking fourth following Denmark, Finland and Singapore.
New Zealanders continue to hold a high level of trust in public services based on their personal experiences and the trend has increased over time. In June 2025, the Public Service Commission reported that 81 percent of New Zealanders trust public services based on their personal experience.

10 Transparency International's Corruptions Perceptions Index and results for all years can be found by visiting https://www.transparency.org/en/cpi/2024 and selecting the relevant year.

11 The 2024 Economist's Democracy Index can be found at https://www.eiu.com/n/campaigns/democracy-index-2024/

12 The Kiwi Counts Survey can be found at https://www.publicservice.govt.nz/research-and-data/kiwis-count/. The methodology for the indicator was changed to give a representation of full year results. It is now calculated based on weighted average across four quarters. Previous year's results have been recalculated accordingly.

Outcome: People can easily access the services and information they need

About this outcome

People's ability to access services and information affects their lives and wellbeing.

We work across government to identify opportunities to make services and information more easily accessible to those who need them.

Making it easy for people to verify their identity and reducing or eliminating digital barriers enhances people's ability to participate in society – through jobs, education, community work and recreation.

Contributing to the achievement of this outcome we have four intermediate outcomes that represent more specifically the impact we will have:

» People's identity can be easily and securely verified
» Barriers to digital inclusion are reduced
» People's access to government is enhanced
» Taonga tuku iho rights are protected.

For information on what our indicators are telling us for this outcome see pages 21 to 22, and for further information on performance results see Section 3 - *Assessment of operations - Year-end performance information on Appropriations*.

Identity Check service success for customers

As of September 2024, over 75,000 people have successfully used the Identity Check service, following three successful years of trial and implementation.

Identity Check uses facial recognition, a type of biometric technology. While biometric technology offers security and efficiency benefits, concerns have been raised around fairness or bias in the system. In response to these concerns, the Department commissioned the Identity Check bias evaluation[13] in 2024 to ensure that our technology works fairly for everyone.

This is the first time a government biometric system has been tested for bias using a representative sample of New Zealanders. The results show no evidence of significant bias and showed reliable performance across all demographic groups.

The Department will continue to monitor the performance of the Identity Check service and adjust and improve the technology to ensure it remains fair for all users.

13 https://www.dia.govt.nz/diawebsite.nsf/Files/Identity-Check/$file/Identity-Check-Bias-Evaluation-Test-Report.pdf

Te Ara Manaaki - delivered enhancements to our citizenship by grant service

Te Ara Manaaki is making it easier and safer for people to use our services, connect with government – and have more control over their personal information.

In March 2025, we upgraded citizenship by grant systems (technology and processes), including new functions such as an identity proofing service, automated processes, improved workflow and case management. By 30 June 2025, this had decreased the average number of working days between application submission and allocation for assessment by 94 days.

We applied lessons from other system changes to avoid significant service disruption and our approach was successful.

Guidance for safe use of AI in the public sector

The Government Chief Digital Officer (GCDO) leads the work programme to support safe and trusted uptake of AI technology across the public service.

In July 2024, the GCDO published Responsible Artificial Intelligence (AI) Guidance for the public sector. This guidance supports leaders, decision-makers and those in the New Zealand public service working or planning to work with Generative AI (GenAI).

It helps accelerate AI use in the public sector by providing agencies with the information and confidence to use AI to improve productivity and service delivery in ways that are safe, transparent, and responsible.

The opportunity for the use of AI in the public service is substantial and will help drive efficiencies and improve service delivery. AI systems are evolving rapidly and we will continue to review government policies, guidance, and use cases to adapt to these advancements, maintain public trust and minimise harm to communities.

Delivery snapshots

59,865 births registered

19,902 marriages registered

410,122 passports issued

9,086 official documents translated

45,820 new citizens

3,719,950 words translated

90.44% of passport applications submitted electronically

44.5 million successful RealMe customer logins

The back-office Digital Transformation Service will deliver standardised back-office systems, saving the Government an estimated $160 million over 10 years.

Mana Ōrite Relationship Agreement - Creation of a digital future that strengthens te oranga whānui (the wellbeing of Aotearoa), making a positive difference for iwi, hapū and whānau.

What are our outcome indicators telling us?

▶ Ease of getting passport services is maintained or increases

Metric	2020/21	2021/22	2022/23	2023/24	2024/25	Trend
%	90%	89%	89%	86%	91%	→

Source: DIA Customer Experience Survey[14]. For the 2024/25 survey a total of 5,973 customers were interviewed, 41,197 were invited, with a 14% response rate.

14 The DIA Customer Satisfaction Survey is run annually by NielsenIQ on behalf of Te Tari Taiwhenua using a sample of customers who have used services in the previous 12 months. For the 2024/25 survey a total of 13,576 customers were interviewed (across all services being surveyed) between 1 July 2024 and 30 June 2025. Further information on this survey can be found at https://www.dia.govt.nz/Customer-Experience-Survey

▶ Ease of getting birth, death and marriage services is maintained or increases

Metric	2020/21	2021/22	2022/23	2023/24	2024/25	Trend
%	91%	92%	90%	89%	91%	→

Source: DIA Customer Experience Survey[15]. For the 2024/25 survey a total of 2,791 customers were interviewed, 22,683 were invited, with a 12% response rate.

▶ Ease of getting citizenship services is maintained or increases

Metric	2020/21	2021/22	2022/23	2023/24	2024/25	Trend
%	89%	86%	89%	87%	89%	→

Source: DIA Customer Experience Survey[15]. For the 2024/25 survey a total of 1,018 customers were interviewed, 5,768 were invited, with a 18% response rate.

▶ People's trust and confidence in digital identity is improved[15]

Metric	2020/21	2021/22	2022/23	2023/24	2024/25	Trend
%	93%	88%	87%	85%	89%	→

Source: DIA Customer Experience Survey[15]. For the 2024/25 survey a total of 9,782 customers were interviewed, 69,648 were invited, with a 14% response rate.

Our indicators continue to show high levels of satisfaction with ease of access to or use of key services from the Department. These services include issuing of passports, birth, death and marriage registration and the processing of citizenship applications. The overall trend shows that ease is being maintained. While trust and confidence in digital channels remain high, the long-term trend indicates a gradual decline. However, this year saw a positive shift, with a 4% increase from the previous year, bringing overall trust and confidence to 89%. Trust and confidence levels were 85% for births, deaths, and marriages services, and 91% for both citizenship and passport services.

15 This indicator measures trust and confidence from customers using the Department's digital channels for births, deaths, and marriages, citizenship, and passports services. It uses the following question from the DIA Customer Experience Survey: *The following are some questions about the service you recently received from the Department of Internal Affairs. First of all, if you had to rate your trust and confidence in the Department, on a scale from 0 to 10 where 0 means 'no trust and confidence at all' and 10 means 'full trust and confidence', how would you rate it?*

Outcome: People's sense of belonging and collective memory builds an inclusive New Zealand

About this outcome

A strong sense of belonging is important for New Zealand to be a welcoming and inclusive place for everyone.

Many factors influence people's sense of belonging and connection. When people lack a sense of belonging and feel excluded there are high social costs for individuals, communities and society.

A collective memory contributes to a sense of belonging through knowledge and understanding of our history and culture. A vibrant cultural and national identity also helps to give a collective sense of belonging. People benefit from the social capital that documentary heritage, symbols of national identity, national events and culture provide.

Contributing to the achievement of this outcome we have five intermediate outcomes that represent more specifically the impact we will have:

- Collective memory is enhanced by New Zealand's documentary heritage
- A culture of reading enhances literacy and knowledge
- New Zealand's national and cultural identity is fostered and respected
- Trusted citizenship and identity documents contribute to a sense of belonging
- Taonga tuku iho is preserved and valued.

For information on what our indicators are telling us for this outcome see page 26, and for further information on performance results see Section 3 - *Assessment of operations - Year-end performance information on Appropriations*.

Completion of the Utaina digitisation project

The Utaina project[16], to preserve obsolete format audiovisual (AV) material, was successfully completed in June 2025.

The largest AV digitisation project in the world saw Archives New Zealand, National Library and Ngā Taonga Sound & Vision work in partnership over four years to rapidly digitise and preserve over 400,000 AV items into formats the public can access and use. This included music, oral histories, live recordings of community events, broadcast news and current affairs, documentaries, TV series, films, and more. This would have taken the institutions more than 100 years each without the project.

The vast scale, coupled with limited time, was a challenge as more than 95 percent of at-risk content could have been lost in less than a decade, if not digitised.

The project needed to design new processes and customise tools; develop a detailed logistics plan; and work closely with digitisation partner, Memnon. It provides valuable lessons for the sector on digitising at scale.

16 View the projects details on https://natlib.govt.nz/about-us/collaborative-projects/utaina-audiovisual-digital-preservation-project

Delivery of a new fit for purpose and resilient archival building

We have worked alongside Dexus and LT McGuinness to construct an archival building in Wellington.

The building was completed in February 2025, ahead of time and within budget and will open to the public in early 2026. Relocation of staff and holdings began in July 2025. Connected to the National Library, the building equips the institutions to share resources, expertise and technology, and enables New Zealanders to visit and access our information and services in one Wellington location.

Construction risk sat with the developer, giving us the certainty of cost and timeline. A construction workforce of up to 300 people were employed to meet the challenge of delivering this complex, seismically resilient, building with 19,300 square meters of floor space and highly specialised facilities. The project has provided valuable lessons for the public sector on successfully achieving a large-scale construction project.

Timor-Leste commemoration - 25th anniversary of NZ deployments

A respectful national commemoration marked the 25th anniversary of New Zealand's Timor-Leste deployment.

National commemorations play a role in shaping an inclusive national identity, fostering a sense of belonging and shared experience among communities across New Zealand. These engagements create lasting collective memories and reflect the country's commitment to openness, respect, and connection.

The National Commemoration, held in September 2024 and led by the Visits and Ceremonial Office, honoured New Zealand's largest military deployment since the Korean War. Delivered with dignity, inclusivity, and meaningful engagement from both diplomatic and community partners, the commemoration involved rich cultural elements and public participation. It underscored New Zealand's democratic values and our enduring commitment to peacekeeping.

This project exhibited our ability to work across central government, veterans' networks, and communities strengthening social cohesion and reinforcing a shared sense of national identity.

To support increased awareness of these events, we are working with other agencies to identify and encourage opportunities for increased media coverage. In the case of the Timor-Leste commemorations, this took the form of interviews with veterans.

Samoan Citizenship Bill passes into NZ Law

This Bill provides a pathway to New Zealand citizenship for those born in Samoa and some others, who had their citizenship removed in 1982.

After rapid legislative change, we successfully implemented system changes, developed public-facing guidance and applications in English and Samoan, developed policy and processes and trained staff over six weeks. We worked across agencies to implement the change including working with the New Zealand High Commission in Apia to provide in-person support to assist with high demand.

As of 30 June 2025, we received 2,131 applications - 2,011 granted, 13 withdrawn or declined, and 120 underway. Applications numbers are expected to reduce due to the narrow eligibility, and the age of those eligible.

Helping survivors access records about time in care

The Survivor Experiences Service records service was established in August 2024 to help survivors understand what records may exist about their time in care.

To help locate records with greater precision, we built an internal database that tracks historic institutional name changes to help us direct survivors to the right place. We have ensured inclusive access to records by developing tailored pathways for people with learning disabilities, neurodiversity, and cognitive impairments. Through coordination across Crown and faith-based organisations, we've reconnected over 100 survivors with their records. This has helped validate experiences and fill memory gaps.

We are committed to working closely with agencies to complete records requests and remove access barriers. We understand the urgency: with an average age of mortality for survivors at just 46, timely access to records is critical. We remain focused on the outcome: helping survivors get access to their personal records and providing insights into the challenges.

Delivery snapshots

400,000 items preserved over four years from National Library and Archives New Zealand

During 2024-2025, Reading Ambassador Alan Dingley engaged more than 20,000 students, educators and librarians.

Care Records' Disposal Authorisations are being reviewed to enable alignment with Abuse in Care recommendations.

What are our outcome indicators telling us?

▶ Satisfaction with citizenship services is maintained or increases

Metric	2020/21	2021/22	2022/23	2023/24	2024/25	Trend
%	90%	84%	88%	87%	90%	→

Source: DIA Customer Experience Survey[17]. For the 2024/25 survey a total of 1,018 customers were interviewed, 5,768 were invited, with a 18% response rate.

▶ People's sense of belonging to New Zealand increases

Metric	2020/21	2021/22	2022/23	2023/24	2024/25	Trend
%	Data not available	88%[18]	Data not available	Data not available	83%[19]	↘

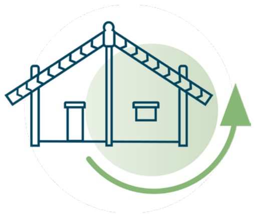
Source: General Social Survey – Stats NZ[18]

Citizenship is an important marker of people's sense belonging in New Zealand. The high level of satisfaction with citizenship services shows that we are making the process as positive and engaging as possible for people acquiring citizenship. Over the past year we have maintained the satisfaction with citizenship services most likely due to efforts in decreasing processing timeframes, improving clarity for customers, reducing manual work for staff and enhancing our automated checks. Stats NZ reports that people's sense of belonging to New Zealand is, 8.2 out of 10, down from 8.6 in 2021.

17 The DIA Customer Satisfaction Survey is run annually by NielsenIQ on behalf of Te Tari Taiwhenua using a sample of customers who have used services in the previous 12 months. For the 2024/25 survey a total of 13,576 customers were interviewed (across all services being surveyed) between 1 July 2024 and 30 June 2025. Further information on this survey can be found at https://www.dia.govt.nz/Customer-Experience-Survey.

18 The 2021/22 result was provided by Stats NZ as a customised data set from the Stats NZ 2021 General Social Survey covering the survey period 1 April 2021 to 17 August 2021. This measure is based on a scale where 0 is no sense of belonging and 10 is a very strong sense of belonging. The 2016/17 and 2021/22 results are based on the percentage of people aged 15 years and over who reported their sense of belonging to New Zealand at 7 or higher.

19 The 2024/25 results have been taken from the Stats NZ 2023 General Social Survey covering the survey period May 2023 to April 2024 which can be found at https://www.stats.govt.nz/information-releases/wellbeing-statistics-2023/. The Stats NZ General Social Survey is generally carried out every two years.



Outcome: Iwi, hapū and communities across New Zealand are safe, resilient and thriving

About this outcome

Communities are important to people's wellbeing. People have the best opportunity to thrive and prosper when the communities they live in are safe and resilient.

Communities can be supported to manage risks and challenges and empowered to form and realise their own aspirations, despite adversity they might face over time.

Across New Zealand there are many different communities, and we need to work with them in different and unique ways, including with iwi, hapū and Māori. The Crown can support their aspirations alongside our associated Treaty of Waitangi/Te Tiriti o Waitangi obligations and settlements. While many aspirations are common among iwi Māori, we also recognise that unique needs exist and we are working in different ways to support individual iwi.

Resilient infrastructure is important to communities and their long-term wellbeing. Addressing the planning for and funding of infrastructure ensures communities have the facilities that allow our regions to thrive and prosper.

Contributing to the achievement of this outcome we have three intermediate outcomes that represent more specifically the impact we will have:

- Regulated activities minimise harm and maximise benefits to people and communities
- Māori are supported to realise their aspirations
- Communities are supported to develop and prosper.

For information on what our indicators are telling us for this outcome see page 30, and for further information on performance results see Section 3 - *Assessment of operations - Year-end performance information on Appropriations*.

Online Casino Gambling Bill and regulations

We developed Online Casino Gambling legislation to establish a licensing regime to facilitate a safer and compliant regulated online casino gambling market.

Policy design of a regulated online casino gambling market was approved by Cabinet in November 2024. The Bill was introduced on 30 June 2025. Development of secondary legislation, covering harm minimisation, advertising, fees, and consumer protection, is well-advanced. We are on track for the Bill passing by the end of 2025 and regulations being finalised in early 2026.

Developing the primary and secondary legislation at the same time had its challenges, such as drafting complexities and intensive engagement with the Parliamentary Counsel Office. Opportunities to refine the Bill may be identified through the Select Committee process.

Regulating this sector will protect consumers, minimise gambling harm, limit opportunities for crime and dishonesty, and provide regulatory oversight of online gambling providers operating in New Zealand.

One-click reporting ensures scam messages are easy to report

In December 2024, we rolled out 'One-click report' that enables newer iPhone users to report scam messages by selecting the 'Report Junk' option, automatically forwarding to 7726. Customers can report suspicious text messages for free by forwarding it to 7726, this allows the provider to investigate the origin of the text.

This initiative has simplified scam reporting which is expected to increase public engagement and data sharing with the Department.

Collaboration between Apple, New Zealand telecommunications providers, and Modica, a messaging enablement platform, has enabled more efficient real-time reporting and improved scam detection across networks.

During the launch, an error caused unnecessary automated responses from the 7726-reporting function, leading to a spike in reports. The issue has been resolved.

Early indicators suggest increased reporting rates, supporting faster investigation and disruption of scam campaigns. A rollout to older iPhone models is planned for the end of 2025.

Department holds SkyCity accountable for AML/CFT non-compliance

On 26 September 2024, SkyCity was ordered by the Auckland High Court to pay a pecuniary penalty of $4.16 million for non-compliance with the requirements of the Anti-Money Laundering and Countering Financing Terrorism (AML/CFT) Act 2009.

This penalty followed an investigation by the Department and commencement of civil proceedings in the High Court for non-compliance with the AML/CFT Act.

The non-compliance spanned the period February 2018 to March 2023 and related to SkyCity's AML/CFT risk assessment, establishing, implementing and maintaining an AML/CFT compliance programme, the monitoring of accounts and transactions, conducting enhanced customer due diligence, and terminating existing business relationships when required.

SkyCity admitted all causes of action and agreed a settlement with the Department.

Lottery and Crown funding utilised to support the installation of solar panels across marae in Tairāwhiti

We supported a major solar energy initiative to build the resilience of marae across Tairāwhiti, ensuring they can continue serving their communities during extreme weather events.

We established the Cyclone Gabrielle Appeal Trust (Trust) in 2023 to support communities that had been impacted during the severe weather events.

We managed the Trust's operations and distributed over $14 million in community grants. The Trust complemented the wider response to Cyclone Gabrielle recovery and disaster preparedness from government and other community funders.

In 2024, the Trust provided a grant of $857,000 to support the installation of solar energy systems across 21 marae in the Tairāwhiti region. The project is being led by Trust Tairāwhiti, which also provided a further $15,000 per marae and secured support from other funders.

Installing solar energy systems will ensure these marae can continue operating during times of crisis – even through power cuts, strengthening the overall resilience of their communities. The project will end in December 2025.

City and Regional Deals - Q2 Action Plan

City and Regional Deals are long-term partnerships between central and local government focused on economic growth, delivery of connected and resilient infrastructure, and improving the supply of affordable, quality housing.

The first Strategic Framework for City and Regional Deals[20] in New Zealand has been approved by government. A light touch proposal process was run with 18 proposals received, each with their own unique projects. The first three Memorandum of Understandings have been agreed. A monitoring and evaluation framework is being developed as part of the programme.

The timeframe to deliver a first City and Regional deal by the end of 2025 is tight and small delays risk pushing this into 2026. Risks include both local and central governance decision-making, a new untested process and programme, the timeframes for policy decision-making and local government elections happening in October 2025.

Racing Industry (Unlawful Destruction of Specified Greyhounds) Amendment Act 2024

In December 2024, Cabinet announced its in-principle decision to close commercial greyhound racing in New Zealand by August 2026. We are implementing a strategic two-Bill approach. The first Bill established urgent animal welfare protections, enabling a Ministerial Advisory Committee to develop closure advice without endangering animals. Parliament unanimously passed the legislation within 48 hours. Confidentiality protected approximately 3,000 racing dogs while enabling detailed policy work for a second Bill.

The necessary confidentiality of the first Bill created transparency concerns and affected trust among greyhound racing participants. Limited advance warning hindered industry preparation for the Ministerial Advisory Committee process, affecting consultation quality and strengthening opposition to the closure proposal.

Delivery snapshots

Developed a Regulatory Systems (Internal Affairs) Amendment Bill that will improve the efficiency and effectiveness of our regulatory systems, for example, restricting the sale of all lottery products to people aged 18 and over.

Executed 49 search warrants across our Digital Messaging, Child Exploitation, and Violent Extremism teams to disrupt illegal digital content and malicious SMS campaigns – preventing real-world harm to communities across New Zealand.

In 2024, the conclusion of a four-year investigation by the Digital Child Exploitation Team uncovered a network of seven New Zealand offenders. The operation identified over 12,115 pieces of child sexual exploitation material and led to the safeguarding of a New Zealand child.

Wellington City Mission's new Whakamaru facility opened with support from Lottery funding.

We supported Westport's programme of flood resilience, with five initiatives completed and remaining initiatives underway.

20 View the Regional Deals Strategic Framework on https://www.beehive.govt.nz/sites/default/files/2024-08/Regional%20Deals%20Strategic%20Framework.pdf

What are our outcome indicators telling us?

► Overall life satisfaction is maintained or increases

Metric	2020/21	2021/22	2022/23	2023/24	2024/25	Trend
%	85%	81%	81%[21]	79%[20]	79%[22]	→

Source: General Social Survey – Stats NZ[23]

► People's sense of purpose is maintained or increased[21]

Metric	2020/21	2021/22	2022/23	2023/24	2024/25	Trend
%	Data not available	85%	Data not available	Data not available	84%[24]	→

Source: General Social Survey – Stats NZ[22]

Our indicators tell us that people continue to rate their overall life satisfaction and sense of purpose highly – although the longer-term trend has declined slightly. Stats NZ reports that the majority of New Zealanders continued to rate their overall life satisfaction with 79% giving a rating of 7 or higher. New Zealanders also continue to rate their sense of purpose highly with 84% giving a rating of 7 or higher.

21 The data for the 2022/23 and 2023/24 results were collected as part of the Stats NZ Household Economic Survey (household income and housing-cost statistics) as General Social Survey was delayed and was not available in time for inclusion in the 2023/24 Annual Report. The Household Economic Survey has differences in its collection method, and sampled population, reporting periods, among other things, that may affect comparability. This result is not able to be directly compared with results from prior years and the current year.

22 Satisfaction is determined on a 0-10 scale, where 0 is completely dissatisfied and 10 is completely satisfied.

23 The 2024/25 results have been taken from the Stats NZ 2023 General Social Survey covering the survey period May 2023 to April 2024 which can be found at https://www.stats.govt.nz/information-releases/wellbeing-statistics-2023/. The Stats NZ General Social Survey is generally carried out every two years.

24 We use the Stats NZ General Social Society survey question Things you do in life is worthwhile for this indicator. This is rated on a 0–10 scale where 0 is not at all worthwhile and 10 is completely worthwhile.

Outcome: Oranga hapū, iwi and Māori is improved through an enduring, equitable and positive Māori-Crown relationship

About this outcome

The Department has Treaty of Waitangi/Te Tiriti o Waitangi obligations that require strong relationships, engagement and consultation with Māori to be effective. The Department has 67 commitments across 24 Treaty Settlements and is also party to 12 Accord Agreements.

This outcome places our relationship with hapū, iwi and Māori at the centre of our decision-making in matters relating to Māori. It requires us to build our capability in te ao Māori, te reo me ōna tikanga and Te Tiriti to help achieve improved, enduring and equitable outcomes for Māori.

The term 'oranga' can be translated as wellbeing but from a te ao Māori perspective it encompasses much more, including the connection between people's health and wellbeing and the whenua (land) and taiao (environment) around them.

Contributing to the achievement of this outcome we have two intermediate outcomes that represent more specifically the impact we will have:

- Mātauranga Māori is respected and valued
- Māori, iwi and hapū aspirations, interests and rights are understood and respected.

For information on what our indicators are telling us for this outcome see page 33, and for further information on performance results see Section 3 - *Assessment of operations - Year-end performance information on Appropriations*.

Update on Te Tiriti statutory/settlement obligations

We are responsible for 67 Treaty settlement commitments and 12 Accord Agreements, including The Parihaka Reconciliation Deed, signed in 2017, which is a formal agreement between the Crown and the Parihaka community to acknowledge and reconcile the Crown's historical injustices, including the 1881 invasion and detentions without trial.

Unlike Treaty settlements, this Deed is not based on land claims or iwi affiliation - it recognises Parihaka's unique legacy of non-violent resistance and its pan-iwi significance.

In 2024, the Department reaffirmed its commitment to the Deed through an Accord meeting at Parihaka. We agreed to support operational costs, and a three-year work plan developed in partnership with the Parihaka Papakāinga Trust. This plan outlines collaborative initiatives to strengthen governance, cultural heritage, and community resilience.

While progress is steady, some delays at the operational level have occurred, highlighting the need for continued engagement and support to uphold the spirit of reconciliation.

Reopening of the nationally significant Te Tii Marae at Waitangi

We supported the reopening of iconic Te Tii Marae wharenui (meeting house) at Waitangi.

Te Tii Marae at Waitangi closed in September 2023 as it needed significant restoration. A range of Department administered funds including Lottery Oranga Marae, Lottery Environment and Heritage, COGS Far North and Lottery Community Northland have collectively funded approximately $3.8 million of the $5 million needed to complete Phase 1 of the restoration.

The wharenui was over 100 years old and restoration work was vital for its long-term sustainability. The upgrades included a paved courtyard, new carvings adorning the front of the wharenui, and much-needed earthquake strengthening.

Community advisors worked alongside hau kāinga (local people) to support the reopening of the whare tupuna (meeting house) and marae on 3 February – ahead of Te Tiriti o Waitangi celebrations on 6 February.

What are our outcome indicators telling us?

Te Tari Taiwhenua has developed two foundational indicators for this outcome. The first one focuses on lifting the capacity of Māori leadership at tier 4 level and above. The second indicator shows how our Treaty commitments and obligations are understood and upheld across the organisation.

▶ Māori leaders in the Department at tier 4 level and above is maintained or increased[25]

Metric	2020/21	2021/22	2022/23	2023/24	2024/25	Trend
%	13.2% (20 people leaders)	14.3% (25 people leaders)	13.1% (24 people leaders)	14.5% (28 people leaders)	13.3% (22 people leaders)	

Source: DIA

In 2024/25, 13.3% of leaders identified as Māori, consistent with the Department's five-year average and meeting the indicator for maintaining the trend.

Trend is calculated based on percentage reported.

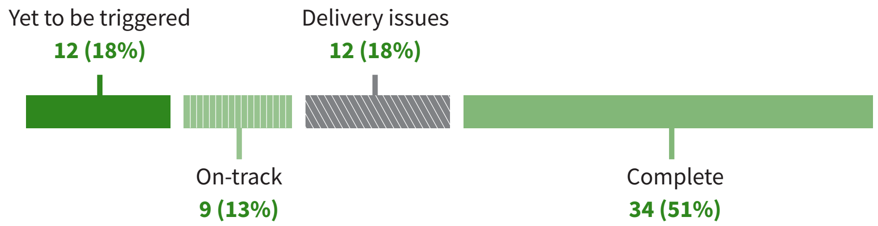
▶ The Department's settlement commitments as reported in Te Haeata is maintained or increased

Metric	2020/21	2021/22	2022/23	2023/24	2024/25	Trend
%	New indicator			50% (33 out of 66)	51% (34 out of 67)	

Source: Te Puni Kōkiri – Ministry of Māori Development.

We monitor our Treaty settlement commitments through Te Haeata – the settlement Portal. During the financial year, the Department successfully completed an additional Treaty settlement commitment shortly after it was acquired. There was also a noticeable reduction in commitments experiencing 'Delivery Issues', down from 17 to 12. Correspondingly, the number of commitments classified as 'On Track' has more than doubled. Overall, the Department has completed 34 out of 67 settlement commitments, representing a completion rate of 51%.

The following infographic provides a progress update on our 67 Treaty of Waitangi/ settlement commitments for 2024/25:



25 Tier 4 and above is defined as the top four tiers of managers and leaders that lead people within the Department with the Chief Executive being tier 1.

3
Assessment of operations

Overview of the Department's operations

We have a broad range of responsibilities and functions that include working with communities, ensuring effective regulatory frameworks are in place, and supporting the Executive and local government. We invest in information and communications technologies (ICT) and information management, and deliver a range of services to support and foster New Zealand's cultural identity.

Our wider functions

- Managing and protecting the integrity of national identity information. This includes life events such as births, deaths and marriages, citizenship and issuing passports.
- Regulating activities in several sectors including: gambling, online child exploitation and countering violent extremism. We also regulate government record-keeping, charities, unsolicited electronic messages, anti-money laundering and financing of terrorism, private security personnel and private investigators.
- Providing policy advice to the Government on: local government, the community and voluntary sector, fire and emergency services, identity, ICT, information management, digital safety, gambling and racing.
- Providing information, resources and advice to communities to support their aspirations.
- Administering grant funding schemes, as well as promoting trust and confidence in the charitable sector.
- Supporting Ministers to ensure the Executive Government operates efficiently and effectively. This includes providing 'Very Important Person' (VIP) transport services for members of the Executive Government and other VIPs and dignitaries.
- Coordinating and managing official Guest of Government visits to New Zealand, and arranging national commemorative events.
- Advising on, establishing and supporting the operation of public and government inquiries and reviews, including Royal Commissions of Inquiry.
- Administering a range of statutory functions for the Minister of Local Government, including for Lake Taupō and offshore islands.
- Leadership of the overall strategy and direction for the Government's digital modernisation and digital service delivery.

Our responsibilities

The Department has administrative responsibility for approximately 50 Acts (plus an additional 62 historic Local Legislation Acts) and about 120 pieces of secondary legislation. We also have functional regulatory roles or share responsibility under six other pieces of legislation.

We monitor the performance of three Crown entities (Fire and Emergency New Zealand, the Office of Film and Literature Classification and The Water Services Authority - Taumata Arowai). We also manage the appointment process for members of a range of trusts, committees and boards.

We support our public sector colleagues to transform their services through better investment in ICT and to maintain the privacy of New Zealanders' government-held information. Our system leadership role of Government Chief Digital Officer leads the digital transformation of government across the public sector. We also play a system leadership role for local government. We link central and local government more effectively to achieve improved outcomes for citizens and communities.

The Department is responsible for the National Library of New Zealand Te Puna Mātauranga o Aotearoa and Archives New Zealand Te Rua Mahara o te Kāwanatanga. Both play an important role in preserving New Zealand's documentary heritage and ensuring a full and accurate public record is created and maintained. In particular:

- The Chief Archivist has a system leadership and regulatory role in administering the Public Records Act 2005, which establishes the statutory framework for information and records management across the public sector
- The National Librarian has a system leadership role in the preservation, protection, development and accessibility of New Zealand's documentary heritage.

We are committed to ensuring our work and the services we provide are accessible to all New Zealanders in a way that meets their needs. Over the past year we have improved the accessibility and plain language resources available to staff and provided training for them to upskill in plain language.

Baseline savings

The Department's baseline was reduced by $24.436 million in 2024 because of the Budget 2024 Initial Baseline Exercise. This includes $1.244 million baseline savings in the Ministry for Ethnic Communities. These savings were achieved through:

- Workforce optimisation
- Rationalisation of ICT infrastructure
- Reduced reliance on contractors and consultants
- Reviews of security, cleaning, and insurance contracts
- A comprehensive review of all discretionary spending, including travel.

In addition, we returned unrequired funding received in previous budget rounds, including partial returns of funding for SmartStart and the Smith/Traynor Inquiry response.

For non-departmental expenditure, the following annual baseline savings were made:

- $2 million by reducing the public good contribution for Fire and Emergency New Zealand from $10 million to $8 million
- $0.7 million by reducing funding for the Aotearoa Reorua (Bilingual Towns and Cities) Programme from $1.1 million to $0.4 million. The remaining $0.4 million was later returned in Budget 2025
- $1.5 million by returning excess funding for the operation and maintenance of Chatham Islands Wharves.

Reduction in expenditure on contractors and consultants

The Department achieved a $33.6 million reduction in contractors and consultants' expenditure in 2024/25, representing a 45% decrease from the previous year. The 2024/25 spend of $41 million (including Ministry for Ethnic Communities of $0.1 million) equates to 5% of total departmental workforce expenditure.

This compares with expenditure of $123.4 million (including Ministry for Ethnic Communities of $0.8 million) and $74.6 million (including Ministry for Ethnic Communities of $0.2 million) for 2022/2023 and 2023/2024 respectively, which represents 21% and 12% of total departmental workforce expenditure in these years respectively.

Our Ministerial portfolios

We are responsible to six Ministers, administering six portfolios within Vote Internal Affairs. The Ministry for Ethnic Communities, a departmental agency hosted by the Department, also administers one portfolio and is responsible to one Minister.

The Minister of Internal Affairs is the Vote Minister and the responsible Minister overseeing the Government's ownership interests in Internal Affairs. The portfolios and responsible Ministers are outlined below:

Department of Internal Affairs	
Internal Affairs	Hon Brooke van Velden
Ministerial Services	Rt Hon Christopher Luxon
Racing	Rt Hon Winston Peters
Local Government	Hon Simon Watts
Community and Voluntary Sector	Hon Louise Upston
Digitising Government	Hon Judith Collins KC

Ministry for Ethnic Communities	
Ethnic Communities	Hon Mark Mitchell

Ministerial priorities

The Department does quarterly reporting to each portfolio Minister against the portfolio and Ministerial priorities, and financial and non-financial performance measures. The progress against some of our Ministerial priorities are outlined in Section 2 – Progress on Strategic Intentions 2024-2028.

The Letter of Expectations is a formal document used by Ministers to communicate their priorities and expectations to the boards of Crown Entities[1].

The Minister of Internal Affairs' annual Letter of Expectations outlines the Government's priorities for the Boards of Fire and Emergency New Zealand and the Office of Film and Literature Classification. The Minister of Local Government's annual Letter of Expectations outlines the priorities and expectations relating to The Water Services Authority – Taumata Arowai. The Minister for Racing has sent a letter to TAB New Zealand requesting quarterly updates and meetings to discuss TAB New Zealand's performance and the partnering arrangement with Entain New Zealand. This is to ensure an appropriate level of reporting and oversight.

1 Read more on the Letters on Expectations on https://www.dia.govt.nz/About-Internal-Affairs---Ministers-and-governance---Letters-of-Expectation

Significant Budget decisions

The table below outlines the significant Budget decisions through Budget 2025 and Budget 2024 for Vote Internal Affairs:

Significant Budget Decisions	Purpose of funding
Phase 2 of the Royal Commission of Inquiry into COVID19 Lessons (Internal Affairs portfolio)	To meet the costs of Phase 2 of the Royal Commission of Inquiry into COVID-19 Lessons. Refer to delivery snapshot on page 17.
Online Casino Gambling Regulatory Scheme: Drawdown of Tagged Contingency Funds and proposed name of memorandum account (Internal Affairs portfolio)	For the scoping phase of the technology solution associated with Online Gambling. Refer to story on page 27.
Request to draw down contingency funding for a survivor-focussed fund (Internal Affairs portfolio)	For the Public Apology for Abuse in Care Fund including administrative costs. Refer to story on page 15.
Addressing request for urgent funding for security from at-risk communities (Community and Voluntary Sector portfolio)	For high priority security projects for communities at risk from hate crime and terrorism.
Continued Recovery from the North Island Weather Events (Local Government portfolio)	To support councils in the essential clearance of sediment and debris as part of the continued recovery from the North Island Weather Events.
Implementing Local Water Done Well (Local Government portfolio)	To implement the Local Water Done Well policy - for work on policy development, legislation, financing settings, economic regulation and water safety regulation. Refer to story on page 16.
Implementation plan and request to draw down contingency funding for projects to improve redress for survivors of abuse in care (Internal Affairs portfolio)	To continue the Interim Listening Service for survivors of abuse in care, to provide care leavers with improved access to and control over their care records and to provide for continuing agency engagement on the Crown Response to the Abuse in Care Inquiry.
Drawdown and extension of The Water Services Authority - Taumata Arowai, New Crown Agent Regulator for Water Services tagged operating contingency and levy option update (Local Government portfolio)	For the operating costs for The Water Services Authority - Taumata Arowai in 2024/25.
Local Water Done Well Stage 2: Establishing the Framework and Transitional Arrangements (Local Government portfolio)	To support Local Water Done Well.
Resilient Westport: project overview and drawdown of funds for structural flood protection (Local Government portfolio)	To allow work on structural projections, fund property-level adaptation and transfer of Organ's Island to regional council management to slow flood waters. Refer to delivery snapshot on page 29.

The information below outlines the significant budget decisions through Budget 2025 that impact 2025/26 and outyears.

» Expanding the Eligibility for the Rates Rebate Scheme to Include SuperGold Cardholders – to expand this scheme to lift the income threshold to access rates rebates and associated administrative costs.

» Regional Deals Programme Implementation and Support - to continue delivering through a Secretariat function within the Department of Internal Affairs.

» Making the Care System Safe – recordkeeping to Improve Quality, Quantity, Capacity, Access and Whanau Connections, part of the wider Government's response to redress recommendations made by the Royal Commission of Inquiry into Abuse in Care.

» Ministerial Services – to address critical cost pressures and maintain service levels.

Year-end performance information on Appropriations

Statement of Service Performance and Judgements

For year ended 30 June 2025

This statement outlines the significant judgements (decisions) that the Department has used in preparing and selecting service performance information for Vote Internal Affairs. Service performance information assesses whether the Department has achieved specific services or functions that collectively support the overall achievement of our outcomes reported in Section 2 of this Annual Report. Information on the Department as the reporting entity can be found in note 1 to the financial statements on page 102.

Vote Internal Affairs includes service performance information for the Ministry for Ethnic Communities, Digital Executive Board and Trust Framework Authority and Trust Framework Board. It also includes the Non-Departmental Appropriations 2024/25 report.

PBE FRS 48 Service Performance Reporting standard

The External Reporting Board (XRB) released *PBE FRS 48 Service Performance Reporting* (the standard) in 2017. The standard applies to reporting periods beginning on or after 1 January 2022 and is part of generally accepted accounting practices (GAAP).

The standard sets out requirements to improve reporting of service performance information, aiming to better meet the needs of users of general-purpose financial reports of public benefit entities. Public benefit entities have objectives that focus on serving the community or society, or parts of it. They seek to achieve these objectives by using funds received from resource providers, such as taxpayers, ratepayers, donors or grantors, to carry out activities that benefit the community. The Department is classified as a tier 1 public benefit entity.

The standard sets out requirements and increased expectations for:

- identifying and selecting appropriate and meaningful performance information
- disclosing judgements made in selecting, aggregating and presenting performance information
- providing comparative performance information, and
- ensuring consistency of reporting.

Statement of compliance

The service performance information for the Department has been prepared in accordance with PBE FRS 48 Service Performance Reporting standard and the Public Finance Act 1989.

Scope of service performance information

The service performance information for the Department is contained within the following sections of this Annual Report:

- Section 2 - *Progress on Strategic Intentions*. This section explains our outcomes framework and the work the Department carries out to contribute towards the achievement of our outcomes. This service performance information can be found on pages 12 to 33.
- Section 3 - *Assessment of operations - Year-end performance information on Appropriations*. This section shows the performance measures and information for each appropriation that is funded under Vote Internal Affairs. This excludes those appropriations that have an exemption from end of year reporting requirements under section 15D(2)(b) of the Public Finance Act 1989. This service performance information can be found on pages 38 to 89.

Our Performance Measurement Reporting Programme

The Department is on a journey to develop and refine our performance measures information as outlined in Section 3 - *Assessment of operations - Year-end performance information on Appropriations*. Our performance measures assess whether we have achieved specific services or functions that collectively support the overall achievement of our outcomes which are outlined in Section 2 - *Progress on Strategic Intentions*.

How we select our performance measures and standards

We follow a consistent process to review and select performance measures. This process looks at the purpose of the funding, the Department's role, and the outcomes we aim to achieve, then identifies potential performance measures. We assess each potential performance measure and select the ones that are both feasible to put in place and best show the achievement of the results. The same process is followed when developing performance measures for new funding.

The Department is required by the Department of the Prime Minister and Cabinet to have performance measures in the following two areas:

» Minister's satisfaction with the quality of policy advice – we follow the Ministerial Policy Satisfaction Survey guidance provided by the Department of the Prime Minister and Cabinet for agencies with policy appropriations.

» Quality of policy advice and policy briefings – we follow the Policy Quality Framework guidance provided by the Department of the Prime Minister and Cabinet for assessing policy advice papers.

Standards (targets) are selected using historical data and/or judgements around expected or desired performance levels. If no data exists to set a standard for a new performance measure, the first year is used to collect baseline data to establish a standard.

How we manage changes to our performance measures and standards

Changes to performance measures are detailed in the Estimates of Appropriation and Supplementary Estimates of Appropriation documents for Vote Internal Affairs. Notes are included to explain the reasons for them.

To maintain consistency in reporting, we develop and maintain catalogues for each performance measure. These catalogues show how data is collected, calculated, and recorded.

How we report on our performance measures and results

Summary results for the Department are reported at the start of Section 3 - *Assessment of operations - Year-end performance information on Appropriations*. Individual results for each appropriation are reported in a table under the heading How we performed, and in the case of a multi-category appropriation for each category.

Comparative results from the prior year, as published in the previous Annual Report, are included to provide a consistent point of comparison. For new performance measures, comparative results may not be available due to the absence of historical data.

Disclosures regarding measuring bases and evaluation methods for each performance measure can be found on pages 85 to 89 at the end of the Section 3 - *Assessment of operations - Year-end performance information on Appropriations*.

The following criteria are used to rate and report on performance measure results:

Performance measures assessment criteria

✓ Standard has been met

✓ Standard is on-track to be met

✗ Standard has not been met

Where a performance measure standard has not been met, or where there is a significant variance, a note is included to explain why.

Disclosure of key judgements for 2024/25

The Department reviewed its set of performance measures to ensure they remain relevant, meaningful and effectively tell the performance story for funding received through appropriations. This review better aligns the suite of measures with best practice and the expectations of the Government and Auditor-General. Most changes resulting from the review are applicable for the 2025/26 financial year.

This ensures we are:

- providing appropriate and meaningful performance measures that support the relevant intention statement for the appropriation
- providing performance measures proportionate to the funding involved
- balancing the continuation of reporting with targeted improvements
- addressing issues identified through our regular reporting processes.

Following the review, some changes were made to performance measures for 2024/25 under Section 3 - *Assessment of operations - Year-end performance information on Appropriations.* Explanations for changes to performance measures can be found in Vote Internal Affairs' Estimates of Appropriations 2024/25 and Supplementary Estimates of Appropriations 2024/25 documents.

These changes include:

- removing and replacing performance measures that are no longer fit for purpose or relevant for showing achievement of results from the funding received
- removing performance measures that are no longer needed
- amending standards to reflect current rates of performance
- developing new performance measures for new funding received.

The Department will continue to review its performance measures annually, targeting any that are no longer fit for purpose or may need improvement, as part of a continuous improvement process.

Linking appropriations to outcomes

The Department's outcomes framework guides our work and sets out what we need to achieve for the people we serve. Further information on the outcomes framework is available in Section 2 - *Progress on Strategic Intentions*. Each appropriation contributes to one or more of the following outcomes:

	New Zealand is a well-functioning democracy across central and local government
	People can easily access the services and information they need
	People's sense of belonging and collective memory builds an inclusive New Zealand
	Iwi, hapū and communities across New Zealand are safe, resilient and thriving
	Oranga hapū, iwi and Māori is improved through an enduring, equitable and positive Māori-Crown relationship

Departmental Appropriations

Departmental Output Expenses

Contestable Services Revenue Dependent Appropriation (M41)

This appropriation contributes to the outcomes:

Scope of appropriation

Providing translation and other language services to government agencies and the public, and support services to government agencies.

What we intended to achieve with this appropriation

This appropriation is intended to achieve effective translation and other language services to government agencies and the public, and support services to government agencies.

How we performed

Achieved 1 out of 1 performance standard

100% achieved

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
1.01	Customers' satisfaction as to whether translations were provided within 'good' timeframes (see Note 1)	83%	At least 80%	88%	✓

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
-	Revenue Crown	-	-	-
2,504	Revenue other	3,200	3,200	2,258
2,504	**Total revenue**	**3,200**	**3,200**	**2,258**
2,496	Expenses	3,200	3,200	2,244
8	**Net surplus/(deficit)**	**-**	**-**	**14**

The 2024/25 actual expenses were $252,000 lower than 2023/24 and $956,000 lower than the Unaudited Budget due to decreased demand for Translation Services in 2024/25.

Digital Safety Initiatives for the Pacific (M41)

This appropriation contributes to the outcomes:

Scope of appropriation

This appropriation is limited to the provision of advice, information, expertise and technology to improve digital safety for countries in the South Pacific.

What we intended to achieve with this appropriation

This appropriation is intended to improve digital safety for countries in the South Pacific.

How we performed

Achieved 1 out of 1 performance standard

100% achieved

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
1.02	Pacific Countries' satisfaction with the Digital Child Exploitation Filter System and with services provided	4.5 out of 5	3 out of 5	4.5 out of 5	✓

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
-	Revenue Crown	-	-	-
233	Revenue other	280	547	486
233	**Total revenue**	**280**	**547**	**486**
233	Expenses	280	547	488
0	**Net surplus/(deficit)**	**-**	**-**	**(2)**

The 2024/25 actual expenses were $255,000 higher than 2023/24 and $208,000 higher than the Unaudited Budget due to expenditure associated with additional funding from the Ministry of Foreign Affairs and Trade for the digital safety work in the Cook Islands and the Australian Attorney General's Department to commence early work on the Pacific filter rollout to Melanesia and Micronesia.

Local Government Policy and Related Services (M49)

This appropriation contributes to the outcomes: 

Scope of appropriation

This appropriation is limited to the provision of policy advice, system stewardship and leadership, and services to support Ministers to discharge their responsibilities relating to the local government portfolio.

What we intended to achieve with this appropriation

This appropriation is intended to achieve well-informed decision making by Ministers through the provision of support, system stewardship and leadership and high-quality advice on local government matters.

How we performed

Achieved 4 out of 6 performance standards

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
1.03	Minister's satisfaction with the quality of policy advice	4.0	4 out of 5	4	✓
1.04	Required timeframes are met: Parliamentary Questions (written) – within 3 days of notifications or as agreed with the Minister	100%	At least 95%	100%	✓
1.05	Required timeframes are met: Ministerial correspondence (draft responses) – within 15 days of receipt or as specifically agreed	98.7%	At least 95%	99%	✓
1.06	Required timeframes are met: Ministerial Official Information Act requests – at least 5 days prior to statutory timeframes	100%	At least 95%	100%	✓
1.07	Average Score of policy briefings independently assessed according to DPMC Policy Quality Framework (see Note 1)	3.5	3.5 out of 5	3.32 out of 5 (see Note 2)	✗
1.08	Percentage of policy briefings independently assessed according to DPMC Policy Quality Framework as 3 or higher (see Note 1)	96%	90%	89.47% (see Note 3)	✗

Note 1 – The measures have been updated to ensure they are clearer and more succinct.

Note 2 – Policy papers are independently assessed by an external agency (NZIER) as per the policy quality framework set by DPMC guidelines. 19 papers were assessed, and an average score is taken across 19 papers score and it was short by a margin of 0.18 score (3.5 minus 3.32).

Note 3 – Policy papers are independently assessed by an external agency (NZIER) as per the policy quality framework set by DPMC guidelines. 17 out of the 19 papers assessed scored 3 and above on a scale of 1-5 against the guidelines. This meant that 89.5% of papers met the criteria for this measure, 0.5% short of the 90% target.

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
75,646	Revenue Crown	36,034	35,888	35,887
3419	Revenue other	-	1,379	660
79,065	**Total revenue**	**36,034**	**37,267**	**36,547**
73,504	Expenses	36,034	37,267	28,228
5,561	**Net surplus/(deficit)**	**-**	**-**	**8,319**

The 2024/25 actual expenses were $45.276 million lower than 2023/24 and $7.806 million lower than the Unaudited Budget mainly due to funding in 2023/24 for the now repealed Three Waters Reform programme.

Tāhuhu – Preserving the Nation's Memory (M41)

This appropriation contributes to the outcomes:

Scope of appropriation

This appropriation is limited to supporting the upgrade and expansion of archival and library facilities and associated activities under the Tāhuhu - Preserving the Nation's Memory Programme.

What we intended to achieve with this appropriation

This appropriation is intended to contribute to achieving the long-term preservation of archival holdings and library collections and taonga by providing specialised facilities and expanded storage capacity.

How we performed

Achieved 1 out of 1 performance standard

100% achieved

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
1.09	Percentage of key milestones that have been met for the Tāhuhu Programme within the agreed timeframe by year	100%	At least 80%	100% (see Note 1)	✓

Note 1 – The programme had five key milestones due to be met in 2024/25. This included both the practical completion of enabling structure to receive the link bridge connecting the new archival building to the National Library and handover of the new archival building to DIA for lease commencement alongside updated and new operational policies, processes and procedures for building occupation.

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
19,429	Revenue Crown	4,859	7,359	7,359
-	Revenue other	-	-	-
19,429	**Total revenue**	**4,859**	**7,359**	**7,359**
17,805	Expenses	14,247	18,371	16,958
1,624	**Net surplus/(deficit)**	**(9,388)**	**(11,012)**	**(9,599)**

The 2024/25 actual expenses were $2.711 million higher than the Unaudited Budget mainly due to a higher level of expenditure associated with Tāhuhu - Preserving the Nation's Memory programme in 2024/25 than anticipated.

Departmental Capital Expenditure and Capital Injections

Department of Internal Affairs – Capital Expenditure Permanent Legislative Authority (M41)

This appropriation contributes to the outcomes:

Scope of appropriation

This appropriation is limited to the purchase or development of assets by and for the use of the Department of Internal Affairs, as authorised by section 24(1) of the Public Finance Act 1989.

What we intended to achieve with this appropriation

This appropriation is intended to achieve investment in the renewal, upgrade and development of assets that support the delivery of the Department's products and services.

How we performed

Achieved 1 out of 1 performance standard

100% achieved

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
1.10	Asset development, purchase and use are in accordance with section 24(1) of the Public Finance Act 1989	Achieved	Achieved	Achieved	✓

Output statement

Actual 2024 $000	Departmental Capital expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
112,313	Departmental capital expenditure	115,000	140,000	118,381

The 2024/25 actual expenses were $21.619 million lower than the Unaudited Budget due to rephasing of the Te Ara Manaaki programme and some smaller projects, and purchase of specialist equipment and furniture deferred to 2025/26.

Multi-Category Expenses and Capital Expenditure

Chatham Islands Wharves (M41)

This appropriation contributes to the outcome:

Overarching purpose of appropriation

The single overarching purpose of this appropriation is to achieve the recognition of operational, maintenance, minor capital and depreciation expenditure associated with Chatham Islands Wharves.

What we intended to achieve with this appropriation

This appropriation is intended to achieve the maintenance of Chatham Island wharves.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.01	Percentage of Crown-funded major maintenance and capital improvement projects in the Chatham Islands wharves Annual Business Plan completed	New measure	Baseline to be established	Result not available (see Note 1)	

Note 1 – It is a new appropriation for 2024/25. It was added through Supplementary Estimates; no funding was used in 2024/25.

Category: Chatham Islands Wharves - Administration Costs

Scope of the category

This category is limited to the administration of funding for the Chatham Islands wharves.

What we intended to achieve with this category

This category is intended to achieve effective administration of funding for the Chatham Islands wharves.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.02	Percentage of funds paid in accordance with the Chatham Islands wharves Annual Business Plan	New measure	100%	Result not available (see Note 1)	

Note 1 – It is a new appropriation for 2024/25. It was added through Supplementary Estimates; no funding was used in 2024/25 as none was required.

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
-	Revenue Crown	-	50	50
-	Revenue other	-	-	-
-	**Total revenue**	-	**50**	**50**
-	Expenses	-	50	-
-	**Net surplus/(deficit)**	-	-	**50**

Civic Information Services (M41)

This appropriation contributes to the outcomes:

Overarching purpose of appropriation

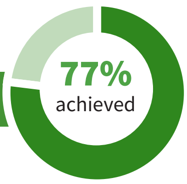
The single overarching purpose of this appropriation is to contribute to the collection, management and provision of access to New Zealand's civic and identity information.

What we intended to achieve with this appropriation

The appropriation is intended to achieve the collection, preservation, accessibility and security of New Zealand's civic and identity information.

How we performed

Achieved 10 out of 13 performance standards



ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.03	Perception of the overall ease of Identity and Life Event Services	87%	At least 80%	88%	✓

Category: Managing and Accessing Identity Information

Scope of the category

This category is limited to providing effective management of New Zealand's records of identity, authenticating official documents and coordinating the congratulatory message service.

What we intended to achieve with this category

This category is intended to achieve secure and effective management of New Zealand's identity information.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.04	Ease of Identity and Life Event services (see Note 1)	87%	At least 80%	91%	✓
2.05	Identity and Life Event services issued or registered without error	99.85%	At least 99%	99.83%	✓
2.06	Births and deaths registrations; births, deaths, marriages and civil union certificates and print outs; and citizenship applications processed within business timeframe standards	96%	At least 99%	95.94% (see Note 2)	✗
2.07	Passports issued within business timeframe standards on receipt of applications	42%	At least 97%	79% (see Note 3)	✗
2.08	Percentage of all Identity and Life Event applications received via online service	84%	At least 80%	83%	✓
2.09	Number of new RealMe verified identities issued	242,807	At least 120,000	249,063	✓
2.10	Customer satisfaction with the process of applying for a RealMe verified identity assessed as '4' or '5'	71%	At least 75%	80%	✓

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.11	Number of customer consents to share information	415,662	At least 350,000	618,647	✓
2.12	Applications for verified identity are processed within 5 days	6%	At least 95%	51% (see Note 4)	✗
2.13	Realtime verification of data	100%	At least 99%	100%	✓

Note 1 - The DIA Customer Satisfaction Survey is run annually by NielsenIQ on behalf of the Department using a sample of customers who have used services in the previous 12 months. For the 2024/25 survey a total of 13,576 customers were interviewed between 1 July 2024 and 15 June 2025 (across all services being surveyed), 100,326 were invited, with 14% response rate. The respondents rated the actual ease of using the service (Births, Deaths and Marriages, Passports, and Citizenship Services) after the interaction, on a scale from 0 (not at all easy) to 10 (very easy). Ease is assessed as 7, 8, 9 or 10.

Note 2 – Civil registration activities have been consistently delivered within expected timeframes across 2024/25 year. The Citizenship by Grant work in progress reduced by 10,800 applications, to 15,998 by year-end. While the processing system upgrade in March resulted in a temporary increase in applications on hand due to staff learned new ways of processing, significant improvements have since been made. The average processing time has decreased from 190 working days in July 2024 to 117 working days by June 2025. Despite this progress, the performance measure was not achieved due to the initial impact.

Note 3 – Over the past 12 months, the Department issued 410,122 passports. The Urgent service continued to perform strongly, with 90% of passports dispatched within 3 working days. The standard 10-day service improved throughout the year, with year-to-date result of 78% of passports delivered within 10 working days. As of June 2025, performance increased to 90% of standard passports issued within the target timeframe. Passports that were issued outside of these timeframes are almost all due to follow-up required with applicants or third parties (for example, the Courts).

Note 4 – Demand for verified identity services remained strong throughout the year. However, processing capacity was limited due to a reduced workforce following the end of secondments, and passports processing prioritisation.

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
60,091	Revenue Crown	28,832	31,843	31,843
118,928	Revenue other	108,017	116,857	115,443
179,019	**Total revenue**	**136,849**	**148,700**	**147,286**
215,367	Expenses	234,002	237,204	218,036
(36,348)	**Net surplus/(deficit)**	**(97,153)**	**(88,504)**	**(70,750)**

The 2024/25 actual expenses were $15.966 million lower than the Unaudited Budget mainly due to contingency funding held in the Budget for Identity Product demand fluctuations.

Category: Publishing Civic Information

Scope of the category

This category is limited to publishing information through the New Zealand Gazette.

What we intended to achieve with this category

This category is intended to achieve accurate publication of the New Zealand Gazette.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.14	Accuracy: Gazette notices published consistent with text supplied by clients	99.8%	99%	99.9%	✓

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
-	Revenue Crown	-	-	-
970	Revenue other	844	964	1,013
970	**Total revenue**	**844**	**964**	**1,013**
1,013	Expenses	897	1,040	1,037
(43)	**Net surplus/(deficit)**	**(53)**	**(76)**	**(24)**

The 2024/25 actual expenses were $140,000 higher than the Unaudited Budget due to an increase in demand for the New Zealand Gazette in 2024/25.

Category: Development of On-line Authentication Services

Scope of the category

This category is limited to services provided by the Office of the Privacy Commissioner related to identity authentication, identity assertion and identity verification, and information sharing agreements.

What we intended to achieve with this category

This category is intended to achieve effective privacy support for identity services and information sharing agreements.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.15	Authentication services issued without error	99.7%	At least 99%	99.97%	✓

Output statement

Actual 2024 $000	Non-Departmental Output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
116	Non-Departmental output expenses	116	116	116

Community Development and Funding Schemes (M15)

This appropriation contributes to the outcomes: 

Overarching purpose of appropriation

The single overarching purpose of this appropriation is to support communities and voluntary sector organisations so they become stronger, more cohesive and resilient.

What we intended to achieve with this appropriation

This appropriation is intended to achieve financial support for communities and organisations for community development.

How we performed

Achieved 9 out of 9 performance standards

100% achieved

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.16	Community groups have trust and confidence with the quality of services	88%	At least 70%	88%	✓

Category: Administration of Grants

Scope of the category

This category is limited to administration of the processes supporting government grant funding schemes, from receiving applications to monitoring grant recipients.

What we intended to achieve with this category

This category is intended to achieve effective support for the government grant funding schemes that the Department administers and to ensure processes are maintained for receiving applications and monitoring grants.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.17	Grant decisions are transparent and consistent with regard to eligibility requirements	99%	At least 97%	99%	✓
2.18	Grant requests are managed within business timeframes standards	99.6%	At least 95%	100%	✓
2.19	Customers are satisfied with the ease with which they are able to apply for grants and advisory services (see Note 1)	85%	At least 70%	85%	✓
2.20	Grant decision making committees are satisfied with the operational support received	93%	At least 90%	93%	✓

Note 1 - For the 2024/25 survey a total of 678 customers were interviewed, 2,941 were invited, with 23% response rate.

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
3,065	Revenue Crown	2,999	3,088	3,088
2	Revenue other	-	-	11
3,067	**Total revenue**	**2,999**	**3,088**	**3,099**
2,904	Expenses	2,999	3,088	2,730
163	**Net surplus/(deficit)**	**-**	**-**	**369**

Category: Community Development and Engagement Advice

Scope of the category

This category is limited to the provision of advisory support and information (including information related to accessing grants) to support community groups with community development.

What we intended to achieve with this appropriation

This category is intended to achieve advisory and information support for communities and community groups for the purpose of community development.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.21	Customers are satisfied with the quality of the advice received	81%	At least 75%	75%	✓

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
5,188	Revenue Crown	4,991	4,991	4,991
5	Revenue other	-	-	18
5,193	Total revenue	4,991	4,991	5,009
5,153	Expenses	4,991	4,991	4,825
40	Net surplus/(deficit)	-	-	184

Category: Community Organisation Grants Scheme

Scope of the category

This category is limited to providing locally distributed grants to community organisations for programmes that provide social services.

What we intended to achieve with this category

This category is intended to achieve benefit from social services provided by grass-roots non-profit organisations to communities.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.22	Grant decisions are transparent and consistent with regard to meeting eligibility requirements	99.8%	At least 99%	100%	✓

Output statement

Actual 2024 $000	Non-Departmental Other expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
12,472	Non-Departmental other expenses	12,500	12,500	12,453

Category: Community-led Development

Scope of the category

This category is limited to providing grants to community organisations for projects to achieve improved economic, social and cultural wellbeing.

What we intended to achieve with this appropriation

This category is intended to achieve support for diverse communities to improve economic, social and cultural wellbeing.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.23	Percentage of partner communities and/ or hapū within the Community-led Development Programme that have a community plan	91%	At least 80%	100%	✓

Output statement

Actual 2024 $000	Non-Departmental Other expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
6,898	Non-Departmental other expenses	4,400	4,400	4,396

The 2024/25 actual expenses were $2.502 million lower than 2023/24 due to funding for communities to maximise community outcomes of resilience and sustainability.

Category: Safer Communities Fund

Scope of the category

This category is limited to providing grants for initiatives to provide increased security for at-risk communities against hate crimes and terrorism.

What we intended to achieve with this appropriation

This category is intended to achieve an increase in security for at risk communities against hate crimes and terrorism.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.24	Percentage of Jewish and Muslim 'at risk' sites applying for funding, where security measures have been improved	New Measure	At least 80%	100%	✓

Output statement

Actual 2024 $000	Non-Departmental Other expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
1,000	Non-Departmental other expenses	-	6,000	6,000

The 2024/25 actual expenses were $5.000 million higher than 2023/24 and the Unaudited Budget due to additional funding for high priority security projects for communities at risk of hate crime and terrorism.

Government Digital Services (M100)

This appropriation contributes to the outcomes:

Overarching purpose of appropriation

The single overarching purpose of this appropriation is to lead digital transformation across government

What we intended to achieve with this appropriation

This appropriation is intended to achieve leadership of digital government transformation.

How we performed

Achieved 4 out of 4 performance standards

100% achieved

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.25	Percentage of mandated agencies providing information on current, planned, and new digital initiatives (including baseline investments)	100%	100%	100%	✓

Category: Digital Identity Services Trust Framework

Scope of the category

This category is limited to the establishment and operation of the Digital Identity Regulator and associated regime.

What we intended to achieve with this appropriation

This category is intended to achieve the operation of transparent governance and accreditation functions that will enable a legal framework for secure and trusted digital identity services as defined in the Act.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.26	The number of digital identity services accredited through the Trust Framework Authority since the regime came into effect (8 November 2024)	New Measure	Increase up to 150-200 services by 2030	Result not available (see Note 1)	

Note 1 – No providers had completed the accreditation process in the period since the regime came into effect.

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
2,000	Revenue Crown	-	2,700	2,700
-	Revenue other	-	-	-
2,000	**Total revenue**	**-**	**2,700**	**2,700**
1,570	Expenses	-	2,700	2,906
430	**Net surplus/(deficit)**	**-**	**-**	**(206)**

The 2024/25 actual expenses were $1.336 million higher than 2023/24 due to additional expenditure associated with operating the Digital Identity Regulator and associated regime. The 2024/25 actual expenses were $2.906 million higher than the Unaudited Budget following transfers of funding to this category to enable operation of the Digital Identity Services Trust Framework Regulator as required by legislation.

Category: Digital Skills Development in the Public Sector

Scope of the category

This category is limited to the delivery and management of Digital Skills in the Public Sector, and to advance the implementation of the Skills Framework for the Information Age (SFIA) in the public sector.

What we intended to achieve with this category

This category is intended to achieve a capable digital public service workforce to meet current and future service delivery needs.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.27	Percentage of Public Service agencies using the common Skills Framework for the Information Age 2024 job descriptions for core digital roles since 1 July 2024	New measure	Up to 80% by 2026/27	Result not available (see Note 1)	

Note 1 – As a result of reorienting priorities, we may look at rescoping and/or extending the time frame for delivery.

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
1,960	Revenue Crown	2,078	692	692
-	Revenue other	-	-	-
1,960	**Total revenue**	**2,078**	**692**	**692**
570	Expenses	2,078	692	728
1,390	**Net surplus/(deficit)**	**-**	**-**	**(36)**

The 2024/25 actual expenses were $158,000 higher than 2023/24 due to additional funding for implementing Skills for an Information Age in the Public Service.

The 2024/25 actual expenses were $1.350 million lower than the Unaudited Budget due to:

- a transfer of funding to the Digital Identity Services Trust Framework category to meet the costs associated with the operation of the Digital Identity Services Trust Framework Regulator as required by legislation, and
- a transfer of funding between appropriations based on the provision of services across the Vote Internal Affairs portfolios.

Category: Government Digital Strategy, System Investment and Leadership

Scope of the category

This category is limited to the development and support of the functional leadership role of the Government Chief Digital Officer, providing assurance on the Government's digital investments, and advice services to implement the government digital strategy, architecture and assurance framework.

What we intended to achieve with this category

This category is intended to achieve the successful implementation of the government's digital strategy and the discharge of the GCDO's System Leadership responsibilities.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.28	Percentage of mandated small agencies consuming Common Capability	100%	100%	100%	✓

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
15,637	Revenue Crown	14,409	14,009	14,009
141	Revenue other	-	-	473
15,778	**Total revenue**	**14,409**	**14,009**	**14,482**
15,569	Expenses	14,409	14,009	13,840
209	**Net surplus/(deficit)**	**-**	**-**	**642**

The 2024/25 actual expenses were $1.729 million lower than 2023/24 due to a transfer of funding to the Digital Identity Services Trust Framework category to meet the costs associated with the operation of the Digital Identity Services Trust Framework Regulator as required by legislation, and a transfer of funding between appropriations based on the provision of services across the Vote Internal Affairs portfolios.

Category: System Capabilities, Services and Platforms

Scope of the category

This category is limited to the development, support and governance of cross-government system capabilities, services and platforms to deliver digital and data transformation.

What we intended to achieve with this category

This category is intended to achieve the provision of digital foundations that enable the Public Sector to deliver its (digital and non-digital) services.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.29	Percentage of mandated agencies consuming at least one Common Capability	100%	100%	100%	✓
2.30	Percentage of All of Government Services Delivery websites with no critical accessibility issues	100%	100%	100%	✓

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
10,018	Revenue Crown	15,092	14,242	14,242
20,204	Revenue other	16,054	17,754	18,759
30,222	**Total revenue**	**31,146**	**31,996**	**33,001**
22,132	Expenses	32,680	31,664	27,840
8,090	**Net surplus/(deficit)**	**(1,534)**	**332**	**5,161**

The 2024/25 actual expenses were $5.708 million higher than 2023/24 due to funding received for the shared approach to back-office transformation across the public sector and $4.840 million lower than the Unaudited Budget primarily due to delays in obtaining third-party provided security certifications for ICT Common Capability Products and Services.

Local Government Administration (M49)

This appropriation contributes to the outcomes:

Overarching purpose of appropriation

The single overarching purpose of this appropriation is to administer local government legislation and relevant regulations and assets.

What we intended to achieve with this appropriation

This appropriation is intended to achieve support for effective local government services within New Zealand and the Lake Taupō harbourmaster function.

How we performed

Achieved 6 out of 7 performance standards

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.31	Number of measures within this appropriation which have met their standards within the agreed timeframes	6 out of 6	5 out of 6	5 out of 6	✓

Category: Local Government Services

Scope of appropriation

This category is limited to administering the Local Government related legislations and regulations, including the Rates Rebate Scheme, providing regulatory and boating services for Lake Taupō (including providing the Harbourmaster and managing the Lake Taupō Landing Reserve) and governance and management of the National Dog Control Information Database.

What we intended to achieve with this category

This category is intended to achieve effective and consistent local government operation within New Zealand.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.32	Responses to requests for information from the public about the Rates Rebate Scheme – within 10 days of receipt	100%	At least 98%	100%	✓
2.33	Eligible claims from councils for reimbursement of rates rebates processed within 20 days of receipt	99.8%	At least 98%	83% (see Note 1)	✗
2.34	Boating facilities and navigational safety equipment inspected in accordance with an annual compliance programme	100%	100%	100%	✓
2.35	Customer satisfaction with the quality of Lake Taupō navigational safety services assessed as average or above, when surveyed every 2 years	92%	At least 85%	92%	✓
2.36	The time the harbourmaster takes to resolve reported or discovered missing or damaged navigational aids is within 20 working days	100%	At least 95%	100%	✓

Note 1 – The expected influx of Rates Rebates claims that occurs at the start of the rating year exceeded processing capacity. The Department increased resources as a result and later in December 2024 improved processing efficiency by moving from auditing a percentage of applications, to requiring an assurance statement from Councils. While both actions significantly reduced ongoing processing times, it was not sufficient to bring about a return to target service level this reporting year.

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
2,754	Revenue Crown	2,758	2,958	2,958
1,431	Revenue other	1,380	1,380	1,367
4,185	**Total revenue**	**4,138**	**4,338**	**4,325**
3,703	Expenses	4,063	4,651	3,863
482	**Net surplus/(deficit)**	**75**	**(313)**	**462**

Category: Taumata Arowai

Scope of appropriation

This category is limited to supporting Taumata Arowai in meeting its statutory responsibilities as New Zealand's water services regulator.

What we intended to achieve with this category

This category is intended to support the water services regulator Taumata Arowai to ensure safe drinking water and improve the regulation and performance of the waste water and storm water networks for New Zealand.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.37	Advice on accountability and performance documents delivered within statutory or agreed timeframes (based on delivery of documents to the Minister by Taumata Arowai)	100%	100%	100%	✓

Output statement

Actual 2024 $000	Non-Departmental Other expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
21,272	Non-Departmental output expenses	21,316	21,316	21,316

National Archival and Library Services (M41)

This appropriation contributes to the outcomes: 

Overarching purpose of appropriation

The single overarching purpose of this appropriation is to contribute to the collection, management and provision of access to knowledge and information for New Zealand and support government accountability.

What we intended to achieve with this appropriation

This appropriation is intended to achieve the collection, preservation, accessibility and integrity of New Zealand's government and heritage information.

How we performed

Achieved 20 out of 23 performance standards

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.38	Number of items accessed that are held by National Library and Archives New Zealand	28,327,934	At least 24 million	31,165,410	✓

Category: Knowledge and Information Services

Scope of the category

This category is limited to the collection, acquisition, preservation, management and provision of access to heritage information and public archives, provision of operational advice and services to enable government accountability, provision of services to schools and to assist access to library collections and other information.

What we intended to achieve with this category

This category is intended to achieve the collection, preservation, accessibility and integrity of New Zealand's government and heritage information by Archives New Zealand and National Library of New Zealand.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
Archives New Zealand – Managing Public Archives					
2.39	Availability of online services 24 hours a day, 7 days a week	99.8%	At least 95%	96.3% (see Note 1)	✓
2.40	The percentage of Archives New Zealand storage units providing storage conditions to required standards	95%	At least 80%	86%	✓
	Demand information – Estimates				
2.41	Archives held in storage: Physical archives – linear metres	111,930	108,000 – 114,000	112,050	✓
Archives New Zealand – Provision of Access to Public Archives					
2.42	Archives newly available for access online	43,429	10,000	9,411 (see Note 2)	✗
2.43	Number of items produced in public reading rooms	22,404	30,000 – 40,000	24,160 (see Note 3)	✗
2.44	Digital items accessed for use – Rosetta	713,652	At least 135,000	2,466,450 (see Note 4)	✓
2.45	Digital items accessed for use – Social Media	2,527,758	At least 2 million	2,530,973	✓
National Library – Access to Information					
2.46	Requests (non-school) for the off-site supply of documents – completed within 2 days of receipt	100%	At least 90%	100%	✓
2.47	Public Lending Right payments to all authors eligible for payment made within the timeframe stipulated by regulation	100%	At least 99%	100%	✓
2.48	Digitised items newly available for access online	232,179	At least 230,000	470,848	✓
2.49	Availability of Te Puna catalogue and interloan services to subscribers during advertised hours	100%	At least 95%	100%	✓
National Library – Collection and Preserving Information					
2.50	Of the acquisitions to the Alexander Turnbull Library (new heritage collections): Accession records for unpublished collections – completed within 10 days of receipt	88%	At least 80%	85%	✓
2.51	Of the acquisitions to the Alexander Turnbull Library (new heritage collections): Descriptive records for unpublished collections – added within 20 days of accession	87%	At least 80%	99%	✓

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.52	'At risk' items digitised or digital formats transformed: Audio-visual items	33,880	At least 1,500	20,926 (see Note 5)	✓
2.53	'At risk' items digitised or digital formats transformed: Images	995	At least 500	778	✓
2.54	Published acquisitions to the Alexander Turnbull Library (new heritage collections)	54,991	65,000 – 75,000	49,139 (see Note 6)	✗
	National Library – Library and Information Services to Schools				
2.55	Number of visits to schools online services	468,768	240,000 – 300,000	266,212	✓
2.56	Number of schools supported	966	650-700	815	✓
2.57	Items supplied on request from the schools collection	374,330	300,000 – 450,000	383,835	✓
	Public Sector Recordkeeping				
2.58	Number of Public Offices, Local Authorities and other organisations provided with targeted records and archives management advice	296	100 – 150	137	✓
	Statutory and Advisory Body Support				
2.59	Statutory body member satisfaction with the quality of secretariat services provided – Archives New Zealand	4	At least 4	5	✓
2.60	Statutory body member satisfaction with the quality of secretariat services provided – National Library	5	At least 4	5	✓

Note 1 – The result for 2024/25 is lower due to a number of outages of Collections Search May-June 2025, due to server capacity issues.

Note 2 – The digitisation programme closed at the end of the 2023/24. In previous years, the programme made high volumes of records available to be viewed online, so the quantity of records newly available for access has dropped in 2024/25. Digitisation at Archives NZ will restart in 2025/26 through a staged process. A joint work plan is being developed for Archives Library NZ digitisation activities.

Note 3 – Digitisation has made more records available to view online and reading room hours have been reduced. These factors have resulted in a progressive reduction in reading room issues since 2018.

Note 4 – This measure is overachieving due to a number of factors. Accessing digital content is on an upward trend, driving this figure up. Non-human interactions (bot searches) also play a role in increasing the numbers accessed. Work is being done to unpick these trends.

Note 5 – This result includes items digitized through the Utaina project. Utaina was a significant, multi-year programme of work intended to digitise at-risk audiovisual (AV) items from 13 AV formats across National Library of New Zealand (NLNZ) and Archives New Zealand (ANZ). Digitisation figures have varied from year on year as the project focussed on overall delivery within their delivery phase of July 2022 to May 2025.

Note 6 – Acquisition numbers are contingent on what is published and offered for donation, and there is an ongoing intentional shift to more selective digital collecting. This measure is being replaced with a more meaningful measure that better reflects acquisitions to the Turnbull Collections for 2025/26.

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
112,578	Revenue Crown	116,744	116,893	116,893
12,213	Revenue other	9,329	11,625	11,570
124,791	**Total revenue**	**126,073**	**128,518**	**128,463**
125,513	Expenses	126,097	128,618	126,643
(722)	**Net surplus/(deficit)**	**(24)**	**(100)**	**1,820**

Offshore Betting Charges (M55)

This appropriation contributes to the outcome:

Overarching purpose of appropriation

The single overarching purpose of this appropriation is for the operation of the offshore betting charges regime and distribution in accordance with the Racing Industries Act 2020 and related regulations.

What we intended to achieve with this appropriation

This appropriation is intended to achieve financial support for racing and sports, and support measures to prevent and minimise harm from gambling in accordance with the Racing Industry Act 2020 and related regulations.

How we performed

Achieved 0 out of 2 performance standards

0% achieved

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.61	Percentage of distribution payments under the Racing Industry (Offshore Betting – Consumption Charges) Regulations 2021 made within the agreed timeframes	100%	100%	75% (see Note 1)	✗

Note 1 – There were internal administrative delays in one of the quarters which resulted in 0% of payments being made within the target timeframes for that quarter. There were no further delays with payments for the other three quarters of the year.

Category: Administration of Offshore Betting Charges Regime

Scope of the category

This category is limited to operational policy advice and services to administer the offshore betting charges regime in accordance with the Racing Industry Act 2020 and related regulations.

What we intended to achieve with this category

This category is intended to achieve effective administration of the offshore betting charges regime in accordance with the Racing Industry Act 2020 and related regulations.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.62	Percentage of distribution payments under the Racing Industry (Offshore Betting – Consumption Charges) Regulations 2021 made within the agreed timeframes	100%	100%	75% (see Note 1)	✗

Note 1 – There were internal administrative delays in one of the quarters which resulted in 0% of payments being made within the target timeframes for that quarter. There were no further delays with payments for the other three quarters of the year.

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
-	Revenue Crown	-	-	-
138	Revenue other	210	210	151
138	**Total revenue**	**210**	**210**	**151**
138	Expenses	210	210	151
-	**Net surplus/(deficit)**	**-**	**-**	**-**

Policy and Related Services (M41)

This appropriation contributes to the outcomes:

Overarching purpose of appropriation

The single overarching purpose of this appropriation is to provide policy advice and services to Ministers in order to support them to discharge their portfolio responsibilities.

What we intended to achieve with this appropriation

This appropriation is intended to achieve well-informed decision making by Ministers through the provision of support, and high-quality advice about government policy matters.

How we performed

Achieved 22 out of 22 performance standards
Result for 2 measures is not available

100% achieved

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.63	Average Score of policy briefings independently assessed according to DPMC Policy Quality Framework (see note 1)	3.7	3.5 out of 5	3.7 out of 5	✓
2.64	Percentage of policy briefings independently assessed according to DPMC Policy Quality Framework as 3 or higher (see note 1)	100%	90%	100%	✓
2.65	Portfolio Ministers' satisfaction with the overall quality of policy advice	4.0	4 out of 5	4.2	✓

Note 1 – The measures have been updated to ensure they are clearer and more succinct.

Category: Crown Entity Monitoring

Scope of the category

This category is limited to providing support, information and advice to Ministers to enable them to discharge their responsibilities (other than policy decision-making) for the Crown entities for which they are responsible.

What we intended to achieve with this category

This category is intended to achieve support for responsible Ministers in monitoring the performance of Crown entities.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.66	Advice on accountability and performance documents delivered within statutory or agreed timeframes (based on delivery of documents to the Minister by the Crown entity)	100%	100%	100%	✓

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
709	Revenue Crown	654	654	654
-	Revenue other	-	-	-
709	**Total revenue**	**654**	**654**	**654**
684	Expenses	654	654	515
25	**Net surplus/(deficit)**	**-**	**-**	**139**

Category: Machinery of Government Changes

Scope of the category

This category is limited to providing advice on and giving effect to machinery of government changes.

What we intended to achieve with this category

This category is intended to achieve the provision of advice and support to machinery of government changes.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.67	Minister's satisfaction with the implementation of the machinery of government changes	New Measure	4 out of 5	Result not available (see note 1)	

Note 1 – This performance measure was introduced in 2024/25 through the Supplementary Estimates. It relates to the transfer of the National Emergency Management Agency (NEMA), a Departmental Agency, from the Department of the Prime Minister and Cabinet (DPMC) to the Department of Internal Affairs (DIA), which comes into effect on 25 September 2025.

As the new host agency, DIA's role is focused on integrating NEMA into its corporate infrastructure. Policy advice to support the transfer was led by DPMC and the Public Service Commission. The Minister did not receive a satisfaction survey to complete. The Minister was kept informed through regular updates and meetings and feedback was received during the process.

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
-	Revenue Crown	-	900	900
-	Revenue other	-	-	-
-	**Total revenue**	**-**	**900**	**900**
-	Expenses	-	900	186
-	**Net surplus/(deficit)**	**-**	**-**	**714**

Category: Policy and Related Services – Community and Voluntary Sector

Scope of the category

This category is limited to the provision of policy advice and services to support Ministers to discharge their portfolio responsibilities relating to the community and voluntary sector.

What we intended to achieve with this category

This category is intended to achieve support and high-quality advice for the Minister for the Community and Voluntary Sector.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.68	Required timeframes are met: Parliamentary Questions (written) - within 3 days of notification or as agreed with the Minister	100%	At least 95%	100%	✓
2.69	Required timeframes are met: Ministerial correspondence (draft responses) - within 15 days of receipt or as specifically agreed	96%	At least 95%	100%	✓
2.70	Required timeframes are met: Ministerial Official Information Act requests - at least 5 days prior to statutory timeframes	100%	At least 95%	100%	✓
2.71	Minister's satisfaction with the quality of policy advice	4.9	4 out of 5	4.3	✓

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
1,599	Revenue Crown	1,480	1,480	1,480
-	Revenue other	-	-	-
1,599	**Total revenue**	**1,480**	**1,480**	**1,480**
1,487	Expenses	1,480	1,480	1,402
112	**Net surplus/(deficit)**	**-**	**-**	**78**

Category: Policy and Related Services – Digitising Government

Scope of the category

This category is limited to the provision of policy advice and services to support Ministers to discharge their portfolio responsibilities relating to digitising government.

What we intended to achieve with this category

This category is intended to achieve support and high-quality advice for the Minister for Digitising Government.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.72	Required timeframes are met: Parliamentary Questions (written) - within 3 days of notification or as agreed with the Minister	100%	At least 95%	100%	✓
2.73	Required timeframes are met: Ministerial correspondence (draft responses) - within 15 days of receipt or as specifically agreed	100%	At least 95%	100%	✓
2.74	Required timeframes are met: Ministerial Official Information Act requests - at least 5 days prior to statutory timeframes	100%	At least 95%	98%	✓
2.75	Minister's satisfaction with the quality of policy advice	3.8	4 out of 5	4.2	✓

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
2,217	Revenue Crown	2,045	2,045	2,045
-	Revenue other	-	-	-
2,217	**Total revenue**	**2,045**	**2,045**	**2,045**
2,338	Expenses	2,045	2,045	2,153
(121)	**Net surplus/(deficit)**	**-**	**-**	**(108)**

Category: Policy and Related Services – Internal Affairs

Scope of the category

This category is limited to the provision of policy advice and services to support Ministers to discharge their portfolio responsibilities relating to Internal Affairs.

What we intended to achieve with this category

This category is intended to achieve support and high-quality advice for the Minister of Internal Affairs.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.76	Required timeframes are met: Parliamentary Questions (written) - within 3 days of notification or as agreed with the Minister	100%	At least 95%	100%	✓
2.77	Required timeframes are met: Ministerial correspondence (draft responses) - within 15 days of receipt or as specifically agreed	97.5%	At least 95%	99%	✓
2.78	Required timeframes are met: Ministerial Official Information Act requests - at least 5 days prior to statutory timeframes	100%	At least 95%	98%	✓
2.79	Minister's satisfaction with the quality of policy advice	3.3	4 out of 5	4.3	✓

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
7,811	Revenue Crown	7,334	6,934	6,934
-	Revenue other	36	36	-
7,811	**Total revenue**	**7,370**	**6,970**	**6,934**
6,853	Expenses	7,370	6,970	6,215
958	**Net surplus/(deficit)**	**-**	**-**	**719**

The 2024/25 actual expenses were $1.155 million lower than the Unaudited Budget due to baseline reduction mandated by the Government.

Category: Policy and Related Services – Ministerial Services

Scope of the category

This category is limited to the provision of policy advice and services to support Ministers to discharge their portfolio responsibilities relating to Ministerial Services.

What we intended to achieve with this category

This category is intended to achieve support and high-quality advice for the Minister Responsible for Ministerial Services.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.80	Required timeframes are met: Parliamentary Questions (written) - within 3 days of notification or as agreed with the Minister	100%	At least 95%	100%	✓
2.81	Required timeframes are met: Ministerial correspondence (draft responses) - within 15 days of receipt or as specifically agreed	100%	At least 95%	100%	✓
2.82	Required timeframes are met: Ministerial Official Information and Privacy Act requests, and Ombudsmen inquiries - within agreed timeframes	97%	At least 95%	98%	✓

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
526	Revenue Crown	526	526	526
-	Revenue other	-	-	-
526	**Total revenue**	**526**	**526**	**526**
392	Expenses	526	526	400
134	**Net surplus/(deficit)**	**-**	**-**	**126**

Category: Policy and Related Services – Racing

Scope of the category

This category is limited to the provision of policy advice and services to support Ministers to discharge their portfolio responsibilities relating to racing.

What we intended to achieve with this category

This category is intended to achieve support and high-quality advice for the Minister for Racing.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.83	Required timeframes are met: Parliamentary Questions (written and oral) - within 3 days of notification or as agreed with the Minister	100%	At least 95%	100%	✓
2.84	Required timeframes are met: Ministerial correspondence (draft responses) - within 15 days of receipt or as specifically agreed	100%	At least 95%	100%	✓
2.85	Required timeframes are met: Ministerial Official Information Act requests - at least 5 days prior to statutory timeframes	100%	At least 95%	100%	✓
2.86	Minister's satisfaction with the quality of policy advice	Result not available	4 out of 5	Result not available (see Note 1)	

Note 1 - We requested the survey to be completed; however the Ministerial Policy Satisfaction Survey results are unavailable.

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
854	Revenue Crown	789	1,184	1,184
-	Revenue other	-	-	-
854	**Total revenue**	**789**	**1,184**	**1,184**
909	Expenses	789	1,184	1,262
(55)	**Net surplus/(deficit)**	**-**	**-**	**(78)**

The 2024/25 actual expenses were $353,000 higher than 2023/24 and $473,000 higher than the Unaudited Budget due to additional funding for the Ministerial Advisory Committee and additional policy capacity associated with the future of the Greyhound racing industry.

Regulatory Services (M41)

This appropriation contributes to the outcomes:

Overarching purpose of appropriation

The single overarching purpose of this appropriation is to carry out the effective delivery of regulatory functions and services that are assigned to the Department of Internal Affairs (excluding Archives New Zealand).

What we intended to achieve with this appropriation

This appropriation is intended to achieve effective promotion of regulatory regimes to minimise harm and maximise benefits.

How we performed

Achieved 12 out of 16 performance standards
Result for 1 measure is not available

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.87	Regulatory regimes are in place to deliver all legislated responsibilities	Achieved	Achieved	Achieved	✓

Category: Charities Regulation

Scope of the category

This category is limited to registration and monitoring of charities.

What we intended to achieve with this category

This category is intended to achieve effective support for registered charities, in order to contribute to the promotion of public trust and confidence in the sector.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.88	Customer satisfaction with Charities Services service received assessed as ‘4’ or ‘5’	92%	At least 75%	90%	✓
2.89	Charities Services regulatory decisions are independently assessed to measure quality and timeliness	100%	At least 75%	100%	✓
2.90	Satisfaction with the quality of advice and support received by the Charities Registration Board assessed as '4' or '5'	60%	At least 75%	53% (see Note 1)	✗

Note 1 – Board satisfaction for the advice and support received from Charities Services averaged 2.65 out of 5. A review of the advice provided will be undertaken and a plan developed with the board to improve the quality and timeliness of board advice.

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
6,552	Revenue Crown	6,625	6,625	6,625
892	Revenue other	852	852	926
7,444	**Total revenue**	**7,477**	**7,477**	**7,551**
7,220	Expenses	7,477	7,477	7,236
224	**Net surplus/(deficit)**	**-**	**-**	**315**

Category: Monitoring of TAB New Zealand

Scope of the category

This category is limited to monitoring compliance with the TAB New Zealand's online monopoly and TAB New Zealand's compliance with its reporting obligations.

What we intended to achieve with this category

This category is intended to achieve effective compliance monitoring as outlined in the Racing Industry Act 2020.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.91	Percentage of identified cases of non-compliance that are reviewed within agreed timeframes	New Measure	At least 85%	Result not available (see Note 1)	

Note 1 – It is a new category for 2024/25. It was added through Supplementary Estimates; no funding was used in 2024/25 and there is no activity to report.

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
-	Revenue Crown	-	-	-
-	Revenue other	-	250	-
-	**Total revenue**	-	**250**	-
-	Expenses	-	250	-
-	**Net surplus/(deficit)**	-	-	-

Category: Regulatory Services

Scope of the category

This category is limited to the operational policy advice and services to administer all aspects of the regulatory functions and services (excluding public sector recordkeeping) that are assigned to the Department of Internal Affairs.

What we intended to achieve with this category

This category is intended to achieve effective regulatory activity.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
Gambling					
2.92	Percentage of audited gambling providers that are compliant by year	41%	At least 85%	50% (see Note 1)	✗
2.93	Percentage of venues assessed as compliant by year	37%	At least 85%	48% (see Note 2)	✗
2.94	Percentage of societies and clubs that are distributing their required returns by year	77%	At least 95%	74% (see Note 3)	✗
2.95	Number of unique visits to the granted.govt.nz website per year	3,933	At least 3,500	4,413	✓
Digital Safety					
2.96	Number of prevention and education activities undertaken by Digital Safety for businesses and communities	New measure	At least 150	161	✓
2.97	Percentage of search warrants within an investigation that led to a regulatory outcome	New measure	80%	100%	✓
2.98	Total number of Enforcement Actions (excluding education letters) under the Unsolicited Electronic Messaging Act and Films, Videos and Publications Classifications Act	New measure	At least 35	43	✓
Anti-Money Laundering and Countering Financing of Terrorism					
2.99	Number of desk-based reviews of reporting entities' Anti-Money Laundering and Countering Financing of Terrorism risk assessments and compliance programmes completed	175	At least 150	150	✓
2.100	Number of onsite and online inspections auditing reporting entities' compliance with Anti-Money Laundering and Countering Financing of Terrorism obligations completed	78	At least 70	78	✓
2.101	Number of education-focused proactive engagements with reporting entities regarding Anti-Money Laundering and Countering Financing of Terrorism obligations	207	At least 200	2,834	✓
Complaints, Investigations and Prosecution Unit					
2.102	Ministry of Justice satisfaction with services provided by the Complaints, Investigation and Prosecution Unit	1	3	2	✓
	Demand Information				
2.103	Number of investigation requests received from Private Security Personnel Licensing Authority	69	15-45	61	✓

Note 1 – Over the past year we have concluded detailed financial audits on most non-club class 4 societies. Our audits have uncovered a range of compliance concerns and highlighted the need for legislative reform. We are actively working with the class 4 sector to ensure compliance moving forward.

Note 2 – Over the past year class 4 venues have made significant operational changes to reflect regulatory changes regarding harm minimisation. Most non-compliance identified relates to technical breaches such as record-keeping failures. Our enforcement approach has shifted from being education-first to expecting compliance and we are now issuing infringement notices in response to serious breaches to incentivise behaviours change. Our inspectors target high and medium risk venues and educate venue staff during inspections. We run regional venue workshops which give local venue staff the opportunity to talk through issues with our inspectors and ask questions.

Note 3 – Financial pressure on smaller pubs and clubs has meant that several have not met their minimum return requirements over the past year. We have supported some to wind up and have removed licences from others who are unable to meet their legal obligations.

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
25,451	Revenue Crown	24,222	22,219	22,219
25,691	Revenue other	25,637	26,107	25,999
51,142	**Total revenue**	**49,859**	**48,326**	**48,218**
53,046	Expenses	45,952	56,473	52,251
(1,904)	**Net surplus/(deficit)**	**3,907**	**(8,147)**	**(4,033)**

The 2024/25 actual expenses were $6.299 million higher than the Unaudited Budget mainly due to an increase in Gaming expenditure due to the ICT improvement work programme and Gambling uplift programme.

Sediment and Debris Management Support (M49)

This appropriation contributes to the outcome:

Overarching purpose of appropriation

The single overarching purpose of this appropriation is to provide support for sediment and debris management following adverse weather events and natural hazards.

What we intended to achieve with this appropriation

This appropriation is intended to achieve support for managing sediment and debris following adverse weather events and natural hazards.

How we performed

Achieved 4 out of 4 performance standards

100% achieved

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.104	All funds are paid in accordance to agreed criteria and timeframes to manage sediment and debris from adverse weather events and natural hazards	Achieved	Achieved	100%	✓

Category: Clean-up Support Following Severe Weather Events - Local Authorities

Scope of the category

This category is limited to support for local authorities for management and clean-up efforts, including management of household waste, following adverse natural events or natural hazards.

What we intended to achieve with this category

This category is intended to achieve support for local authorities for management and clean-up efforts, including management of household waste, following adverse natural events or natural hazards.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.105	Percentage of funds paid in accordance to agreed criteria and timeframes to enable local authorities to manage sediment, debris, and household waste from adverse weather events and natural hazards	100%	100%	100%	✓

Output statement

Actual 2024 $000	Non-Departmental Other expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
-	Non-Departmental other expenses	-	3,000	3,000

This category was established during 2024/25.

Category: Sediment and Debris Management Support - Commercial Entities

Scope of the category

This category is limited to support the management of sediment and debris on commercial properties following adverse natural events or natural hazards.

What we intended to achieve with this category

This appropriation is intended to achieve support for managing sediment and debris on commercial properties following adverse natural events or natural hazards.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.106	Percentage of funds paid in accordance to agreed criteria and timeframes to enable management of sediment and debris from adverse weather events and natural hazards on commercial properties	100%	100%	100%	✓

Output statement

Actual 2024 $000	Non-Departmental Other expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
7,600	Non-Departmental other expenses	10	-	-

The 2024/25 actual expenses were $7.600 million lower than 2023/24 and $10,000 lower than the Unaudited Budget due to there being no expenditure associated with supporting the management of sediment and debris on commercial properties following adverse natural events or natural hazards in 2024/25.

Category: Sediment and Debris Management Support - Local Authorities

Scope of the category

This category is limited to support for local authorities for the management of sediment and debris following adverse natural events or natural hazards.

What we intended to achieve with this category

This appropriation is intended to achieve support for local authorities to manage sediment and debris following adverse natural events or natural hazards.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.107	Percentage of funds paid in accordance to agreed criteria and timeframes to enable local authorities to manage sediment and debris from adverse weather events and natural hazards	100%	100%	100%	✓

Output statement

Actual 2024 $000	Non-Departmental Other expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
111,000	Non-Departmental other expenses	9,990	7,000	7,000

The 2024/25 actual expenses were $104 million lower than 2023/24 due to a much lower level of expenditure associated with supporting local authorities for the management of sediment and debris following adverse natural events or natural hazards in 2024/25. The 2024/25 actual expenses were $2.990 million lower than the Unaudited Budget due to a transfer of funding to the Sediment and Debris Management Support – Clean-up Support Following Severe Weather Events – Local Authorities category to provide financial support to Wairoa District Council to clean up the damage caused by the East Coast Severe Weather Event.

Services Supporting the Executive (M47)

This appropriation contributes to the outcomes:

Overarching purpose of appropriation

The single overarching purpose of this appropriation is to support the Government and the Executive to perform their role.

What we intended to achieve with this appropriation

This appropriation is intended to achieve provision of administration, travel, accommodation and support services for Government and the Executive to support effective democratic arrangements within New Zealand.

How we performed

Achieved 9 of 11 performance standards

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.108	Minister Responsible for Ministerial Services' satisfaction with the quality of support provided by the Department to the Executive	Good	Satisfied	Good	✓

Category: Coordination of Official Visits and Events

Scope of the category

This category is limited to managing programmes for visiting guests of Government, visiting guests of Parliament, State and ministerial functions, coordinating a range of services in support of ceremonial and commemorative events, and facilitating passage of New Zealand and foreign dignitaries and others authorised by the Crown into and out of New Zealand.

What we intended to achieve with this category

This category is intended to achieve facilitation of ceremonies of national and international importance and official visits.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.109	Stakeholders’ satisfaction that the Visits and Ceremonial Office’s services have helped visits and events to achieve their objectives assessed as satisfied or better	98%	At least 90%	96%	✓
Demand Information					
2.110	Number of Guests of Government visits	18	At least 15	22	✓
2.111	Number of Partial Guests of Government visits	15	At least 10	8 (see Note 1)	✗
2.112	Number of Commemorative and special events	10	At least 10	10	✓
2.113	Facilitations through New Zealand International Airports	343	At least 300	503	✓

Note 1 – There was a decrease in anticipated demand for Partial Guest of Government visits, influenced by various factors, including the capacity to accommodate more Guest of Government visits, enabling elevated statuses from Partial Guest of Government to Guest of Government.

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
5,905	Revenue Crown	5,902	6,627	6,627
6	Revenue other	-	-	-
5,911	**Total revenue**	**5,902**	**6,627**	**6,627**
6,138	Expenses	5,902	6,627	5,704
(227)	**Net surplus/(deficit)**	**-**	**-**	**923**

Category: Support Services to Members of the Executive

Scope of the category

This category is limited to providing support services for Members of the Executive, including in their capacity as a Member of Parliament, primarily through office personnel and administrative services, information and communication technology, and the provision and management of residential and office accommodation.

What we intended to achieve with this category

This category is intended to achieve support for Members of the Executive to enable the discharge of their Ministerial responsibilities.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.114	Minister Responsible for Ministerial Services' satisfaction with the quality of support provided by the Department to the Executive	Good	Satisfied	Good	✓
	Demand Information				
2.115	Average number of Ministerial office personnel provided	148	150-170	169.5	✓

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
42,556	Revenue Crown	34,608	36,708	36,708
-	Revenue other	-	-	-
42,556	**Total revenue**	**34,608**	**36,708**	**36,708**
39,735	Expenses	34,608	36,708	36,600
2,821	**Net surplus/(deficit)**	**-**	**-**	**108**

Category: VIP Transport Services

Scope of the category

This category is limited to providing chauffeur-driven and self-drive vehicle services for parties specified in legislation, as authorised by Members of the Executive, or who otherwise meet qualifying criteria.

What we intended to achieve with this category

This category is intended to achieve efficient and effective land transport services for Members of the Executive and other VIPs.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.116	Chauffeur-driven services provided leading to no sustained complaints	99.9%	At least 99.5%	99.8%	✓
2.117	Proportion of Electric Vehicles in the Crown fleet	67%	100% by 2025/26	61% (see Note 1)	✗
	Demand Information				
2.118	Total vehicle fleet	77	No more than 75	61	✓

Note 1 – The Department is reviewing this measure to ensure it remains fit-for-purpose, as part of its broader strategy to modernise and build resilience across the Crown Fleet. This includes optimising the fleet to better meet customer needs and deliver stronger performance outcomes that are closely aligned with the strategy.

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
-	Revenue Crown	-	-	-
9,079	Revenue other	9,000	9,700	9,822
9,079	**Total revenue**	**9,000**	**9,700**	**9,822**
9,677	Expenses	9,000	9,700	10,606
(598)	**Net surplus/(deficit)**	**-**	**-**	**(784)**

The 2024/25 actual expenses were $929,000 higher than 2023/24 and $1.606 million higher than the Unaudited Budget due to actual demand for VIP transport services resulting in increased operating expenditure, and an associated increase in revenue.

Support for Statutory and Other Bodies (M41)

This appropriation contributes to the outcomes: 

Overarching purpose of appropriation

The single overarching purpose of this appropriation is to support statutory, advisory and other bodies to discharge their responsibilities.

What we intended to achieve with this appropriation

This appropriation is intended to achieve provision of support services for statutory and other bodies to support effective constitutional arrangements within the community.

How we performed

Achieved 11 out of 11 performance standards

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.119	Statutory body members satisfaction with the quality of the support provided by the Department	Good (4.6)	Good	Good (4.7)	✓

Category: Commissions of Inquiry and Similar Bodies

Scope of the category

This category is limited to supporting commissions of inquiry and similar bodies.

What we intended to achieve with this category

This category is intended to achieve effective support for inquiries and similar bodies.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.120	Inquiries' satisfaction with timeliness and quality of services	3.8	At least 4	4	✓
2.121	Percentage of people who respond positively about the Survivor Experiences Service	91%	At least 85%	93%	✓

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
24,503	Revenue Crown	9,388	21,003	21,003
32	Revenue other	-	-	-
24,535	**Total revenue**	**9,388**	**21,003**	**21,003**
17,413	Expenses	9,388	21,003	17,103
7,122	**Net surplus/(deficit)**	**-**	**-**	**3,900**

The 2024/25 actual expenses were $7.715 million higher than the Unaudited Budget mainly due to additional funding for the departmental costs of the Royal Commission of Inquiry into COVID-19 Lessons.

Category: Statutory Body Support – Gambling Commission

Scope of the category

This category is limited to the provision of services and advice to the Gambling Commission to enable the Commission to discharge its responsibilities.

What we intended to achieve with this category

This category is intended to achieve effective support for the Gambling Commission.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.122	Gambling Commission's satisfaction with the quality of advice and support services	5	At least 4	5	✓

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
-	Revenue Crown	-	-	-
703	Revenue other	1,158	1,158	806
703	**Total revenue**	**1,158**	**1,158**	**806**
705	Expenses	1,158	1,158	810
(2)	**Net surplus/(deficit)**	**-**	**-**	**(4)**

Category: Statutory Body Support - Local Government Commission

Scope of the category

This category is limited to the provision of advisory and support services to the Local Government Commission in respect of its statutory functions.

What we intended to achieve with this category

This category is intended to achieve effective support for the Local Government Commission.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.123	Local Government Commission's satisfaction with the quality of advice and support services	5	At least 4	5	✓

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
1,446	Revenue Crown	1,450	1,450	1,450
-	Revenue other	-	-	-
1,446	**Total revenue**	**1,450**	**1,450**	**1,450**
1,418	Expenses	1,450	1,450	1,459
28	**Net surplus/(deficit)**	**-**	**-**	**(9)**

Category: Support for Grant Funding Bodies – Community and Voluntary Sector

Scope of the category

This category is limited to the provision of operational and secretariat support for grant funding bodies, and includes supporting member appointment processes. The focus of operational support is on processing grant applications and grant decisions on behalf of the grant funding bodies.

What we intended to achieve with this category

This category is intended to achieve effective support of grant funding bodies.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.124	Grant decisions are managed within business timeframe standards	100%	At least 95%	100%	✓
2.125	Grant decisions are transparent and consistent with regard to eligibility requirements	100%	At least 97%	100%	✓

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
378	Revenue Crown	381	381	381
-	Revenue other	-	-	-
378	**Total revenue**	**381**	**381**	**381**
291	Expenses	381	381	274
87	**Net surplus/(deficit)**	**-**	**-**	**107**

Category: Support for Grant Funding Bodies – Internal Affairs

Scope of the category

This category is limited to the provision of operational and secretariat support for grant funding bodies, including supporting member appointment processes. The focus of operational support is on processing grant applications and grant decisions on behalf of the grant funding bodies.

What we intended to achieve with this category

This category is intended to achieve effective support for grant funding bodies to enable them to make appropriate grant decisions.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.126	Customers are satisfied with the ease with which they are able to apply for grants and advisory services	85%	At least 75%	85%	✓
2.127	Grant decisions are transparent and consistent with regard to eligibility requirements	99%	At least 97%	99%	✓
2.128	Grant decisions are managed within business timeframe standards	97%	At least 95%	96%	✓
2.129	Grant decision making committees are satisfied with the operational support received	100%	At least 90%	100%	✓

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
2,210	Revenue Crown	1,978	1,600	1,600
15,242	Revenue other	12,228	14,904	14,830
17,452	**Total revenue**	**14,206**	**16,504**	**16,430**
16,758	Expenses	14,206	16,504	15,663
694	**Net surplus/(deficit)**	**-**	**-**	**767**

The 2024/25 actual expenses were $1.457 million higher than the Unaudited Budget mainly due to an increase in service provision to the New Zealand Lottery Grants Board for project related work.

Supporting Ethnic Communities (M30)

This appropriation contributes to the outcome:

Overarching purpose of appropriation

The single overarching purpose of this appropriation is to improve the wellbeing of ethnic communities.

What we intended to achieve with this appropriation

This appropriation is intended to achieve wellbeing of ethnic communities, improved social cohesion and well-formed decision making by Government.

How we performed

Achieved 7 out of 7 performance standards

100% achieved

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.130	Satisfaction with the Intercultural Capability e-learning modules	4.4	3	4.4	✓

Category: Advisory and Information Services to assist Ethnic Communities

Scope of the category

This category is limited to the provision of information, advisory and support services to ethnic communities.

What we intended to achieve with this category

This category is intended to achieve increased participation and belonging in New Zealand society for ethnic communities.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.131	Approved Ethnic Communities Development Fund grant applications are paid within business timeframe standards	89%	At least 95%	96%	✓
2.132	Ethnic Communities Development Fund decisions are consistent with priorities, policies and procedures	100%	At least 95%	99%	✓

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
10,059	Revenue Crown	9,869	8,722	8,722
401	Revenue other	-	71	70
10,460	**Total revenue**	**9,869**	**8,793**	**8,792**
9,227	Expenses	9,869	8,793	8,688
1,233	**Net surplus/(deficit)**	**-**	**-**	**104**

The 2024/25 actual expenses were $1.181 million lower than the Unaudited Budget due to a reallocation of funding to the Policy and Related Services – Ethnic Communities category based on the provision of services within the Ethnic Communities portfolio.

Category: Policy and Related Services – Ethnic Communities

Scope of the category

This category is limited to the provision of policy advice and services to support Ministers to discharge their portfolio responsibilities relating to ethnic communities.

What we intended to achieve with this category

This category is intended to achieve support and high-quality advice for Ministers and other government agencies for matters related to the ethnic communities portfolio.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.133	Required timeframes are met: Parliamentary Questions (written) - within 3 days of notification or as agreed with the Minister	100%	At least 95%	100%	✓
2.134	Required timeframes are met: Ministerial correspondence (draft responses) - within 15 days of receipt or as specifically agreed	100%	At least 95%	100%	✓
2.135	Required timeframes are met: Ministerial Official Information Act requests - at least 5 days prior to statutory timeframes	100%	At least 95%	100%	✓
2.136	Minister's satisfaction with the quality of advice	5.0	4 out of 5	5.0	✓

Output statement

Actual 2024 $000	Revenue and output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
4,896	Revenue Crown	3,785	4,977	4,977
44	Revenue other	-	-	-
4,940	**Total revenue**	**3,785**	**4,977**	**4,977**
5,695	Expenses	3,785	4,977	4,999
(755)	**Net surplus/(deficit)**	**-**	**-**	**(22)**

The 2024/25 actual expenses were $696,000 lower than 2023/24 due to categorisation of the Security Resilience Programme. The 2024/25 actual expenses were $1.214 million higher than the Unaudited Budget due to a reallocation of funding from the Advisory and Information Services to assist Ethnic Communities category based on the provision of services within the Ethnic Communities portfolio.

Water Services Reform (M49)

This appropriation contributes to the outcome: 

Overarching purpose of appropriation

The single overarching purpose of this appropriation is to facilitate the reform of three waters service delivery in Aotearoa New Zealand.

What we intended to achieve with this appropriation

This appropriation is intended to achieve support for the effective and efficient delivery of the three waters service delivery in Aotearoa New Zealand.

How we performed

Achieved 4 out of 4 performance standards

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.137	Percentage of key milestones that have been met within the agreed timeframe by year for workstreams funded by this appropriation	93%	At least 80%	100%	✓

Category: Iwi/Māori Involvement in Water Services Reform

Scope of the category

This category is limited to providing financial support to iwi/Māori to enable participation and engagement in the reform of three waters service delivery.

What we intended to achieve with this category

This category is intended to achieve effective support for iwi/Māori to participate and engage in the reform of three waters service delivery.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.138	Percentage of funds allocated to iwi/Māori within agreed criteria to enable participation in the reform of three waters service delivery	86%	100%	100%	✓

Output statement

Actual 2024 $000	Non-Departmental Output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
3,142	Non-Departmental other expenses	11,500	1,997	500

The 2024/25 actual expenses were $2.642 million lower than 2023/24 and $11 million lower than the Unaudited Budget mainly due to a transfer of funding to the Water infrastructure for marae and papakāinga category to provide for investment in water infrastructure for marae and papakāinga.

Category: Sector Involvement in Water Services Reform

Scope of the category

This category is limited to providing financial support to territorial authorities and sector organisations to enable participation and engagement in the reform of three waters service delivery.

What we intended to achieve with this category

This category is intended to achieve effective support for territorial authorities and sector organisations to participate and engage in the reform of three waters service delivery.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.139	Percentage of funds allocated to territorial authorities and sector organisations within agreed criteria to enable participation in the reform of three waters service delivery	100%	100%	100%	✓

Output statement

Actual 2024 $000	Non-Departmental Output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
21,912	Non-Departmental other expenses	3,865	13,458	13,458

The 2024/25 actual expenses were $8.454 million lower than 2023/24 due to repeal of the Three Waters Reform programme. The 2024/25 expenditure was $9.593 million higher than the Unaudited Budget due to additional funding for Local Water Done Well in 2024/25.

Category: Water Infrastructure for marae and papakāinga

Scope of the category

This category is limited to providing financial support for investment in water infrastructure, including improvements, for marae and papakāinga and associated administration costs.

What we intended to achieve with this category

This category is intended to achieve financial support for investment in water infrastructure, including improvements, for marae and papakāinga and associated administration costs.

How we performed

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard met
2.140	Number of rural marae and papakāinga with a water treatment plant installed by funding, quarterly	New measure	On demand	79 (see Note 1)	✓

Note 1 - Each marae and papakāinga have water infrastructure upgrade requirements of varying types and scale for reasons such as water source, location, and population served. This variability makes it difficult to establish a performance standard.

Output statement

Actual 2024 $000	Non-Departmental Output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
-	Non-Departmental other expenses	-	10,000	11,497

This category was established during 2024/25.

Disclosures on measurement bases and evaluation methods

Measure ID	Measurement bases and evaluation methods
Self-explanatory measurement bases and evaluation methods	1.04, 1.05, 1.06, 1.09, 2.08, 2.09, 2.12, 2.15, 2.23, 2.30, 2.31, 2.32, 2.33, 2.36, 2.61, 2.62, 2.68, 2.69, 2.70, 2.72, 2.73, 2.74, 2.76, 2.77, 2.78, 2.80, 2.81, 2.83, 2.84, 2.85, 2.87, 2.92, 2.93, 2.95, 2.96, 2.97, 2.103, 2.110, 2.111, 2.112, 2.133, 2.134, 2.135
1.01	Survey is sent to translation customers, with this question: Our translations were delivered within a good timeframe (0-10: with 0 being Strongly Disagree and 10 Strongly Agree). Result is based on the proportion of respondents rating 7 to 10.
1.02	Survey emailed to participating countries. Satisfaction is determined on a five-point scale from '1 - Unsatisfied with services provided' through to '5 - Very satisfied with services provided'.
1.03, 2.65, 2.71, 2.75, 2.79, 2.86	We follow the Ministerial Policy Satisfaction Survey guidance provided by the Department of the Prime Minister and Cabinet for agencies with policy appropriations. The average score provided for four areas of satisfaction: General satisfaction, Quality of policy advice, Confidence in policy advice, and Trust in officials. Each rating uses the scale: 1 = Never, 2 = Some of the time, 3 = About half the time, 4 = Most of the time, 5 = Always.
1.07, 1.08, 2.63, 2.64	We follow the Policy Quality Framework guidance provided by the Department of the Prime Minister and Cabinet for assessing policy advice papers. New Zealand Institute of Economic Research independently assesses policy advice and policy briefings.
1.10	Checks are completed to ensure the Department's Investment Portfolio Prioritisation and governance approvals, that set budget levels, and monthly financial performance reporting to governance committees and to the Treasury, that report on actual expenditure incurred, are compliant with this section.
2.01	Percentage of improvements completed within the time period compared with the agreed number of projects.
2.02	Funds paid by the department for the period compared with the total funds for payment agreed in the annual agreement as a percentage.
2.03	The Customer Satisfaction Survey is run annually by Nielsen IQ on behalf of the Department using a sample of customers who have used services in the previous 12 months. Percentage of customer expectations and actual experiences collected through the Customer Experience Survey, where respondents were asked to rate how easy they expected the service would be, prior to their contact, on a scale from 0 (not at all easy) to 10 (very easy). Respondents also rated how easy the service was after their interaction, on a scale from 0 (not at all easy) to 10 (very easy). Ease is assessed as 7, 8, 9 or 10.
2.04	The Customer Satisfaction Survey is run annually by Nielsen IQ on behalf of the Department using a sample of customers who have used services in the previous 12 months. Respondents rate the ease of using the service (Births, Deaths and Marriages, Passports, and Citizenship Services) after the interaction, on a scale from 0 (not at all easy) to 10 (very easy). Ease is assessed as 7, 8, 9 or 10.
2.05	Combination of three performance measures: Passports, certificates, and other travel documents issued without error. An EAD (Error After Dispatch) error occurs when a passport is issued with incorrect information in the applicant's bio-data, photo, or endorsement (99.95%). Birth, death, marriage, and civil union information registered without error. A clerical error refers to a mistake made by our team during the registration process. An informant error occurs when incorrect information is provided by the applicant (99.55%). Certificates and printouts for birth, death, marriage, and civil union; congratulatory messages; citizenship documents; authentications and Apostilles issued without error. A clerical error is a mistake made by our team during processing, while an informant error results from incorrect details submitted by the applicant (99.78%).
2.06	A weighted combination of Births and deaths registrations; births, deaths, marriages and civil unions certificates and print outs; and citizenship applications processed within business timeframe standards calculations. For the Births registration- registered within average 8 working days, Death's registration - registered within average 2 working days, births, deaths, marriages and civil unions certificates and print outs – completed within average 5 working days, Citizenship by grant - completed within average 50 working days, Citizenship by descent – completed within average 15 working days, from when the application is received.
2.07	A weighted combination of the standard passport and urgent passport calculations. For the standard passport - issued within 10 business days from when the application is received. For the urgent passport - issued within 3 business days from when the application is received.

Measure ID	Measurement bases and evaluation methods
2.10	The Customer Satisfaction Survey is run annually by Nielsen IQ on behalf of the Department using a sample of customers who have used services in the previous 12 months. Survey Question 20: Taking everything into account how satisfied were you with the overall quality of service delivery? Satisfaction is determined on a five-point scale, either numerical (1-5, with '5' the highest rating) or qualitative (Very Satisfied, Good, Satisfied, Poor, Very Unsatisfied).
2.11	The number of times people have asserted their Realme Verified identification to an agency.
2.13	Availability of the confirmation service for public use.
2.14	Accuracy is calculated based on the number of reported errors against the total number of Gazette Notices published per year.
2.16, 2.17, 2.22	From the Grants and Clients Management System (GCMS), the number of requests that meet expected standards are calculated and reported as a percentage of the total. The following is used for this measure: advisor assessment of eligibility, fit with committee priorities, decision and decision reason.
2.18, 2.124	From the GCMS, the proportion of notifications of grant decisions that are within 15 working weeks from the submission date.
2.19	The proportion of Community Operations survey respondents providing an easy rating. Ease is assessed as 7, 8, 9, or 10 on an eleven-point scale (0-10).
2.20	The proportion of Community Operations survey respondents providing either a 'good or 'very good' (4 or 5 out of 5) response. Survey question: 'Please rate the overall service and support given to your committee by Community Operations during the funding round.
2.21	From the Customer Experience Survey, the proportion of respondent's rating 4 and 5. Survey question: 'Taking everything into account how satisfied were you with the overall quality of service delivery?' The scale is from 1 (Very dissatisfied) to 5 (Very satisfied).
2.24	Percentage of applicants from the targeted communities that applied for funding during financial year were approved for funding to improve their security measures.
2.25	The percentage is measured via the Digital Investment Intentions and Current State survey of Government Chief Digital Officer mandated agencies and is conducted annually. There are 46 agencies that fall within the definition for the measure, made up of: Public and Non-Public Service Agencies, Departmental Agencies, and selected high transaction volume Crown Agencies.
2.26	The Digital Identity Services Trust Framework Act 2023 (the Act) sets out a legal framework for providing secure and trusted digital identity services. The Act also established the Digital Identity Services Trust Framework Authority (Trust Framework Authority) as the regulator for accredited digital identity service providers in New Zealand. The digital identity services accredited through the Trust Framework Authority are recorded by the Department and will be published on the DIA website.
2.27	The percentage of the Public Service agencies and Crown Entities that have embedded digital capability constructs is measured via an annual survey. The survey consists of 14 to 22 multichoice questions, depending on the answers provided, and focuses on employees in the Public Service, rather than contractors, consultants or vendors.
2.28	There are 10 mandated small agencies – the mandated agencies are outlined under Rule 60 of the Government Procurement Rules - Common Capability contracts, New Zealand Government Procurement. The percentage of mandated small agencies consuming Common Capability (information, communication and technology (ICT) goods and services) is calculated based on information provided by suppliers in the form of quarterly templated billing reports.
2.29	There are 42 mandated agencies – the mandated agencies are outlined under Rule 60 of the Government Procurement Rules - Common Capability contracts, New Zealand Government Procurement. The percentage of mandated agencies consuming at least one Common Capability (information, communication and technology (ICT) goods and services) is calculated based on information provided by suppliers in the form of quarterly templated billing reports.
2.30	The percentage is calculated based on automated scans, conducted annually using the Department's Centralised Web Accessibility Checker.
2.34	An annual compliance programme is set by the Lake Taupō Harbourmaster and the inspection and addressing of any issues identified in accordance with the compliance programme sets this standard.
2.35	The quality of navigational safety services is assessed as part of the customer satisfaction survey. Question 1: On a scale of 1-5, with 1 being the worst and 5 being the best, please rate any experience you have had with the following services provided by the Lake Taupō Harbourmaster's Office over the past 12 months - Navigational safety aids and signs.
2.37	Accountability and performance documents include briefings sent to the Minister on statutory and related accountability items for The Water Services Authority - Taumata Arowai: quarterly reports; Letter of expectations; Annual Report; Statement of Intent, Statement of Performance Expectations.
2.38	The calculation is made by adding together the number of: - 'Non-school' interloan requests made - Reading Room delivery requests (items) made – including government loans - Papers Past articles accessed - National Digital Heritage Archives (NDHA) viewer items viewed - Service to Schools Collection items loaned.

Measure ID	Measurement bases and evaluation methods
2.39	Collections search server activity is currently being monitored by a service which 'polls' the server on a regular basis. Any time the server is not responding, Collections support is altered via email and text. Records are also kept for any periods in time in which we have taken the site offline ourselves. All of this data is compiled monthly, and when calculated does not distinguish between types of outage it is.
2.40	Data is calculated by counting storage units, a storage unit is a standard shelf, a volume shelf, a plan cabinet drawer or an art rack and all are counted as equal for this measure. Data collected includes total capacity and number of units not providing appropriate storage. This can include not being fit for purpose, no meeting set conditions and wrong location for format.
2.41	All hard copy archives contribute to the volume of archives transferred. Transfers of digital archives are not within scope as they cannot be measured in terms of linear metres. Linear metres are a representation of the space occupied by archives. One linear metre is the equivalent of one standard shelf.
2.42	Data sourced from the Government Digital Archive. Includes both digitised copies of archives and born-digital records available through Rosetta via Collections Search.
2.43	A report is run in Collections to count the number of items produced in all reading rooms; this is added to by the number of manual productions produced in all reading rooms over the month.
2.44	Number of digital items (born-digital and digitised) accessed through Rosetta application. Rosetta is the preservation system for the Government Digital Archive, where digital and digitised records are stored and can be accessed from. This measure differentiates items accessed on this platform from items uploaded to other platforms such as Flickr and YouTube.
2.45	Number of digitised items viewed by users through Flickr and YouTube. Reports are run within the social media platform.
2.46	Result is calculated using the following formula: Total number of requests for off-site supply of documents/Total number of requests for off-site supply of documents completed within 2 days of receipt.
2.47	Result is calculated using the following formula: (Total number of Public Lending Right payments to all authors eligible for payment made within the timeframe stipulated by regulation / Total number of Public Lending Right payments to all authors eligible for payment) * 100.
2.48	Total number of items digitised and delivered online, including full-text digitisation, Turnbull access copying, and other digitisation projects. An item is one image file that represents a whole or one part of an entity (i.e. an image representing a physical photograph, or one page of a book). Number of items digitised is provided by digitisation vendor and verified by collection statistics generated through online delivery platform.
2.49	Result is calculated using the following formula: (Number of hours the Te Puna catalogue and interloan services are available to subscribers / Total number of hours the Te Puna catalogue and interloan services are advertised to be available) * 100. Data for interloan services is supplied by external vendor Online Computer Library Center.
2.50	Result is calculated using the following formula: (Number completed within 10 days of receipt / Number of acquisitions to the Alexander Turnbull Library (new heritage collections) accession records for unpublished items completed) * 100.
2.51	Descriptive records completed for new unpublished collection items, or enhancement of descriptive records completed for accrual to existing unpublished collection items: (Number completed within 20 days of accession/Total number completed) * 100.
2.52	Total number of at-risk items digitised, or digital formats transformed (audio-visual items). We base our statistics reporting on the number of objects successfully deposited in the Rosetta permanent repository. When digital objects are deposited to Rosetta, they appear in a monthly report from National Digital Heritage Archive. This is the source of our monthly Collection Care stats for at-risk Audio-Visual items treated.
2.53	Result is calculated using the following formula: Total number of at-risk items digitised, or digital formats transformed (images).
2.54	Manually captured. Incoming analogue acquisitions are entered on a spreadsheet by curatorial staff. Figures for electronic acquisitions are provided monthly by National Digital Heritage Archive. The combined figure is reported monthly.
2.55	Data sourced from Google Analytics.
2.56	Departmental staff log all professional development and advice contact with schools in a shared database. Quarterly results are cumulative and demand driven. Only first interaction is counted. Count includes calls to 0800 LIBLINE
2.57	Simple count of items issued. Information is generated automatically through the online Alma library services platform.
2.58	Data is manually collected and relies on Archivists entering their interactions accurately into the designated spreadsheet.
2.59, 2.60, 2.88, 2.90	Satisfaction is determined on a five-point scale, either numerical (1-5, with '5' being the highest rating) or qualitative (Very Good, Good, Satisfied, Poor, Very Poor).

Measure ID	Measurement bases and evaluation methods
2.66	Accountability and performance documents include briefings sent to the Minister on statutory and related accountability items for each entity: Classification Office and Fire and Emergency.
2.67	Satisfaction is determined on the following scale: 1 - Never, 2 - Some of the time, 3 - About half the time, 4 - Most of the time, 5 – Always.
2.82	The agreed timeframe for Official Information and Privacy Act requests is 20 working days or as otherwise agreed with the requestor where an extension is necessary to complete the response. The due date to the Ombudsman is as agreed with the Ombudsman.
2.89	The independent review of charities registration decisions is carried out by a charities law expert to ensure decisions are accurate and consistent with the law.
2.91	Monitoring compliance with sections 74AAA and 58A of the Racing Industry Act 2020, which came into force on 28 June 2025. The Department will identify cases for review both through proactive monitoring and from receiving external notifications.
2.94	Required return defined as 40% for non-club societies. For clubs as specified in “Licence Condition Percentage Alert”. This should match the “Minimum Return to Authorised Purpose” Licence Condition on the associated club’s Operator Licence.
2.98	Enforcement Actions include: - under the Unsolicited Electronic Messaging Act and: formal warnings and civil infringement notices. - under the Films, Videos and Publications Classifications Act: formal take-down notices.
2.99	A desk-based review is a review of a reporting entity’s technical compliance with their Anti-Money Laundering and Countering Financing of Terrorism obligations.
2.100	An onsite or online inspection is a review of a reporting entity’s implementation of their Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) programme and effectiveness of their AML/CFT obligations.
2.101	Proactive engagement events for the purpose of educating or informing reporting entities.
2.102	Survey emailed to Ministry of Justice. Satisfaction is rated on a five-point scale from ‘1-Very satisfied’ through to ‘5-Very unsatisfied’.
2.104, 2.105, 2.106	The funding allocation is set out in the Minute of Decision from the 21 June 2023 Cabinet Extreme Weather Recovery Committee. Funding agreements outline the terms of funding. Focus is on ensuring funding is available to support management of sediment and debris from adverse weather events and natural hazards.
2.107	The Sediment and Debris Management Package agreed by Cabinet in 2023. Funding agreements outline the terms of funding.
2.108, 2.114	Satisfaction survey includes this question: How do you rate the quality and level of support provided to you? Satisfaction is determined on a five-point scale: Very Good, Good, Satisfactory, Poor, Very Poor.
2.109	An electronic survey is sent to key stakeholders following the completion of all guests of government visits facilitated and coordinated by the Visits and Ceremonial Office (VCO). The overall satisfaction with VCO services in supporting the visits to achieve its outcomes related to this measure. Satisfaction is determined on a five-point scale: Very Dissatisfied; Dissatisfied, Neither Satisfied nor Dissatisfied; Satisfied; and Very Satisfied.
2.113	Each group entering or leaving counted as one facilitation, regardless of the number of individuals within a delegation.
2.115	Number of DIA-employed Ministerial office staff at the last day of each quarter. The annual result is calculated by taking the average of each quarterly result.
2.116	The result is calculated by determining the number of jobs undertaken in a reporting period divided by the number of jobs completed without a sustained complaint within that same time period to get a percentage.
2.117	The result is calculated by a manual count of all electric capable vehicles i.e. Battery Electric vehicles (BEV) and Plug in Hybrid vehicles (PHEV) in the Crown fleet divided by the total number of vehicles in the Crown fleet (excluding class 5 – high security armoured vehicles as these vehicles are specialist vehicles which have no EV replacement options).
2.118	The result is calculated by a manual count of the total VIPT fleet in the VIPT vehicle asset register held by DIA accounts. The annual result is calculated as an average of the monthly fleet count.
2.119	The average rating from all statutory body surveys received. The average rating is then converted into the following scale: Very Good (5), Good (4), Satisfied (3), Poor (2) and Very Poor (1).
2.120	Overall rating from the Chair, the overall rating question is: How would you rate the timeliness and quality of the services received from the Department? Rating 5 (Excellent), 4 (Good), 3 (Satisfactory), 2 (Poor), 1 (Very Poor).
2.121	Data captured primarily from survivors through the wellbeing providers who support private sessions. The wellbeing provider follows up to understand if there are any ongoing support or wellbeing needs and to ask how the survivor feels the session went. If a survivor provides feedback to the provider, the provider submits it to the Service. The Service also collects feedback where it is received and manually places it into this spreadsheet.
2.122, 2.123	Commissioners respond to a satisfaction survey. This measure only considers the responses to the overall satisfaction question. Satisfaction is determined on a five-point scale, either numerical (1-5, with ‘5’ being the highest rating) or qualitative (Very Good, Good, Satisfied, Poor, Very Poor).

Measure ID	Measurement bases and evaluation methods
2.124, 2.128	From the GCMS, proportion of notifications of grant decisions that are within 15 working weeks from the submission date. This measures the number of days elapsed between date funding requests are submitted by customers and date customers are notified of the Committee decision on their request (Submit and notification dates).
2.125, 2.127	From the GCMS, number of requests that meet expected standards is calculated and reported as a percentage of the total. The following is used for this measure: advisor assessment of eligibility, fit with committee priorities, decision, decision reason.
2.126	The respondents rate their experience of using Hāpai Hapori Services on a scale from 0 (not at all easy) to 10 (very easy). Ease is assessed as 7, 8, 9 or 10.
2.129	Grant decision making committee members respond to the survey question: 'Please rate the overall service and support given to your committee by Community Operations during the funding round.' Satisfaction is determined on a five-point scale, either numerical (1-5, with '5' being the highest rating) or qualitative (Very Good, Good, Satisfied, Poor, Very Poor).
2.130	Satisfaction is determined on the basis of a monthly survey comprising four questions, with each question scored via a 5-point scale (5 is the highest score and 1 is lowest score). The final score represents the average over a 12-month period.
2.131	Proportion of approved grant applications that are paid within 17 weeks from the time of the Panel recommendation.
2.132	Requests are scored against 16 criteria on a 1-10 scale.
2.136	The rating is based on a number of attributes using the scale: 1 - Never, 2 - Some of the time, 3 - About half the time, 4 - Most of the time, 5 - Always.
2.137	An overarching measure, the milestones are the results of two measures below.
2.138	Each iwi or Māori entity has signed a contract with the Department. Each contract has a schedule of permitted funding activities.
2.139	Each territorial authority and sector organisation has signed a contract with the Department. The funding allocated must meet the certain criteria.
2.140	Number of sites calculated rather than a percentage as there was no specific number of installations expected. We engage National Infrastructure Funding and Financing to roll out this programme. The report is published online https://nationalinfrastructure.govt.nz/publications/

4 Organisational health and capability

Stewardship

Being a good steward requires proactive planning and management of resources so that the public's medium and long-term interests can be protected. At the Department, we uphold this responsibility by promoting good stewardship, guided by a duty of care across five key areas:

- long-term capability and people,
- institutional knowledge and information,
- systems and processes,
- assets, and
- the legislation administered by agencies.

Long-term capability and people

The Department is committed to creating an inclusive workplace, where people feel supported, connected, and empowered to be themselves and deliver for New Zealanders.

Our people

To be successful it is important that our workforce reflects the communities we serve. Our permanent workforce includes 2,747 employees. Refer to Appendix A for details of our workforce profile.

Equal employment opportunities

We are working to close our gender and ethnic pay gaps. Our gender pay gap is 11.4% (up 3.6%). The gap is primarily caused by occupational segregation, with a disproportionately higher number of women working in lower-paid jobs. The organisational change programmes implemented over the past 18 months have also impacted the gender pay gap.

Leadership Development

In 2023/24, we developed a Leadership Development Framework and related programmes to support our leaders to improve their leadership skills, connect with other leaders, and be better equipped to lead our people. This work reflects the critical role leaders play in creating a culture where kaimahi feel supported to perform at their best. In 2024/2025, we're continuing to invest in this area, recognising the important role leaders play in creating an inclusive culture.

Papa Pounamu - Diversity and inclusion

We continue to progress work under the five focus areas of the Diversity and Inclusion work programme established by the Public Service Commission to bring together diversity and inclusion practices and initiatives across the Public Service. We are committed to delivering and implementing this strategy alongside our Kia Toipoto – Closing Gender, Māori, Pacific, and Ethnic Pay Gaps Action Plan.

A key focus has been on strengthening our support for our employee-led networks, which play an important role in fostering inclusion and providing input into Department initiatives. We promote these networks through our induction programme, ensuring kaimahi feel supported and empowered from the beginning of their journey with us.

In 2024, we reviewed our Diversity, Equity and Inclusion (DEI) strategy, which will be available on our website in early 2026.

Key DEI initiatives include:

- Launching Te Whare Kura, a Māori capability self-assessment tool that supports staff to identify development needs and activities.
- Delivering e-learning modules to improve intercultural capability and raise awareness of unconscious bias.
- Launching three new leadership programmes focused on developing inclusive leaders.

Health and safety

Our commitment to staff wellbeing and safety remains paramount. In 2024/25, we:

- finalised our Wellbeing, Health, and Safety Management System to help us manage our health and safety risks
- rolled out the Health and Safety Assurance Framework
- continued to uplift the capability of our kaimahi and leaders through targeted training and guidance.

The Executive Leadership Team endorsed our new Wellbeing, Health, and Safety Three-Year Plan (2025–2028), which outlines a clear focus on proactive risk management and governance, and sets a clear direction for the next three years.

We successfully implemented Rourou, our new health and safety incident reporting system empowering kaimahi to report incidents, near misses, and hazards promptly. The system enables people leaders to proactively investigate reported events and address gaps by putting appropriate corrective actions in place. It also provides senior leaders with the ability to identify trends and monitor the environment for emerging or changing risks.

Building capability to engage with Māori and understand Māori perspectives

To lead and strengthen Māori capability across the organisation, the Department has appointed a Chief Māori Advisor.

We relaunched He Waka Eke Noa, our cultural capability implementation plan, supporting staff to integrate te reo Māori me ōna tikanga into their work and deepen their understanding of te ao Māori and Te Tiriti o Waitangi.

Staff continued to engage in capability-building opportunities, including:

- Te Reo Māori courses (Levels 1–3)
- Aotearoa history workshops (for example Wall Walk, Te Tiriti o Waitangi sessions)
- He Tohu tours as part of induction
- Celebrations such as Matariki, Te Wiki o te Reo Māori, and Mahuru Māori.

The Digital Services branch has also piloted Te Ao Māori for Professionals, a 12-month self-directed learning programme.

Institutional knowledge and information

Preserving institutional knowledge is essential for the Department's efficiency and continuity. To enhance efficiency, compliance, and innovation while fostering a positive workplace culture, we have undertaken the following activities during the year:

» Knowledge preservation, Improved access and collaboration: We implemented a new enterprise content management system and intranet on one platform. This makes it easier for staff to find and share important information, improving day-to-day efficiency and decision-making. It helps us protect valuable knowledge, encourages collaboration across teams, and supports innovation by building a smarter and more connected workforce.

» Legal compliance: to help us stay compliant with legal requirements by disposing of unnecessary information, we introduced a digital records management tool.

» Staff training: provided ongoing training to ensure staff are aware of best practices and legal obligations, leading to better information management.

» Te Tiriti commitments: we introduced a Māori Engagement Reporting questionnaire and are developing the Māori Data Governance Framework to guide the appropriate use and protection of Māori data.

» Employee engagement: we value our staff experiences and expertise creating a supportive environment where employees feel comfortable sharing their knowledge, leading to a more engaged and motivated workforce.

Systems and processes

In 2024/25, we continued to modernise, simplify and automate our corporate systems and processes to improve efficiency and service delivery. Key achievements include:

» Introduced e-invoicing to pay our suppliers more quickly, improved time-sheeting and functionality for financial forecasting and reporting.

» Moved human resources, property, security and privacy requests to the Departmental workflow platform, streamlining internal processes.

» Implemented scalable and cost-efficient network connectivity for our offices, consolidated servers to reduce data centre costs and modernised telephony and printing systems.

Assets

Cabinet Circular CO (23) 9[1] requires all departments to include asset performance indicators for service critical assets in their Annual Report. The Department is continuing to strengthen its asset management approach, including updating its information on critical services and the assets required to support these. This will include updating our critical service asset register and developing performance indicators of past and projected performance. We are planning to report against these indicators in our 2025/26 Annual Report.

Property assets

We monitor key asset performance indicators for our property assets to ensure our buildings comply with legislative and health and safety regulations, and are a safe and efficient environment for employees and visitors:

- All the buildings we own meet the seismic standard, apart from one where we have implemented a seismic programme to address the risks.
- All the buildings we own have a current warrant of fitness, except one where we are awaiting Council sign off.
- We have met our office space density target of no more than 16 square metres per person.
- We continue to exceed optimal humidity and temperature targets in our Archive storage environments for the preservation of our taonga.

Technology assets

This year we maintained a steady level in the average service time our ICT systems were available, reflecting an ongoing focus on service resilience. Our incident resolution timeframes measure how long it takes to resolve IT incident tickets. This year, we identified process issues that were affecting the management of some requests. This has lifted our results back above the target level and we will continue to improve our incident resolution process in the coming year. Of the changes made to IT systems during the year, 99.3% were made successfully, exceeding our target. We measure asset utilisation by the amount of workstation devices in service. The headcount changes driven by the closure of Water Services Reform that affected our utilisation in 2023/24 have now largely been absorbed, and we expect to return to target levels within the next 12 months.

Asset condition performance for Property and ICT assets is detailed in Appendix B.

Stewardship of legislation

The Department is responsible for a wide range of regulatory systems and both primary and secondary legislation. Over the last year, in addition to our regular programme of legislative and regulatory review and development, we have progressed work on the Regulatory Systems (Internal Affairs) Amendment Bill. The Bill proposes amendments to 23 Acts that the Department either administers or has a regulatory role under. The Bill allows us to maintain our regulatory systems in an efficient and timely manner.

1 Refer to the circular here - https://www.dpmc.govt.nz/publications/co-23-9-investment-management-and-asset-performance-departments-and-other-entities#introduction

5

Annual and forecast financial statements

Contents

Statement of comprehensive revenue and expense

for the year ended 30 June 2025

Parent and group

Actual 2024 $000		Note	Actual 2025 $000	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Unaudited Forecast 2026 $000
	Revenue					
465,342	Revenue Crown	2	369,759	350,234	369,760	405,204
212,341	Other revenue	2	204,544	188,225	206,994	283,244
123	Gain on sale of property, plant and equipment		118	-	-	-
677,806	**Total revenue**		**574,421**	**538,459**	**576,754**	**688,448**
	Expenses					
363,115	Personnel costs	3	328,146	305,723	332,662	308,460
76,358	Depreciation and amortisation	7, 8	59,283	59,131	59,976	78,148
26,916	Capital charge	13	30,993	32,555	30,993	34,257
446	Finance costs	12	785	5,139	926	19,885
220,238	Other operating expenses	4	204,835	230,693	249,005	266,399
687,073	**Total expenses**		**624,042**	**633,241**	**673,562**	**707,149**
(9,267)	**Net surplus/(deficit)**		**(49,621)**	**(94,782)**	**(96,808)**	**(18,701)**
	Other comprehensive revenue and expense					
	Item that will not be reclassified to net surplus/(deficit)					
-	Asset revaluation gains/(losses)	7, 13	(6,646)	-	-	-
(9,267)	**Total comprehensive revenue and expense**		**(56,267)**	**(94,782)**	**(96,808)**	**(18,701)**

Explanations of significant variances against budget are detailed in Note 19.
The accompanying notes form part of these financial statements.

Statement of financial position

as at 30 June 2025

Parent and group

Actual 2024 $000		Note	Actual 2025 $000	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Unaudited Forecast 2026 $000
	Assets					
	Current assets					
70,931	Cash and cash equivalents		49,631	25,000	37,822	35,000
145,108	Debtor Crown		145,107	146,209	134,737	120,779
20,785	Debtors and other receivables	6	19,046	16,540	18,981	17,050
2,616	Inventories		1,973	2,000	2,791	2,800
10,249	Prepayments		10,479	7,000	8,097	8,100
249	Assets held for sale		-	-	-	-
249,938	**Total current assets**		**226,236**	**196,749**	**202,428**	**183,729**
	Non-current assets					
335,203	Property, plant and equipment	7	620,352	376,232	649,545	663,270
207,260	Intangible assets	8	216,553	239,227	219,157	227,124
542,463	**Total non-current assets**		**836,905**	**615,459**	**868,702**	**890,394**
792,401	**Total assets**		**1,063,141**	**812,208**	**1,071,130**	**1,074,123**
	Liabilities and taxpayers' funds					
	Current liabilities					
59,393	Creditors and other payables	9	37,647	57,303	59,073	61,530
6,441	Provisions	10	11,442	4,250	16,134	5,330
35,709	Employee entitlements	11	33,740	25,777	24,888	24,738
486	Finance leases	12	883	516	17,525	18,025
25,544	Return of operating surplus	13	23,678	-	-	-
127,573	**Total current liabilities**		**107,390**	**87,846**	**117,620**	**109,623**
	Non-current liabilities					
136	Provisions	10	136	2,500	-	-
3,348	Employee entitlements	11	3,863	3,013	3,348	3,348
6,705	Finance leases	12	248,173	6,189	235,555	237,003
10,189	**Total non-current liabilities**		**252,172**	**11,702**	**238,903**	**240,351**
137,762	**Total liabilities**		**359,562**	**99,548**	**356,523**	**349,974**
654,639	**Net assets**		**703,579**	**712,660**	**714,607**	**724,149**
	Equity					
528,664	Taxpayer's funds	13	593,980	628,263	618,680	627,680
32,836	Memorandum accounts	5, 13	23,106	(8,743)	2,787	3,329
93,139	Revaluation reserves	13	86,493	93,140	93,140	93,140
654,639	**Total equity**		**703,579**	**712,660**	**714,607**	**724,149**

Explanations of significant variances against budget are detailed in Note 19.
The accompanying notes form part of these financial statements.

Statement of changes in equity

for the year ended 30 June 2025

Parent and group

Actual 2024 $000		Note	Actual 2025 $000	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Unaudited Forecast 2026 $000
535,651	**Balance at 1 July**		**654,639**	**644,667**	**654,640**	**733,850**
(9,267)	Net surplus/(deficit) for the year		(49,621)	(94,782)	(96,808)	(18,701)
-	Other comprehensive revenue and expense		(6,646)	-	-	-
(9,267)	**Total comprehensive revenue and expense**		**(56,267)**	**(94,782)**	**(96,808)**	**(18,701)**
	Owner transactions					
191,771	Capital injections	14	155,385	166,275	160,275	12,000
(37,972)	Capital withdrawals	14	(26,500)	(3,500)	(3,500)	(3,000)
(25,544)	Return of operating surplus	13	(23,678)	-	-	-
128,255	**Total owner transactions**		**105,207**	**162,775**	**156,775**	**9,000**
654,639	**Balance at 30 June**		**703,579**	**712,660**	**714,607**	**724,149**

Explanations of significant variances against budget are detailed in Note 19.
The accompanying notes form part of these financial statements.

Statement of cash flows

for the year ended 30 June 2025

Parent and group

Actual 2024 $000		Actual 2025 $000	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Unaudited Forecast 2026 $000
	Cash flows from operating activities				
382,901	Receipts from the Crown	369,760	361,764	380,131	456,316
217,585	Receipts from third parties	198,041	189,844	208,419	284,875
(2,088)	Net goods and services tax	(1,407)	(1,144)	1,261	(4)
(583,937)	Payments to suppliers and employees	(540,675)	(555,757)	(583,411)	(599,211)
(26,916)	Payments for capital charge	(30,993)	(32,555)	(30,993)	(34,257)
(12,455)	**Net cash flows from operating activities**	**(5,274)**	**(37,848)**	**(24,593)**	**107,719**
	Cash flows from investing activities				
436	Receipts from sale of property, plant and equipment	508	480	739	460
(64,412)	Purchase of property, plant and equipment	(67,726)	(74,042)	(93,423)	(53,300)
(47,613)	Purchase of intangible assets	(41,663)	(40,958)	(46,577)	(46,700)
(111,589)	**Net cash flows from investing activities**	**(108,881)**	**(114,520)**	**(139,261)**	**(99,540)**
	Cash flows from financing activities				
191,771	Capital injections	155,385	166,275	160,275	12,000
(37,972)	Capital withdrawals	(26,500)	(3,500)	(3,500)	(3,000)
(39,196)	Repayment of surplus to the Crown	(25,544)	(9,920)	(25,544)	(2,674)
(456)	Payment of finance leases	(10,486)	(486)	(486)	(15,061)
114,147	**Net cash flows from financing activities**	**92,855**	**152,369**	**130,745**	**(8,735)**
(9,897)	**Net increase/(decrease) in cash and cash equivalents**	**(21,300)**	**1**	**(33,109)**	**(556)**
80,828	Opening cash and cash equivalents	70,931	24,999	70,931	35,556
70,931	**Closing cash and cash equivalents**	**49,631**	**25,000**	**37,822**	**35,000**

Explanations of significant variances against budget are detailed in Note 19.
The accompanying notes form part of these financial statements.

Statement of cash flows (continued)

for the year ended 30 June 2025

Parent and group

Reconciliation of the net surplus to net cash flows from operating activities

Actual 2024 $000		Actual 2025 $000
(9,267)	Net surplus/(deficit)	(49,621)
	Add/(deduct) non-cash items	
76,358	Depreciation, amortisation and impairment	59,283
(289)	Acquisition of donated assets	(239)
-	Non-operating item	366
76,069	Total non-cash items	59,410
	Add/(deduct) items classified as investing activities	
6,371	Losses/(gains) on non-financial assets	987
6,371	Total investing activities	987
	Add/(deduct) movements in Statement of financial position items	
(75,416)	(Increase)/decrease in debtors and other receivables	1,741
2,710	(Increase)/decrease in other current assets	414
(19,307)	Increase/(decrease) in creditors and other payables	(13,180)
6,050	Increase/(decrease) in other current liabilities	(5,540)
335	Increase/(decrease) in non-current liabilities	515
(85,628)	Total net movement in working capital items	(16,050)
(12,455)	Net cash flows from operating activities	(5,274)

Reconciliation of movement in finance leases arising from financing activities

Actual 2024 $000		Actual 2025 $000
7,647	Opening balance	7,191
(456)	Payment of finance leases	(10,486)
-	New finance lease	251,985
-	Accrued finance lease charge	366
7,191	Closing balance	249,056

The accompanying notes form part of these financial statements.

Statement of commitments

as at 30 June 2025

Parent and group

Actual 2024 $000		Actual 2025 $000
	Capital commitments	
16,148	Intangible assets	14,216
44,501	Leasehold improvements	3,226
148	Plant and equipment	1,457
246,375	Finance lease assets	-
307,172	**Total capital commitments**	**18,899**
	Non-cancellable operating commitment leases as lessee	
	The future aggregate minimum lease payments to be paid under non-cancellable operating leases	
19,972	No later than one year	20,574
17,768	Later than one and not later than two years	18,901
43,924	Later than two and not later than five years	40,132
54,007	Later than five years	43,344
135,671	**Total non-cancellable operating commitment leases as lessee**	**122,951**
442,843	**Total commitments**	**141,850**

Capital commitments

Capital commitments are the aggregate amount of capital expenditure contracted for acquiring property, plant and equipment and intangible assets that have not been paid for, or are not recognised as a liability, at balance date.

Cancellable capital commitments are reported at the lower of the remaining contractual commitment or the early exit costs explicit in the exit clause of the agreement.

Non-cancellable operating commitment leases as lessee

The Department leases property, plant and equipment in the normal course of its business of which the majority are for premises across New Zealand. These lease amounts are disclosed as future commitments based on current rental rates extrapolated to future years. The non-cancellable leasing period for these leases varies.

The Department's non-cancellable operating leases have varying terms, escalation clauses, and renewal rights. There are no restrictions placed on the Department by any of its leasing arrangements.

The total of minimum future sub-lease payments expected to be received under non-cancellable sub-leases at balance date is $0.967 million (2023/24: $0.909 million).

The accompanying notes form part of these financial statements.

Statement of contingent assets and liabilities

as at 30 June 2025

Parent and group

Quantifiable contingent assets

As at 30 June 2025, the Department had five quantifiable contingent assets totalling $0.048 million relating to insurance claims subject to insurer approval (2023/24: five quantifiable contingent assets totalling $0.318 million).

Unquantifiable contingent assets

As at 30 June 2025, the Department had no unquantifiable contingent assets (2023/24: nil).

Quantifiable contingent liabilities

As at 30 June 2025, the Department had 10 quantifiable contingent liabilities of $0.697 million relating to legal actions (2023/24: one quantifiable contingent liability of $0.020 million).

Unquantifiable contingent liabilities

As at 30 June 2025, the Department had three unquantifiable contingent liabilities relating to legal actions (2023/24: four unquantifiable contingent liabilities).

Employment issues and personal grievances
Occasionally, employment issues or personal grievances arise. The Department works within its policies to resolve all issues raised in good faith. Where this is not possible, a mediated settlement may be agreed.

Dispute with a software vendor
The Te Ara Manaaki work stream to replace the Civil Registration system did not progress as planned leading to the termination of the contract with its vendor. The outcome of this matter is uncertain and remains ongoing.

The accompanying notes form part of these financial statements.

Notes to the financial statements

1. Statement of accounting policies

Reporting entity

The Department of Internal Affairs (the Department) (Parent) is a government department as defined by Section 5 of the Public Service Act 2020 and is domiciled and operates in New Zealand. The relevant legislation governing the Department's operations include the Public Finance Act 1989 (PFA) and the Public Service Act 2020. The Department's ultimate parent is the New Zealand Crown.

The Department's primary objective is to serve and connect people, communities and government to build a safe, prosperous and respected nation.

The Department does not operate to make a financial return and is also regarded as a Public Benefit Entity (PBE) for the purposes of complying with New Zealand generally accepted accounting practice (NZ GAAP).

The Department also reports on the Non-Departmental (Crown) activities and Trusts that it administers.

The financial statements of the Department for the year ended 30 June 2025 are consolidated financial statements of the Department, the Ministry for Ethnic Communities, the Digital Executive Board, and the Te Puna Foundation (the Foundation). The Ministry for Ethnic Communities (established on 1 July 2021) is a departmental agency as defined by Section 2 of the PFA and section 5 of the Public Service Act 2020, which is hosted within the Department. The Digital Executive Board (established on 8 August 2022) is an interdepartmental executive board as defined by Section 2 of the PFA and Section 5 of the Public Service Act 2020 (refer to Note 17). Unless explicitly stated, references to the Department cover the Department, the Ministry for Ethnic Communities and the Digital Executive Board. The Foundation is a Charitable Trust, which is controlled by the Department to provide support to the National Library of New Zealand in accordance with the National Library of New Zealand (Te Puna Mātauranga o Aotearoa) Act 2003 (refer to Note 16). The Department and the Foundation operate independently but consolidation is required for financial reporting purposes.

The financial statements are for the year ended 30 June 2025 with comparative figures for the year ended 30 June 2024. The financial statements were authorised for issue by the Secretary for Internal Affairs on 30 September 2025.

Basis of preparation

These financial statements have been prepared on a going-concern basis, and the accounting policies have been applied consistently throughout the year.

Statement of compliance

The financial statements also comply with the requirements of the PFA, which include the requirement to comply with NZ GAAP and Treasury Instructions. These financial statements have been prepared in accordance with and comply with Tier 1 PBE International Public Sector Accounting Standards (PBE IPSAS).

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000) unless stated otherwise.

Changes in accounting policies

There have been no changes in the Department's accounting policies since the date of the last audited financial statements.

Accounting standards effective 30 June 2025

PBE IPSAS 1 Disclosure of Fees for Audit Firms' Services

Amendments to PBE IPSAS 1 *Disclosure of Fees for Audit Firms' Services* is for the year ending 30 June 2025. The amendment requires the Department to disclose the fees incurred for services received from its audit or review firms, and a description of each service. The impact of this change is presentation and disclosure.

Standards issued and not yet effective and early adopted

Standards and amendments issued and not yet effective that are relevant and have not been early adopted by the Department:

Omnibus Amendments to PBE Standards update on PBE IPSAS 1

The amendments to PBE IPSAS 1 *Presentation of Financial Reports* will be effective from 1 July 2026. It clarifies the principles for classifying a liability as current or non-current which included clarification on:

- conditions that will be used to determine if a right to defer settlement of a liability exists,
- effect of management's intention or expectation, and
- specific situations in which an entity does not have a right to defer settlement for at least 12 months after the reporting date.

The Department does not consider this change to have a material impact on the financial statements.

PBE Conceptual Framework Update

The PBE Conceptual Framework is not a standard, however, PBEs in Tiers 1, 2 and 3 may refer to it when preparing financial reports. The amendments to the PBE Conceptual Framework will be effective from 1 July 2028.

The PBE Conceptual Framework Update amends Chapter 3 *Qualitative Characteristics and* Chapter 5 *Elements in General Purpose Financial Reports*. The amendments are based on recent limited-scope updates to the International Public Sector Accounting Standards Board's (IPSASB's) Conceptual Framework which reflect the latest international thinking on certain conceptual matters and provide additional guidance and clarifications including:

- clarifying the role of prudence in the context of representational faithfulness,
- updates to the guidance on materiality,
- updates to the definition of an asset and a liability and the related guidance, and
- introduces new guidance on the unit of account and on binding arrangements that are equally unperformed.

The Department does not consider the impact of the additional guidance to have a material impact on the financial statements.

Significant accounting policies

Significant accounting policies are included in the notes to which they relate. Policies that do not relate to a specific note are outlined below.

Foreign currency transactions

Foreign currency transactions (including those for which the Department holds forward exchange contracts) are translated into New Zealand dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the net surplus or deficit.

Taxation

The Department is exempt from the payment of income tax. Accordingly, no provision has been made for income tax. The Department is subject to fringe benefit tax (FBT) and goods and services tax (GST). It administers pay as you earn tax (PAYE), employer superannuation contribution tax (ESCT) and withholding tax (WHT).

Goods and Services Tax (GST)

All items in the financial statements including commitments and contingencies are GST exclusive, except for receivables and payables that are GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

The net amount of GST owing at balance date, being the difference between output GST and input GST, is included in either receivables or payables in the Statement of financial position.

The net GST paid or received, including the GST relating to investing and financing activities, is classified under Cash flows from operating activities in the Statement of cash flows. It reflects the net GST paid or received during the year. The GST components have been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in transit, and funds on deposit with banks with an original maturity of no more than three months. The Department is only permitted to expend its cash and cash equivalents within the scope and limits of its appropriations.

Overseas bank accounts are converted at the closing mid-point exchange rate.

Inventories

Inventories held for distribution or consumption in the provision of goods and services that are not issued on a commercial basis are measured at cost (determined on the first-in, first-out method) adjusted for any loss of service potential. Otherwise, they are measured at the lower of cost and net realisable value.

Any write-down from cost to net realisable value or for the loss of service potential is recognised in the Statement of comprehensive revenue and expense in the year of the write-down.

Assets held for sale

Property, plant and equipment is classified as held for sale when its carrying amount will be recovered principally through sale, it is available for immediate sale in its present condition and the sale is highly probable.

Assets held for sale are carried at the lower of the carrying amount and fair value less costs to sell.

Budget and forecast figures

Basis of the budget and forecast figures

The 2024/25 budget figures (Unaudited Budget 2025) are for the year ended 30 June 2025. They are consistent with the Department's best estimate financial forecast information submitted to The Treasury for the Budget Economic and Fiscal Update (BEFU) for 2024/25.

The 2024/25 unaudited revised budget figures (Unaudited Revised Budget 2025) are for the year ended 30 June 2025. They are consistent with the Department's best estimate financial forecast information submitted to the Treasury for the Supplementary Estimates of Appropriations for 2024/25.

The 2025/26 forecast figures (Unaudited Forecast 2026) are for the year ending 30 June 2026. They are consistent with the Department's best estimate financial forecast information submitted to the Treasury for the BEFU for 2025/26. The forecast financial statements have been prepared as required by the PFA to provide forecast financial information for accountability purposes.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

Significant assumptions used in preparing the forecast financial information

The 30 June 2026 forecast figures have been prepared in accordance with and comply with PBE Financial Reporting Standard (FRS) 42 *Prospective financial statements.* The forecast figures contained in these financial statements reflect the Department's purpose and activities and are based on several assumptions about what may occur during 2025/26. The forecast figures have been compiled based on existing government policies and ministerial expectations at the time BEFU was finalised.

The main assumptions are as follows:

- the Department's activities will remain substantially the same as for the previous year but including incorporating known impacts of the transfer of responsibilities from other Government agencies to the Department,
- personnel costs are based on full-time equivalent staff, take into account staff turnover, and the impact of restructuring across the organisation that were known at the time of preparing the forecast financial information,
- remuneration rates are based on current wage and salary costs, adjusted for anticipated remuneration increases,
- operating costs are based on historical experience and the best estimate at the time the financial statements were finalised,
- no impact of revaluation has been assumed in the forecast,
- capital commitments will realise as planned,
- preliminary unaudited year end information for 2024/25 is used as the opening position for 2025/26 forecasts, and
- includes all Cabinet decisions and forecast changes up to 22 April 2025.

The actual financial results achieved for 30 June 2026 are likely to vary from the forecast information presented, and the variations may be material. Factors that could lead to material differences between the forecast financial statements and the 2025/26 actual financial statements include:

- capacity and resource availability,
- efficiency or productivity gains,
- changes to the baseline due to technical adjustments,
- demand driven volume changes,
- Government's priority and policy changes, and
- external events including the effect of climate change and natural disaster.

Any changes to budgets during 2025/26 will be incorporated into the Supplementary Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2026.

Authorisation statement

The forecast financial statements were approved for issue by the Secretary on 11 April 2025. The Secretary for Internal Affairs is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures. While the Department regularly updates its forecasts, updated forecast financial statements for the year ending 30 June 2026 will not be published.

The purpose of the forecast financial statements is to facilitate Parliament's consideration of appropriations for, and planned performance of, the Department. These forecast financial statements may not be appropriate for other purposes.

Critical accounting estimates, assumptions and critical judgements in applying accounting policies

In preparing the financial statements in conformity with PBE accounting standards, critical judgements, estimates and assumptions have been made concerning the future and these may differ from the subsequent actual results. The estimates and associated assumptions are continually evaluated and are based on historical experience and various other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements, estimates and assumptions applied by the Department are disclosed in Notes 7, 8, 11 and 12.

Results for the year

2. Revenue

Accounting policy

Revenue is measured at the fair value of consideration received or receivable. The specific accounting policies for significant revenue items are explained below.

Revenue – non-exchange transactions

Revenue Crown

Revenue Crown is measured based on the Department's funding entitlement for the reporting period. The funding entitlement is established by Parliament when it passes the Appropriation Act for the financial year. The amount of revenue recognised considers any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding from the Crown. However, the Department can incur expenses only within the scope and limits of its appropriations.

The fair value of revenue Crown has been determined to be equivalent to the funding entitlement of $369.759 million (2024: $465.342 million).

Donated or subsidised assets

When a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue in the Statement of comprehensive revenue and expense.

Revenue – exchange transactions

Other revenue

The Department derives revenue from third parties through the provision of outputs (products or services). Revenue from the supply of goods and services is recognised when the significant risks and rewards of ownership have been transferred to the buyer, unless an alternative method better represents the stage of completion of the transaction. Such revenue is recognised when earned and is reported in the financial period to which it relates.

The Department uses memorandum accounts to record the accumulated surpluses and deficits incurred in the provision of third party cost-recovered outputs. These memorandum accounts separately disclose the net cost of such outputs, as otherwise this information would be aggregated as part of the Department's Statement of financial position.

Rental revenue from sub-leases

Rental revenue under an operating sub-lease is recognised as revenue on a straight-line basis over the lease term.

Breakdown of Other revenue

Actual 2024 $000		Actual 2025 $000	Unaudited Budget 2025 $000	Unaudited Forecast 2026 $000
	Other revenue from non-exchange transactions			
289	Other third-party revenue	239	-	-
289	**Total other revenue from non-exchange transactions**	**239**	**-**	**-**
	Other revenue from exchange transactions			
84,018	Passport fees	76,450	72,775	156,134
17,745	Citizenship fees	21,296	17,926	21,956
20,954	Non-casino gaming licences and fees	21,186	19,464	20,646
20,194	e-Government development and operations	18,757	16,046	17,795
15,100	Birth, death, marriage and civil union fees	15,575	15,256	15,256
15,238	Recovery from New Zealand Lottery Grants Board	14,804	12,203	13,143
9,076	VIP Transport	9,824	9,000	9,700
5,390	Casino operators' levies	5,609	6,147	4,965
4,966	Electronic Purchasing in Collaboration	4,871	3,595	4,780
2,285	Kōtui library services	2,780	2,199	2,840
2,504	Translation services	2,258	3,200	3,200
1,438	Te Puna catalogue and inter-loan library services	1,473	470	1,427
970	New Zealand Gazette	1,013	844	844
1,031	Lake Taupō boating facilities	967	980	980
892	Charities registrations	926	852	852
403	RealMe	898	2,000	2,100
3,419	Northern Water Services Entity expense recoveries	660	-	-
363	Rental revenue from sublease	523	350	456
400	National dog database levy	400	400	400
121	National Library auditorium	238	300	300
3	Net foreign exchange gain	2	-	-
5,542	Other third-party revenue	3,795	4,218	5,470
212,052	**Total other revenue from exchange transactions**	**204,305**	**188,225**	**283,244**
212,341	**Total other revenue**	**204,544**	**188,225**	**283,244**

3. Personnel costs

Accounting policy

Salaries, wages, employee entitlements and contractor expenses

Salaries, wages and contractor expenses are recognised in the Statement of comprehensive revenue and expense as the employees or contractors provide services.

Employee entitlements such as annual leave, long service leave, retiring leave, and other similar benefits are recognised in the Statement of comprehensive revenue and expense when they accrue to employees.

Defined contribution superannuation schemes

Obligations for contributions to the State Sector Retirement Savings Scheme, KiwiSaver, the Government Superannuation Fund and the National Provident Fund are accounted for as defined contribution schemes and are recognised as an expense in the Statement of comprehensive revenue and expense when incurred.

Restructuring costs

Restructuring costs are recognised in the Statement of comprehensive revenue and expense only when there is a demonstrable commitment to either terminate employment prior to the normal employment date or to provide such benefits because of a position becoming redundant.

Breakdown of personnel costs

Actual 2024 $000		Actual 2025 $000
337,152	Salaries, wages and contractor expenses	303,623
9,080	Restructuring costs	10,724
9,841	Employer contribution to defined contribution schemes	9,546
(387)	Increase/(decrease) in employee entitlements	602
7,429	Other personnel costs	3,651
363,115	**Total personnel costs**	**328,146**

4. Other operating expenses

Accounting policy

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised evenly over the term of the lease as a reduction in rental expense (refer to Note 9).

Other expenses

Other expenses are recognised as goods and services are received.

Breakdown of other operating expenses

Actual 2024 $000		Actual 2025 $000	Unaudited Budget 2025 $000	Unaudited Forecast 2026 $000
86,107	Computer costs	93,509	98,575	97,880
31,171	Rental and leasing costs	31,381	22,233	40,033
26,375	Consultants and outsourcing contracts	13,173	25,734	26,652
12,821	Office expenses	12,839	9,212	11,645
9,986	Agency and monitoring fees	11,247	10,581	11,376
11,440	Inventory costs	10,954	12,499	18,001

Actual 2024 $000		Actual 2025 $000	Unaudited Budget 2025 $000	Unaudited Forecast 2026 $000
8,614	Travel expenses	6,337	9,857	6,538
6,301	Library resources and subscriptions	6,247	5,071	7,080
7,612	Professional fees	5,327	5,633	3,350
4,197	Staff development	2,872	5,552	4,283
2,219	Repairs and maintenance	2,274	1,969	1,864
6,494	Loss on asset derecognition	1,105	-	-
1,978	Publicity and promotion	712	657	810
575	Fees paid to auditors	577	673	698
150	Realised foreign exchange losses	195	-	-
123	Increase/(decrease) in provision for expected credit loss	-	-	6
4,075	Other departmental operating costs	6,086	22,447	36,183
220,238	**Total other operating expenses**	**204,835**	**230,693**	**266,399**

Fees paid to auditors consist of:

Actual 2024 $000		Actual 2025 $000
	Fees paid to Audit New Zealand	
527	Audit of the financial statements	520
25	Audit of Cyclone Gabrielle Appeal Trust*	36
	Fees paid for other audit services	
15	Greenhouse gas emissions audit paid to Toitū Envirocare	21
8	Other audit services paid to KPMG	-
575	**Total fees paid to auditors**	**577**

*The Departments pays the audit of Cyclone Gabrielle Appeal Trust (the Trust) accounts on behalf of the Trust.

5. Memorandum accounts

Accounting policy

Memorandum accounts reflect the cumulative surplus/(deficit) on those departmental services that are intended to be cost-recovered from third parties through fees, levies, or charges. Memorandum accounts are intended to provide a long-run perspective to the pricing of outputs. The balance of each memorandum account is expected to trend toward zero over time, with interim deficits being met either from cash from the Department's Statement of financial position or by seeking approval for a capital injection from the Crown. Capital injections will be repaid to the Crown by way of cash payments throughout the memorandum account cycle.

Summary of memorandum accounts

Actual 2024 $000		Actual 2025 $000
96	New Zealand Gazette	71
(208)	Use of Facilities and Access to Lake Taupō by Boat Users	(578)
24,687	Passport Products	20,989
(282)	Citizenship Products	(9,240)
(635)	Issue of Birth, Death and Marriage Certifications and Other Products	(844)
18,230	Gaming	15,048
-	Online Casino Gambling	1,855
2,031	Kōtui Library Services	2,363
414	Electronic Purchasing in Collaboration (EPIC)	332
(12,391)	System Capabilities, Services and Platforms	(7,967)
894	National Dog Control Information Database	1,077
32,836	**Balance at 30 June**	**23,106**

Breakdown of memorandum accounts and further information

New Zealand Gazette (Established 30 June 2002)

Purpose: The cost of publishing and distributing the New Zealand Gazette is recovered through third party fees.

Actions: A fee review is underway to address future requirements associated with modernisation of the New Zealand Gazette.

Actual 2024 $000		Actual 2025 $000
140	**Balance at 1 July**	**96**
970	Revenue movement for the year	1,013
(1,014)	Expense movement for the year	(1,038)
(44)	**Net memorandum account deficit for the year**	**(25)**
96	**Balance at 30 June**	**71**

Use of Facilities and Access to Lake Taupō by boat users (Established 30 June 2002)

Purpose: The Department manages berths, jetties and boat ramps located at Lake Taupō. Fees are charged to third parties for the use of boat ramps and marina berths. These fees are used to cover the cost of the administration and maintenance of these facilities.

Actions: A fee review is underway as revenue continues to be lower than expenses. Costs are being managed to limit accumulation of further deficits.

Actual 2024 $000		Actual 2025 $000
(39)	**Balance at 1 July**	**(208)**
1,031	Revenue movement for the year	967
(1,200)	Expense movement for the year	(1,337)
(169)	**Net memorandum account deficit for the year**	**(370)**
(208)	**Balance at 30 June**	**(578)**

Passport Products (Established 30 June 2002)

Purpose: To support a strategy to stabilise fees based on full cost-recovery over a ten-year planning horizon. This strategy supports the introduction of new technologies, including the replacement of the ageing passport system within that timeframe.

Actions: Actions: In Budget 2022, repayable capital injections were provided to assist in managing demand fluctuations due to the decision to change the Adult Passport validity from five to ten years. With the forecasted increase in demand for Passports Products in 2025/26 and outyears, the repayment of the cumulative repayable capital injections of $154 million will be managed utilising surpluses to ensure the full repayment by 2031/32.

Actual 2024 $000		Actual 2025 $000
(11,871)	**Balance at 1 July**	**24,687**
83,913	Revenue movement for the year	76,099
(117,855)	Expense movement for the year	(139,797)
(33,942)	**Net memorandum account deficit for the year**	**(63,698)**
70,500	Capital injection	60,000
24,687	**Balance at 30 June**	**20,989**

Citizenship Products (Established 30 June 2002)

Purpose: To support a strategy to stabilise fees based on full cost-recovery over a four to five-year planning horizon.

Actions: The increase in deficit mainly reflects an expansion of the workforce to accommodate additional Citizenship by Grant applications as a result of the one-off 2021 Residence Visa programme.

Actual 2024 $000		Actual 2025 $000
5,432	**Balance at 1 July**	**(282)**
17,745	Revenue movement for the year	21,296
(23,459)	Expense movement for the year	(30,254)
(5,714)	**Net memorandum account deficit for the year**	**(8,958)**
(282)	**Balance at 30 June**	**(9,240)**

Issue of Birth, Death and Marriage Certifications and Other Products (Established 30 June 2002, amended to include Marriage and Civil Unions Products on 1 July 2022)

Purpose: To support a strategy to stabilise fees based on full cost-recovery over a four to five-year planning horizon. This strategy includes the introduction of new technologies that allow greater access by applicants through the Internet.

Actions: A fee review is in progress to address the growing deficit.

Actual 2024 $000		Actual 2025 $000
(501)	Balance at 1 July	(635)
15,100	Revenue movement for the year	15,517
(15,234)	Expense movement for the year	(15,726)
(134)	Net memorandum account deficit for the year	(209)
(635)	Balance at 30 June	(844)

Gaming (Established 30 June 2002, amended to include Casino Fees on activities in July 2014)

Purpose: Fees established to recover the cost of administration and regulation of casino and non-casino gaming are reflected in gaming machine fees, compliance fees, license fees and similar charges for differing types of gambling activity, in addition to charges relating to the electronic monitoring of non-casino gaming machines.

Actions: The decrease in surplus mainly reflects increases in costs associated with scoping for a new electronic monitoring system, legal fees and the current monitoring system expenses.

Actual 2024 $000		Actual 2025 $000
19,590	Balance at 1 July	18,230
25,655	Revenue movement for the year	25,929
(27,015)	Expense movement for the year	(29,111)
(1,360)	Net memorandum account deficit for the year	(3,182)
18,230	Balance at 30 June	15,048

Gambling commission revenue and expenditure are not included in the Gaming memorandum account because they are related to policy monitoring and not to administration and regulation.

Online Casino Gambling (Established in July 2024)

Purpose: This memorandum account was established to record the accumulated surpluses and deficits associated with online casino gambling.

Actions: The surplus reflects delays in legislation and the setup of the regulatory function.

Actual 2024 $000		Actual 2025 $000
-	Balance at 1 July	-
-	Revenue movement for the year	-
-	Expense movement for the year	(1,715)
-	Net memorandum account deficit for the year	(1,715)
-	Capital injection	3,570
-	Balance at 30 June	1,855

Kōtui Library Services (Established 30 January 2011)

Purpose: Kōtui is a shared service of integrated library management and resource discovery systems for public libraries. The business model is a subscription service where public libraries pay a one-off software installation and enhancement fee, followed by annual charges. The Kōtui shared library and resource discovery service was launched to public libraries in 2011/12. This memorandum account was established to enable the provision of the Kōtui Library Management System, which is designed to be fully funded by member contributions.

Actions: Subscription fees are reviewed annually to ensure full recovery of costs.

Actual 2024 $000		Actual 2025 $000
2,151	**Balance at 1 July**	**2,031**
2,285	Revenue movement for the year	2,780
(2,405)	Expense movement for the year	(2,448)
(120)	**Net memorandum account surplus/(deficit) for the year**	**332**
2,031	**Balance at 30 June**	**2,363**

Electronic Purchasing in Collaboration (EPIC) (Established 2012)

Purpose: The purpose of EPIC is to negotiate group licenses to electronic resources and to provide member libraries and all New Zealand schools with access to high quality subscription electronic resources at more favourable rates than they would be able to achieve individually.

Actions: Fees are reviewed annually and are based on member uptake and vendor costs.

Actual 2024 $000		Actual 2025 $000
406	**Balance at 1 July**	**414**
4,967	Revenue movement for the year	4,871
(4,959)	Expense movement for the year	(4,953)
8	**Net memorandum account surplus/(deficit) for the year**	**(82)**
414	**Balance at 30 June**	**332**

System Capabilities, Services and Platforms (Established 2013; amended to include Infrastructure as a Service (IaaS) and All-of-Government adoption of cloud computing memorandum accounts with effect from 1 July 2015)

Purpose: This memorandum account was established to record both the amount of revenue received from agencies for Government ICT Common Capability (GCC) products, not otherwise accounted for via separate memorandum accounts, and the amount of expenses incurred in supporting the development (where not funded separately), delivery, operation and renewal of these GCC products.

Actions: The decrease in deficit reflects the revised Lead Agency Fee effective from 1 July 2023, higher consumption by agencies of ICT Common Capability products and services and cost management.

Actual 2024 $000		Actual 2025 $000
(19,045)	**Balance at 1 July**	**(12,391)**
20,068	Revenue movement for the year	18,757
(13,414)	Expense movement for the year	(14,333)
6,654	**Net memorandum account surplus for the year**	**4,424**
(12,391)	**Balance at 30 June**	**(7,967)**

National Dog Control Information Database (Established 2014)

Purpose: This memorandum account was established to track the revenue and expenditure associated with administering the national dog control information database.

Actions: The surplus will be used for ICT maintenance, security upgrades and to fund a future system replacement.

Actual 2024 $000		Actual 2025 $000
882	**Balance at 1 July**	**894**
400	Revenue movement for the year	400
(388)	Expense movement for the year	(217)
12	**Net memorandum account surplus for the year**	**183**
894	**Balance at 30 June**	**1,077**

Operating assets and liabilities

6. Debtors and other receivables

Accounting policy

Debtors and other receivables are recorded at face value, less an allowance for credit losses. The Department has applied the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, debtors and other receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Debtors and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Provision for expected lifetime credit loss

The provision for expected lifetime credit loss consists of specific individual impairment provisions, based on a review of overdue receivables, and a collective impairment provision based on an analysis of past collection history and debt write-offs.

There have been no changes during the reporting period to the estimation techniques or significant assumptions used to measure the provision.

Breakdown of receivables and further information

Actual 2024 $000		Actual 2025 $000
21,023	Gross trade receivables	19,207
(238)	Less provision for expected lifetime credit loss	(161)
20,785	**Total accounts receivable**	**19,046**
	Total accounts receivable comprise:	
20,785	Receivables from exchange transactions	19,046
20,785	**Total accounts receivable**	**19,046**

As at balance date, all receivables have been assessed for impairment, and appropriate provision applied.

All receivables more than 30 days in age are past due. Out of the gross trade receivables of $19.207 million, $0.723 million (4%) are past due 31 days and over against which a provision for expected lifetime credit loss of $0.133 million (83% of the total provision) has been recognised.

7. Property, plant and equipment

Accounting policy

Property, plant and equipment consists of land, non-residential buildings, antiques and works of art, plant and equipment, leasehold improvements, furniture and fittings, collections, IT equipment, motor vehicles, and leased assets.

Additions

Items of property, plant and equipment costing more than $3,000 are capitalised and initially recorded at cost if it is probable that future economic benefits or service potential will flow to the Department. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at its fair value on the date of acquisition. Capital work in progress is recognised at cost less impairment and is not depreciated.

Under the Department's assets accounting policy, property, plant and equipment that individually costs less than $3,000 and is acquired as a group purchase with a total cost of more than $30,000, will be treated as a capital acquisition and capitalised as property, plant and equipment.

Subsequent costs

Subsequent costs are capitalised when it is probable that future economic benefits or service potential associated with the item will flow to the Department and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the Statement of comprehensive revenue and expense as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised in the Statement of comprehensive revenue and expense in the period the transaction occurs. When a revalued asset is sold or derecognised, the amount included in the property revaluation reserve in respect of the disposed asset is transferred to taxpayers' funds.

Impairments

The Department does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Property, plant, and equipment held at cost that has a finite useful life is reviewed for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impaired asset's carrying amount is written down to its recoverable service amount which is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is recognised immediately in the Statement of comprehensive revenue and expense, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value-in-use depends on the nature of the impairment and availability of information.

The reversal of an impairment loss is recognised as part of the Statement of comprehensive revenue and expense.

The Department has not recognised any impairment loss in 2024/25 (2023/24: nil).

Revaluations

Revaluations are carried out on several classes of property, plant and equipment to reflect the service potential or economic benefit obtained through control of the asset. Revaluation is based on the fair value of the asset with changes reported by class of asset.

Classes of property, plant and equipment are revalued at least once every three years or whenever the carrying amount differs materially to fair value which is assessed every year by an independent registered valuer. Unrealised gains and losses arising from changes in the value of property, plant and equipment as at balance date are recognised as other comprehensive revenue and expense in the Statement of comprehensive revenue and expense.

A gain is credited to the net surplus/(deficit) to the extent that it reverses a loss previously charged to the net surplus/(deficit) for the asset class. Otherwise, gains are credited to an asset revaluation reserve for that class of asset. Any loss is debited to the reserve to the extent that there is a balance in the asset revaluation reserve for that asset class. Otherwise, losses are reported in the net surplus/(deficit).

Accumulated depreciation at revaluation date is eliminated against the gross carrying amount so that the carrying amount after revaluation equals the revalued amount. The useful life of an asset is reassessed following revaluation.

Desktop valuations are carried out for property, plant and equipment when they are outside the revaluation cycle to ensure their fair value does not differ materially from carrying value.

Specific asset class policies

The asset class specific policies that have been applied are outlined below:

Land and buildings

Land and buildings are recorded at fair value less impairment losses and, for buildings, less accumulated depreciation since the assets were last revalued. Valuations are undertaken in accordance with the standards issued by the New Zealand Property Institute.

Collections

Collections include both general and school library collections. These collections are recorded at cost less accumulated depreciation and accumulated impairment losses.

Antiques and works of art

Antiques and works of art include the Department's antiques and art collections which are available for display in the Department's premises. This asset class is revalued every three years or with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the year.

Other property, plant and equipment

Other property, plant and equipment, which includes motor vehicles and office equipment, are recorded at cost less accumulated depreciation and accumulated impairment losses.

Depreciation

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment or collections, less any estimated residual value, over its estimated useful life. Depreciation is not charged on land, antiques, works of art or capital work in progress.

The estimated useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Asset category	Asset life
Non-residential buildings	15 - 90 years
Leasehold improvements	Shorter of lease period and estimated useful life of the improvements
Antiques and works of art	Not depreciated
Furniture and fittings	3 - 50 years
National library general and schools' collections	5 - 50 years
Motor vehicles	3 - 15 years
Plant and equipment	5 - 100 years
IT equipment	3 - 15 years
Leased assets	15 - 25 years (lease term)

Critical accounting estimates and assumptions

Land and buildings

The land and buildings were valued by CBRE Limited, a Licensed Real Estate Agent (REAA 2008) and registered independent valuer as at 30 June 2025.

Land

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land value.

Buildings

Non-specialised buildings are valued at fair value using market-based evidence.

The significant assumptions for the buildings in the 30 June 2025 valuation include market rents and capitalisation rates:

- Comparable transaction method: involves making appropriate adjustments between the subject property and a range of relevant sales evidence for properties in similar locations, on a rate per square meter basis. Market rents range from $100 to $300 per square metre.

- Capitalisation rates: market-based rates of return and range 5.75% to 8.75%.
- Occupancy arrangement: lease term of 9 years at the level of rent assessed with terms and conditions usual to commercial leases.

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Optimised Depreciated Replacement Cost is determined using a number of significant assumptions. Significant assumptions used in the 30 June 2025 valuation include:

- The replacement cost is derived from research of recent construction contracts of modern equivalent assets.
- Construction costs range from $3,300 to $15,000 per square metre, depending on the nature of the specified asset valued.
- The remaining useful life of assets have been considered against the age of the components taking into account any alterations or additions, their present condition, expected future utility and total useful life.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

The buildings for both specialised and non-specialised properties have been valued based on the best use for the land subject to restrictions or conditions associated with properties.

More details on the impact of the 2024/25 valuation are disclosed in Note 13.

Antiques and works of art

In June 2023, antiques and works of art were valued by Dunbar Sloane Limited, an independent expert. Fair value is determined by reference to the market prices of the same or similar assets when an active market for those assets exists. When there is no active market for an asset, fair value is determined by other evidence such as valuations provided for cultural assets in various Museum collections and ‘case-basis’ valuation methodology which is applied to those rare items for which market evidence is insufficient but for which a case can be made in terms of cultural significance, provenance or equivalent with value assigned to items of national importance.

The assets within this asset class are not depreciated as they are expected to increase in value over time. They are tested for impairment if the financial year falls outside the revaluation cycle.

Leased assets

The new Archival building (Te Rua) is approximately 98% of the total leased assets net carrying value. The Department adopted a 7.75% discount rate and a 25-year term to calculate the present value of the minimum lease payments. The Department has considered the following factors when these assumptions were adopted:

<u>Lease term</u>

- The current contractual terms in particular the annual escalation rate embedded into the lease.
- The significant costs in replacing ageing fitout and services.
- The uncertainty around market conditions (future property accommodation costs and interest rates).
- The additional funding required to extend the lease beyond the initial 25-year term.
- The uncertainty around future archival requirements, such as digital delivery.

<u>Discount rate</u>

- The discount rate was determined to ensure that the fair value of the leased asset equated to the total discounted minimum lease payments at the point the development agreement became unconditional.
- It approximates the rate of return that a public sector might expect from an alternative use of capital, based on expert analysis which closely reflects the likely intention of a private developer.
- Adopting a discount rate lower than 7.75% is not permissible under PBE IPSAS 13 and the Department did not identify an alternative rate over 7.75% that would materially impact the value of the finance lease asset.

Further information is disclosed in Note 12.

Movement of property, plant, and equipment

2025

Cost or valuation

	Land $000	Non-residential buildings $000	Leasehold improvements $000	Antiques and works of art $000	Furniture and fittings $000	Schools and general collections $000	Motor vehicles $000	Plant and IT equipment $000	Leased assets $000	Total $000
Balance at 1 July 2024	24,365	238,046	47,395	2,220	38,950	53,723	8,411	73,457	8,930	495,497
Additions	-	41,205	5,274	-	4,717	240	86	15,968	251,985	319,475
Disposals	-	(880)	(1,939)	-	(145)	-	(765)	(12,194)	-	(15,923)
Transfers between assets categories	-	16,363	(6,309)	-	(101)	1,000	(73)	(14,005)	-	(3,125)
Revaluation	3,260	(30,553)	-	-	-	-	-	-	-	(27,293)
Balance at 30 June 2025, cost or valuation	**27,625**	**264,181**	**44,421**	**2,220**	**43,421**	**54,963**	**7,659**	**63,226**	**260,915**	**768,631**

Accumulated depreciation

	Land $000	Non-residential buildings $000	Leasehold improvements $000	Antiques and works of art $000	Furniture and fittings $000	Schools and general collections $000	Motor vehicles $000	Plant and IT equipment $000	Leased assets $000	Total $000
Balance at 1 July 2024	-	14,676	23,858	-	24,147	45,793	3,623	45,518	2,679	160,294
Depreciation for the year	-	7,623	4,399	-	2,245	1,666	810	6,524	595	23,862
Disposals	-	(773)	(1,938)	-	(146)	-	(544)	(11,828)	-	(15,229)
Revaluation	-	(20,648)	-	-	-	-	-	-	-	(20,648)
Balance at 30 June 2025, accumulated depreciation	**-**	**878**	**26,319**	**-**	**26,246**	**47,459**	**3,889**	**40,214**	**3,274**	**148,279**
Balance at 30 June 2025, net carrying value	**27,625**	**263,303**	**18,102**	**2,220**	**17,175**	**7,504**	**3,770**	**23,012**	**257,641**	**620,352**

2024

Cost or valuation

	Land $000	Non-residential buildings $000	Leasehold improvements $000	Antiques and works of art $000	Furniture and fittings $000	Schools and general collections $000	Motor vehicles $000	Plant and IT equipment $000	Leased assets $000	Total $000
Balance at 1 July 2023	24,365	186,702	45,980	2,220	40,933	52,366	10,193	72,393	8,930	444,082
Additions	-	49,918	3,909	-	1,395	738	94	9,374	-	65,428
Disposals	-	(2,307)	(631)	-	(360)	-	(1,069)	(8,034)	-	(12,401)
Transfers between assets categories	-	3,733	(1,863)	-	(3,018)	619	(205)	(276)	-	(1,010)
Transfer to held for sale	-	-	-	-	-	-	(602)	-	-	(602)
Balance at 30 June 2024, cost or valuation	**24,365**	**238,046**	**47,395**	**2,220**	**38,950**	**53,723**	**8,411**	**73,457**	**8,930**	**495,497**

Accumulated depreciation

	Land $000	Non-residential buildings $000	Leasehold improvements $000	Antiques and works of art $000	Furniture and fittings $000	Schools and general collections $000	Motor vehicles $000	Plant and IT equipment $000	Leased assets $000	Total $000
Balance at 1 July 2023	-	9,275	20,172	-	22,443	44,049	3,676	40,375	2,084	142,074
Depreciation for the year	-	6,918	4,039	-	2,053	1,744	829	8,216	595	24,394
Disposals	-	(1,517)	(353)	-	(349)	-	(624)	(3,073)	-	(5,916)
Transfer to held for sale	-	-	-	-	-	-	(258)	-	-	(258)
Balance at 30 June 2024, accumulated depreciation	-	**14,676**	**23,858**	-	**24,147**	**45,793**	**3,623**	**45,518**	**2,679**	**160,294**
Balance at 30 June 2024, net carrying value	**24,365**	**223,370**	**23,537**	**2,220**	**14,803**	**7,930**	**4,788**	**27,939**	**6,251**	**335,203**

Capital work in progress

As at 30 June 2025, the total amount of capital work in progress (CIP) was $131.629 million (2023/24: $92.018 million). The majority of CIP balance relates to works done on non-residential buildings, leasehold improvements, plant and equipment and furniture and fittings. The balance of capital work in progress is included in the respective asset class under the Cost or valuation tables.

Finance leases

The net carrying amount of the leased assets (passport printers of $5.656 million and the new Archival building (Te Rua) of $251.985 million) recognised as a finance lease is $257.641 million (2023/24: $6.251 million). Further information is disclosed under Note 12.

Restrictions of title

There are no restrictions of title associated with the Department's property, plant and equipment and none are pledged as security for liabilities.

8. Intangible assets

Accounting policy

Additions

Intangible assets are initially recorded at cost. The cost of an internally generated intangible asset represents direct expenditure incurred in the development phase of the asset only. The development phase occurs after the following can be demonstrated: technical feasibility; ability to complete the asset; intention and ability to sell or use; and development expenditure can be reliably measured. Direct costs include the costs of services, software development, employee costs, and an appropriate portion of relevant overheads. Expenditure incurred on research of an internally generated intangible asset is expensed when it is incurred. Where the research phase cannot be distinguished from the development phase, the expenditure is expensed when it is incurred.

Qualifying Software as a Service (SaaS) implementation costs with substantial customisation to the "off the shelf" version or that are bespoke and where the Department can demonstrate control of the software such as it has the power to obtain the future economic benefits or service potential from the software and to restrict the access of others to those benefits, are recognised as intangible software assets. If the control requirement is not met, SaaS implementation costs are expensed as incurred.

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets.

Impairments

Intangible assets held at cost that have finite useful lives are reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impaired asset's carrying amount is written down to its recoverable service amount which is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is recognised immediately in the Statement of comprehensive revenue and expense.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

The reversal of an impairment loss is recognised as part of the Statement of comprehensive revenue and expense.

Amortisation

Amortisation is charged in the Statement of comprehensive revenue and expense on a straight-line basis over the useful life of the asset. Amortisation is not charged on capital work in progress.

The estimated useful lives of intangible assets are as follows:

Asset category	Asset life
Software	3 – 8 years
Births, deaths and marriages historical records databases	10 years
Digital collections	15 years

Critical accounting estimates and assumptions

Useful life of software

The useful life of software is determined at the time the software is acquired and brought into use and is reviewed at each reporting date for appropriateness. For computer software licences, the useful life represents management's view of the expected period over which the Department will receive benefits from the software, but not exceeding the licence term. For internally generated software developed by the Department, the useful life is based on historical experience with similar systems as well as anticipation of future events that may impact the useful life, such as changes in technology.

Estimated useful life of digital collections

Digital collections refer to the National Library of New Zealand and Archives New Zealand collections that can be viewed on a screen and are either acquired in digital format (born-digital) or physical collections that have been digitised (digitised collections), A digitised copy of the collections is used to promote efficient accessibility, minimise deterioration of the original document and serves as a back-up in the event the original document deteriorates significantly.

Departmental digital collections are born-digital and digitised collections. Their main purpose is to use the assets for access. The Department maintains the right to change, upgrade, replace and derecognise digital collections as necessary.

Up to 30 June 2023, digital collections were depreciated over 100 years. From 1 July 2023, the the useful life of digital collections was changed to 15 years and the change was applied prospectively from 1 July 2023.

The Department's experience suggests that significant changes in technology occur every 10 years to start considering modifications or changes to digitised content or replacement. This technology is a combination of capture hardware such as cameras and scanners, and software that enable a significantly improved access or user experience. Since the Departmental digital collections are not intended to be kept in perpetuity, the digital collections can become obsolete requiring major upgrades or re-digitisation between 10 years (for an innovator) or up to 20 years (for a late adopter of new technologies).

Overall, the Department tends to near the top of the curve of early majority or late majority adopter of technologies, therefore, it has adopted a useful life of 15 years to depreciate digital collections.

Digital collections are included in internally generated intangible assets.

Movement of intangible assets and further information

Movements in the carrying value for each class of intangible asset are as follows:

2025	Software acquired $000	Internally generated intangible assets $000	Balance at 30 June $000
Cost			
Balance at 1 July	20,494	360,074	380,568
Additions	-	41,663	41,663
Impairment	-	(771)	(771)
Disposals	(1,169)	(14,335)	(15,504)
Transfers	-	3,125	3,125
Total cost at 30 June 2025	**19,325**	**389,756**	**409,081**
Accumulated amortisation and impairment			
Balance at 1 July	18,740	154,568	173,308
Amortisation	813	33,837	34,650
Disposals	(1,170)	(14,260)	(15,430)
Total accumulated amortisation and impairment at 30 June 2025	**18,383**	**174,145**	**192,528**
Net carrying value at 30 June 2025	**942**	**215,611**	**216,553**

2024	Software acquired $000	Internally generated intangible assets $000	Balance at 30 June $000
Cost			
Balance at 1 July	23,521	341,350	364,871
Additions	-	46,635	46,635
Disposals	(3,027)	(28,921)	(31,948)
Transfers	-	1,010	1,010
Total cost at 30 June 2024	**20,494**	**360,074**	**380,568**
Accumulated amortisation and impairment			
Balance at 1 July	20,587	132,147	152,734
Amortisation	1,180	27,869	29,049
Disposals	(3,027)	(5,448)	(8,475)
Total accumulated amortisation and impairment at 30 June 2024	**18,740**	**154,568**	**173,308**
Net carrying value at 30 June 2024	**1,754**	**205,506**	**207,260**

Capital work in progress

The total amount of capital work in progress is $50.652 million (2023/24: $29.579 million).

Restrictions of title

There are no restrictions of title associated with the Department's intangible assets and no intangible assets are pledged as security for liabilities.

9. Creditors and other payables

Accounting policy

Short-term payables are recorded at the amount payable.

Lease incentives

Lease incentives with durations of less than 12 months are recognised as liabilities at their nominal value, unless the effect of discounting is material. Refer to Note 4 for the accounting policy on measurement and recognition of lease incentives.

Revenue received in advance

Revenue is recognised in the Statement of financial position as a liability when the revenue has been received but does not meet the criteria for recognition as revenue in the Statement of comprehensive revenue and expense.

The majority of the Department's revenue received in advance consists of advance payments received for passports, citizenship and gaming licence fees.

Breakdown of creditors and other payables

Actual 2024 $000		Actual 2025 $000
	Creditors and other payables under exchange transactions	
4,389	Creditors	3,182
26,282	Accrued expenses	15,722
22,368	Revenue received in advance	14,365
4,071	Deferred lease incentives	3,502
	Creditors and other payables under non-exchange transactions	
2,283	GST payable	876
59,393	**Total creditors and other payables**	**37,647**

Creditors are non-interest bearing and are normally settled on 30-day terms.

10. Provisions

Accounting policy

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) because of a past event,
- it is probable that an outflow of future economic benefits will be required to settle the obligation, and
- a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Breakdown of provisions and further information

Actual 2024 $000		Actual 2025 $000
	Current provisions	
5,934	Restructuring	10,643
50	Lease make good	50
164	Onerous contracts	-
293	Other	749
6,441	**Total current provisions**	**11,442**
	Non-current provisions	
136	Lease make good	136
136	**Total non-current provisions**	**136**
6,577	**Total provisions**	**11,578**

Restructuring

The Department recognises provisions for restructuring when an approved, detailed, formal plan for the restructuring has been announced publicly to those affected, or implementation has already commenced.

The Department is undertaking an enterprise-wide change process as part of its Fiscal Sustainability Programme. The restructuring provision includes direct expenditure necessarily entailed by the restructuring and not associated with the ongoing activities of the Department.

During the year, the Department has provided an additional restructuring expense of $8.331 million while prior year provisions paid this year and unused provision amounted to $3.622 million.

Lease make good

The lease make good provision relates to contractual obligations from the Department entering into property lease contracts. These lease obligations require the Department at the expiry of the lease term, to restore the properties to an agreed condition, repair any damage and remove any fixtures and fittings installed by the Department.
A provision has been recorded to recognise this liability.

Other

The Holidays Act 2003 (the Act) sets out the minimum entitlements to holidays and leave, and the payment that an employer is obliged to provide to their employees. The Department is working with the Ministry of Business, Innovation and Employment's Labour Inspectorate to ensure that the Department meets its obligations under the Act going forward and addresses historical short payments to current and former employees.

Other provisions also includes a number of estimated one-off present obligations from past events which are expected to settle within the next twelve months.

11. Employee entitlements

Accounting policy

Short-term employee entitlements

Employee entitlements that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, long service leave and retirement gratuities expected to be settled within 12 months.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Long-term employee entitlements

Employee entitlements that are due to be settled beyond 12 months after the end of the year in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlements information, and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Actual 2024 $000		Actual 2025 $000
	Current entitlements	
17,197	Accrued salaries	15,139
17,537	Annual leave	17,433
975	Long service and retirement leave	1,168
35,709	**Total current entitlements**	**33,740**
	Non-current entitlements	
3,348	Long service and retirement leave	3,863
3,348	**Total non-current entitlements**	**3,863**
39,057	**Total entitlements**	**37,603**

Critical accounting estimates and assumptions

Long service and retirement leave

An assessment was undertaken of the Long service and Retirement leave liability for each employee as at balance date. Actuarial services were provided by Mercer (N.Z.) Ltd, Fellow of the New Zealand Society of Actuaries.

The measurement of the retirement and long service leave obligations depends on several factors that are determined on an actuarial basis using several assumptions. Two key assumptions used in calculating this liability are the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying value of the liability.

Actual 2024 %		Actual 2025 %
	Discount rate	
4.57	Long service leave	4.20
5.30	Retirement leave	3.20
	Salary inflation factor	
3.33	Salary inflation	3.33

The following table provides a sensitivity analysis for the key assumptions:

	DISCOUNT RATE		SALARY INFLATION FACTOR	
Long service leave	- 1.0%	+ 1.0%	- 1.0%	+ 1.0%
2025 ($000)	231	(208)	(211)	231
2024 ($000)	194	(175)	(179)	195

Capital structure and financing costs

12. Finance leases

Accounting policy

Finance leases transfer to the Department, as lessee, substantially all the risks and rewards incidental to the ownership of a leased asset. Initial recognition of a finance lease results in an asset and liability being recognised at amounts equal to the lower of the fair value of the leased property or the present value of the minimum lease payments. The capitalised values are amortised over the period in which the Department expects to receive benefits from their use.

The finance cost is recognised in the Statement of comprehensive revenue and expense over the lease period on a diminishing-value basis. The finance cost is charged to the surplus or deficit over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability.

Critical judgements in applying accounting policies

Determining whether a lease agreement is a finance lease or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the Department. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the Statement of financial position as property, plant and equipment (refer to Note 7), whereas for an operating lease, no such asset is recognised.

The Department has exercised its judgement on the appropriate classification of building and printing equipment leases. Approval is provided under section 50 of the Public Finance Act 1989 for the Department to be able to enter into these finance lease arrangements.

Actual 2024 $000		Actual 2025 $000
	Total minimum lease payments payable	
904	Not later than one year	17,564
3,616	Later than one year and not later than five years	73,608
5,277	Later than five years	584,079
9,797	**Total minimum lease payments**	**675,251**
	Finance charges	
(418)	Not later than one year	(19,600)
(1,354)	Later than one year and not later than five years	(78,222)
(834)	Later than five years	(328,739)
(2,606)	**Total future charges**	**(426,561)**
	Present value of minimum lease payments payable	
486	Not later than one year	(2,036)
2,263	Later than one year and not later than five years	(4,614)
4,442	Later than five years	255,340
7,191	**Total present value of minimum lease payments**	**248,690**
	Represented by:	
486	Current	883
6,705	Non-current	248,173
7,191	**Total finance leases**	**249,056**
-	Unpaid finance charge recognised as current finance lease payable at balance date	(366)
7,191	**Total present value of minimum lease payments payable**	**248,690**

The net carrying amount of the leased assets within property, plant and equipment is shown in Note 7.

There are no restrictions placed on the Department because of the finance lease arrangements.

Finance lease liabilities are effectively secured, as the rights to the leased assets revert to the lessor in the event of default in payment.

The total finance cost on finance leases for 2024/25 was $0.785 million (2023/24: $0.446 million).

The new Archival building (Te Rua)

In August 2019, the Department entered into a conditional Development Agreement (the Agreement) with PSPIB/CPPIB Waiheke Incorporated for the construction of the new Archival building (Te Rua) at 2 Aitken Street, Wellington. The Agreement, which included an agreement to lease, became unconditional on 10 December 2021. The facility's lease commencement date was 24 June 2025.

The lease has been assessed as a finance lease. The lease liability of $241.985 million was recognised at the lease commencement date after an upfront lease payment of $10 million. The lease liability amount is calculated as the present value of the expected lease payments over the initial lease term of 25 years, using a discount rate of 7.75%. The Agreement includes two rights of renewal of 15 and 10 years each for a 50 year lease term in total.

The Agreement includes break payments if the rights of renewal are not exercised, being $90 million for the first right of renewal and $60 million for the second right of renewal. The $90 million break payment is included in the estimated total minimum lease payments.

The new Archival building (Te Rua) is a resilient, purpose-built facility to preserve and protect government records, documentation heritage and taonga. The new building addresses critical property issues associated with sub-optimal facilities and exposure of the collection to loss or damage. Best practice standards for building performance and environmental performance have been applied.

Sensitivity analyses

The following table represents the financial impact if the discount rate moved by +/- 0.5% and 1%:

	Increase/(decrease) 2025 $000			
	-0.5%	+0.5%	-1%	+1%
Statement of comprehensive revenue and expense				
Finance charge	(4)	3	(10)	6
Depreciation	-	-	-	-
Statement of financial position				
Leased asset	13,548	(12,462)	28,225	(23,995)
Finance lease liability	13,548	(12,462)	28,225	(23,995)

13. Equity

Accounting policy

Equity

Equity is the Crown's investment in the Department and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified as taxpayers' funds, memorandum accounts and property revaluation reserves.

Revaluation reserves

These reserves relate to the revaluation impact of land and buildings and works of art and antiques to fair value.

Return of operating surplus to the Crown

As general government policy, the Department is not permitted to retain any operating surplus except for the balances retained in memorandum accounts. For the year ending 30 June 2025, the Department's return of operating surplus to the Crown was $23.678 million (2024: $25.544 million) excluding memorandum accounts' net deficit of $73.300 million (2023/24: $34.809 million net deficit).

The Department is required to repay the operating surplus to the Crown by 31 October each year.

Capital charge

The Department pays capital charge to the Crown on taxpayer's funds at 31 December and 30 June each financial year. This is recognised as an expense in the period to which the charge relates.

The capital charge rate for the year ended 30 June 2025 was 5% per annum (2023/24: 5%).

Breakdown of equity and further information

Actual 2024 $000		Note	Actual 2025 $000
	Taxpayers' funds		
445,367	Opening balance 1 July		528,664
(9,267)	Operating surplus/(deficit) for the year		(49,621)
34,809	Transfer of memorandum account net (surplus)/deficit for the year	5	73,300
121,271	Capital injections	14	91,815
(37,972)	Capital withdrawals	14	(26,500)
(25,544)	Return of operating surplus to the Crown		(23,678)
528,664	**Balance at 30 June**		**593,980**
	Memorandum accounts		
(2,855)	Opening balance 1 July		32,836
(34,809)	Net memorandum account surplus/(deficit) for the year		(73,300)
70,500	Capital injections	14	63,570
32,836	**Balance at 30 June**	5	**23,106**
	Revaluation reserves		
93,139	Opening balance 1 July		93,139
-	Revaluation gains/(losses)	7	(6,646)
93,139	**Balance at 30 June**		**86,493**
	Revaluation reserves consist of:		
23,184	Land revaluation reserve		26,444
67,983	Building revaluation reserve		58,077
1,972	Antiques and works of art revaluation reserve		1,972
93,139	**Total revaluation reserves**		**86,493**

14. Capital injections and withdrawals

Actual 2024 $000		Actual 2025 $000
	Capital Injections	
70,500	Continuing the issuance of passports to New Zealand Citizens	60,000
46,073	Tāhuhu: Preserving the Nation's Memory Programme	56,225
71,981	Modernising Civil Registration and Enabling Identity Services	30,004
-	Online Casino Gambling Regulation	6,000
2,683	RealMe	3,156
284	State Sector Decarbonisation	-
250	2023 General Election Transition Support for the Executive	-
191,771	**Total capital injections**	**155,385**
	Capital Withdrawals	
(37,972)	Modernising Civil Registration and Enabling Identity Services	(22,550)
-	Information Technology Sustainable Funding - Capital to Operating Swap	(3,500)
-	Energy Efficiency and Conservation Authority Funding for Vehicle Purchases	(450)
(37,972)	**Total capital withdrawals**	**(26,500)**

Capital management

The Department's capital is its equity, which comprises taxpayers' funds, memorandum accounts and revaluation reserves. Equity is represented by net assets. The objective of managing the Department's equity is to ensure the Department effectively achieves the goals and objectives for which it has been established, whilst remaining a going concern. Where the Department identifies that it does not have sufficient resources to achieve this objective, a capital injection is sought.

Financial risk management

15. Financial instruments and risk management

Accounting policy

Derivative

For certain commitments, the Department uses derivative financial instruments (foreign currency forward exchange contracts) to mitigate its risks associated with foreign currency fluctuations. The Department does not hold or issue derivative financial instruments for trading purposes. The Department has not adopted hedge accounting.

Derivatives are initially recognised at fair value on the date a derivative contract is entered and are subsequently remeasured at their fair value at each balance date with the resulting gain or loss recognised in the Statement of comprehensive revenue and expense.

Foreign exchange derivatives are classified as current if the contract is due for settlement within 12 months of balance date. Otherwise, the full fair value of foreign exchange derivatives is classified as non-current.

Financial instrument risks

The Department is party to financial instrument arrangements as part of its daily operations. These include cash and cash equivalents, accounts receivable, accounts payable, foreign currency forward contracts, and other financial liabilities.

The Department's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Department has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered.

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Department maintains bank accounts denominated in foreign currencies. Balances are regularly cleared to minimise risk exposure.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate, or the cash flows from a financial instrument will fluctuate, due to changes in market interest rates.

Under section 46 of the Public Finance Act 1989, the Department cannot raise a loan without approval of the Minister of Finance. Building and equipment leases are identified as finance leases in accordance with NZ PBE IPSAS 13 Leases. The Department has received the approval of the Minister of Finance for these lease arrangements. The fixed interest rate on the term of these leases reduces the exposure on borrowed funds. This information is provided in Note 12.

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Department, causing the Department to incur a loss.

In the normal course of its business, credit risk arises from debtors and other receivables, deposits with banks, and derivative financial instrument assets. The Department banks with Treasury approved financial institutions. The Department is permitted to deposit funds only with Westpac (Standard and Poor's credit rating of AA-), a registered bank, and enter into foreign exchange forward contracts with the New Zealand Debt Management Office (Standard and Poor's credit rating of AA+). These entities have high credit ratings.

The credit risk of the Department's debtors' balance is concentrated with the Crown. For the Department's other financial instruments, the Department does not have significant concentrations of credit risk.

Credit evaluations are undertaken on customers requiring credit. Collateral or other security is not generally required to support financial instruments with credit risk. Other than cash and bank balances and trade receivables, the Department does not have any significant credit risk.

Liquidity risk
Liquidity risk is the risk that the Department will encounter difficulty raising liquid funds to meet commitments as they fall due.

As part of meeting its liquidity requirements, the Department closely monitors its forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office. The Department maintains a target level of available cash to meet liquidity requirements.

The table below analyses the Department's financial liabilities that will be settled based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Note	Total $000	Less than 6 months $000	Between 6 months and 1 year $000	Between 1 year and 5 years $000	Over 5 years $000
2025						
Creditors and other payables	9	18,904	18,904	-	-	-
Finance leases	12	675,251	8,619	8,945	73,608	584,079
2024						
Creditors and other payables	9	30,671	30,671	-	-	-
Finance leases	12	9,797	452	452	3,616	5,277

The Department had no forward exchange contracts outstanding at 30 June 2025 (2023/24: nil).

Categories of financial instruments

The carrying amounts of financial assets and financial liabilities in each of the financial instrument categories are as follows:

Actual 2024 $000		Note	Actual 2025 $000
	Financial assets at amortised cost		
70,931	Cash and cash equivalents		49,631
145,108	Debtor Crown		145,107
20,785	Debtors and other receivables	6	19,046
236,824	**Total financial assets at amortised cost**		**213,784**
	Financial liabilities measured at amortised cost		
30,671	Creditors and other payables	9	18,904
7,191	Finance leases	12	249,056
37,862	**Total financial liabilities measured at amortised cost**		**267,960**

The carrying value of financial assets and financial liabilities approximates their fair value.

Other disclosures

16. Controlled entity

The Department is required to prepare consolidated financial statements in relation to the group each financial year. Consolidated financial statements for the group have not been prepared using the acquisition method, due to the small size of the Department's controlled entity, the National Library of New Zealand Foundation (the Foundation), which means that the parent and group amounts are not materially different.

The Foundation has a balance date of 31 March and there were no significant events to adjust between then and 30 June 2025.

The Foundation had total revenue of $0.321 million (2023/24: $0.421 million) and a net income of $0.014 million (2023/24: $0.023 million). The Foundation had assets of $0.677 million (2023/24: $1.084 million) and liabilities of $0.032 million (2023/24: $0.453 million).

There were no unspent funds relating to the Communities of Readers programme in partnership with the National Library of New Zealand as of 30 June 2025 (2024: $0.236 million).

The Foundation had no contingent assets or contingent liabilities at balance date.

Accounting policies applied to the controlled entity

Donations in kind

Donations in kind exist where an asset or service is provided by a third party in exchange for branding association or other non-cash benefits provided by the Foundation. This occurs through open market negotiations, and the fair market value of the asset or service provided is recognised as revenue to the Foundation, with an equal value recognised as an expense incurred in providing these associated benefits.

Investments

Short term investments are investments maturing within 12 months of the Foundation's reporting date of 31 March; long term investments are investments maturing more than 12 months after the reporting date.

17. Interdepartmental executive board results

The Digital Executive Board (DEB) was established in August 2022 by Order in Council. The Order in Council named the Board as an interdepartmental executive board under Schedule 2 Part 3 of the Public Service Act 2020. The DEB leads and drives the implementation of the Digital Strategy for Aotearoa and its associated action. It also oversees and coordinates the delivery of priorities in the Digitising Government portfolio more broadly.

The nature of this arrangement means that while the DEB is a separate departmental operating unit within the Department, it is functionally independent with separate reporting lines. The Department's financial statements include the operations of the DEB and 2023/24 was its first full year of operation.

The DEB is funded within Vote Internal Affairs baselines.

In summary, the DEB's operating expenses which all relate to personnel costs for the year ended 30 June 2025 were as follows:

Actual 2024 $000		Actual 2025 $000
	Personnel costs	
46	Salaries and wages	80
2	Other	2
48	Total expenses	82

18. Related party transactions and key management personnel

All related party transactions have been entered on an arm's length basis. The Department is a government department and is wholly owned and controlled by the Crown. The Government significantly influences the roles of the Department as well as being its major source of revenue.

Related party transactions required to be disclosed

Related party disclosures have not been made for transactions that are within a normal supplier, client or recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect that the Department would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

There are no related party transactions that are required to be disclosed for the year ended 30 June 2025 (2023/24: Nil).

Transactions with key management personnel and their close family members

Key management personnel compensation

Actual 2024 $000		Actual 2025 $000
	Leadership team, including the Secretary	
3,824	Remuneration ($000)	4,127
9	Number of full-time equivalent staff	8

The key management personnel remuneration disclosure comprised the Executive Leadership Team (ELT) and those formally acting in these positions during the financial year. Under the new structure, the ELT includes the Secretary, five Deputy Secretaries and one Director of the Office of the Secretary. The remuneration for the Secretary is determined and paid by the Public Service Commission.

Key management personnel compensation excludes the remuneration and other benefits of the Responsible Ministers of the Department. The Ministers' remuneration and other benefits are set out by the remuneration authority under the Members of Parliament (Remuneration and Services) Act 2013 and are paid under Permanent Legislative Authority.

Related party transactions involving key management personnel or their close family members

Treasury has confirmed that there were no related party transactions with the Responsible Ministers of the Department. Where there are close family members of key management personnel employed by the Department, the terms and conditions of the employment arrangements are no more favourable than the Department would have adopted if there was no relationship with key management personnel.

19. Explanation of significant variances against budget

Statement of comprehensive revenue and expense

Variances between 2024/25 Actuals and Unaudited Budget

	Actual 2025 $000	Unaudited Budget 2025 $000	Variance $000	Variance %
Personnel expenses	328,146	305,723	22,423	7%
Other operating expenses	204,835	230,693	(25,858)	(11)

Explanation for significant variances between the 2024/25 Actuals and Unaudited Budget are detailed below:

Personnel expenses were $22.423 million higher than Unaudited Budget, primarily due to restructuring costs related to the Department's Fiscal Sustainability Programme and the functional design change process for the National Library and Archives New Zealand. Additional contributing factors included increased expenditure in memorandum accounts (Gaming, Passports, and Online Casino Gambling), as well as new funding received for the Royal Commission into the COVID-19 Response.

Other operating expenses were $25.858 million lower than Unaudited Budget due to timing of delivery and associated expenses, combined with the continuous effort to reduce the level of consultants, outsourcing and travel expenses, and lower training and staff development.

Statement of financial position

Variances between 2024/25 Actuals and Unaudited Budget

	Actual 2025 $000	Unaudited Budget 2025 $000	Variance $000	Variance %
Current assets	226,236	196,749	29,487	15
Non-current assets	836,905	615,459	221,446	36
Current liabilities	107,340	87,846	19,494	22
Non-current liabilities	252,172	11,702	240,470	2,055

Explanation for significant variances between the 2024/25 Actuals and Unaudited Budget are detailed below:

Current assets

Current assets were $29.487 million higher than Unaudited Budget due to:

- higher cash balance than anticipated due to lower funding required for the now repealed Three Waters Reform programme and lower expenditure on demand-driven identity products, and
- material prepayments on IT contracts at the end of 2024/25.

Non-current assets

Non-current assets were $221.446 million higher than Unaudited Budget mainly due to:

- the recognition of the right to use asset arising from the lease of the new Archival building (Te Rua) under a finance leasing arrangement that was not included in the budget, offset by
- a reduction in the value of non-residential buildings following the 2024/25 property revaluation.

Current liabilities

Current liabilities were $19.494 million higher than Unaudited Budget due to:

- provision for restructuring costs associated with the Department's Fiscal Sustainability programme,
- return of operating surplus not budgeted for,
- higher employee entitlements than anticipated, offset by
- lower revenue received in advance than anticipated.

Non-current liabilities

Non-current liablities were $240.470 million higher than Unaudited Budget mainly due to the recognition of the finance lease liability arising from the lease of the new Archival building (Te Rua) under a finance leasing arrangement that was not included in the budget.

20. Significant events after balance date

Transfer of North Island Severe Weather Events Responsibilities

In February 2023, the previous government established centralised mechanisms to support and coordinate the North Island recovery, including the establishment of a Chief Executive for Cyclone Recovery, hosted by the Department of the Prime Minister and Cabinet (DPMC) and supported by the Cyclone Recovery Unit, for the duration of the recovery.

In November 2024, Cabinet agreed that responsibility for the implementation of the Future of Severely Affected Locations (including whenua Māori and marae) contracts and funding agreements be transferred to the Department, effective 1 July 2025. As a result, all unspent funding in Vote Prime Minister and Cabinet Non-Departmental Other Expense appropriation North Island Severe Weather Events transferred to Vote Internal Affairs. Further, the responsibility for administration of the Crown balance sheet provision for Future of Severely Affected Locations Category 2 and 3 settlements was transferred from DPMC to the Department with effect from 1 July 2025.

National Emergency Management Agency

In April 2025, Cabinet approved the transfer of the responsibility for hosting the National Emergency Management Agency (NEMA) from DPMC to the Department on 25 September 2025, as part of the strengthening and streamlining of DPMC. This includes the Department taking over the assets, liabilities, existing contracts and relevant future transactions from DPMC.

Non-Departmental statements and schedules

for the year ended 30 June 2025

The following non-Departmental statements and schedules record the revenue, expenses, assets, liabilities, commitments, contingent liabilities, contingent assets, and trust accounts that the Department manages on behalf of the Crown.

Contents

Schedule of non-Departmental revenue

for the year ended 30 June 2025

Actual 2024 $000		Actual 2025 $000	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000
	Operating revenue			
1,019	Donations received	1,615	1,000	1,000
4,376	Fines, penalties and levies	7,305	-	9,000
87	Refunds of unspent grants	8,884	-	8,500
344	Dividends received	370	-	-
318	Interest received	157	1,742	-
6,144	**Total operating revenue**	**18,331**	**2,742**	**18,500**

Explanations of significant variances against budget are detailed in Note 10.

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the Consolidated Financial Statements of the Government for the year ended 30 June 2025.

Schedule of non-Departmental expenditure

for the year ended 30 June 2025

Actual 2024 $000		Actual 2025 $000	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000
	Operating expenses			
24,689	Personnel and travel expenses - members of the Executive Council, former Governors-General and Prime Ministers	26,727	25,160	27,360
207,749	Water Services Reform grants and subsidies	115,202	123,013	159,844
71,348	Rates Rebate Scheme	75,137	78,000	82,000
63,358	Other grants and subsidies	61,539	66,031	69,164
90,845	GST input expense	40,346	43,895	50,542
118,600	Sediment and Debris Management Support grants	10,000	10,000	10,000
153,019	Expenses to establish Water Services Entities	-	-	-
3,070	Other expenses	2,059	1,747	3,892
2,549	Depreciation	2,915	2,642	2,642
735,227	**Total operating expenses**	**333,925**	**350,488**	**405,444**

Explanations of significant variances against budget are detailed in Note 10.

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the Consolidated Financial Statements of the Government for the year ended 30 June 2025.

Schedule of non-Departmental assets

as at 30 June 2025

This schedule summarises the assets which the Department administers on behalf of the Crown.

Actual 2024 $000		Note	Actual 2025 $000	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000
	Current assets				
41,390	Cash and cash equivalents		97,290	58,485	8,857
719	Receivables and prepayments	2	123	100	106
12,412	Receivable – repayable equity	9	12,890	12,890	12,732
54,521	**Total current assets**		**110,303**	**71,475**	**21,695**
	Non-current assets				
3	Debtors and other receivables	2	3	93	3
22,638	Investment in associate	3	24,357	21,166	22,638
85,761	Property, plant and equipment	4	79,806	74,800	84,298
1,405,117	Heritage collections	4	1,407,229	1,434,629	1,407,665
16,084	Intangible assets – heritage collections	4	20,639	-	20,630
13,321	Receivable – repayable equity	9	-	50,050	-
1,542,924	**Total non-current assets**		**1,532,034**	**1,580,738**	**1,535,234**
1,597,445	**Total non-Departmental assets**		**1,642,337**	**1,652,213**	**1,556,929**

In addition, the Department monitors three Crown entities. These are Fire and Emergency New Zealand, the Office of Film and Literature Classification and The Water Services Authority - Taumata Arowai. The Crown's investment in these entities is consolidated in the Financial Statements of the Government on a line-by-line basis. The investment in these entities is not included in this schedule.

Explanations of significant variances against budget are detailed in Note 10.

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the Consolidated Financial Statements of the Government for the year ended 30 June 2025.

Schedule of non-Departmental liabilities

as at 30 June 2025

This schedule summarises the liabilities which the Department administers on behalf of the Crown.

Actual 2024 $000		Note	Actual 2025 $000	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000
	Current liabilities				
30,907	Creditors and other payables	5	19,675	8,447	27,038
6,260	Provisions	7	4,279	1,312	3,959
37,167	**Total current liabilities**		**23,954**	**9,759**	**30,997**
	Non-current liabilities				
13,726	Provisions	7	13,726	13,193	13,726
13,726	**Total non-current liabilities**		**13,726**	**13,193**	**13,726**
50,893	**Total non-Departmental liabilities**		**37,680**	**22,952**	**44,723**

Explanations of significant variances against budget are detailed in Note 10.

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the Consolidated Financial Statements of the Government for the year ended 30 June 2025.

Schedule of non-Departmental commitments

as at 30 June 2025

The Department, on behalf of the Crown, had capital commitments of $0.152 million and nil non-cancellable leasing commitments as at 30 June 2025 (2023/24: nil capital and non-cancellable leasing commitments).

Schedule of non-Departmental contingent assets and liabilities

as at 30 June 2025

Quantifiable contingent assets

As at 30 June 2025, there were no quantifiable contingent assets (2023/24: nil).

Unquantifiable contingent assets

As at 30 June 2025, there were no unquantifiable contingent assets (2023/24: nil).

Quantifiable contingent liabilities

As at 30 June 2025, there were no quantifiable contingent liabilities (2023/24: nil).

Unquantifiable contingent liabilities

As at 30 June 2025, there were no unquantifiable contingent liabilities (2023/24: nil).

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the Consolidated Financial Statements of the Government for the year ended 30 June 2025.

Statement of trust money administered on behalf of the Crown

for the year ended 30 June 2025

The following trust money is administered on behalf of the Crown under Part 7 of the Public Finance Act 1989.

Trusts

Inter-Loan Billing System Fund

The Inter-Loan Billing System Fund is administered by the National Library of New Zealand. It manages the on-charging of fees for national and trans-Tasman inter-lending between participating New Zealand libraries and Australian libraries.

Cyclone Gabrielle Charitable Trust

The Cyclone Gabrielle Appeal Trust was established on 27 February 2023 to provide a mechanism for domestic and international donors to support the medium to long-term recovery needs of communities, iwi, hapū and marae impacted by Cyclone Gabrielle and other extreme weather events of January and February 2023. The Trust was established to complement the work of charitable and local government organisations supporting the immediate response. The Trust was wound up as at 31 October 2024.

Schedule of trust money

This schedule shows the opening and closing trust balances including bank and investments at cost, and the movements during the year.

Under the Public Finance Act 1989, and by delegation from the Secretary to The Treasury, trust money can only be invested on deposit with New Zealand registered banks or in New Zealand government stock. Trust money is also managed so there is no significant concentration of credit risk. Interest rate risk is managed by investing across a wide range of maturity dates, but subject to liquidity requirements.

The Trusts are audited annually.

2025	**Opening Balance 1 July $000**	**Contributions $000**	**Distributions $000**	**Revenue $000**	**Expenses $000**	**Closing Balance 30 June $000**
Inter-Loan Billing System Fund	35	-	-	143	(141)	37
Cyclone Gabrielle Appeal Trust	14,416	-	-	96	(14,512)	-
Total trusts	**14,451**	**-**	**-**	**239**	**(14,653)**	**37**

2024	**Opening Balance 1 July $000**	**Contributions $000**	**Distributions $000**	**Revenue $000**	**Expenses $000**	**Closing Balance 30 June $000**
Inter-Loan Billing System Fund	34	-	-	162	(161)	35
Cyclone Gabrielle Appeal Trust	13,603	35	-	778	-	14.416
Total trusts	**13,637**	**35**	**-**	**940**	**(161)**	**14,451**

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the Consolidated Financial Statements of the Government for the year ended 30 June 2025.

Notes to the financial statements

Basis of reporting

1. Statement of accounting policies

Reporting entity

These non-Departmental statements and schedules present financial information on public funds managed by the Department of Internal Affairs (the Department) on behalf of the Crown.

These non-Departmental balances are consolidated into the Financial Statements of the Government for the year ended 30 June 2025 with comparative figures for the year ended 30 June 2024.

Basis of preparation

The non-Departmental statements and schedules have been prepared in accordance with the accounting policies as set out in the Consolidated Financial Statements of the Government, Treasury instructions and Treasury circulars.

Measurement and recognition rules applied in the preparation of these non-Departmental statements and schedules are consistent with New Zealand generally accepted accounting practice (Tier 1 Public Benefit Entity Accounting Standards) as appropriate for public benefit entities (PBE).

Budget figures

The 2025 budget figures (Unaudited Budget 2025) are for the year ended 30 June 2025, which are consistent with the Department's best estimate financial forecast information submitted to the Treasury for the Budget Economic and Fiscal Update (Budget 2024) for the year ending 30 June 2025.

The 2024/25 revised budget figures (Unaudited Revised Budget 2025) are for the year ended 30 June 2025. They are consistent with the Department's best estimate financial forecast information submitted to the Treasury for the Supplementary Estimates of Appropriations for the year ending 30 June 2025.

The budget figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

Comparatives

When presentation or classifications of items in the financial schedules are amended or accounting policies are changed voluntarily, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

Presentation currency and rounding

The non-Departmental statements and schedules are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000), other than payments to or in respect of benefits and privileges of former Governors-General and Prime Ministers disclosed in Note 11. The payments to or in respect of benefits and privileges of former Governors-General and Prime Ministers disclosures are rounded to the nearest dollar.

Critical accounting judgements and estimates

The preparation of financial statements in conformity with PBE accounting standards requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate and the ones that do not relate to a specific note are outlined below.

Revenue

Revenue from the supply of services are recognised in the Schedule of non-Departmental revenue when earned.

Donations received

When a heritage collection (accession of records) asset is acquired by donation or legal deposit for nil or nominal consideration, the fair value of the asset received is recognised as revenue in the Schedule of non-Departmental revenue.

Expenditure

Grants

Non-discretionary grants are those grants awarded if the grant application meets the specified criteria. They are recognised as expenditure when an application that meets the specified criteria for the grant has been received. The non-discretionary grants have no substantive conditions (i.e. use for restricted purposes or repay).

Discretionary grants are those grants where there is no obligation to award on receipt of the grant application.

For discretionary grants without substantive conditions, the total committed funding over the life of the funding agreement is recognised as expenditure once the grant is approved by the grants approvals committee, and the approval has been communicated to the applicant.

Grants with substantive conditions are recognised as an expense at the earlier of the grant payment date or when grant conditions have been satisfied.

If a grant is refunded (either in part or in full), the refund will be netted off against the relevant grants expenditure in the Schedule of non-Departmental expenditure, if the original payment was recognised in the same financial year. If a refunded grant relates to a payment recognised in a previous financial year, the refund will be treated as revenue (refunds of unspent grants) in the Schedule of non-Departmental revenue.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in transit, and funds on deposit with banks with an original maturity of no more than three months.

Commitments

Commitments are future expenses and liabilities to be incurred on contracts that have been entered into prior to balance date. Lease and capital commitments arising from non-cancellable contractual or statutory obligations are disclosed within the Schedule of non-Departmental commitments to the extent that both parties have not performed their obligations.

Contingent assets and liabilities

Contingent assets and contingent liabilities are recorded in the Schedule of non-Departmental contingent assets and liabilities at the point at which the contingency is evident. Contingent assets are disclosed if it is virtually certain that the benefits will be realised. Contingent liabilities are disclosed when there is a possibility that they will crystallise.

Goods and services tax (GST)

Amounts in the financial statements, including appropriation schedules, are reported exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. In accordance with Treasury instructions, GST is returned on revenue received on behalf of the Crown where applicable. However, an input tax deduction is not claimed on non-Departmental expenditure. Instead, the amount of GST applicable to non-Departmental expenditure is recognised as a separate expense and eliminated against GST revenue in the Consolidated Financial Statements of the Government.

Operating assets and liabilities

2. Receivables and prepayments

Accounting policy

Receivables are recorded at face value, less an allowance for credit losses. The Department, on behalf of the Crown, has applied the simplified expected credit loss model of recognising expected credit losses for receivables. In measuring expected credit losses, debtors and other receivables have been assessed on a collective basis as they possess shared credit risk characteristics. Any expected credit losses are recognised in the Schedule of non-Departmental expenditure.

Receivables are written off when there is no reasonable expectation of recovery. The carrying value of receivables approximates their fair value.

Breakdown of receivables and prepayments

Actual 2024 $000		Actual 2025 $000
69	Receivables (current)	123
650	Prepayments (current)	-
3	Receivables (non-current)	3
722	**Total receivables and prepayments**	**126**

3. Investment in associate

Accounting policy

Where the Department, on behalf of the Crown, holds a non-controlling minority interest, the investment is valued at cost in the financial statements. Associates are entities in which the Crown has significant influence, but not control over their operating and financial policies. In the financial statements, the Crown investment in associates has been recognised using the equity method. The equity method initially recognises an investment at cost and is adjusted thereafter for the post-acquisition change in the share of the entity's net assets.

Further information

New Zealand Local Government Funding Agency

The Crown holds $5 million of the $25 million paid-up share capital of the New Zealand Local Government Funding Agency (LGFA). The shares have been valued by the equity method as, although the Crown does not have direct representation on the LGFA board of directors, it may solely appoint, remove and replace one member of the Shareholders' Council. The Shareholders' Council makes recommendations to shareholders as to the appointment, removal, re-election, replacement and remuneration of directors. The share value has therefore been adjusted to reflect the Crown's share of any changes in the net assets of the LGFA.

The LGFA net assets as at 30 June 2025 were $121.785 million (2023/24: $113.191 million). The Crown's share of the net assets is $24.357 million (2023/24: $22.638 million).

The summarised financial information of the LGFA is:

Actual 2024 $000		Actual 2025 $000
23,507,816	Assets	26,467,752
23,394,625	Liabilities	26,345,967
10,050	**Net surplus/(deficit)**	**18,994**
(994)	**Other comprehensive revenue and expense**	**(8,556)**

The above figures are audited. The Crown is not a guarantor of the LGFA and has no share of any contingent liabilities of the LGFA.

4. Property, plant and equipment and heritage collections

Accounting policy

Recognition and measurement

Items of property, plant and equipment and collections are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value being their deemed cost at initial recognition.

All the Crown's property, plant and equipment are subsequently measured in accordance with the fair value model.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour,
- costs directly attributable to bringing the assets to a working condition for their intended use, and
- an estimate of the costs of dismantling and removing the items and restoring the site on which they are located, if the Crown has an obligation to remove the asset or restore the site.

Subsequent costs

Subsequent costs are capitalised when it is probable that future economic benefits or service potential associated with the item will flow to the Department and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the Schedule of non-Departmental expenditure as they are incurred.

Disposals

Gains and losses on disposal of assets are determined by comparing proceeds with the carrying amount. These are recognised in the Schedule of non-Departmental revenue and/or Schedule of non-Departmental expenditure in the period in which the transaction occurs. The revaluation reserve balance of a disposed revalued asset is transferred to retained earnings upon disposal.

Impairments

The carrying amounts of land, residential buildings, boating facilities and heritage collections are reviewed for impairment at least annually, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impaired asset's carrying amount is written down to its recoverable service amount which is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is recognised immediately in the Schedule of non-Departmental expenditure, unless the asset is carried at a revalued amount in which case, any impairment loss is treated as a revaluation decrease.

Revaluations

Revaluations are carried out for land, residential buildings, boating facilities and heritage collections to reflect the service potential or economic benefit obtained through control of the asset. Revaluation is based on the fair value of the asset with changes reported by class of asset.

Classes of land, residential buildings, boating facilities and heritage collections are revalued every three years, or more frequently, if the carrying amount differs materially to fair value. The latter is assessed every year by an independent registered valuer.

Unrealised gains and losses arising from changes in the value of assets are recognised as at balance date.

Any loss is debited to the revaluation reserve to the extent that there is a balance in the asset revaluation reserve for that asset class. Otherwise, losses are reported in the Schedule of non-Departmental expenditure.

A gain is credited to the Schedule of non-Departmental revenue to the extent that it reverses a loss previously charged to the Schedule of non-Departmental expenditure for the asset class. Otherwise, gains are credited to an asset revaluation reserve for that class of asset.

Accumulated depreciation at revaluation date is eliminated against the gross carrying amount so that the carrying amount after revaluation equals the revalued amount. The useful life of an asset is assessed following revaluation.

Desktop valuations are carried out for property, plant and equipment and tangible heritage collections when they are outside the revaluation cycle to ensure their fair value did not differ materially from carrying value.

Specific asset class policies

The specific asset class policies are described below:

Land and residential buildings

Land and residential buildings are recorded at fair value less impairment losses and, for buildings, less depreciation accumulated since the assets were last revalued. Valuations are undertaken in accordance with the standards issued by the New Zealand Property Institute.

Depreciation on buildings is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, less any estimated residual value, over its estimated useful life. The estimated useful lives for buildings range from 10 to 50 years. Depreciation is not charged on land. Assets under construction are not subject to depreciation. Depreciation method, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate.

Boating facilities

Boating facilities are recorded at fair value less impairment losses and less depreciation accumulated since the assets were last revalued.

Depreciation on boating facilities is charged on a straight-line basis to allocate the cost or valuation to the estimated residual value over the asset's estimated useful life. The estimated useful life for boating facilities ranges from 4 to 80 years.

Alexander Turnbull Library tangible heritage collections

Section 11 of the National Library of New Zealand (Te Puna Mātauranga o Aotearoa) Act 2003 requires the Crown to own in perpetuity the collections held in the Alexander Turnbull Library.

The Alexander Turnbull Library tangible heritage collections are measured at fair value. The methodology used to value the tangible heritage collections is to take a sample of each category in the collection to analyse the variety and quality of each category to determine a benchmark market value to be extrapolated over the entire category. The market values are obtained from an independent valuer through market assessments and from other collections of a similar nature to the government collections.

The carrying value includes the value of purchases for the collections since the last revaluation and the value of material received through donations and legal deposits. The collections are not depreciated.

Archives New Zealand tangible heritage collections

Non-exceptional Archives New Zealand tangible heritage collections items are measured at fair value. The methodology used was to divide the collection into categories by format and age, to associate records that together could be said to have a broad commonality of value. Benchmark valuations were obtained from an independent valuer through market assessments and from other collections of a similar nature to the government archives. Accessions since the date of valuation are valued based on these benchmarks.

Independent valuations of other exceptional items, including the Treaty of Waitangi/Te Tiriti o Waitangi, are measured at fair value, and are based on market assessments from collections of a similar nature.

The valuation of the Archives New Zealand tangible heritage collections includes only public archives in the possession of Archives New Zealand. Public archives held in other approved repositories do not form part of the valuation. The collection is not depreciated.

The Archives New Zealand archival holdings have received a large volume of records over time that have not been fully assessed and have not yet been determined to be suitable for transfer into the control of the Chief Archivist. The vast bulk of this material sits in the Wellington repository. Significant resources are required to carry out these assessments and to provide proper descriptive documentation for these unprocessed records. These unprocessed records are not included in the collections' valuation reported for the Archives New Zealand archival holdings, because the Department is unable to accurately categorise and appraise their collections value for reporting purposes.

Movement of property, plant and equipment and collections and further information

2025

Cost or valuation

Asset class	Balance at 1 July	Additions	Revaluation/ Impairments	Disposals	Transfers/ re-classification	Balance at 30 June
	$000	$000	$000	$000	$000	$000
Property, plant and equipment						
Residential buildings	5,230	234	(1,170)	-	-	4,294
Boating facilities	67,348	78	-	-	-	67,426
Land	13,570	-	(2,760)	-	-	10,810
Total cost property, plant and equipment	**86,148**	**312**	**(3,930)**	**-**	**-**	**82,530**
Heritage collections						
Archives New Zealand heritage collection	534,216	83	-	-	-	534,299
Total value Archives New Zealand heritage collection	**534,216**	**83**	**-**	**-**	**-**	**534,299**
Alexander Turnbull Library heritage collections						
Archive of New Zealand music	1,906	-	-	-	-	1,906
Cartographic	92,288	1	-	-	6	92,295
Cartoon	3,120	758	-	-	-	3,878
Children's historical	90	-	-	-	-	90
Drawings and prints	243,528	4	-	-	-	243,532
Ephemera	13,190	-	-	-	291	13,481

Asset class	Balance at 1 July $000	Additions $000	Revaluation/ Impairments $000	Disposals $000	Transfers/ re-classification $000	Balance at 30 June $000
Formed	1,190	-	-	-	-	1,190
General	6,533	-	-	-	21	6,554
Manuscripts/archives	168,967	56	-	-	-	169,023
Multi-format	860	607	-	-	(509)	958
Music	973	23	-	-	62	1,058
New Zealand and Pacific	11,147	293	-	-	102	11,542
Newspapers	879	-	-	-	4	883
Oral history	34,914	133	-	-	(7)	35,040
Photographic	29,863	15	-	-	1	29,879
Rare books and fine prints	222,691	9	-	-	2	222,702
Serials	11,076	130	-	-	27	11,233
Short title	27,686	-	-	-	-	27,686
Total value Alexander Turnbull Library heritage collections	**870,901**	**2,029**	**-**	**-**	**-**	**872,930**
Total value heritage collections	**1,405,117**	**2,112**	**-**	**-**	**-**	**1,407,229**
Total cost/value	**1,491,265**	**2,424**	**(3,930)**	**-**	**-**	**1,489,759**

2025

Accumulated depreciation

Asset class	Balance at 1 July $000	Depreciation $000	Revaluation/ Impairments $000	Disposals $000	Transfers/ re-classification $000	Balance at 30 June $000
Property, plant and equipment						
Residential buildings	387	191	(578)	-	-	-
Boating facilities	-	2,724	-	-	-	2,724
Total accumulated depreciation property, plant and equipment	**387**	**2,915**	**(578)**	**-**	**-**	**2,724**

Asset class	Balance at 1 July $000	Depreciation $000	Revaluation/ Impairments $000	Additions/ (Disposals) $000	Transfers/ re-classification $000	Balance at 30 June $000
Net carrying value						
Residential buildings	4,843	(191)	(592)	234	-	4,294
Boating facilities	67,348	(2,724)	-	78	-	64,702
Land	13,570	-	(2,760)	-	-	10,810
Heritage collections	1,405,117	-	-	2,112	-	1,407,229
Total net carrying value	**1,490,878**	**(2,915)**	**(3,352)**	**2,424**	**-**	**1,487,035**

2024

Cost or valuation

Asset class	Balance at 1 July	Additions	Revaluation/ Impairments	Disposals	Transfers/ re-classification	Balance at 30 June
	$000	$000	$000	$000	$000	$000
Property, plant and equipment						
Residential buildings	5,230	-	-	-	-	5,230
Boating facilities	64,634	44	2,670	-	-	67,348
Land	13,570	-	-	-	-	13,570
Total cost property, plant and equipment	**83,434**	**44**	**2,670**	**-**	**-**	**86,148**
Heritage collections						
Archives New Zealand heritage collection	536,679	234	-	-	(2,697)	534,216
Total value Archives New Zealand heritage collection	**536,679**	**234**	**-**	**-**	**(2,697)**	**534,216**
Alexander Turnbull Library heritage collections						
Archive of New Zealand music	1,906	-	-	-	-	1,906
Cartographic	92,288	-	-	-	-	92,288
Cartoon	3,118	2	-	-	-	3,120
Children's historical	90	-	-	-	-	90
Digital	15,548	3,311	(6,047)	-	(12,812)	-
Drawings and prints	243,528	-	-	-	-	243,528
Ephemera	12,555	407	-	-	228	13,190
Formed	1,381	-	-	-	(191)	1,190
General	6,513	1	-	-	19	6,533
Manuscripts/archives	168,945	22	-	-	-	168,967
Multi-format	1,884	212	-	-	(1,236)	860
Music	878	60	-	-	35	973
New Zealand and Pacific	10,501	439	-	-	207	11,147
Newspapers	857	2	-	-	20	879
Oral history	34,106	594	-	-	214	34,914
Photographic	29,830	33	-	-	-	29,863
Rare books and fine prints	222,606	2	-	-	83	222,691
Serials	10,786	244	-	-	46	11,076
Short title	27,686	-	-	-	-	27,686
Total value Alexander Turnbull Library heritage collections	**885,006**	**5,329**	**(6,047)**	**-**	**(13,387)**	**870,901**
Total value heritage collections	**1,421,685**	**5,563**	**(6,047)**	**-**	**(16,084)**	**1,405,117**
Total cost/value	**1,505,119**	**5,607**	**(3,377)**	**-**	**(16,084)**	**1,491,265**

2024

Accumulated depreciation

Asset class	Balance at 1 July	Depreciation	Revaluation/ Impairments	Disposals	Transfers/ re-classification	Balance at 30 June
	$000	$000	$000	$000	$000	$000
Property, plant and equipment						
Residential buildings	196	191	-	-	-	387
Boating facilities	4,722	2,358	(7,080)	-	-	-
Total accumulated depreciation property, plant and equipment	**4,918**	**2,549**	**(7,080)**	**-**	**-**	**387**

Asset class	Balance at 1 July	Depreciation	Revaluation/ Impairments	Additions/ (Disposals)	Transfers/ re-classification	Balance at 30 June
	$000	$000	$000	$000	$000	$000
Net carrying value						
Residential buildings	5,034	(191)	-	-	-	4,843
Boating facilities	59,912	(2,358)	9,750	44	-	67,348
Land	13,570	-	-	-	-	13,570
Heritage collections	1,421,685	-	(6,047)	5,563	(16,084)	1,405,117
Total net carrying value	**1,500,201**	**(2,549)**	**3,703**	**5,607**	**(16,084)**	**1,490,878**

Capital work in progress

The total assets under construction excluding intangible assets - heritage collections is $0.544 million (2023/24: $0.840 million).

Revaluation movements

Details of the valuations and revaluation movements are contained in Note 8.

Restrictions of title

The ministerial properties comprising Premier House and Bolton Street are restricted for Government use. The carrying value of the restricted use land and residential buildings is $14.870 million (2023/24: $18.622 million).

Intangible assets - heritage collections

Accounting policies

Intangible assets - heritage collections (intangible heritage collections or digital collections) are born-digital collections and holdings that are recognised at cost upon acquisition. Intangible heritage collections acquired through a non-exchange transaction, such as through donation or acquisition by legal requirements, are recognised at fair value at the date of acquisition.

Intangible heritage collections consist of paintings, prints, drawings, manuscripts, photographs, oral history, maps, ephemera and music. These digital collections have an indefinite useful life as they are required to be kept in perpetuity by the Department. They are required to be tested for impairment annually.

An impaired intangible heritage collection's carrying amount is written down to its recoverable service amount which is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is recognised immediately in the Schedule of non-Departmental expenditure.

In determining the assets' recoverable service amount, the Department referred to the assets' replacement cost. The following has been included in calculating the replacement cost per unit:

- For staff partly working on digital assets, the amount of time spent on the assets collected was estimated and the relevant proportion of their salaries were apportioned based on the quantities of each digital asset category collected in the last 12 months, and
- For staff working fully on digital assets, their salaries were apportioned based on the quantities assigned to each digital asset category for assets collected for the last 12 months.

The costs calculated are estimated to be the updated unit cost of the assets. The total replacement costs were calculated by multiplying the unit cost by the total quantities as at 30 June 2025.

Movement of intangible assets – heritage collections and further information

Actual 2024 $000		Actual 2025 $000
	Intangible assets – heritage collections	
-	Balance at 1 July	16,084
16,084	Transfer	-
-	Additions	4,555
16,084	**Total intangible assets – heritage collections**	**20,639**

As at 30 June 2025, the total replacement cost of intangible heritage collections is higher than its carrying amount, therefore, no impairment was recognised.

Capital work in progress

The total intangible assets - heritage collections under construction is $2.713 million (2023/24: $4.616 million).

5. Creditors and other payables

Actual 2024 $000		Actual 2025 $000
	Creditors and other payables under exchange transactions	
30,907	Accrued expenses	19,675
30,907	**Total creditors and other payables**	**19,675**

The carrying value of creditors and other payables approximates their fair value. Other payables and accrued heritage collection purchases are non-interest bearing and are normally settled on 30-day terms.

6. Financial instruments

The carrying amounts of financial assets and financial liabilities are as follows:

Actual 2024 $000		Note	Actual 2025 $000
	Financial assets at amortised cost		
41,390	Cash and cash equivalents		97,290
72	Receivables	2	126
25,733	Receivable – repayable equity	9	12,890
67,195	**Total financial assets at amortised cost**		**110,306**
	Financial liabilities measured at amortised cost		
30,907	Creditors and other payables	5	19,675
30,907	**Total financial liabilities measured at amortised cost**		**19,675**

The Department, on behalf of the Crown, is party to financial instrument arrangements as part of its daily operations. These include cash and cash equivalents, accounts receivable, receivable - repayable equity, accounts payable and foreign currency forward contracts.

The Department's activities, on behalf of the Crown, expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. There is a series of policies to manage the risks associated with financial instruments and the policies seek to minimise exposure from financial instruments. These policies do not allow the Department, on behalf of the Crown, to enter into any transactions that are speculative in nature.

Credit Risk

Credit risk is the risk that a third party will default on its obligations, causing a loss to be incurred. Credit risk arises from debtors and deposits with banks. Funds must be deposited with Westpac, a registered bank.

The maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents, and receivables. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired. Credit risks are concentrated on the cash and cash equivalents balance held with Westpac bank having a Standard & Poor's credit rating of AA-, and on receivables – repayable equity with Fire and Emergency New Zealand, a Crown entity. There are no other significant concentrations of credit risk.

No allowance for credit losses has been recognised on the financial assets as at 30 June 2025 because the estimated credit losses are trivial (30 June 2024: nil).

Liquidity Risk

Liquidity risk is the risk that the Department, acting on behalf of the Crown, will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, the forecast cash requirements are closely monitored against the expected drawdowns from the New Zealand Debt Management Office. The Department, on behalf of the Crown, maintains a target level of available cash to meet liquidity requirements.

The table below analyses the financial liabilities that will be settled based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Note	Total $000	Less than 6 months $000	Between 6 months and 1 year $000	Between 1 year and 5 years $000	Over 5 years $000
2025						
Creditors and other payables	5	19,675	19,675	-	-	-
2024						
Creditors and other payables		30,907	30,907	-	-	-

7. Provisions

Provision for future benefits payable to former Governors-General and Prime Ministers

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and reliable estimate can be made of the amount of the obligation.

The balance of the provisions account includes the estimated value of future benefits payable to former Governors-General and Prime Ministers over their expected lives under the Members of Parliament (Remuneration and Services) Act 2013 and the Governor-General Act 2010 as at balance date.

Actuarial services were provided by Mercer (N.Z.) Ltd, fellow of the New Zealand Society of Actuaries.

The measurement of the estimated future benefits depends on several factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate and the consumer price index. Any changes in these assumptions will affect the carrying value of the liability.

	2025	2024
Discount rate	4.80%	4.82%
Consumer price index	2.00%	2.00%

Other provisions

Provisions also include the impact of onerous leases and other costs from onerous contracts including those related to the now repealed Three Waters Programme.

8. Revaluation of property, plant and equipment and tangible heritage collections

2025	Balance at 1 July $000	Revaluation movement $000	Balance at 30 June $000
Land and residential buildings	12,729	(3,351)	9,378
Boating facilities	19,387	-	19,387
Tangible heritage collections	234,109	-	234,109
Total revaluation reserves	**266,225**	**(3,351)**	**262,874**

2024	Balance at 1 July $000	Revaluation movement $000	Balance at 30 June $000
Land and residential buildings	12,729	-	12,729
Boating facilities	9,637	9,750	19,387
Tangible heritage collections	240,156	(6,047)	234,109
Total revaluation reserves	**262,522**	**3,703**	**266,225**

Critical accounting estimates and assumptions

Land and residential buildings – Ministerial properties

The land and residential buildings were revalued in June 2025, by CBRE Limited, a Licensed Real Estate Agent (REAA 2008) under the Real Estate Agents Act 2008 (REAA 2008) and registered independent valuer.

The Ministerial properties were valued at fair value using market-based evidence based on comparative residential sales. The main assumptions on June 2025 valuations were:

- Capital value gross rate (inclusive of land and residential buildings) analysis ranges from $7,100 to $15,600 per square metre.
- Net rate (excluding land value) analysis ranges from $375 to $2,750 per square metre.

Boating facilities – Lake Taupō and Waitangi Wharf (Chatham Islands)

The boating facilities were revalued in June 2024, with the valuations being effective from 30 June 2024, by RS Valuation Limited, a Licensed Real Estate Agent (REAA 2008) and registered independent valuer. The next valuation will be effective from 30 June 2027, in line with the Department's accounting policy.

Archives New Zealand tangible heritage collections

The Archives New Zealand tangible heritage collections, the Treaty of Waitangi and other exceptional items were revalued in June 2023, by an independent valuer Dunbar Sloane Limited, through market assessments and from other collections of a similar nature. Where an active market did not exist for some assets, fair value was determined by reference to the asset's replacement cost. The next valuation will be effective from 30 June 2026, in line with the Department's accounting policy.

Alexander Turnbull Library tangible heritage collections

The Alexander Turnbull Library tangible heritage collections were revalued in June 2023. The valuations were based on market assessments and other collections of a similar nature to the government collection. 'Auction hammer prices' were used as a proxy for fair value and are regarded as GST inclusive. Where an active market did not exist for some assets, fair value was determined by reference to the asset's replacement cost. The next valuation will be effective from 30 June 2026, in line with the Department's accounting policy.

9. Receivable – repayable equity

Accounting policy

Receivable - repayable equity consists of loans receivable from Fire and Emergency New Zealand (FENZ) and is initially recognised at fair value plus transaction costs directly attributable to the issue of the loan. Loans at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted using a rate for loans of a similar term and credit risk. These loans are subsequently measured using the effective interest method, net of an allowance for expected credit losses.

Breakdown of receivable – repayable equity and further information

Actual 2024 $000		Actual 2025 $000
38,415	**Balance at 1 July**	**25,733**
(13,000)	Repayment of repayable equity	(13,000)
318	Interest unwind	157
25,733	**Carrying value at 30 June**	**12,890**
	Current and non-current apportionment	
12,412	Repayable equity – current	12,890
13,321	Repayable equity – non-current	-
25,733	**Carrying value repayable equity**	**12,890**

Further information

FENZ repaid $13 million to the Department in 2024/25 (2023/24: $13 million).

The fair value of the repayable equity is $12.890 million (2023/24: $25.733 million). The fair value of the repayable equity is based on cash flows discounted using the spot discount rate.

Other disclosures

10. Explanation of significant variances against budget

Schedule of non-Departmental revenue

Variances between 2024/25 Actuals and the Unaudited Budget

The following major budget variances occurred between the 2024/25 Actuals and the 2024/25 Unaudited Budget.

	Actual 2025 $000	Unaudited Budget 2025 $000	Variance $000	Variance %
Schedule of non-Departmental revenue				
Total operating revenue	18,331	2,742	15,589	569%

Explanations for significant variances between the 2024/25 Actuals and Unaudited Budget are detailed below:

Operating revenue

Operating revenue was $15.589 million higher than Unaudited Budget mainly due to revenue received from overseas betting agencies under the offshore betting regime, grant refunds, dividends, interest and collections received through legal deposits, accessions and estate donations from individuals.

Schedule of non-Departmental assets and liabilities

Variances between 2024/25 Actuals and the Unaudited Budget

The following major budget variances occurred between the 2024/25 Actuals and the 2024/25 Unaudited Budget.

	Actual 2025 $000	Unaudited Budget 2025 $000	Variance $000	Variance %
Schedule of non-Departmental assets				
Cash and cash equivalents	97,290	58,485	38,805	66%
Intangible assets – heritage collections	20,639	-	20,639	100%
Receivable – repayable equity	-	50,050	(50,050)	(100%)
Schedule of non-Departmental liabilities				
Creditors and other payables	19,675	8,447	11,228	133%

Explanations for significant variances between the 2024/25 Actuals and Unaudited Budget are detailed below:

Cash and cash equivalents

Cash and cash equivalents were $38.805 million higher than Unaudited Budget due to the timing of receipt of invoices from suppliers. Further, grants were not paid at the end of the year as expected and there were delays to the distributions of funding for Water Services Reform – Better Off Support Package.

Intangible assets – heritage collections

Intangible assets – heritage collections were not included in Unaudited Budget as they were only reclassified from tangible heritage collections after the budget was finalised.

Receivable – repayable equity

The decrease in receivable – repayable equity reflects loan repayments made by Fire Emergency New Zealand.

Creditors and other payables

Creditors and other payables were $11.228 million higher than Unaudited Budget due to unsettled liabilities at the end of the year relating to VIP Transport recoveries for Ministers' travel, Rates Rebate Scheme and Water Services Reform – Better Off Support Package balances and other unpaid supplier invoices at the end of the year.

11. Payments to or in respect of benefits and privileges of former Governors-General and Prime Ministers

The terms of the appointment of a person as Governor-General or Prime Minister may include an agreement for that person and their spouse or partner to be provided with specified benefits or privileges by way of payments in respect of domestic travel and the use of chauffeured cars when they no longer hold office as Governor-General or Prime Minister.

Former Prime Ministers and their spouses, and former Governors-General, are entitled to use VIP Transport (VIPT) Services as per the Members of Parliament (Remuneration and Services) Act 2013 and the Governor-General Act 2010. The cost of the service is recovered from entitled users through hourly charges for chauffeur-driven trips (covering direct costs of individual jobs) and availability charges designed to ensure that a fit-for-purpose on-call service is available to entitled customers.

An indirect availability fee is allocated to all entitled users, due to their ability to access the use of VIPT Services, as per entitlements stipulated in statute. The total fee is calculated according to the entitlements of each individual, irrespective of whether this entitlement is taken up.

In addition, the Department provides self-drive vehicles to current Ministers and former Prime Ministers and their spouses for which it incurs depreciation and other direct costs which are also fully recovered through the availability fee. Additional availability fees (AF) are charged to entitled users who choose to take up their entitlement to a self-drive vehicle.

This statement sets out the details of any benefits or privileges paid to or in respect of any former Governor-General under an agreement made under section 11(1) or section 28(1)(d) of the Governor-General Act 2010, and former Prime Ministers under an agreement made under section 17 and 32 (4) of the Members of Parliament (Remuneration and Services) Act 2013.

Former Governors-General

2025	FBT $	Airfares $	Surface Travel $	Total $
Lady Beverley Reeves	(278)	-	231	(47)
The Hon Dame Silvia Cartwright	1,205	2,246	857	4,308
The Rt Hon Sir Anand Satyanand	245	1,153	714	2,112
Lt Gen the Rt Hon Sir Jerry Mateparae	4,697	6,672	119	11,488
The Rt Hon Dame Patsy Reddy	4,930	4,046	-	8,976
VIPT Availability fee	-	-	17,510	17,510
Total	**10,799**	**14,117**	**19,431**	**44,347**

2024	FBT $	Airfares $	Surface Travel $	Total $
Lady Beverley Reeves	-	-	321	321
The Hon Dame Silvia Cartwright	2,026	1,622	1,016	4,664
The Rt Hon Sir Anand Satyanand	4,503	2,810	179	7,492
Lt Gen the Rt Hon Sir Jerry Mateparae	3,634	3,500	153	7,287
The Rt Hon Dame Patsy Reddy	1,571	2,866	168	4,605
VIPT Availability fee	-	-	18,800	18,800
Total	**11,734**	**10,798**	**20,637**	**43,169**

Former Prime Ministers

2025	FBT $	Airfares $	Surface Travel $	Total $
Yvonne Moore	7,024	-	860	7,884
The Rt Hon Sir Geoffrey Palmer	10,713	1,854	430	12,997
The Rt Hon Jim Bolger	7,375	-	485	7,860
The Rt Hon Dame Jenny Shipley	14,552	9,296	3,877	27,725
The Rt Hon Helen Clark	10,894	6,880	2,567	20,341
The Rt Hon Sir John Key	-	-	-	-
The Rt Hon Sir Bill English	9,101	-	-	9,101
The Rt Hon Dame Jacinda Ardern	9,021	-	-	9,021
The Rt Hon Chris Hipkins	9,171	-	-	9,171
Margaret Pope	-	-	-	-
VIPT Availability fee	-	-	280,849	280,849
Total	**77,851**	**18,030**	**289,068**	**384,949**

2024	FBT $	Airfares $	Surface Travel $	Total $
Yvonne Moore	7,456	-	1,468	8,924
The Rt Hon Sir Geoffrey Palmer	11,495	2,130	139	13,764
The Rt Hon Jim Bolger	13,331	2,803	5,078	21,212
The Rt Hon Dame Jenny Shipley	17,986	9,420	5,822	33,228
The Rt Hon Helen Clark	7,386	2,327	2,587	12,300
The Rt Hon Sir John Key	-	-	56	56
The Rt Hon Sir Bill English	9,171	-	359	9,530
The Rt Hon Dame Jacinda Ardern	9,057	-	-	9,057
The Rt Hon Chris Hipkins	2,860	-	-	2,860
Margaret Pope	-	-	-	-
VIPT Availability fee	-	-	247,119	247,119
Total	**78,742**	**16,680**	**262,628**	**358,050**

6

Statement of Expenses and Capital Expenditure for appropriations

The following statements report information about the expenses and capital expenditure incurred against each appropriation administered by the Department for the year ended 30 June 2025. They are prepared on a GST exclusive basis.

Contents

Statement of cost accounting policies

Criteria for direct and indirect costs

Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be identified with a specific output in an economically feasible manner.

Cost Allocation Policy

Direct costs are allocated directly to significant activities. Indirect costs are allocated to outputs based on cost drivers and related activity/usage information.

There were no changes in cost allocation policies since the last audited financial statements.

Method of assigning costs to outputs

Costs of outputs are derived using a 2-step cost allocation system:

Direct costs are charged to cost centres based on asset utilisation (depreciation), recorded time spent (personnel costs) and usage (operating costs). Similarly, indirect costs charged to cost centres are driven by capital charge, perceived benefit, personnel numbers, floor space, network connections and estimated allocation of time. For the year ended 30 June 2025, direct costs accounted for 82% of the Department's costs and indirect costs accounted for 18% (2023/24: 82% and 18%).

Cost centre expenditure is subsequently apportioned to outputs based on the focus and nature of activities supported by the cost centre. To ensure accuracy, cost centre contributions to Appropriation Outputs are reviewed annually.

Statement of budgeted and actual expenses and capital expenditure incurred against appropriations

for the year ended 30 June 2025

Annual and permanent appropriations for Vote Internal Affairs

Actual 2024 $000		Expenditure before remeasurement 2025 $000	Re-measurement 2025 $000	Expenditure after remeasurement 2025 $000	Appropriation voted* 2025 $000	Location of end of year performance information
	Vote Internal Affairs					
	Departmental Output Expenses					
2,496	Contestable Services RDA	2,244	-	2,244	3,200	Page 41
233	Digital Safety Initiatives for the Pacific MYA	488	-	488	547	Page 42
73,504	Local Government Policy and Related Services	28,228	-	28,228	37,267	Page 43
17,947	Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions - Operations	-	-	-	-	
17,805	Tāhuhu - Preserving the Nation's Memory MYA	16,958	-	16,958	18,371	Page 44
111,985	**Total Departmental Output Expenses**	**47,918**	**-**	**47,918**	**59,385**	
	Departmental Capital Expenditure					
112,313	Department of Internal Affairs - Capital Expenditure PLA	118,381	-	118,381	140,000	Page 45
112,313	**Total Departmental Capital Expenditure**	**118,381**	**-**	**118,381**	**140,000**	
	Non-Departmental Output Expenses					
3,478	Classification of Films, Videos and Publications	3,278	-	3,278	3,278	Page 218
10,000	Fire and Emergency New Zealand – Public Good Services	8,000	-	8,000	8,000	Page219
13,478	**Total Non-Departmental Output Expenses**	**11,278**	**-**	**11,278**	**11,278**	
	Benefits or Related Expenses					
71,348	Rates Rebate Scheme	75,137		75,137	82,000	**
71,348	**Total Benefits or Related Expenses**	**75,137**	**-**	**75,137**	**82,000**	
	Non-Departmental Other Expenses					
1,701	Chatham Islands Wharves – Operational Costs	1,982	-	1,982	2,630	**
10,413	Executive Council and Members of the Executive - Salaries and Allowances PLA	11,629	-	11,629	12,380	**
488	Former Governors-General - Annuities and Other Payments PLA	151	317	468	608	**

Actual 2024 $000		Expenditure before remeasurement 2025 $000	Re-measurement 2025 $000	Expenditure after remeasurement 2025 $000	Appropriation voted* 2025 $000	Location of end of year performance information
309	Former Prime Ministers - Annuities PLA	220	83	303	319	**
358	Former Prime Ministers - Domestic Travel PLA	366	10	376	481	**
1,150	Miscellaneous Grants - Internal Affairs	550	-	550	550	Page 220
990	Racing Safety Development Fund	960	-	960	990	**
1,156	Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions - Non-Departmental Operating Expenses	-	-	-	-	
20,000	Rural Drinking Water Supplies	-	-	-	-	
5,380	Supporting Local Government with Natural Hazard Events	4,142	-	4,142	9,842	Page 221
1,864	Tūwharetoa Māori Trust Board PLA	1,554	-	1,554	1,554	**
141,423	Water Services Reform: Better Off Support Package MYA	68,431	-	68,431	113,073	Page 222
185,232	**Total Non-Departmental Other Expenses**	**89,985**	**410**	**90,395**	**142,427**	
	Non-Departmental Capital Expenditure					
25,000	Fire and Emergency New Zealand - Loans MYA	25,000	-	25,000	25,000	Page 219
25,000	**Total Non-Departmental Capital Expenditure**	**25,000**	**-**	**25,000**	**25,000**	
	Multi-Category Expenses and Capital Expenditure Appropriations (MCA)					
	Chatham Islands Wharves MCA					
	Departmental Output Expenses					
-	Chatham Islands Wharves - Administration Costs	-	-	-	50	Page 46
	Non-Departmental Capital Expenditure					
-	Capital Investments - Chatham Islands Wharves	-	-	-	200	**
-	**Total Chatham Islands Wharves MCA**	**-**	**-**	**-**	**250**	
	Civic Information Services MCA					
	Departmental Output Expenses					
215,367	Managing and Accessing Identity Information	218,036	-	218,036	237,204	Page 48
1,013	Publishing Civic Information	1,037	-	1,037	1,040	Page 49
	Non-Departmental Output Expenses					
116	Development of On-line Authentication Services	116	-	116	116	Page 49
216,496	**Total Civic Information Services MCA**	**219,189**	**-**	**219,189**	**238,360**	

Actual 2024 $000		Expenditure before remeasurement 2025 $000	Re-measurement 2025 $000	Expenditure after remeasurement 2025 $000	Appropriation voted* 2025 $000	Location of end of year performance information
	Community Development and Funding Schemes MCA					
	Departmental Output Expenses					
2,904	Administration of Grants	2,730	-	2,730	3,088	Page 50
5,153	Community Development and Engagement Advice	4,825	-	4,825	4,991	Page 51
	Non-Departmental Other Expenses					
2,927	Community and Volunteering Capability Fund	2,433	-	2,433	2,433	**
6,898	Community-led Development	4,396	-	4,396	4,400	Page 52
12,472	Community Organisation Grants Scheme	12,453	-	12,453	12,500	Page 51
200	Disarmament Education Grants	200	-	200	200	**
1,524	Preventing and Countering Violent Extremism	1,625	-	1,625	1,626	**
-	Public Apology for Abuse in Care Fund	1,316	-	1,316	2,000	**
1,000	Safer Communities Fund	6,000	-	6,000	6,000	Page 52
33,078	**Total Community Development and Funding Schemes MCA**	**35,978**	**-**	**35,978**	**37,238**	
	Establishment of Water Services Entities MCA					
	Non-Departmental Output Expenses					
146,076	Establishing Water Services Entities	-	-	-	-	
6,943	Water Services Entities - Non-recoverable	-	-	-	-	
153,019	**Total Establishment of Water Services Entities MCA**	**-**	**-**	**-**	**-**	
	Government Digital Services MCA					
	Departmental Output Expenses					
1,570	Digital Identity Services Trust Framework	2,906	-	2,906	2,700	Page 54
570	Digital Skills Development in the Public Sector	728	-	728	692	Page 54
1,284	Government Chief Privacy Officer	-	-	-	-	
15,569	Government Digital Strategy, System Investment and Leadership	13,840	-	13,840	14,009	Page 55
22,132	System Capabilities, Services and Platforms	27,840	-	27,840	31,664	Page 56
41,125	**Total Government Digital Services MCA**	**45,314**	**-**	**45,314**	**49,065**	
	Local Government Administration MCA					
	Departmental Output Expenses					
3,703	Local Government Services	3,863	-	3,863	4,651	Page 57

Actual 2024 $000		Expenditure before remeasurement 2025 $000	Re-measurement 2025 $000	Expenditure after remeasurement 2025 $000	Appropriation voted* 2025 $000	Location of end of year performance information
	Non-Departmental Output Expenses					
21,272	Taumata Arowai	21,316	-	21,316	21,316	Page 58
	Non-Departmental Other Expenses					
4,203	Chatham Islands Council	4,203	-	4,203	4,203	**
702	Crown-owned Assets at Lake Taupō – Depreciation and Maintenance Costs	896	-	896	921	**
	Non-Departmental Capital Expenditure					
44	Capital Investments - Lake Taupō	77	-	77	80	**
29,924	**Total Local Government Administration MCA**	**30,355**	**-**	**30,355**	**31,171**	
	National Archival and Library Services MCA					
	Departmental Output Expenses					
125,513	Knowledge and Information Services	126,643	-	126,643	128,618	Page 60
	Non-Departmental Output Expenses					
2,400	Public Lending Right for New Zealand Authors	2,400	-	2,400	2,400	**
	Non-Departmental Capital Expenditure					
4,545	Heritage Collections – Annual	5,052	-	5,052	6,092	**
132,458	**Total National Archival and Library Services MCA**	**134,095**	**-**	**134,095**	**137,110**	
	Offshore Betting Charges MCA					
	Departmental Output Expenses					
138	Administration of Offshore Betting Charges Regime	151	-	151	210	Page 62
	Non-Departmental Other Expenses					
4,527	Distribution of Offshore Betting Charges	3,681	-	3,681	4,840	**
4,665	**Total Offshore Betting Charges MCA**	**3,832**	**-**	**3,832**	**5,050**	
	Policy and Related Services MCA					
	Departmental Output Expenses					
684	Crown Entity Monitoring	515	-	515	654	Page 63
-	Machinery of Government Changes	186	-	186	900	Page 63
1,487	Policy and Related Services - Community and Voluntary Sector	1,402	-	1,402	1,480	Page 64
2,338	Policy and Related Services – Digitising Government	2,153	-	2,153	2,045	Page 65
6,853	Policy and Related Services - Internal Affairs	6,215	-	6,215	6,970	Page 66
392	Policy and Related Services - Ministerial Services	400	-	400	526	Page 66

Actual 2024 $000		Expenditure before remeasurement 2025 $000	Re-measurement 2025 $000	Expenditure after remeasurement 2025 $000	Appropriation voted* 2025 $000	Location of end of year performance information
909	Policy and Related Services - Racing	1,262	-	1,262	1,184	Page 67
12,663	**Total Policy and Related Services MCA**	**12,133**	**-**	**12,133**	**13,759**	
	Regulatory Services MCA					
	Departmental Output Expenses					
7,220	Charities Regulation	7,236	-	7,236	7,477	Page 68
-	Monitoring of TAB New Zealand	-	-	-	250	Page 69
53,046	Regulatory Services	52,251	-	52,251	56,473	Page 71
60,266	**Total Regulatory Services MCA**	**59,487**	**-**	**59,487**	**64,200**	
	Sediment and Debris Management Support MCA					
	Non-Departmental Other Expenses					
-	Clean-up Support Following Severe Weather Events – Local Authorities	3,000	-	3,000	3,000	Page 72
7,600	Sediment and Debris Management Support - Commercial Entities	-	-	-	-	Page 72
111,000	Sediment and Debris Management Support - Local Authorities	7,000	-	7,000	7,000	Page 73
118,600	**Total Sediment and Debris Management Support MCA**	**10,000**	**-**	**10,000**	**10,000**	
	Services Supporting the Executive MCA					
	Departmental Output Expenses					
6,138	Coordination of Official Visits and Events	5,704	-	5,704	6,627	Page 74
39,735	Support Services to Members of the Executive	36,600	-	36,600	36,708	Page 75
9,677	VIP Transport Services	10,606	-	10,606	9,700	Page 76
	Non-Departmental Other Expenses					
191	Depreciation on Official Residences	191	-	191	297	**
930	Official Residences - Maintenance Costs	1,076	-	1,076	1,569	**
12,540	Services Supporting the Executive - Travel	13,541	-	13,541	13,572	**
	Non-Departmental Capital Expenditure					
-	Capital Investments - Official Residences	234	-	234	1,270	**
69,211	**Total Services Supporting the Executive MCA**	**67,952**	**-**	**67,952**	**69,743**	

Actual 2024 $000		Expenditure before remeasurement 2025 $000	Re-measurement 2025 $000	Expenditure after remeasurement 2025 $000	Appropriation voted* 2025 $000	Location of end of year performance information
	Support for Statutory and Other Bodies MCA					
	Departmental Output Expenses					
17,413	Commissions of Inquiry and Similar Bodies	17,103	-	17,103	21,003	Page 77
705	Statutory Body Support - Gambling Commission	810	-	810	1,158	Page 78
1,418	Statutory Body Support - Local Government Commission	1,459	-	1,459	1,450	Page 78
291	Support for Grant Funding Bodies - Community and Voluntary Sector	274	-	274	381	Page 79
16,758	Support for Grant Funding Bodies - Internal Affairs	15,663	-	15,663	16,504	Page 80
	Non-Departmental Other Expenses					
940	Statutory Inquiries	829	-	829	1,117	**
37,525	**Total Support for Statutory and Other Bodies MCA**	**36,138**	**-**	**36,138**	**41,613**	
	Supporting Ethnic Communities MCA					
	Departmental Output Expenses					
9,227	Advisory and Information Services to assist Ethnic Communities	8,688	-	8,688	8,793	Page 81
5,695	Policy and Related Services - Ethnic Communities	4,999	-	4,999	4,977	Page 82
	Non-Departmental Other Expenses					
4,229	Ethnic Communities Grants	4,232	-	4,232	4,232	**
19,151	**Total Supporting Ethnic Communities MCA**	**17,919**	**-**	**17,919**	**18,002**	
	Water Services Reform MCA[1]					
	Non-Departmental Other Expenses					
3,142	Iwi/Māori Involvement in Water Services Reform[2]	500	-	500	1,997	Page 83
21,912	Sector Involvement in Water Services Reform[3]	13,458	-	13,458	13,458	Page 83
-	Water Infrastructure for marae and papakāinga	11,497	-	11,497	10,000	Page 84
25,054	**Total Water Services Reform MCA**	**25,455**	**-**	**25,455**	**25,455**	

1 The title of this appropriation changed on 1 July 2023 from Three Waters Reform MCA.
2 The title of this category changed on 1 July 2023 from Iwi/Māori Involvement in Three Waters Reform.
3 The title of this category changed on 1 July 2023 from Sector Involvement in Three Waters Reform.

Actual 2024 $000		Expenditure before remeasurement 2025 $000	Re-measurement 2025 $000	Expenditure after remeasurement 2025 $000	Appropriation voted* 2025 $000	Location of end of year performance information
953,235	**Total Multi-Category Expenses and Capital Expenditure Appropriations**	**697,847**	**-**	**697,847**	**741,016**	
1,472,591	**Total Annual and Permanent Appropriations**	**1,065,546**	**410**	**1,065,956**	**1,201,106**	
	Summary of Departmental Appropriations					
111,985	Departmental Output Expenses	47,918	-	47,918	59,385	
574,902	Multi-Category Expenses and Capital Expenditure Appropriations (MCA)	576,125	-	576,125	614,177	
686,887	**Total Appropriations for Departmental Expenses**	**624,043**	**-**	**624,043**	**673,562**	
112,313	Total Appropriations for Departmental Capital Expenses	118,381	-	118,381	140,000	
799,200	**Total Departmental Annual and Permanent Appropriations and Multi-Year Appropriations**	**742,424**	**-**	**742,424**	**813,562**	
	Summary of Non-Departmental Appropriations					
13,478	Non-Departmental Output Expenses	11,278	-	11,278	11,278	
71,348	Benefits or Related Expenses	75,137	-	75,137	82,000	
185,232	Non-Departmental Other Expenses	89,985	410	90,395	142,427	
373,744	Multi-Category Expenses and Capital Expenditure Appropriations (MCA)	116,359	-	116,359	119,197	
643,802	**Total Appropriations for Non-Departmental Expenses**	**292,759**	**410**	**293,169**	**354,902**	
29,589	Total Appropriations for Non-Departmental Capital Expenses	30,363	-	30,363	32,642	
673,391	**Total Non-Departmental Annual and Permanent Appropriations and Multi-Year Appropriations**	**323,122**	**410**	**323,532**	**387,544**	
1,472,591	**Total Annual and Permanent Appropriations and Multi-Year Appropriations**	**1,065,546**	**410**	**1,065,056**	**1,201,106**	

* These are the appropriations from the Supplementary Estimates, adjusted for any transfers under section 26A of the PFA.

** No reporting is required due to an exemption obtained under section 15D of the PFA.

Statement of budgeted and actual expenses and capital expenditure incurred against appropriations (cont.)

for the year ended 30 June 2025

Multi-Year Appropriations for Vote Internal Affairs

Actual 2024 $000		Actual 2025 $000	Location of end of year performance information
	Appropriations for Departmental Output Expenses:		
	Digital Safety Initiatives for the Pacific (1 July 2021 to 30 June 2026) This multi-year appropriation for output expenses to be incurred by the Department exists for the provision of advice, information, expertise and technology to improve digital safety for countries in the South Pacific.		Page 42
860	Original Appropriation	860	
-	Cumulative Adjustments	845	
860	**Total adjusted approved appropriation**	**1,705**	
321	Cumulative actual expenditure at 1 July	554	
233	Current year actual expenditure	488	
554	**Cumulative actual expenditure at 30 June**	**1,042**	
306	**Appropriation remaining at 30 June**	**663**	
	Tāhuhu - Preserving the Nation's Memory (1 July 2022 to 30 June 2027) This multi-year appropriation for output expenses to be incurred by the Department for supporting the upgrade and expansion of archival and library facilities and associated activities under the Tāhuhu - Preserving the Nation's Memory Programme.		Page 44
63,101	Original Appropriation	63,101	
15,283	Cumulative adjustments	15,283	
78,384	**Total adjusted approved appropriation**	**78,384**	
9,400	Cumulative actual expenditure at 1 July	27,205	
17,805	Current year actual expenditure	16,958	
27,205	**Cumulative actual expenditure at 30 June**	**44,163**	
51,179	**Appropriation remaining at 30 June**	**34,221**	
	Appropriations for Non-Departmental Other Expenses:		
	Water Services Reform: Better Off Support Package MYA (1 August 2022 to 30 June 2027) This appropriation is limited to grants to support investment into community wellbeing, placemaking, housing, and climate related initiatives		Page 222
500,000	Original Appropriation	500,000	
-	Cumulative adjustments	-	
500,000	**Total adjusted approved appropriation**	**500,000**	
132,431	Cumulative actual expenditure at 1 July	273,854	
141,423	Current year actual expenditure	68,431	
273,854	**Cumulative actual expenditure at 30 June**	**342,285**	
226,146	**Appropriation remaining at 30 June**	**157,715**	

Actual 2024 $000		Actual 2025 $000	Location of end of year performance information
	Appropriations for Non-Departmental Capital Expenditure		
	Fire and Emergency New Zealand – Loans (1 December 2022 – 30 June 2025) This multi-year appropriation for capital expenditure to be incurred by the Crown for the provision of financial support to Fire and Emergency New Zealand.		Page 219
75,400	Original Appropriation	75,400	
-	Cumulative adjustments	-	
75,400	**Total adjusted approved appropriation**	**75,400**	
25,400	Cumulative actual expenditure at 1 July	50,400	
25,000	Current year actual expenditure	25,000	
50,400	**Cumulative actual expenditure at 30 June**	**75,400**	
25,000	**Appropriation remaining at 30 June**	**-**	

Reconciliation between total appropriations for Departmental expenses and the Departmental statement of comprehensive revenue and expense

for the year ended 30 June 2025

Actual 2024 $000		Actual 2025 $000
687,073	Total expenses in Departmental statement of comprehensive revenue and expense	624,043
(186)	Remeasurements	-
686,887	Total appropriations for Departmental expenses	624,043

Reconciliation between total appropriations for non-Departmental expenses and the schedule of non-Departmental expenditure

for the year ended 30 June 2025

Actual 2024 $000		Actual 2025 $000
735,228	Total expenses in schedule of non-Departmental expenditure	333,925
(90,845)	GST input expense	(40,346)
(581)	Remeasurements	(410)
643,802	Total appropriations for non-Departmental expenses	293,169

Statement of Departmental expenses and capital expenditure incurred without, or in excess of, appropriation or other authority

for the year ended 30 June 2025

There was no unappropriated expenditure for the year ended 30 June 2025 (2023/24: nil).

Statement of non-Departmental expenses and capital expenditure incurred without, or in excess of, appropriation or other authority

for the year ended 30 June 2025

There was no unappropriated expenditure for the year ended 30 June 2025 (2023/24: nil).

Statement of Departmental capital injections

for the year ended 30 June 2025

Actual 2024 $000		Actual 2025 $000	Approved appropriation
	Vote Internal Affairs		
191,771	Department of Internal Affairs – Capital Injections	155,385	160,275

Statement of Departmental capital injections incurred without, or in excess of, appropriation or other authority

for the year ended 30 June 2025

The Department has not received any capital injections without, or in excess of, authority for the year ended 30 June 2025 (2023/24: nil).

7 Auditor's Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of the Department of Internal Affairs' annual report for the year ended 30 June 2025

The Auditor-General is the auditor of the Department of Internal Affairs (the Department) and group. The Auditor-General has appointed me, Stephen Usher, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- The annual financial statements of the Department and group that comprise the statement of financial position, statement of commitments and the statement of contingent assets and liabilities as at 30 June 2025, and the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information on pages 95 to 137.

- The end-of-year performance information for appropriations of the Department for the year ended 30 June 2025 on pages 12 to 33 and to 38 to 89.

- The statements of expenses and capital expenditure for appropriations of the Department for the year ended 30 June 2025 on pages 161 to 171.

- The schedules of non-departmental activities which are managed by the Department on behalf of the Crown on pages 139 to 141 and 143 to 159 that comprise:

    - the schedules of assets; liabilities; commitments; and contingent assets and liabilities as at 30 June 2025;

    - the schedules of expenditure; and revenue for the year ended 30 June 2025; and

    - the notes to the schedules that include accounting policies and other explanatory information.

- The statement of trust money administered on behalf of the Crown for the year ended 30 June 2025 on page 142.

Opinion

In our opinion:

- The annual financial statements of the Department and group:
  - fairly present, in all material respects:
    - the financial position as at 30 June 2025; and
    - the financial performance and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with public benefit entity reporting standards.
- The end-of-year performance information for the appropriations that:
  - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with each appropriation; determined in accordance with generally accepted accounting practice in New Zealand; and
  - fairly presents, in all material respects:
    - what has been achieved with each appropriation; and
    - the actual expenses or capital expenditure incurred in relation to each appropriation as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
  - complies with generally accepted accounting practice in New Zealand in accordance with public benefit entity reporting standards.
- The statements of expenses and capital expenditure for appropriations have been prepared, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- The schedules of non-departmental activities which are managed by the Department on behalf of the Crown have been prepared, in all material respects, in accordance with the Treasury Instructions. The schedules comprise:
  - the assets, liabilities, commitments, and contingent assets and liabilities as at 30 June 2025; and
  - expenditure, and revenue for the year ended 30 June 2025.
- The statement of trust money administered on behalf of the crown for the year ended 30 June 2025 have been prepared, in all material respects, in accordance with the treasury Instructions.

Our audit was completed on 30 September 2025. This is the date at which our opinion is expressed.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): The Audit of Service Performance Information issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Secretary for Internal Affairs for the information to be audited

The Secretary for Internal Affairs is responsible on behalf of the Department and group for preparing:

- Annual financial statements that fairly present the Department and group's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- End-of-year performance information for the appropriations that:
  - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with each appropriation; determined in accordance with generally accepted accounting practice in New Zealand;
  - fairly presents what has been achieved with each appropriation;
  - fairly presents the actual expenses or capital expenditure incurred in relation to each appropriation as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
  - complies with generally accepted accounting practice in New Zealand.
- Statements of expenses and capital expenditure for appropriations of the Department, that are prepared in accordance with section 45A of the Public Finance Act 1989.
- Schedules of non-departmental activities, prepared in accordance with the Treasury Instructions, of the activities managed by the Department on behalf of the Crown.
- Statement of trust money in accordance with the Treasury Instructions.

The Secretary for Internal Affairs is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Secretary for Internal Affairs is responsible on behalf of the Department and group for assessing the Department and group's ability to continue as a going concern.

The Secretary for Internal Affairs' responsibilities arise from the Public Finance Act 1989.

Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Estimates and/or Supplementary Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2025. For the forecast financial information for the year ending 30 June 2026, our procedures were limited to checking to the best estimate financial forecast information based on the Budget Economic Fiscal Update for the year ending 30 June 2026.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department and group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary for Internal Affairs.
- We evaluate whether the end-of-year performance information for each appropriations:
  - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with the appropriation. We make our evaluation by reference to generally accepted accounting practice in New Zealand; and
  - fairly presents what has been achieved with each appropriation.
- We evaluate whether the statements of expenses and capital expenditure for appropriations, schedules of non-departmental activities, and statement of trust money have been prepared in accordance with legislative requirements.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Secretary for Internal Affairs.
- We evaluate the overall presentation, structure, and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Secretary for Internal Affairs regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Secretary for Internal Affairs is responsible for the other information. The other information comprises all of the information included in the annual report other than the information we audited and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Minister of Internal Affairs' report on relevant non-departmental appropriations that is appended to the Department and group's annual report is not part of the Department and group's annual report. The Public Finance Act 1989 does not require the information in the Minister's report to be audited and we have performed no procedures over the information in the Minister's report.

Independence

We are independent of the Department and group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Department or it's controlled entity.

S. Usher

Stephen Usher
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

8 Appendices

Appendix A – Statistical information regarding staff of the Department

Table 1: Permanent employees by job family at 30 June 2025

Job Family	Full time	Part time	Total
Corporate	332	25	357
Delivery	1,044	132	1,176
Information Management	9	-	9
Information Technology	388	24	412
Policy	126	16	142
Regulatory	167	10	177
Non-banded	11	-	11
London	-	14	14
Sydney	-	14	14
Total	**2,077**	**235**	**2,312**

Table 2: Permanent employees by job family and gender at 30 June 2025

Job Family	Female	Male	Gender Diverse	Gender not specified	Total
Corporate	220	125	1	11	357
Delivery	805	355	5	11	1,176
Information Management	6	3	-	-	9
Policy	86	52	1	3	142
Regulatory	87	89	-	1	177
Information Technology	190	202	1	19	412
Non-banded	6	5	-	-	11
London	6	6	-	2	14
Sydney	7	6	-	1	14
Total	**1413**	**843**	**8**	**48**	**2312**

Note for tables 1 and 2 – Numbers are based on headcount for permanent employees only. The permanent full-time equivalent (FTE) figure as at 30 June 2025 was 2,252 (excludes events-based employees). Non-banded are a small number of jobs that have not been sized by the Department's Job Evaluation Committee due to their short-term temporary nature.

Table 3: Employees by location and gender at 30 June 2025

Location	Female	Male	Gender Diverse	Gender not specified	Total
Auckland	244	94	-	2	340
Bay of Plenty	3	-	-	-	3
Canterbury	116	50	1	5	172
Gisborne	4	3	-	-	7
Hawkes Bay	2	2	-	1	5
Manawatu-Whanganui	4	1	-	-	5
Nelson	3	3	-	-	6
Northland	7	2	-	-	9
Otago	8	4	-	-	12
Southland	3	-	-	-	3
Taranaki	1	1	-	1	3
Waikato	6	4	-	-	10
Wellington	1,235	847	9	51	2,142
West Coast	2	-	-	-	2
London	6	6	-	2	14
Sydney	7	6	-	1	14
Total	**1,651**	**1,023**	**10**	**63**	**2,747**

Note – Numbers are based on headcount for permanent, fixed-term and events-based employees only. The number of FTE employees at 30 June 2025 was 2,680 (permanent, fixed-term and events-based employees).

Figure 1: Tier 2 and 3 people leaders by gender at 30 June 2025

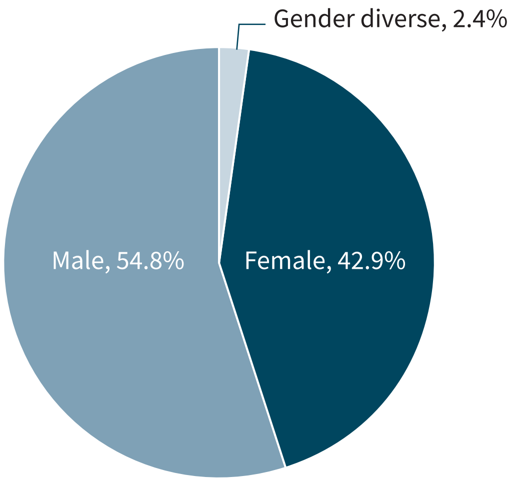
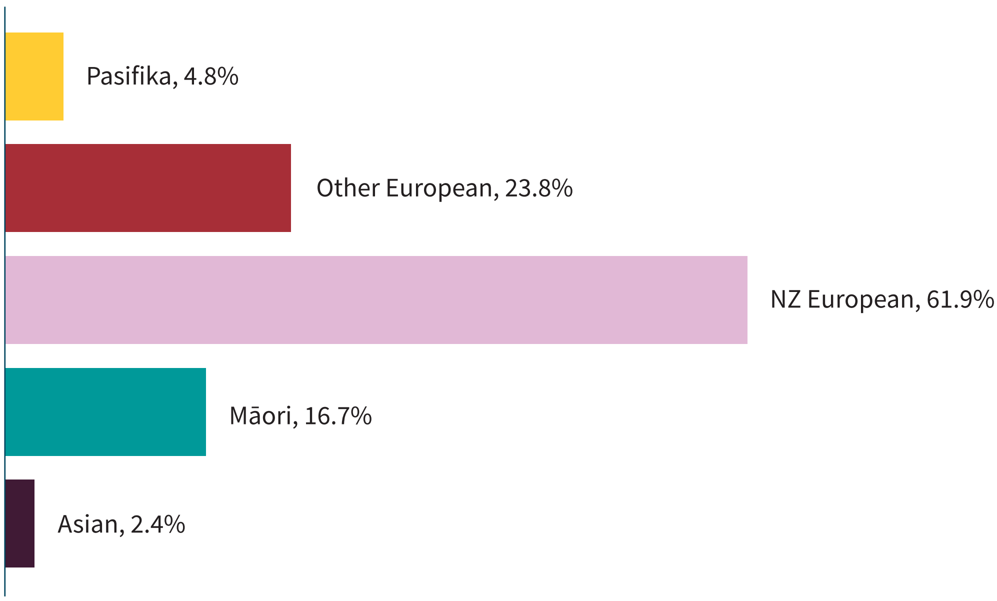


Figure 2: Tier 2 and 3 people leaders by ethnicity at 30 June 2025



Notes for figures 1 and 2

- Employees may choose up to two ethnicities, which are both included in the graph above. This means the total may be greater than 100 percent.
- We are unable to provide data split by additional categories due to low volumes and maintaining the privacy of individuals.

Figure 3: Employees by gender at 30 June 2025

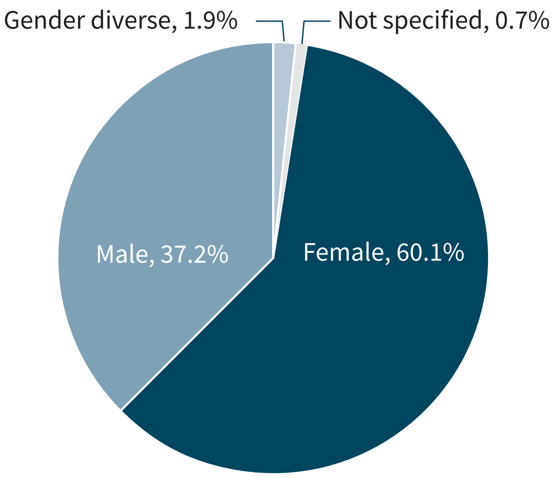
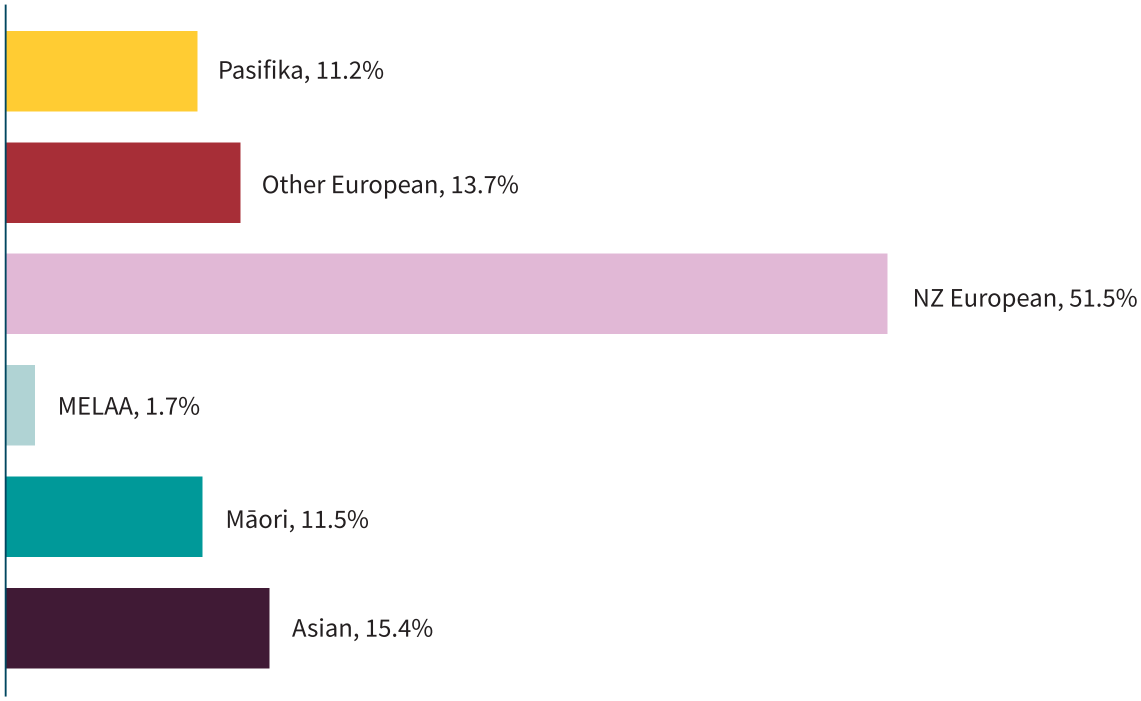


Figure 4: Employees by ethnicity at 30 June 2025



Notes for figures 3 and 4

- MELAA = Middle Eastern, Latin American, African.
- Employees may choose up to two ethnicities, which are both included in the graph above. This means the total may be greater than 100 percent.
- We are unable to provide data split by additional categories due to low volumes and maintaining the privacy of individuals.

Appendix B – Asset Performance Indicators

Table 1: Property asset performance measures

Measure	Indicator	2023/24 Target	2023/24 Actual	2024/25 Target	2024/25 Actual
The percentage of buildings that are not earthquake prone (NBS of at least 34% or have a structural performance scoring of at least a seismic grade C)	Condition	100%	90%[1]	100%	90%
Percentage of owned buildings that have maintained their annual Building Warrant of Fitness (BWOF) where required	Condition	100%	100%	100%	89%[2]
Office space density	Functionality	12-16 sqm per person	12.75 sqm per person	12-16 sqm per person	12.18 sqm per person
Archive storage environments maintained to required standards 24/7: humidity and temperature	Functionality	80%	91.02%	80%	86.85%

Note 1 – 2023/24 Actual results for NBS rating was incorrectly recorded as 100% in the 2023/24 Annual Report. This has been amended to 90% for 2024/25 Annual Report.

Note 2 – One property is awaiting BWOF. The required documents have been submitted to the council.

Table 2: Information Communications Technology (ICT) asset performance measures

Measure	Indicator	2023/24 Target	2023/24 Actual	2024/25 Target	2024/25 Actual
Average percentage of time our IT business services are available	Condition	98.5%	99.4%	98.5%	98.7%
Percentage of incidents restored within SLA timeframes (all incidents P1-P4)	Condition	80%	71.1%	80%	82.7%[1]
Percentage of workstation devices in use	Utilisation	85%	79.7%	85%	84.8%
Percentage of successful changes	Functionality	95%	99.5%	95%	99.3%

Note 1 – The percentage of incidents restored figure for 2024/25 excludes records from the Te Ara Manaaki programme (to modernise life and identity services), as we identified that many service requests had been incorrectly classified as incidents. If Te Ara Manaaki records are included, the percentage of incidents restored within SLA timeframes would be 67.6%.

Appendix C – Carbon Neutral Government Programme

The Department is required to measure, verify and report Greenhouse Gas (GHG) emissions annually, set gross emissions reduction targets and compile longer term work programmes for emissions reduction. Reducing our emissions enhances operational efficiency and presents an opportunity to transform the way we think about the use of resources to make better decisions for our planet and people, carefully balanced against fiscal outcomes and delivering our services to the people of New Zealand.

2025 Performance

The Department reports emissions from departmental and non-departmental activities. Departmental activities include the Ministry for Ethnic Communities, a departmental agency hosted by the Department. Non-departmental activities include travel by Members of the Executive and approved accompanying parties and the operation of Ministerial properties (e.g. Premier House).

Table 1: Summary of 2024/25 greenhouse gas (GHG) gross emissions in tCO_2e

Emissions Source	2023 Base Year	2024	2025	2025 % Reduction From Base Year	2025 Departmental	2025 Non-Departmental	Notes 1
Scope 1: Direct emissions	**1,166**	**1,192**	**1,039**	**-11%**	**1,011**	**28**	
Refrigerant gases	11	70	16	37%	16	-	
Stationary combustion (LPG diesel & Nat Gas)	898	930	834	-7%	806	28	
Transport fuels (Fleet)	257	192	190	-26%	190	-	
Scope 2: Indirect emissions from imported energy	**738**	**678**	**1,027**	**39%**	**1,020**	**7**	
Electricity	738	678	1,027	39%	1,020	7	2
Scope 3: Other indirect emissions	**5,598**	**4,579**	**4,566**	**-18%**	**2,813**	**1,752**	
Business travel – air travel	3,964	2,976	2,644	-33%	992	1,652	
Business travel – other	390	402	328	-16%	231	97	
Freight	795	787	1,138	43%	1,138	-	3
Staff working from home	136	104	156	14%	156	-	
Transmission and Distribution Losses (Electricity & Natural Gas)	114	83	104	-10%	102	1	
Waste (to landfill)	109	135	119	10%	118	2	
Wastewater	89	91	77	-14%	76	-	
Total gross emissions (tCO_2e)	**7,502**	**6,449**	**6,632**	**-12%**	**4,845**	**1,787**	
Scope 3: Non-Mandatory							
Staff Commuting (non-mandatory)	826	945	799	-3%	799	-	4
Embodied Emissions from building construction	-	-	24,479				5

1 The Department's GHG emissions measurement (emissions data and calculations) has been independently verified against ISO 14064-1:2018 by Toitū Envirocare (Enviro-Mark Solutions Limited). Emission factors used are aligned with 2024 Guidance published by the Ministry for the Environment.

2 NZ Electricity emission factor fluctuates depending on rainfall in hydro dam catchments. Lower rainfall resulted in a 39% (285 tCO_2e) increase in emissions for electricity and also influenced an increase in the emissions for Staff working from home.

3 NZ Post revised its emissions factor calculations which resulted in a 150% increase (336 tCO_2e) in Freight emissions.

4 Staff Commuting for 2024 was adjusted to exclude public holidays.

5 The new Wellington Archives building, Te Rua Mahara o te Kāwanatanga, became operational in 2024/25.

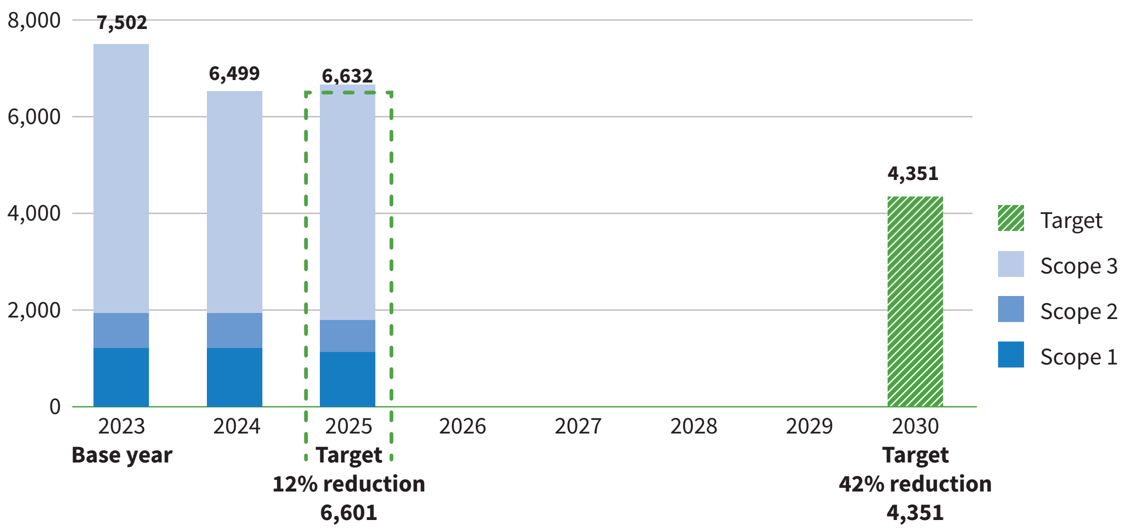
Performance against 2025 target

2024/25 marked the Department's first CNGP target, requiring a 12% reduction in gross emissions from the base year. The Department tracked closely to this target throughout the year and while we achieved a rounded 12% reduction, we narrowly missed our specific target by 31 tCO_2e. The shortfall was due to changes in emissions factors for electricity and freight which added 621 tCO_2e to our total. These types of emissions factor adjustments are common and can either benefit or disadvantage reported outcomes, depending on the nature of the revisions.

Notably, departmental air travel emissions have reduced by 48% and vehicle emissions (Fleet) reduced by 26% since base year following deliberate intervention and buy in from kaimahi. Energy reduction will be crucial for the Department to meet its 2030 target and will require deliberate decisions around property strategy as well as investment.

The biggest source of non-departmental emissions is ministerial travel which is largely demand driven and relates to delivering on Government priorities. Travel volumes are impacted by the size of Members of the Executive and base locations, government priorities, and the cyclical nature of the general elections. In 2024/25, the Department purchased 1,276 carbon credits through Toitū Envirocare to offset emissions from Ministerial travel.

Figure 1: 2025 performance compared to base year and 2025 and 2030 CNGP targets



To understand how changes in funding and staff may affect carbon emissions and monitor progress against reduction targets and trends, it is useful to calculate the emissions intensity as reported in Table 2 below.

Table 2: Emissions intensity by FTE staff and expenditure (incl. staff commuting)

Emission intensity - Departmental	2023	2024	2025	Notes 6
Gross emissions (tCO_2e) - Departmental (incl. Staff Commuting)	6,110	5,601	5,644	7
Key performance indicator				
FTE staff	2,644	2,785	2,680	8
Operating expenditure ($m)	661.9	687.1	624.0	
Emission intensity				
Total emissions per FTE (tCO_2e)	2.31	2.01	2.11	
Total emissions per million dollars of expenditure (tCO_2e)	9.23	8.15	9.05	

We continue to refine our data collection and reporting processes, enhancing accuracy and transparency. Empowering our kaimahi with knowledge, data and tools helps to guide business decisions with data-driven carbon insights and facilitates deliberate action aimed at reducing carbon. Our policies and processes similarly are reviewed periodically to ensure that carbon considerations are integrated into everyday operations.

6 Emissions intensity has been calculated only in relation to departmental activities as non-departmental emissions are not directly impacted by changes in departmental operating funding and number of staff.

7 Departmental Gross emissions for 2024 changed as Staff Commuting for 2024 was adjusted to exclude public holidays.

8 FTE staff 2,680 includes permanent, fixed-term and events-based employees (refer to Note under Appendix A Table 3).

Appendix D – Approved Information Sharing Agreement Reporting

Identity Services AISA

An Approved Information Sharing Agreement (AISA) was established between the Department of Internal Affairs (DIA) and the Registrar-General, Births, Deaths and Marriages during the 2019/20 financial year. This is known as the Identity Services AISA[9].

Reporting requirements:

Schedule A: Provision of BDM and passport information for citizenship by grant (Appendix A)

Scale

1.	Number of matches where birth record confirmed birth information	249
2.	Number of matches where marriage record confirmed name entitlement	523
3.	Number of matches where a record showing change of name confirmed name entitlement	146
4.	Number of citizenship applications (individuals)	39,099
5.	Number of citizenship applications granted	45,820
6.	Number of adverse action letters sent	Zero (0)
7.	Number of adverse actions contested	Zero (0)
8.	Number of adverse actions successfully contested	Zero (0)
9.	Number of individuals who were declined Citizenship	149
10.	Number of individuals who withdrew their Citizenship application	2,543

Assurance

Whether an audit or other assurance process has been undertaken and a summary of the outcome of any assurance or auditing process

Business Assurance reviews a wide selection of citizenship by grant applications for adherence to operational policy.

1,358 policy assurance reviews were undertaken (390 were presence reduction reviews and 968 general reviews). The number of reviews reduced at the end of the year as more time was spent reviewing live applications as part of the Complex Cases and Recommendations Group.

Details of any difficulties experienced and how they are being, or have been, overcome.

No difficulties have been experienced.

Schedule B: Provision of death information for expired passport-holders contact initiative (Appendix B)

This initiative was not run during the 2024–2025 year.

Scale

1. Total number of expired passports included in match
2. Number of deceased passports holders identified as a result of this match

9 https://www.dia.govt.nz/diawebsite.nsf/Files/IdentityServicesApprovedInformationSharingAgreement/$file/IdentityServices-Approved-Information-Sharing-Agreement.pdf

Schedule C: Provision of information to support automated passport issuance (Appendix C)

Scale

1.	Number of passport applications (individuals)	407,694
2.	Number of passport applications automatically issued	54,024
3.	Number of matches to authoritative records	657,089

Assurance

Whether an audit or other assurance process has been undertaken.

No audit of general automated passport matching due to the high level of automation.

Business Assurance assessed 213 Error After Dispatch (EAD) for any issues with system settings or policies that could have contributed to the error. These are communicated to the relevant Team Leader.

Schedule D: Creation of person record for previous passport applicants (Appendix D)

This initiative was for a one-off migration undertaken in March 2024 and was reported on in the Annual Report 2023/24.

Scale

1. Number of person records created
2. Number of person records created for deceased individuals (one-off report)
3. Number of apparent duplicate records identified for manual consideration

Assurance

Whether an audit or other assurance process has been undertaken.

No assurance required as this was a one off migration completed last year.

Schedule E: Provision of information to support manual passport issuance (Appendix E)

Scale

1.	Number of passport applications (individuals)		407,694
2.	Number of passport applications manually considered		353,670
3.	Number of adverse action letters sent		3,490
4.	Number of manual searches		906,534
5.	Number of manual matches:		
	a)	Exact:	228,302
	b)	1 to many:	513,780
	c)	Missing (no match):	164,452
6.	Number of stale cancelled applications		798

Assurance

Whether an audit or other assurance process has been undertaken.

Business Assurance receives targeted monthly reporting covering call-outs (processing outside of standard office hours) and manually assigned work from KIWI (the passport application processing system). The total number of reviews undertaken for the period was 1,356.

Schedule F: Confirmation letters (Appendix F)[10]

Scale

1.	Number of each confirmation type issued		
	a)	Denials:	460
	b)	Confirmation of citizenship by grant:	17
	c)	Non-Evidentiary:	13

10 Covers the period 2 December 2024 to 30 June 2025 (when sharing commenced).

2. Number of matches found with a death record	Zero (0)
3. Number of matches where birth record confirmed citizenship	1
4. Number of matches where passport confirmed citizenship	3
5. Number of each type of confirmation application withdrawn	
a) Denials:	1
b) Confirmation of citizenship by grant:	1
c) Non-Evidentiary:	Zero (0)
6. Number of adverse action letters sent	Zero (0)
7. Number of adverse actions contested	Zero (0)

Assurance
Whether an audit or other assurance process has been undertaken and a summary of the outcome of any assurance or auditing process

No assurance work is currently undertaken in this area due to the very low number of identity establishment applications (confirmation of descent pre 1978 applications); and the basic nature of the confirmation applications (confirming or denying the presence of an identity on our registers).

Customer Nominated Services AISA

An Approved Information Sharing Agreement (AISA) was established between the Accident Compensation Corporation (ACC), the DIA, the Ministry of Business, Innovation and Employment (MBIE), the Ministry of Education, the Ministry of Social Development (MSD), the New Zealand Transport Agency, the Registrar of Motor Vehicles, the Registrar-General, Births, Deaths and Marriages, and the Road User Chargers Collector. This is known as the Customer Nominated Services AISA[11].

This AISA relates to the supply of personal information to assist with the provision of public services that the individual has chosen to apply for where the service is:

Supported by the identity information held by the DIA or the Registrar-General;

Provided by the DIA; or

Provided by the Registrar-General.

Schedule A: Automatic notification of New Zealand citizens

<u>Scale:</u>

1. Number of records provided	44,890
2. Number of corrections provided by the DIA to MBIE	Zero (0)

Benefits: *Quantitative*

1. Number of records updated by MBIE	41,468
2. Number of visas cancelled	40,201

Assurance
Details of any difficulties experienced and how they are being, or have been, overcome.

No difficulties have arisen this year and the API appears to be working as it should. The manual workaround process below continues and is still proving effective.

- The API request does not return a 1:1 match when there is more than one identity attached to a client’s immigration record. When this occurs, the API will return either a no match or a list of potential client record matches. DIA will then, if required, contact the Identity Management Team for clarification.

11 https://www.dia.govt.nz/diawebsite.nsf/Files/Customer-Nominated-Services-AISA/$file/Customer-Nominated-Services-AISA-(signed).pdf

Schedule B: Citizenship online presence calculator

<u>Scale:</u>

1. Number of uses of the calculator	137,861
2. Number of API calls made to INZ	152,140
3. Number of individual client records returned by INZ	Not recorded[12]
4. Number of complaints about improper use of the calculator by unauthorised individuals	12,150

Benefits: *Quantitively*

Number of each type of determination made (meets, not meets, no determination):

a. Meets	144,328
b. Not meets	4,504
c. No determination	3,308

Benefits: *Quantitively*

- Reduces the requirement for individuals to check their presence information with INZ before making a decision to apply for citizenship.
- Reduces wasted time and cost by individuals spent applying for citizenship when they don't meet the presence requirements.
- Reduces the number of applications for citizenship by grant that are declined due to the individual not meeting the presence requirements.

Assurance

Details of any difficulties experienced and how they are being, or have been, overcome.

Difficulties:

None to note. DIA and INZ continue to meet quarterly to discuss monthly platform report, to ensure that the service is operating as expected.

Schedule C: Citizenship online staff summary

<u>Scale:</u>

1. Number of individuals applied for citizenship by grant	39,099
2. Number of API calls were made from the DIA to INZ	110,965
3. Number of individual client records were returned by INZ to the DIA[13]	61,907
4. Number of applicants who withdrew their citizenship by grant application after applying	708
5. Number of applicants who proceeded with their application to the Minister even though they did not meet the criteria.	1,745

Of these:

a. 305 proceeded as a submission[14] and

b. 1,440 proceeded with exceptions[15].

12 To protect the privacy of individuals, Internal Affairs does not store the data of individuals who use the calculator and therefore are unable to report against the “Number of individual client records returned by INZ”.

13 There are more individual client records returned by INZ than individuals who applied for citizenship by grant due to those people who failed the criteria and decided not to apply.

14 A submission is when an applicant doesn't meet one or more of the normal eligibility criteria and doesn't meet the eligibility for being included on one of the schedules. Their file is presented to the Minister for consideration individually.

15 Proceeded with exceptions is when an applicant doesn't meet one of the normal eligibility criteria but meets the requirements to be included on one of the schedules (for example English Waiver Schedule, Presence Reduction Schedule).

Benefits: *Quantitively*

1.	Number of applicants met the identity criteria of these:	61,472
2.	61,311 had an exact match[16] and	
3.	161 matched to many[17]	
4.	413 applicants did not meet the identity criteria	
5.	16,923 applicants met the presence criteria	
6.	An additional 32,188 applicants met the presence criteria, but had additional Visa conditions to be reviewed	
7.	Number of applicants who did not meet the presence criteria	12,774
8.	Number of applicants who did not meet the good character criteria[18]	2,051
9.	Number of adverse action letters sent	Zero (0)
10.	Number of adverse action letters contested	Zero (0)
11.	Number of adverse action letters not sent due to an active investigation.	Zero (0)

Benefits: *Qualitative*

A qualitative description of the benefits of information sharing under the Agreement.

- Reduces the requirement for individuals to check their presence information with INZ before making a decision to apply for citizenship.
- Reduces wasted time and cost by individuals spent applying for citizenship when they don't meet the presence requirements.
- Reduces the number of applications for citizenship by grant that are declined due to the individual not meeting the presence requirements.

Assurance

Where an audit or other assurance process has been undertaken, a summary of the results of that audit or assurance process.

Regular assurance audits are undertaken throughout the year for compliance with policy requirements. In this period Business Assurance undertook 1,358 policy assurance reviews of citizenship by grant applications (390 presence reduction reviews and 968 general reviews).

Details of any difficulties experienced and how they are being, or have been, overcome.

No difficulties have arisen this year and the API appears to be working as it should.

Schedule D: Renewal and Previous Travel Document Numbers share[19]

Scale

1.	Number of records provided by DIA to MBIE	1,204,128

16 Person information submitted to the API returned with an exact match to a person record held by INZ.

17 Person information submitted to the API returned with a match to two or more potential person records held by INZ.

18 These are records for which the API returned an Alert from INZ. They may be found to meet the good character criteria once assessed fully by a case officer.

19 Covers the period 1 January 2024 to 30 June 2025 (when sharing commenced).

Benefits: *Quantitative*

1.	Number of client records updated by MBIE	38,039
2.	Number (if any) of multiple matches manually resolved	Zero(0)[20]

Assurance

Details of any difficulties experienced and how they are being, or have been, overcome

The very few cases where either the date of birth or the gender of the client changed over the years were all resolvable based on other information held by INZ or remained unlinked.

Deaths AISA

An Approved Information Sharing Agreement (AISA) was established between the DIA, the Registrar-General, Births, Deaths and Marriages and Named Parties during the 2022/23 financial year, for the provision of registered deceased information. This is known as the Deaths AISA[21].

This Agreement assists with the provision of public services by facilitating access to accurate Death Information and Overseas Death Information for Organisations. It also provides for updating records about individuals associated with the deceased individual so that their records are also accurate.

Parties to this Agreement may take subsequent actions based on the update of records relating to the deceased individual or associated persons, such as the granting of benefits or entitlements.

Scale:

1.	Number of records provided	37,511[22]

Benefits: *Quantitative*

2.	Number of adverse action letters contested (for Parties that have notifiable adverse actions)	1

Assurance

Details of any amendments made to the Agreement (including schedules) since the Order in Council came into force (if the first report), or since the last report prepared (if the report is not the first report prepared).

No amendments have been made.

Details of any difficulties experienced and how they are being, or have been, overcome.

No difficulties have been experienced.

20 No true multiple matches were observed; the apparent multiple matches all resolved as endorsee-holder relationships. These accounted for about 10% of the linking attempts.

21 www.dia.govt.nz/aisa-death

22 The number of deaths registered in New Zealand between 1 July 2024 and 30 June 2025

Appendix E – Search and Surveillance

Reporting on the use of powers under the Search and Surveillance Act 2012

The Department is required to report on its search and surveillance powers under sections 171 and 172 of the Search and Surveillance Act 2012. For financial year 2024/2025, the Department did not exercise search or entry powers without a warrant and did not exercise warrantless surveillance powers. The Department did not apply for any declaratory orders. The Chief Executive did not receive any reports from Judges under section 48, 61 or 62 of the Search and Surveillance Act.

The Department applied for one surveillance warrant which related to a tracking device and did not require authorisation for entry into private premises. The application was granted. The surveillance warrant was used for a period of less than 21 days. One person was charged in criminal proceedings where the collection of evidential material relevant to those proceedings was significantly assisted by carrying out activities under the authority of the warrant.

Appendix F – Glossary

Word	Meaning
Appropriation	An appropriation is a sum of money allocated for a particular use and includes a description of what is being purchased, why it is being purchased and how performance will be assessed. It authorises Ministers to consume public resources, and ensures that Parliament knows how money will be spent and that the Government is held accountable for the spending. Types of appropriations include: • *Annual appropriation* – this is the most common type of appropriation and is limited to one financial year, consistent with the annual Budget cycle. • *Multi-Category Appropriation (MCA)* – MCAs consist of two or more categories of spending within a single appropriation that contribute to a single overarching purpose. • *Multi-Year Appropriation (MYA)* – MYAs allow expenses or capital expenditure to be incurred during a specified period of no more than five financial years. MYAs are generally used where uncertainties or dependencies are likely to affect when costs are incurred (for example, milestone payments for a multi-year project). • *Permanent Legislative Authority (PLA)* – PLAs are authorised by legislation other than an Appropriation Act and continue in effect for an indefinite period. Generally, the authorising legislation will impose limits on the scope of the appropriation and not its amount.
Departmental expenses	Expenses incurred by the Department in delivering services and functions on behalf of the Government.
Estimates of Appropriation	The Government's approved set of appropriations for a year, approved and published before the start of the financial year to which they relate.
ISO 14064-1:2018	ISO 14064-1:2018 is an international standard that provides guidelines for organisations to quantify and report their greenhouse gas (GHG) emissions and removals. It includes principles and requirements for the design, development, management, reporting, and verification of an organisation's GHG inventory.
Non-departmental expenses	Expenses incurred by entities other than the Department in delivering services and functions on behalf of the Government.
Scope of appropriation	The scope of an appropriation establishes the legal boundary of what an appropriation can be used for and, by omission, what it cannot.
Social capital	Social connections, attitudes and norms that contribute to societal wellbeing by promoting coordination and collaboration between people and groups in society.
Supplementary Estimates of Appropriation	The Government's approved changes to appropriations within a financial year.

Ministry for
Ethnic
Communities
Te Tari Mātāwaka

The Ministry for Ethnic Communities is a separate Ministry but operates as a departmental agency with the Department of Internal Affairs – Te Tari Taiwhenua as the host agency.

2024/25

Annual Report of the Ministry for Ethnic Communities –

Te Pūrongo ā-Tau a Te Tari Mātāwaka

Who we are

Driven by purpose – the why behind our Ministry

Our Ministry was established on 1 July 2021 in response to the recommendations of the Royal Commission of Inquiry following the terrorist attack on Christchurch mosques in March 2019.

Since our inception, we have embraced our role of the Government's lead for supporting Ethnic Communities and working to maximise the benefits of diversity and inclusion for all people in New Zealand.

Our values

We lead by example, living the values we champion among the Ethnic Communities we serve. These values are the guiding principles of our work, helping us create a truly inclusive Aotearoa.

We encourage all our employees to embody our core values:

Show Manaakitanga (kindness)

Practice Whakakotahitanga (inclusivity)

Display Whakamanawanui (courage)

Be Ngākau Pono (authentic)

Departmental agency

The Ministry for Ethnic Communities (the Ministry) operates as a departmental agency hosted within the Department of Internal Affairs (the Department).

Contents

Statement of Responsibility

I am responsible, as Chief Executive, for:

» the preparation of the Ministry for Ethnic Communities (Te Tari Mātāwaka) financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them;
» having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting;
» ensuring that end-of-year performance information on each appropriation administered by the Ministry for Ethnic Communities is provided in accordance with Sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this annual report; and
» the accuracy of any end-of-year performance information prepared by the Ministry for Ethnic Communities, whether or not that information is included in this annual report.

In my opinion:

» the annual report fairly reflects the operations, progress, and organisational heath and capability of the Ministry for Ethnic Communities;
» the financial statements fairly reflect the financial position of the Ministry for Ethnic Communities as at 30 June 2025 and its operations for the year ended on that date; and
» the forecast financial statements fairly reflect the forecast financial position of the Ministry for Ethnic Communities as at 30 June 2026 and its operations for the year ending on that date.

Mervin Singham

Chief Executive
Ministry for Ethnic Communities – Te Tari Mātāwaka

30 September 2025

Section 1

Chief Executive's foreword

New Zealand is changing. Our Ethnic Communities now make up over a million people, the fastest-growing population group in the country. With that growth comes both tremendous opportunity and real complexity. Diversity is one of our greatest national assets; however, it does not guarantee unity.

In today's world, inclusion must be actively protected and deliberately built. The rise of foreign interference, global conflicts, mis/disinformation, and anti-migrant sentiment underscores that it is critical to our national interests.

That's where our Ministry steps in. As the government's chief advisor on ethnic diversity and inclusion, we sit at the intersection of social cohesion, national resilience, and economic prosperity. We lead work in spaces where no other agency is solely responsible, protecting the integrity of our diverse social fabric and strengthening national unity.

You'll see in this report how we intentionally weave together evidence, community voice, and strategic influence into one integrated system of action.

The Ethnic Evidence report, a first for New Zealand, provides a nationwide view of how our communities are performing across critical systems, including health, employment, justice, and inclusion. This data helps shape more informed policy and investment decisions.

At the same time, our regional forums and flagship events, such as Ethnic Advantage and Ethnic Xchange, are expanding our reach, ensuring the human stories and lived realities behind the data are heard when decisions are made.

Community resilience begins with awareness, trust and people feeling seen and supported. When communities are informed, engaged and included, they are more resistant to manipulation and division. This is why social cohesion supports our nation's resilience. Social cohesion helps us stay strong in the face of adverse events and enhances safety and security for everyone in New Zealand. It starts in our homes, our communities, and the everyday relationships between people and government.

The impacts of our work extend far beyond our borders. A cohesive and inclusive society strengthens New Zealand's international reputation as a peaceful and welcoming nation that values diversity and talent. It directly affects our ability to attract international students, skilled migrants, foster trade relationships, secure long-term investments, enhance diplomatic influence, and promote tourism. With a sharp vision, social cohesion becomes central to our global competitiveness and national identity.

That's why we continue to invest in ethnic businesses and leadership, fund grassroots initiatives through the Ethnic Communities Development Fund, and champion the systems-level changes needed to create lasting and meaningful inclusion. These efforts contribute to developing an ecosystem where all New Zealanders, regardless of background, can thrive. Social cohesion is not a feel good, one-time outcome, it is a national asset and building it is serious work.

This report tells that story.

I'm proud of what we achieved this year. Thank you to all who walk alongside us, from staff and community leaders to ethnic businesses and government partners. I encourage you to explore this report to see the real-world impact of our work and the powerful outcomes it delivers for New Zealand.

Mervin Singham

Chief Executive
Ministry for Ethnic Communities

2024/25 Highlights

Ethnic Evidence report – A first for New Zealand

» First **comprehensive overview** of how New Zealand's 1.1 million Ethnic Community members are faring across health, employment, business, justice and safety, income and wealth.

» The indicators in this report draw on over **120 measures across three outcomes** – contribution to the economy, access to high quality public services, and valuing diversity and inclusion.

» The report has had over **5,000 views** since its publication on the Ministry's website in November 2024 and has been presented to over 15 government agencies.

Inaugural Ethnic Xchange - Unlocking potential

» Ethnic Xchange business symposium brought together **over 300 participants from diverse backgrounds** for the Ministry's flagship event.

» Showcasing the **economic benefits** that Ethnic Communities bring to New Zealand and the practical steps needed to remove some of the barriers experienced.

Security and resilience resources now available

» Information about foreign interference to provide practical support to help communities understand and resist threats, has been produced and released in **24 different languages** on the Ministry's website.

More funding grants awarded

» 615 total applications processed, and **408 grants awarded** for a total value of $4.2 million towards supporting Ethnic Communities to develop skills, celebrate culture and participate in society building social cohesion for New Zealand.

Strengthening our reach with communities in person and digitally

» Piloted and launched **Regional Initiative for Ethnic Communities Empowerment (RIECE),** with forums in Palmerston North and Hawkes Bay, and another planned for Southland.

» **Expanded our digital communication channels** to better engage with diverse Ethnic Communities and reach new demographics. We introduced targeted webinars to **support two-way dialogue** and improved the performance of our other digital platforms.

Section 2
Progress on Strategic Intentions

Strategic Intentions 2024 - 2028

We work with communities, other government agencies and a range of organisations to help increase social cohesion, improve economic performance, and ensure New Zealand is a place where everyone feels welcome, valued and empowered.

Our mandate comes from the communities we engage with, and their priorities are ours:

1. **Promoting the value of diversity and improving the inclusion of Ethnic Communities in wider society**
2. **Ensuring government services are accessible for Ethnic Communities**
3. **Improving economic outcomes for Ethnic Communities, including addressing barriers to employment**
4. **Connecting and empowering ethnic community groups.**

Priority 1:
Promoting the value of diversity and improving the inclusion of Ethnic Communities in wider society

The Ministry is operating in an increasingly challenging and evolving environment. Global conflicts and other events have domestic and wider impacts on New Zealand's social cohesion, and consequently the work of the Ministry is also becoming more complex.

This year we have used our connections into Ethnic Communities to bring communities together in a variety of new and innovative ways.

Regional Initiative for Ethnic Communities Empowerment (RIECE)

In November 2024, the Ministry piloted the Regional Initiative for Ethnic Communities Empowerment (RIECE) forum in Palmerston North to ensure regional Ethnic Communities perspectives are reflected in its evidence base.

The forum attracted around 50 representatives from Ethnic Communities and government agencies to discuss employment, immigration, equitable access to services, and ethnic business potential. Building on its success, a second forum was held in Hawkes Bay in March 2025[1], where 50 stakeholders shared insights on migrant exploitation and family violence.

Feedback confirmed the RIECE addresses a real need in the regions, strengthening connections between Ethnic Communities and government agencies. A further forum will be held in Southland in July 2025 and planned for other regions such as Tauranga, Queenstown and Taranaki in 2026.

1 https://www.ethniccommunities.govt.nz/news/riece-2-hawkes-bay

RIECE responds to community concerns about the Ministry's regional presence and ensures Ethnic Communities' voices remain valued and included. Summary reports were produced after each forum and shared with partner agencies and all attendees. Forums are tailored to regional contexts, with timely follow-ups and ongoing engagement essential to maintaining trusted relationships and supporting robust, evidence-based advice.

Ethnic Advantage 2025 – United Against the Headwinds

On 28 June 2025, the Ministry held its flagship social cohesion conference, Ethnic Advantage 2025: United Against Headwinds[2], in Auckland.

The event brought together over 400 community leaders from across the country, representing diverse ethnicities. It highlighted the incredible contributions Ethnic Communities make - especially during times of global tensions, rising living costs, increasing unemployment, and other national challenges.

A key insight, echoed from previous forums, is that Ethnic Communities are eager to contribute to solutions that benefit all New Zealanders, not just their own communities.

Discussions focused on the role of Ethnic Communities in fostering social cohesion, with panel sessions addressing the need to protect our communities from foreign interference, and respond to the local impact of global tensions. One session also reviewed progress since the 2023 conference around emergency recovery, highlighting the role of ethnic service providers and councils in civil defence responses during natural disasters.

Social cohesion cannot be achieved overnight. As new challenges arise, we need to find fresh ways to face them together. Effective programmes help bridge differences, build trust, and create a shared sense of purpose. The Ministry remains committed to working closely with communities to understand their needs and deliver meaningful support.

Faith Leaders Forums

Following successful forums in 2023 and 2024, the Ministry hosted additional Faith Leaders Forums in August 2024 and February 2025. Around 16 leaders from national peak faith organisations gathered to discuss shared challenges and promote social cohesion and inclusion.

The Ministry plans to continue hosting these forums.

Future Leaders Programme

In May 2025, the Ministry piloted the Future Leaders Programme in partnership with the Federation of Islamic Associations of New Zealand (FIANZ). Over four days, 22 young leaders, selected from 106 applicants, connected with senior public, private and media figures.

Workshops covered leadership essentials, conflict resolution, and media skills. The pilot generated strong interest in expanding the programme. An evaluation is under way and, if positive, similar initiatives will be launched for other Ethnic Communities in 2025/26.

2 More details can be found at https://www.ethniccommunities.govt.nz/news/registrations-now-open-for-ethnic-advantage-2025

Ethnic representation on public sector boards and committees

The Ministry maintains a database of over 250 individuals from diverse ethnic backgrounds who have expressed interest in serving on public sector boards and committees. Over the past year, the Ministry has delivered three online learning events with guest speakers to support governance capability building.

Priority 2:
Ensuring government services are accessible for Ethnic Communities

This year, we provided strategic guidance to government agencies, helping shape more inclusive policies that reflect the needs and aspirations of Ethnic Communities.

Ethnic Evidence – Making data and evidence visible

In December 2024, the Ministry launched its Ethnic Evidence report[3] at Parliament's Grand Hall – the first comprehensive overview of how New Zealand's 1.1 million Ethnic Communities are faring across health, employment, business, justice and safety, income and wealth.

The report is a key resource for public sector agencies to embed Ethnic Communities perspectives into policy, service design, and investment decisions. It addressed a critical gap and was well received by both communities and public sector partners, for its clear, practical insights for more inclusive decisions.

While the report highlights key strengths and challenges, further work is needed. It offers a foundation to deepen our understanding and improve data and insights, ensuring Ethnic Communities are fully reflected in government decision-making.

Emergency preparedness

Recent events highlighted gaps in emergency responses to the linguistic, cultural, and religious needs of Ethnic Communities, who often support all communities during crises.

In April 2025, the Ministry organised a meeting with the Minister for Ethnic Communities, (also the Minister for Emergency Management and Recovery), and around 50 Ethnic Service Providers working across social, health, mental health, and support services for various groups including ethnic, regional, Rainbow and senior communities. The meeting enabled providers to share challenges, strengthen collaboration, begin problem solving, and develop Emergency Preparedness programmes.

Language Assistance Service

Interpreting services play a critical role in removing barriers to accessing government services for all New Zealanders. In April 2025, we began transitioning the Language Assistance Service from MBIE to the Ministry. From July 2025, the Ministry will continue to focus on its role of lead agency as well as reviewing the programme for future improvements and longer-term sustainability.

3 More details can be found in https://www.ethniccommunities.govt.nz/our-communities/our-communities-in-the-data

Priority 3:
Improving economic outcomes, including addressing barriers to employment

There is a clear link between economic performance and social cohesion. New Zealand's super-diversity is an opportunity to drive stronger economic outcomes. The Ministry is uniquely positioned to facilitate the contribution of ethnic businesses, drawing on trusted relationships built since the Ministry was established.

Ethnic Xchange 2024

On 11 October 2024, the Ministry held the inaugural Ethnic Xchange business symposium[4] in Auckland, focused on unlocking the full potential of ethnic businesses for New Zealand.

Over 300 participants and speakers from a diverse range of backgrounds discussed trade, investment and innovation, highlighting how ethnic businesses can support New Zealand's global trade through expertise in international markets and environments.

The symposium showcased the economic value of Ethnic Communities, explored ways to reduce barriers and provided networking with trade and investment partners, entrepreneurs, experts and government representatives.

A report with key insights and recommendations was shared with relevant government agencies, business support organisations, and ethnic businesses.

The main challenge remains adapting to a fast-changing business environment and diverse sector needs. To address this, business round table events are being held around the country to meet varied needs.

Ethnic Business Roundtables

In 2024/25, the Ministry hosted two Ethnic Business Roundtables, supported by external partners, to explore challenges facing ethnic businesses and gather insights on breaking down barriers to growth.

Over 60 leaders from the private sector, public sector and ethnic businesses attended sessions on governance, business growth and overcoming common challenges.

As part of the Ministry's ongoing engagement strategy for economic growth, two more round tables are planned for late 2025.

Ethnic Communities Graduate Programme

In March 2025, after three successful intakes yielding 53 graduates, the Ministry concluded that the Ethnic Communities Graduate Programme had achieved its objective of increasing ethnic representation in entry-level public service roles.

With solid representation now established in the lower tiers of the public sector, the programme was discontinued. Resources have been redirected to new high-impact initiatives supporting Ethnic Communities' aspirations.

4 More details can be found in https://www.ethniccommunities.govt.nz/events/ethnic-xchange

Priority 4:
Connecting and Empowering Ethnic Community groups

Security and Resilience

Foreign interference is a growing threat to the safety and security of everyone in New Zealand. Some Ethnic Communities face unwanted attention from foreign states that undermines their rights, discouraging communities from speaking out, protesting, or expressing their opinions freely.

As part of an all-of-government response to foreign interference, the Ministry has delivered two thematic reports based on engagement with communities, helping to inform our work and our partner agencies.

Resources[5] have been released in 24 languages covering:

» Your rights in New Zealand
» How to report foreign interference
» Keeping safe online
» Information about the draft Crimes (Countering Foreign Interference) Amendment Bill.

Foreign Inference is a challenging and growing problem. The resilience of Ethnic Communities is a key national security asset. The Ministry is providing practical support to help communities understand and resist these threats.

Ethnic Communities Development Fund

The Ethnic Communities Development Fund (ECDF) provides $4.2 million a year for one-off projects that support Ethnic Communities to develop skills, celebrate their culture and participate in society.

In 2024/25, a total of 615 applications were processed (up from 583 in 2023/24) and 408 grants were awarded (up from 306 in 2023/24) to the total value of $4.2 million.

The Fund is highly valued by Ethnic Communities, with demand consistently exceeding available funding.

2024/25 –
408 grants awarded

The table below shows how the 2024/2025 grants align with the Ministry's strategic priorities:

Ministry Priorities	Number of Grants Awarded
1. Take action to promote the value of diversity and improve inclusion of ethnic communities	163
2. Ensure equitable provision of, and access to, government services for ethnic communities	11
3. Develop and support initiatives to improve economic outcomes, including addressing barriers to employment	13
4. Work to connect and empower ethnic community groups	221
Total grants	**408**

In 2025/26, the Ministry will explore ways to encourage more funding applications from Ethnic Communities for projects focused on Priorities 2 and 3.

5 More details can be found at https://www.ethniccommunities.govt.nz/programmes/security-and-resilience

Strengthening community connections through digital growth

Recognising the fast-paced and digitally driven world we live in, the Ministry continued to enhance its digital presence to improve communication and engagement with Ethnic Communities.

These efforts contributed to broader reach, improved access to information, and increased public engagement with Ministry initiatives.

- **Social media** - The Ministry maintained an active presence on Facebook, LinkedIn, and YouTube, and added Instagram in early 2025 to extend its reach to wider demographic groups. Our Facebook followers increased by nearly 10%, and total YouTube video views rose by 138% (or more than double), indicating greater engagement with visual content. LinkedIn continued to perform strongly.
- **Webinars** - Introduced to support two-way engagement with communities, offering real-time dialogue and information-sharing. We organised six webinars in 2024/25: three focused on the Ethnic Communities Development Fund, and three supported Nomination services.
- **Website performance** - The Ministry's website continued to serve as a central source of information for Ethnic Communities and stakeholders. Active users more than doubled and overall site traffic increased by over 110%.

Celebrating community events at Parliament

Delivering key community events at Parliament reaffirms our commitment to fostering understanding, respect and unity in New Zealand. Hosted by the Minister for Ethnic Communities, close to 500 Ethnic Communities and business stakeholders attended one of the events held in celebration of Diwali in November 2024, the Lunar New Year 2025 and Eid in April 2025. These events showcase New Zealand's rich multicultural heritage and provide opportunities for collective celebration of culture and social cohesion.

Using art to connect and empower Ethnic Communities

As part of our ongoing efforts to engage communities in new ways, we partnered with the Pan Asian Screen Collective[6] to deliver *Being Seen* – a film-based initiative exploring cultural identity, belonging and inclusion.

Four curated short films by Pan-Asian filmmakers were screened across Auckland, attracting over 140 attendees. The films addressed themes such as identity, racism, migration, isolation and inclusion.

Feedback was overwhelmingly positive, with participants valuing stories that mirrored their own experiences and then discussing those themes in-depth with others.

6 https://www.pasc.co.nz/

Section 3
Assessment of operations

Overview of Delivery

As the Government's chief advisor on ethnic diversity and inclusion, we delivered the following key outcomes across three focus areas in 2024/25.

Economic growth

We engaged with ethnic business leaders, ethnic business councils, private sector organisations and government agencies to identify the critical economic priorities for Ethnic Communities. The Ethnic Xchange conference (refer to story on page 201) highlighted key barriers and opportunities for enhancing their contribution to New Zealand's economy.

Security and resilience

Our work on foreign interference takes a social cohesion-focused approach, building both community resilience and public sector capability. This unique model has attracted international interest, with Australia being the only other country using a similar approach (refer to story on page 202).

Social cohesion and wellbeing

Through targeted programmes, stakeholder engagement and support via the Ethnic Communities Development Fund, we've strengthened Ethnic Communities' sense of belonging and integration into New Zealand society (refer to story on page 202).

Advice to Government

In 2024/25, the Ministry used its data and analytics capability to produce the *Ethnic Evidence Report* (refer to story on page 202 to 203). This report has improved the visibility of Ethnic Communities in existing data, helped identify system issues and supports more detailed ethnicity data collection and reporting.

Implementing the Government's priorities

Ministerial priorities

In 2024/25, both Melissa Lee and Mark Mitchell as Ministers for Ethnic Communities, have directed initiatives to enhance Ethnic Communities' economic contribution, strengthen social cohesion and improve access to government services.

Minister Mitchell's speech in April 2025 outlined his key priorities for the Ethnic Communities portfolio[7].

The Ministry has progressed the priorities of both Ministers in 2024/25. Refer to the previous Section 2 - Progress on Strategic Intentions for more information.

Baseline savings and reduction in contractors and consultants

The Ministry's baseline was reduced by $1.244 million in 2024/2025 because of the Budget 2024 Initial Baseline Exercise. These savings were achieved through:

» Workforce optimisation
» Reduced reliance on contractors and consultants
» Review of all discretionary spending, including travel.

For more details, refer to page 35 to 36 in Section 3 - Assessment of operations.

Reduction in expenditure on contractors and consultants

The Ministry achieved a $46,000 reduction in contractors and consultants' expenditure in 2024/25. The 2024/25 spend on contractors and consultants was $146,000.

This compares with expenditure of $192,000 in 2023/2024.

For more details, refer to page 36 in Section 3 - Assessment of operations.

Budget Significant Initiatives

For Budget 2024 and Budget 2025 we did not have any significant Budget initiatives.

Year-end performance information on appropriations

In 2024/25, the Ministry reviewed all its non-financial performance measures. We revised the Ministerial Satisfaction performance measure to reflect the broad range of advice the Ministry provides to the Minister, not just policy advice. The Ministry also established a standard for this measure.

The Ministry will continue annual reviews of our performance measures, to improve or update measures as needed. For more details, refer to pages 80 to 81 in Section 3 - Assessment of operations.

7 https://www.beehive.govt.nz/speech/ethnic-communities-minister-outlines-key-priorities

Section 4
Organisational health and capability

As a departmental agency, the Ministry manages its own resources but receives corporate support in some areas from the Department. Below is a unique overview of the Ministry's organisational health and capability.

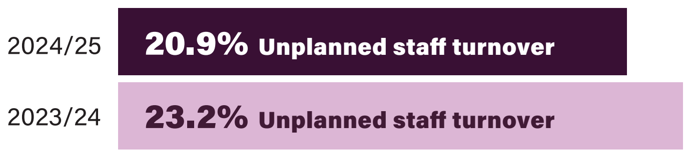
Long term capability and our people

In 2024/25, the Ministry introduced a new operating model, refocusing on our four strategic priorities by targeting key issues rather than broad engagement with communities. We have also facilitated discussion with communities on complex and sensitive issues. We still respond to emerging issues but carefully choose priorities with the most impact.

As of 30 June 2025, the Ministry had 60 employees, with a full-time equivalent (FTE) of 58.7.

Unplanned staff turnover

The Ministry's unplanned turnover (permanent staff lost due to reasons not planned for such as resignations) as of 30 June 2025 was 20.9 percent (compared with 23.2 percent in 2023/24). This figure reflects redundancies, the ongoing challenge a smaller Ministry faces providing internal career progression opportunities, and continued uncertainty in the public sector environment.



Equal Employment Opportunity

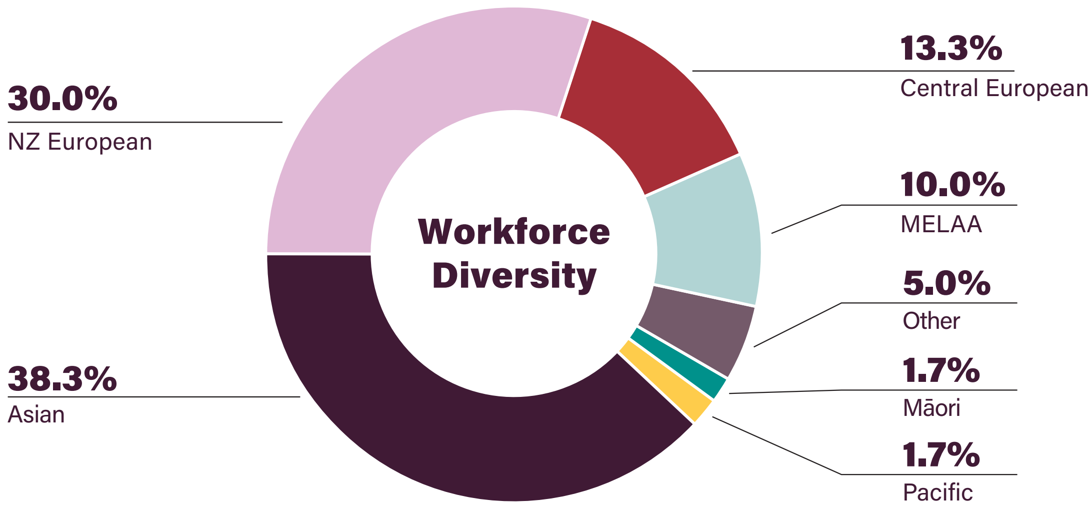
The Ministry is committed to creating an inclusive workplace, where people feel supported, connected, and empowered to be themselves and deliver for New Zealanders.

The gender pay gap on 30 June was -0.9 percent. The Asian pay gap was -7.8% with further ethnicity breakdowns unavailable due to the small number of employees.

Workforce Diversity

Our diverse mix of ethnicities reflects our role and the communities we support. Our people may identify with multiple ethnicities, and the figures below reflect their primary identity (excluding graduates).

Asian 38.3%, NZ European 30%, Central European 13.3%, MELAA (Middle Eastern, Latin American and African) 10%, Other 5%, Māori 1.7%, Pacific 1.7%



Kia Toipoto and Papa Pounamu

In October 2024, we merged the Kia Toipoto and Whāinga Amorangi plans into the Kia Toipoto and Papa Pounamu Action Plan 2022 - 2025, now on our website. This single plan guides both our work on an inclusive workplace and our Māori-Crown partnership. We regularly review recruitment, salaries and staff data to minimise our gender pay gap. We also provide training in te reo Māori, New Zealand history, the Treaty of Waitangi, tikanga and other Māori practices so our people can engage confidently and respectfully. Progress is tracked and reviewed through reports and updates.

Institutional Knowledge and information

In 2024/25, we strengthened our internal capability to support the Ministry's role as Chief Advisor by:

» Introducing a Customer Relationship Management (CRM) tool to enhance strategic engagement.

» Offering plain language training to all staff to improve accessibility across all communication channels.

» Offering intercultural capbility eLearning modules for public sector users on the Ministry's website. 155 users completed a survey with 86% saying they were likely or very likely to recommend the course to others.

Systems and processes

» We successfully trialed and were the first adopters of the Department's information technology platform upgrade from Cohesion to Hukatai.

» We replaced the Ministry's website. From July 2025, the upgrade will support enhanced analytics and provide a modern platform to host our website, future-proofing one of our key communication channels.

Digital Executive Board

2024/25

Annual Report of the Digital Executive Board

Pūrongo ā-Tau a te Poari Whakahaere Matihiko

The Digital Executive Board operates as an Interdepartmental Executive Board serviced by the Department of Internal Affairs

Statement of Responsibility

In accordance with section 45C of the Public Finance Act 1989, it is the opinion of the Board that this Annual Report fairly reflects the operation, progress, organisational health and capability of the Board.

Paul James

Secretary for Internal Affairs

Secretary for Local Government and Government Chief Digital Officer

Andrew Clark

Director General

Government Communications Security Bureau

Sir Brian Roche KNZM

Public Service Commissioner, Head of Service

Public Service Commission

Peter Mersi

Commissioner and Chief Executive

Inland Revenue

Mary Craig

Government Statistician

Chief Executive (Acting)

Statistics NZ

Introduction

The Digital Executive Board (the Board) was established in August 2022 as an Interdepartmental Executive Board (IEB), by Order in Council. There was a reset of the Board in September 2023.

Established under the Public Service Act 2020, the Board is accountable for supporting digitisation and integration of public services around common citizens, clients, and customers.

We are pleased to report that the first Service Modernisation Roadmap (the Roadmap) was released in December 2024, with the Board receiving regular reporting on the progress of the initiatives on the Roadmap. The Board is also anticipating receiving the second version of the Roadmap, with new digital initiatives, to be launched later this year.

About the Board

Under Section 29 of the Public Sector Act 2020, the Public Service Commissioner selected the members of the IEB from the Chief Executives of the government departments that are included in the Board's remit.

The Board is coordinated across the Digitising Government portfolio and administered by the following agencies:

» Department of Internal Affairs (Government Chief Digital Officer)
» Government Communications Security Bureau (Government Chief Information Security Officer)
» Public Service Commission (Head of Service)
» Inland Revenue (System Lead Service Transformation)
» Statistics New Zealand (Government Chief Data Steward).

The Chair of the Board is Paul James, Secretary for Internal Affairs.

Structure and resourcing

The Department of Internal Affairs remains the servicing department for the Board and hosted the Board Secretariat. The Board has no staff.

Strategic Intentions and performance reporting

Since September 2023, as per the Cabinet paper [GOV-23-MIN-0022], the Board was accountable for:

» leading and managing the whole-of-system transformation of digital public services, including producing and implementing a system blueprint[1] for digital public services which enables clear sequencing and prioritisation of investment
» joining current work programmes at key points of overlap to build on progress already being made across the public service.

The Digital Executive Board will undertake the following functions to support these strategic intentions:

» meet regularly to discuss issues and opportunities to progress.
» receive reporting on progress on the system Roadmap for digital public services.
» advise the Minister for Digitising Government on progress against the work programme for the Roadmap for the digital public services.

1 The name 'Blueprint' was used in the original Cabinet paper which changed the Board's original remit [GOV-23-MIN-0022], is now referred to as the 'Roadmap'.

Progress on leading and managing the whole-of-system transformation of digital public services – the Service Modernisation Roadmap

In November 2024, the Service Modernisation Roadmap[2] (the Roadmap) was published to guide modernisation of digital public services in New Zealand.

Agency commitment to delivering the 51 Roadmap initiatives has been strong. In the third quarter of 2024/25, agencies reported eight initiatives as complete; 33 initiatives as being on track; and 10 initiatives as managing some delivery risks. We are currently developing the next version of the Roadmap.

The Roadmap has had a beneficial impact on improving alignment of agency initiatives and digital investment for service modernisation. Because agency work has been made visible through its inclusion on the Roadmap, the Government Chief Digital Officer (GCDO) can connect agencies putting forward investment bids for work other agencies are already delivering.

Overall, the Service Modernisation Roadmap has laid key customer-facing and technical foundations and improved our digital investment alignment.

The next version of the Roadmap will be released later this year.

Directional Leadership in the Public Service – four ‘Asks’

The Board has supported the GCDO and the Public Service Commissioner to issue four asks of the Public Service Leadership Team (PSLT). These were for agency ‘buy-in’ on four priorities that would have system impact for digitising government and are shown below:

- Actively participate in building a Digital Identity ecosystem
- Help the GCDO scope the potential for an All-of-Government application
- Support a new approach to Back-office Transformation
- Support a new approach to digitising government.

The above will be reflected in the next version of the Service Modernisation Roadmap.

2 Read more here - https://www.digital.govt.nz/digital-government/strategy/strategy-summary/service-modernisation-roadmap

Digital Identity Services
Trust Framework Authority

Digital Identity Services
Trust Framework
Board

2024/25

Trust Framework Authority
and
Trust Framework Board

Introduction

This section describes the activities of the Trust Framework Authority and Trust Framework Board for the 2024/25 financial year as required by the Digital Identity Services Trust Framework Act[1].

The Trust Framework Authority (the Authority) and the Trust Framework Board (the Board) were set up on 1 July 2024 as the two administering bodies for the Digital Identity Services Trust Framework (the Trust Framework)[2]. The Trust Framework is the legal framework to regulate digital identity services and ensure they are secure and trusted.

The Authority and Board operate within the Department of Internal Affairs (the Department) and are accountable to its Chief Executive, however the Trust Framework Authority must act independently in respect of its enforcement functions.

More information on the Authority and the Board can be found on the Trust Framework website[3].

Launch of NZ Verify app – available on Apple and Google Play Stores

In May 2025, we launched NZ Verify / Whakatūturu – the official government app for verifying digital driver's licences and future digital credentials.

NZ Verify lays the groundwork for New Zealanders to use digital credentials in everyday situations, such as buying age-restricted products or renting a car. It currently validates select international driver's licences, enabling easy verification of some United States and Australian mobile licences. Our work with other agencies such as New Zealand Transport Agency (NZTA) has had positive progress towards the development of digital credentials.

The next milestone is for NZ Verify to be used for New Zealand-issued digital credentials. The Department is implementing the necessary infrastructure to support this shift and working with other agencies to facilitate the removal of legislative barriers. More information on NZ Verify can be found on the Trust Framework Website[4].

NZ Verify is available via the New Zealand Apple[5] and Google Play Stores[6].

NZ Verify
Whakatūturu

1 Sections 44(3) and 59(4) of the Digital Identity Services Trust Framework Act 2023
2 Established by the Digital Identity Services Trust Framework Act 2023
3 Access the Trust framework website here https://www.dia.govt.nz/Trust-Framework
4 https://www.dia.govt.nz/nzverify
5 You can download the app from the Apple Store here https://apps.apple.com/nz/app/nz-verify-whakat%C5%ABturu/id6743457606
6 You can download the app from the Google Play Store here https://play.google.com/store/search?q=NZ+verify&c=apps

Authority activities

The Authority is the regulator responsible for ensuring the legal requirements of the Trust Framework are met by those that become accredited. During the first year of operation, the Authority focused on its preparedness to meet the functions set out in the Act. From 1 July 2024 to 30 June 2025, the Authority completed the following activities to establish each of its functions:

Functions	Activities
Accreditations Accredit digital identity service providers and services, and maintain a list of those accredited on the Trust Register	» Published templates and guidance for providers on applying for and maintaining accreditation, including support to prepare for independent evaluations[7]. » Selected and published a list of independent privacy and security evaluators[8]. » Established the necessary tools and processes for the Authority to assess applications for accreditation.
Compliance monitoring Ensure accredited providers meet the legal requirements of the Trust Framework through the testing and monitoring of compliance	» Developed a regulatory risk management framework. » Developed tools and processes for monitoring compliance and responding to compliance issues.
Enforcement activities Assess complaints about accredited providers and investigate breaches of the law	» Developed procedures for assessing complaints and for investigating breaches of the legislation, including procedures for transferring complaints to other office holders, where appropriate. » Published information on making a complaint to the Authority[9].
Accreditation mark Manage the accreditation mark for the Trust Framework	» Redesigned the accreditation mark to be visually effective across digital and print application and published the terms of use of the mark[10].
Performance monitoring Monitor the performance and effectiveness of the accreditation regime	The Authority will monitor the performance of the accreditation regime as the first accreditations occur. » Developed key performance indicators for the processing of applications, compliance monitoring and enforcement activities.

7 https://www.dia.govt.nz/Accreditation-and-maintenance
8 https://www.dia.govt.nz/Trust-Framework-for-Digital-Identity-Independent-evaluators
9 https://www.dia.govt.nz/Trust-Framework-for-Digital-Identity-Make-a-Complaint
10 https://www.dia.govt.nz/Trust-Framework-Authority-accreditation-mark

Board activities

During the first year of operation, the Board focused its activities on the responsibilities set out in the Act, as well as the additional duties given by the Minister. From 1 July 2024 to 30 June 2025 the Board delivered the following key initiatives to progress priority work:

Priority work areas	Key initiatives
Government as an issuer Support and enable the development of digital identity credentials and attributes from government	» Completed a stocktake, with GCDO, of credentials and attributes across government, and any planned investment in digital identity services. » As part of the All-of-Government Service Modernisation Roadmap, commenced the development of shared services to support agencies to develop credentials and tested market capability for central issuance infrastructure.
Accreditation pipeline Encourage the adoption of the Trust Framework by providers	» Carried out a substantive programme of market development engagements with the public and private sectors, international jurisdictions, suppliers, and standards bodies to mobilise agencies towards a digital identity ecosystem. » Carried out numerous digital identity 101 sessions and pre-application discussions with private and public sector organisations considering accreditation. » Migrated to a Customer Relationship Management system for enhanced tracking of the accreditation pipeline.
Regulatory modernisation Facilitate the removal of regulatory barriers to adoption of digital identity in New Zealand	» Supported the Department's regulatory modernisation work to support the uptake of digital identity. » Supported discussions across government on the regulatory change required for digital identity services.
Identity proofing and privacy Streamline identify proofing and removal of scanned identity documents in government	» Supported the Department's work to establish the Identity Check service as government's identity proofing service. » Developed an All-of-Government Identity Proofing approach to support the use of Identity Check across government.
Relying party infrastructure Implement infrastructure so government can accept digital credentials as a form of identity	» Developed and launched the NZ Verify App – the official Government verifier for digital credentials, available via the New Zealand Apple and Google Play stores. » By introducing NZ Verify to the market, the Board provided an essential component needed to implement digital credentials infrastructure and grow a digital identity system.
Rules and regulations Recommend rules and regulations for the Trust Framework to the Minister, and in the case of the rules, review them at reasonable intervals and recommend updates	» In September 2024, the Trust Framework Regulations 2024 came into force which set out the administrative requirements of the Authority. » In November 2024, the Trust Framework Rules 2024 came into force which provide the technical requirements digital services providers need to meet for accreditation. » In June 2025, the Board completed the first regular review of the Trust Framework Rules, including targeted consultation. The Minister approved the recommended updates to the rules, and these came into force in July 2025. » Supported the Department with the development of a second tranche of regulations due for completion in 2025/26.
Education and guidance Publish guidance and educate Trust Framework providers and the public	» Worked with industry and regulators to develop key messages and collateral for the Trust Framework. » Published the first series of Digital identity use cases to demonstrate everyday scenarios of using accredited digital identity credentials to safely and securely share information[11]. » Commissioned research on New Zealander's views on digital identity to support future education initiatives and public campaigns.
Performance monitoring Monitor the performance and effectiveness of the Trust Framework	» The Board will carry out monitoring of the Trust Framework as the first accreditations occur.

11 https://www.dia.govt.nz/Trust-Framework-for-Digital-Identity-Resources

Non-departmental Appropriations 2024/25 Report

The Vote Internal Affairs Non-Departmental Appropriations Report 2024/25 outlines what was intended to be achieved by each of the appropriations, and the results delivered. This report is presented to the House of Representatives pursuant to section 19B of the Public Finance Act 1989.

Minister of Internal Affairs Report

Four appropriations outlined below meet the requirement, set out in the supporting information to the 2024/25 Estimates or 2024/25 Supplementary Estimates, for information on certain non-departmental appropriations to be reported by the Minister of Internal Affairs Report.

Non-Departmental Output Expenses

Classification of Films, Videos and Publications (M41)

This appropriation contributes to the outcome:

Iwi, hapū and communities across New Zealand are safe, resilient and thriving

Scope of appropriation

This appropriation is limited to the examination and classification of films, videos and publications by the Office of Film and Literature Classification under the Films, Videos, and Publications Classification Act 1993.

What we intended to achieve with this appropriation

This appropriation is intended to achieve effective classification of films, videos and publications to restrict access to harmful material within New Zealand.

How we performed

Performance information for this appropriation can be found in the 2024/25 Annual Report for the Office of Film and Literature Classification.

Output statement

Actual 2024 $000	Non-Departmental Output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
3,478	Non-Departmental output expenses	3,278	3,278	3,278

Fire and Emergency New Zealand - Public Good Services (M41)

This appropriation contributes to the outcome:

Iwi, hapū and communities across New Zealand are safe, resilient and thriving

Scope of appropriation

This appropriation is limited to the Crown contribution towards the public good component of services provided by Fire and Emergency New Zealand.

What we intended to achieve with this appropriation

This appropriation is intended to achieve recognition of the Government's contribution towards public good services that are unrelated to property or motor vehicle insurance.

How we performed

Performance information for this appropriation can be found in the 2024/25 Annual Report for Fire and Emergency New Zealand.

Output statement

Actual 2024 $000	Non-Departmental Output expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
10,000	Non-Departmental output expenses	8,000	8,000	8,000

The 2024/25 actual expenses were $2.000 million lower than 2023/24 and the Unaudited Budget due to a reduction in public good funding for Fire and Emergency New Zealand associated with baseline savings.

Non-Departmental Capital Expenditure

Fire and Emergency New Zealand – Loans (M41)

This appropriation contributes to the outcome:

Iwi, hapū and communities across New Zealand are safe, resilient and thriving

Scope of appropriation

This appropriation is limited to loans to provide financial support to Fire and Emergency New Zealand.

What we intended to achieve with this appropriation

This appropriation is intended to provide financial support to Fire and Emergency New Zealand.

How we performed

Performance information for this appropriation can be found in the 2024/25 Annual Report for Fire and Emergency New Zealand.

Output statement

Actual 2024 $000	Non-Departmental Capital expenditure	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
25,000	Non-Departmental capital expenditure	25,000	25,000	25,000

Non-Departmental Other Expenses

Miscellaneous Grants – Internal Affairs (M41)

This appropriation contributes to the outcome:

Iwi, hapū and communities across New Zealand are safe, resilient and thriving

Scope of appropriation

This appropriation is limited to payments to individuals or organisations to assist in building a strong and safe nation through serving and connecting citizens, communities and Government.

What we intended to achieve with this appropriation

This appropriation is intended to achieve support for building a strong and safe nation.

How we performed

Achieved 1 out of 1 performance standard

100% achieved

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard Met
12.01	Percentage of invoices that are paid within 10 business days from receipt	100%	At least 95%	100%	✓

Output statement

Actual 2024 $000	Non-Departmental Other expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
1,150	Non-Departmental other expenses	550	550	550

The 2024/25 actual expenses were $600,000 lower than 2023/24 and the Unaudited Budget mainly due to a reduction in grant funding for the Aotearoa Reorua (Bilingual Towns and Cities) programme associated with baseline reduction mandated by the Government.

Minister of Local Government Report

Two appropriations outlined below meet the requirement, set out in the supporting information to the 2024/25 Estimates or 2024/25 Supplementary Estimates, for information on certain non-departmental appropriations to be reported by the Minister of Local Government Report.

Non-Departmental Other Expenses

Supporting Local Government with Natural Hazard Events (M49)

This appropriation contributes to the outcome:

Iwi, hapū and communities across New Zealand are safe, resilient and thriving

Scope of appropriation

This appropriation is limited to assisting local authorities to deliver effective local government services associated with preventing or responding to adverse natural events or natural hazards.

What we intended to achieve with this appropriation

This appropriation is intended to support local authorities to quickly and effectively respond to natural hazard events through services and other functions to impacted communities.

How we performed

Achieved 1 out of 1 performance standard

100% achieved

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard Met
12.02	Percentage of funds paid within agreed criteria to identified local authorities to support them with preventing or responding to Natural Hazard Events (see Note 1)	100%	100%	100%	✓

Note 1 - The funding allocation is set out in the Minute of Decision from the 21 June 2023 Cabinet Extreme Weather Recovery Committee. Funding agreements outline the terms of funding. Focus is on ensuring funding is available to support management of sediment and debris from adverse weather events and natural hazards.

Output statement

Actual 2024 $000	Non-Departmental Other expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
5,380	Non-Departmental other expenses	9,800	9,842	4,142

The 2024/25 actual expenses were $1.238 million lower than 2023/24 and $5.658 million less than the Unaudited Budget due to delays in projects and accordingly the approval of in-principle expense transfers from 2024/25 to 2025/26.

Water Services Reform: Better Off Support Package (M49)

This appropriation contributes to the outcome:

Iwi, hapū and communities across New Zealand are safe, resilient and thriving

Scope of appropriation

This appropriation is limited to grants to support investment into community wellbeing, placemaking, housing, and climate related initiatives.

What we intended to achieve with this appropriation

This appropriation is intended to support communities to transition to a sustainable and low-emissions economy, or deliver infrastructure and services that enable housing development and growth, support local placemaking or improvements in community wellbeing.

How we performed

Achieved 2 out of 2 performance standards

100% achieved

ID	Performance measure	Actual 2023/24	Standard 2024/25	Actual 2024/25	Standard Met
12.03	Percentage of eligible councils that have entered into a funding agreement to receive Better Off funding	100%	100%	100%	✓
12.04	Percentage of funds paid to councils within agreed criteria	100%	100%	100%	✓

Output statement

Actual 2024 $000	Non-Departmental Other expenses	Unaudited Budget 2025 $000	Unaudited Revised Budget 2025 $000	Actual 2025 $000
141,423	Non-Departmental Other expenses	86,332	113,073	68,431

The 2024/25 actual expenses were $72.992 million lower than 2023/24 and $17.901 million less than the Unaudited Budget due to changing the profile of grant distribution.

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Internal Affairs
Te Tari Taiwhenua

Te Kāwanatanga o Aotearoa
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