

FORECAST FINANCIAL STATEMENTS//

STATEMENT OF RESPONSIBILITY

The information contained in this Statement of Intent for the Ministry of Social Development has been prepared in accordance with Section 38 of the Public Finance Act 1989.

As Chief Executive of the Ministry of Social Development, I acknowledge, in signing this statement, my responsibility for the information contained in this document.

The performance forecast for each output expense in the Statement of Forecast Output Performance is as agreed with the Ministers responsible for Votes: Social Development, Senior Citizens, Veterans' Affairs – Social Development and Youth Development administered by the Ministry of Social Development.

The Forecast Financial Performance and the Forecast Output Performance Statements for the Ministry of Social Development are as agreed with the Minister for Social Development and Employment, who is the Minister responsible for the financial performance of the Ministry of Social Development.

The information contained in this Statement of Intent is consistent with existing appropriations, and with the appropriations set out in the Appropriation (2005/06 Estimates) Bill.

Signed:



Peter Hughes
Chief Executive
6 May 2005

Countersigned:



Nick Gale
Chief Financial Officer
6 May 2005

FORECAST

FINANCIAL STATEMENTS

FORECAST STATEMENT OF FINANCIAL PERFORMANCE

For the year ending 30 June 2006

	2004/2005		2005/2006
	BUDGETED	ESTIMATED ACTUAL	BUDGETED
	\$000	\$000	\$000
Revenue			
Crown	651,907	651,907	697,714
Departments	21,057	21,057	23,881
Other	4,349	4,349	4,349
Total revenue	677,313	677,313	725,944
Expenses			
Personnel	324,116	324,116	342,518
Operating	315,382	315,382	334,039
Depreciation	34,888	34,888	45,888
Capital charge	2,927	2,927	3,499
Total expenses	677,313	677,313	725,944
Surplus/(deficit) from operations	-	-	-
Profit on sale of fixed assets	-	-	-
Net surplus/(deficit)	-	-	-

FORECAST STATEMENT OF FINANCIAL POSITION

As at 30 June 2006

	2004/2005		2005/2006
	BUDGETED	ESTIMATED ACTUAL	BUDGETED
	\$000	\$000	\$000
Taxpayers' funds	107,327	107,327	107,327
Represented by:			
Assets			
Current assets:			
Cash and bank	70,584	70,584	79,845
Prepayments	1,859	1,859	1,859
Accounts receivable	1,889	1,889	1,889
Total current assets	74,332	74,332	83,593
Fixed assets	104,326	104,326	95,065
Total assets	178,658	178,658	178,658
Less Liabilities			
Current liabilities:			
Accounts payable and accruals	36,134	36,134	36,132
Other short-term liabilities	18,561	18,561	18,561
Other provisions	6,109	6,109	6,111
Total current liabilities	60,804	60,804	60,804
Non-current liabilities:			
Provision for employee entitlements	10,527	10,527	10,527
Total liabilities	71,331	71,331	71,331
Net assets	107,327	107,327	107,327



FORECAST STATEMENT OF CASH FLOWS

For the year ending 30 June 2006

	2004/2005		2005/2006
	BUDGETED	ESTIMATED ACTUAL	BUDGETED
	\$000	\$000	\$000
Cash flows from operating activities			
Cash provided from:			
Supply of outputs	677,313	677,313	725,944
Cash disbursed to:			
Production of outputs	651,320	651,320	678,257
Capital charge	2,927	2,927	3,499
Net operating cash flows	23,066	23,066	44,188
Cash flows from investing activities			
Cash provided from:			
Sale of fixed assets	1,700	1,700	1,700
Cash disbursed to:			
Purchase of fixed assets	34,397	34,397	36,627
Net investing cash flows	(32,697)	(32,697)	(34,927)
Cash flows from financing activities			
Cash provided from:			
Capital contribution from the Crown	–	–	–
Cash disbursed to:			
Payment of net surplus to Crown	20,973	20,973	–
Net financing cash flows	(20,973)	(20,973)	–
Net increase/(decrease) in cash	(30,604)	(30,604)	9,261
Cash at beginning of period	101,188	101,188	70,584
Cash at end of period	70,584	70,584	79,845

RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO NET SURPLUS/(DEFICIT) IN THE OPERATING STATEMENT

For the year ending 30 June 2006

	2004/2005		2005/2006
	BUDGETED	ESTIMATED ACTUAL	BUDGETED
	\$000	\$000	\$000
Net operating surplus/(deficit)	-	-	-
Add non-cash items:			
Depreciation	34,888	34,888	45,888
Other non-cash items	(1,948)	(1,948)	(1,700)
Add working capital movements:			
Increase/(decrease) in:			
Creditors and payables	(10,121)	(10,121)	-
Add non-operating activity items:			
Net loss/(gain) on sale of fixed assets	-	-	-
Net cash flows from operating activities	22,819	22,819	44,188




FORECAST STATEMENT OF MOVEMENTS IN TAXPAYERS' FUNDS

As at 30 June 2006

	2004/2005		2005/2006
	BUDGETED	ESTIMATED ACTUAL	BUDGETED
	\$000	\$000	\$000
Taxpayers' funds as at 1 July	107,574	107,574	107,327
Net surplus	–	–	–
Total recognised revenues and expenses for the period	107,574	107,574	107,327
Repayment of capital to the Crown	(247)	(247)	–
Taxpayers' funds as at 30 June	107,327	107,327	107,327

DETAILS OF FORECAST FIXED ASSETS BY CATEGORY

As at 30 June 2006

	2004/2005	30 JUNE 2006 PROJECTED POSITION		
	ESTIMATED ACTUAL NET BOOK VALUE \$000	COST \$000	ACCUMULATED DEPRECIATION \$000	NET BOOK VALUE \$000
Land	3,115	3,115	–	3,115
Buildings	9,624	11,480	(2,365)	9,115
Leasehold improvements	18,327	56,434	(36,164)	20,270
Computer equipment and software	46,777	160,473	(125,404)	35,069
Furniture and fittings	192	5,031	(4,873)	158
Office equipment	3,835	8,621	(4,849)	3,772
Motor vehicles	10,276	22,669	(11,283)	11,386
Work in progress	12,180	12,180	–	12,180
Total fixed assets	104,326	280,004	(184,938)	95,065

FORECAST DEPARTMENTAL CAPITAL EXPENDITURE

For the year ending 30 June 2006

Departmental capital expenditure to be incurred in accordance with section 24 of the Public Finance Act 1989.

DEPARTMENTAL CAPITAL EXPENDITURE (\$000)	2005/06	2004/05		2003/04	2002/03	2001/02	2000/01
	FORECAST	ESTIMATED	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	\$000	ACTUAL \$000	\$000	\$000	\$000	\$000	\$000
Leasehold improvements	6,991	9,891	9,891	4,788	2,363	2,583	3,277
Computer equipment and software	23,955	18,675	18,675	33,344	9,899	16,672	41,803
Furniture and fittings	–	150	150	50	3	9	2
Office equipment	1,081	1,081	1,081	3,125	695	929	717
Motor vehicles	4,600	4,600	4,600	3,048	7,197	2,839	2,290
Total fixed assets	36,627	34,397	34,397	44,355	20,157	23,032	48,089

STATEMENT OF FINANCIAL PERFORMANCE FORECAST FOR THE DEPARTMENT

For the year ending 30 June 2006

	2004/2005		2005/2006
	BUDGETED	ESTIMATED ACTUAL	BUDGETED
	\$000	\$000	\$000
Operating results			
Revenue department	21,057	21,057	23,881
Revenue other	4,349	4,349	4,349
Output expenses	677,313	677,313	725,944
Net surplus	-	-	-
Working capital			
Net current assets	104,936	74,332	83,593
Net current liabilities	91,899	60,804	60,804
Current ratio	114%	122%	137%
Resource utilisation			
Physical assets:			
Total physical assets at year end	104,326	104,326	95,065
Additions as % of physical assets	33%	33%	36%
Taxpayers' funds level at year-end	107,327	107,327	107,327
Taxpayers' funds as % of total assets	51%	51%	60%
Forecast net cash flows			
Net operating activities	23,066	23,066	44,188
Net investing activities	(32,697)	(32,697)	(34,927)
Net financing activities	(20,973)	(20,973)	-
Net increase/(decrease) in cash held	(30,604)	(30,604)	9,261

STATEMENT OF FORECAST FINANCIAL PERFORMANCE FOR EACH OUTPUT EXPENSE

For the year ending 30 June 2006

	REVENUE			EXPENSES \$000
	CROWN \$000	DEPARTMENT \$000	OTHER \$000	
VOTE: SOCIAL DEVELOPMENT				
Services to Provide Benefit Entitlements and Obligations to Working Age Beneficiaries and to Promote Self-Sufficiency	232,345	7,835	4,349	244,529
Services to Minimise the Duration of Unemployment and Move People into Work	265,914	1,376	–	267,290
Services to Seniors	34,789	336	–	35,125
Services to Protect the Integrity of the Benefit System	30,911	240	–	31,151
Debt Management – Former Beneficiaries	18,854	155	–	19,009
Community Services Card	7,028	36	–	7,064
Services to Students	40,569	110	–	40,679
Family and Community Services	15,243	75	–	15,318
Social Development Leadership	5,056	52	–	5,108
Policy and Purchase Advice	36,678	1,088	–	37,766
Information Technology Services to the Department of Child, Youth and Family Services	33	12,500	–	12,533
Sub Total	687,420	23,803	4,349	715,572

STATEMENT OF FORECAST FINANCIAL PERFORMANCE FOR EACH OUTPUT EXPENSE CONT.

	REVENUE			EXPENSES \$000
	CROWN \$000	DEPARTMENT \$000	OTHER \$000	
VOTE: SENIOR CITIZENS				
Senior Citizens Services	1,168	18	–	1,186
Sub Total	1,168	18	–	1,186
VOTE: VETERANS' AFFAIRS – SOCIAL DEVELOPMENT				
Processing and Payment of Pensions	4,132	23	–	4,155
Sub Total	4,132	23	–	4,155
VOTE: YOUTH DEVELOPMENT				
Youth Development Policy Advice	3,195	14	–	3,209
Facilitating Young People's Voices	677	11	–	688
Enabling Youth Development	1,122	12	–	1,134
Sub Total	4,994	37	–	5,031
Total	697,714	23,881	4,349	725,944



STATEMENT OF UNDERLYING ASSUMPTIONS

These forecast financial statements comply with generally accepted accounting practice. The measurement base applied is historical cost, adjusted for the revaluation of land and buildings.

The accrual basis of accounting has been used in the preparation of these forecast financial statements.

STATEMENT OF ACCOUNTING POLICIES

For the year ending 30 June 2006

Reporting Entity

The Ministry of Social Development is a government department as defined by Section 2 of the Public Finance Act 1989.

These are the forecast financial statements for the Ministry of Social Development prepared pursuant to Section 34A of the Public Finance Act 1989.

Measurement System


The forecast financial statements have been prepared on the historical cost basis, modified by the revaluation of land and buildings.

Revenue

The Ministry gets revenue from providing outputs to the Crown and for services to third parties. Revenue is recognised when it is earned and is reported in the financial period it relates to.

Cost Allocation

The Ministry accumulates and allocates costs to Departmental Output Expenses using a three-staged costing system which is outlined below.



Cost Allocation Policy

The first stage allocates all direct costs to output expenses as and when they are incurred. The second stage accumulates and allocates indirect costs to output expenses based on cost drivers, such as full-time equivalent staff (FTE) and workload information obtained from surveys, which reflect an appropriate measure of resource consumption/use. The third stage accumulates and allocates overhead costs to output expenses based on resource consumption/use where possible, such as FTE staff ratio, or if an appropriate driver cannot be found then in proportion to the costs charged in the previous two stages.

Criteria for direct and indirect costs

Direct costs are all costs that vary directly with the level of activity and are causally related to, and readily assignable to, an output expense. Overhead costs are those costs that do not vary with the level of activity undertaken. Indirect costs are all costs other than direct costs and overhead costs.

Capital Charge

The Crown charges the Ministry a levy on taxpayers' funds at the rate of 8.0% on the capital employed. This charge is based on the taxpayers' funds held by the Ministry as at 31 December and 30 June each financial year, and paid in arrears. Under the differential capital charge scheme, notional interest is 'earned' based on the daily cash balances held by the Ministry. The interest 'earned' will be used to offset against the capital charge.

Receivables and Advances

Receivables and advances are stated at estimated net realisable value, after providing for doubtful and uncollectible debts.

Operating Leases

Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are charged as expenses in the periods they are incurred, over the term of the lease.

Fixed Assets

Fixed assets are stated at historical cost or valuation, less accumulated depreciation.

Land and buildings are stated at fair value as determined by an independent registered valuer. Fair value is determined using market-based evidence. Land and buildings are revalued at least every three years. Additions between revaluations are recorded at cost.

The results of revaluing land and buildings are credited or debited to an asset revaluation reserve for that class of asset. Where a revaluation results in a debit balance in the revaluation reserve, the debit balance will be expensed in the Forecast Statement of Financial Performance.

All other fixed assets with a cost price in excess of \$2,000 are capitalised and recorded at historical cost. Any write-down of an item to its recoverable amount is recognised in the Forecast Statement of Financial Performance.

The initial cost of a fixed asset is the value of consideration given to acquire or create the asset and directly attributable costs of bringing the asset up to the working condition for its intended use.

Depreciation

Depreciation is provided on a straight line basis on all fixed assets, other than freehold land and work in progress, at rates which will write-off the cost or valuation of the assets to their estimated residual values, over their estimated useful lives.

Estimated useful lives for the main classes of assets fall within the following range:

TYPE OF ASSETS	ESTIMATED LIFE (YEARS)
Buildings (including components)	10 to 50
Leasehold improvements	3 to 10
Computer equipment	3 to 5
Software	3 to 8
Furniture, fittings and office equipment	3 to 5
Motor vehicles	4



Leasehold improvements are capitalised and the cost is amortised over the unexpired period of the lease, or the estimated useful life of the improvements, whichever is shorter.

Assets under construction, classified as work in progress, are not depreciated. The total cost of a capital project is transferred to the appropriate asset category on its completion and then depreciated.

Income Tax

The Ministry is exempt from paying income tax in terms of the Income Tax Act 1994. Accordingly, no charge for income tax has been provided.

Goods and Services Tax (GST)

The Forecast Statement of Financial Position is exclusive of GST, except for Payables and Receivables, which are GST inclusive. All other statements are GST exclusive.

The amount of GST owing to or from the Inland Revenue Department at balance date, being the difference between output GST and input GST, is included in Payables or Receivables (as appropriate).

Financial Instruments

The Ministry is party to financial instruments as part of its normal operations. These forecast financial statements include bank accounts, short-term deposits, accounts receivable, Crown receivable and accounts payable.

All financial instruments are recognised in the Forecast Statement of Financial Position and revenues and expenses in relation to all financial instruments are recognised in the Forecast Statement of Financial Performance. All financial instruments are shown at their estimated fair value.

Employee Entitlements

A provision for employee entitlements is recognised as a liability when benefits have been earned but not yet received by employees at balance date. Employee benefits include annual leave, long service leave and retirement leave. Annual leave has been calculated on a nominal basis at current rates of pay while the other provisions are stated at the present value of the future cash outflows expected to be incurred.

Provisions

Provisions are recognised when management has approved a business decision that results in a present obligation to transfer economic benefits. The amount and/or timing of the expenditure that will be undertaken is uncertain but still probable and measurable.

Forecast Statement of Cash Flows

Cash includes cash balances on hand, in bank accounts.

Operating activities include the net cash received from all income sources of the Ministry and the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise capital injections by, or repayment of capital to, the Crown.

Taxpayers' Funds

This is the Crown's net investment in the Ministry.

Changes in Accounting Policy

The Ministry is not anticipating making any changes to any of the current accounting policies.



FORECAST

OUTPUT PERFORMANCE STATEMENTS

VOTE: SOCIAL DEVELOPMENT

For the year ending 30 June 2006

OUTPUT EXPENSE: SERVICES TO PROVIDE BENEFIT ENTITLEMENTS AND OBLIGATIONS TO WORKING-AGE BENEFICIARIES AND TO PROMOTE SELF-SUFFICIENCY

Description

Through this output expense the Ministry provides income support and services to encourage economic and social inclusion. This output expense contributes primarily to the Ministry's high-level outcomes for Working Age People and Families and Whānau. Our services under this output expense contribute to these outcomes by enabling working-age people to participate in, and contribute to, society.

To achieve this, we will:

- ensure all clients receive their full and correct entitlements
- help people not in employment to receive the benefits to which they are entitled
- help people in employment know about and access the assistance to which they are entitled
- make work pay through the *Working for Families* package.



Scope

The scope of this output expense includes:

- providing information on the full range of assistance available so people can apply for assistance for which they might be eligible
- informing people of their rights and obligations when they receive income support
- assessing, verifying and paying income support
- managing people's needs for income support and other assistance, including responding to changes in people's circumstances in a timely and appropriate manner
- managing client debt repayments in a way that balances the client's ability to repay with the need to ensure integrity of the benefit system
- providing individual assistance to those for whom an employment outcome is not an immediate option, for example single parents caring for their children, people who have ill health or people with a disability
- providing information on social, community, and employment services, and referring people to the agencies that best meet their needs.

Working for Families

The *Working for Families* package announced in Budget 2004 provides new and increased financial assistance for low and middle-income working families through:

- more help with housing and childcare costs
- increased Family Assistance and a new In-Work payment
- higher income and abatement limits.

The primary focus of *Working for Families* is to make it easier to work and raise a family.

Services to Provide Income Support and Other Assistance to Eligible People

The average number of working age beneficiaries in 2005/06 is expected to remain under 300,000.



Performance Information

2003/04 RESULT	PERFORMANCE MEASURES	STANDARD 2004/05	STANDARD 2005/06
91.4%	Quality The percentage of clients satisfied with the level of service provided by contact centres will be no less than:	85%	85%
82.7%	The percentage of clients satisfied with the level of service provided by case managers will be no less than:	85%	85%
87.6%	Timeliness The percentage of entitlement assessments completed within five working days will be no less than:	85%	85%
89.3%	Accuracy The percentage of entitlement assessments completed accurately will be no less than:	90%	90%
96.0%	Debt management The percentage of current debtors ¹ repaying debt will be no less than:	90%	90%

Total Output Expense Cost

FINANCIAL PERFORMANCE (FIGURES ARE GST EXCLUSIVE)	2004/2005		2005/2006
	BUDGETED \$000	ESTIMATED ACTUAL \$000	BUDGETED \$000
Revenue			
Crown	244,004	244,004	232,345
Department	6,418	6,418	7,835
Other	4,349	4,349	4,349
Total Revenue	254,771	254,771	244,529
Total Expense	254,771	254,771	244,529
Net Surplus/(Deficit)	-	-	-

¹ Current debtors are those clients who are currently in receipt of a benefit and have a debt with the Ministry.



OUTPUT EXPENSE: SERVICES TO MINIMISE THE DURATION OF UNEMPLOYMENT AND MOVE PEOPLE INTO WORK

Description

Through this output expense the Ministry provides services aimed at assisting job seekers into sustainable employment². This output expense contributes to the Ministry's high-level outcome for Working Age People by preparing clients for work, placing clients into employment, and supporting clients while in employment.

To assist clients into sustainable employment we work in partnership with industry to identify skill and labour shortages and to develop labour market opportunities for jobseekers; and we work with communities to enhance labour market development.

Scope

The scope of this output expense includes developing regional employment initiatives and providing tailored case management and contracted employment training to:

- help people who are receiving a benefit and are able to work to enter the workforce and achieve a sustainable employment outcome
- help people who are receiving a benefit and are not able to work immediately, or at all, to become work ready or to participate in their communities.

Assisting people into sustainable employment includes:

- assessing clients' capability to work
- supporting jobseekers to develop skills and knowledge relevant to labour market opportunities
- actively working with industry to identify employment opportunities for jobseeking clients
- matching jobseekers to appropriate employment opportunities
- providing clients with support once they are placed into employment.

² Sustainable Employment focuses on getting people into employment, spending longer periods in employment, having shorter transition periods between jobs, and having the opportunity to move into higher-quality jobs over time.



The scope of this output expense also includes assisting disadvantaged communities and groups to recognise and develop their own labour market initiatives and to use their assets to create employment opportunities that lead to self sufficiency and contribute to the local economy.

Performance Information

2003/04 RESULT	PERFORMANCE MEASURES – SUSTAINABLE EMPLOYMENT	STANDARD 2004/05 ³	STANDARD 2005/06
	Getting clients into work		
New measure in 2004/05	The proportion of job-seeking clients in receipt of a core benefit who exit into employment will be:	35%	35%
New measure in 2004/05	The proportion of job-seeking clients in receipt of a core benefit with a duration of six months or more, who exit into employment will be:	36%	36%
	Clients remaining in work longer		
New measure in 2004/05	The average cumulative time that job-seeking clients, who exit to work, spend in employment over the course of a year will be:	36.5 weeks	36.5 weeks
New measure in 2004/05	The proportion of job-seeking clients who exited into employment and achieved six months continuous employment will be: ⁴	58%	58%

3 The standards for 2004/05 are based on an average of the Ministry's performance over the last six years ending December 2003. The four-year average has been used because it covers periods of positive and negative change in the economic and labour market environments and a variety of employment-related policy changes.

4 This measure is acknowledged as a proxy measure by the Ministry as the reference 'into employment', and the associated extended period of monitoring for the measure, means that these results could capture instances where the actual 'employment' outcome is contributed to by other circumstances outside of the Ministry's control.



Total Output Expense Cost

FINANCIAL PERFORMANCE (FIGURES ARE GST EXCLUSIVE)	2004/2005		2005/2006
	BUDGETED \$000	ESTIMATED ACTUAL \$000	BUDGETED \$000
Revenue			
Crown	224,739	224,739	265,914
Department	688	688	1,376
Other	–	–	–
Total Revenue	225,427	225,427	267,290
Total Expense	225,427	225,427	267,290
Net Surplus/(Deficit)	–	–	–

OUTPUT EXPENSE: SERVICES TO SENIORS

Description

Through this output expense the Ministry provides services to seniors living in New Zealand and overseas. These services aim to promote self-reliance, positive ageing, and independence for older people. This output expense contributes primarily to the Ministry's high-level outcome for Older People, by providing New Zealand Superannuation and other entitlements, and by providing portability arrangements so New Zealand superannuitants have entitlement regardless of where they choose to live. It also contributes by increasing the network of international social security agreements.

Scope

The scope of this output expense includes:

- assessing, paying and reviewing entitlements for New Zealand Superannuation (NZ Super) and supplementary benefits, grants, allowances and subsidies paid to NZ Super clients or pensioners
- administering and implementing New Zealand's international social security agreements and general portability and special portability arrangements.

Services to Seniors

The average number of superannuitants in 2005/06 is expected to be 480,000.

The average number of superannuitants in 2004/05 was expected to be 475,000.



Performance Information

2003/04 RESULT	PERFORMANCE MEASURES – NZ SUPER	STANDARD 2004/05	STANDARD 2005/06
89.6%	Timeliness The percentage of entitlement assessments completed within five working days will be no less than:	85%	85%
92.3%	Accuracy The percentage of entitlement assessments completed accurately will be no less than:	92%	92%
92.9%	Quality The percentage of clients satisfied with the level of service provided will be no less than:	90%	90%

2003/04 RESULT	PERFORMANCE MEASURES – INTERNATIONAL SERVICES	STANDARD 2004/05	STANDARD 2005/06 ⁵
96.4%	Accuracy The percentage of entitlement assessments completed accurately will be no less than:	92%	92%
83.0%	Timeliness Applications for payment overseas processed within 24 hours will be no less than:	95%	95%
95.0%	Review actions processed within five working days will be no less than:	90%	90%
90.4%	Correspondence replied to within five working days will be no less than:	90%	90%
97.0%	The percentage of all incoming calls that are answered within 20 seconds will be no less than:	90%	90%
New measure in 2005/06	Satisfaction The percentage of independently surveyed clients satisfied with the level of service will be no less than:	New measure in 2005/06	85%

5 Specialist Services has started a review of performance measures in International Services to align measurement and outcomes more effectively. As a result, the standards for these measures have not been increased this year. Rather, the focus is on maintaining the existing levels, while identifying appropriate strategies and measures to reflect the Ministry's shift to an outcome-focused approach and identifying possible gains as part of the realignment process. The expected result is a more efficient and effective outcome-focused approach to client delivery.

Total Output Expense Cost

FINANCIAL PERFORMANCE (FIGURES ARE GST EXCLUSIVE)	2004/2005		2005/2006
	BUDGETED \$000	ESTIMATED ACTUAL \$000	BUDGETED \$000
Revenue			
Crown	31,257	31,257	34,789
Department	168	168	336
Other	–	–	–
Total Revenue	31,425	31,425	35,125
Total Expense	31,425	31,425	35,125
Net Surplus/(Deficit)	–	–	–

OUTPUT EXPENSE: SERVICES TO PROTECT THE INTEGRITY OF THE BENEFIT SYSTEM

Description

Through this output expense the Ministry provides services to minimise fraud through: encouraging voluntary compliance and awareness of the consequences of non-compliance; using preventative barriers and early detection mechanisms; and investigating and sanctioning deliberate fraud.

Benefit Control provides assurance that the integrity of the benefit system provided by the Ministry is protected by preventing, detecting, deterring and sanctioning benefit fraud.

Scope

The scope of this output expense includes:

- helping clients to voluntarily comply and be aware of their obligations
- detecting and preventing fraud early, to mitigate client debt escalation and consequential barriers to their social and economic independence
- investigating irregularities and sanctioning deliberate fraud to deter reoccurrence by the offender, and to signal to others the seriousness and consequences of benefit abuse
- ensuring clients receive their full and correct entitlements.



Specific activities include:

- Early Intervention Strategy & Prevention:
 - data matching to detect clients who are receiving or have been receiving entitlements to which they are not eligible⁶
 - Early Intervention interviews and brokerage to ensure clients are receiving their correct and full entitlement, to remind them of their obligations, and to assist them to access additional services where required
 - Client Review Process to issue entitlement review forms to randomly-selected clients, encouraging the timely notification of changes in clients' circumstances
 - Selected Client Review to carry out lower level investigations on selected client situations that appear to differ from the information held by the Ministry.
- Investigations and prosecutions:
 - the investigation of irregularities in client information and of allegations received from external sources, to detect and assess the overpayment of entitlements and to take follow-up action to deter clients from re-offending
 - prosecution action against clients who deliberately commit serious or continuous benefit fraud.

We conduct information matches with the:

- Inland Revenue Department
- Department of Corrections
- New Zealand Customs
- Accident Compensation Corporation
- Department of Internal Affairs – Deaths and Marriages Registry.

The matches with the Department of Internal Affairs and the Accident Compensation Corporation are new in 2005/06. This is also the first year in which Student Allowance recipients are included in these matches. All the matches are carried out in full compliance with the requirements of the Privacy Act and the Privacy Regulations.

⁶ Data matching also provides information to support investigations and prosecutions.

Performance Information

2003/04 RESULT	RESULT MEASURES	STANDARD 2004/05	STANDARD 2005/06
New measure in 2004/05	The percentage of clients aware of the consequences of committing benefit fraud will exceed:	No standard included in 2004/05	70%
New measure in 2005/06	The change of circumstances notification and benefit cancellation rate for clients contacted through the Early Intervention Strategy will exceed:	New measure in 2005/06	15%
New measure in 2005/06	The average duration of fraudulent ⁷ overpayments will not exceed:	New measure in 2005/06	45 working days
New measure in 2005/06	Of the cases that we prosecute, the proportion of successful prosecutions concluded will exceed:	New measure in 2005/06	85%

Total Output Expense Cost

FINANCIAL PERFORMANCE (FIGURES ARE GST EXCLUSIVE)	2004/2005		2005/2006
	BUDGETED \$000	ESTIMATED ACTUAL \$000	BUDGETED \$000
Revenue			
Crown	34,080	34,080	30,911
Department	120	120	240
Other	-	-	-
Total Revenue	34,200	34,200	31,151
Total Expense	34,200	34,200	31,151
Net Surplus/(Deficit)	-	-	-

7 Fraud refers to a violation of a civil or criminal statute and involves intentional misrepresentation of facts for the purpose of obtaining unauthorised benefits from a programme; the misrepresentation may involve either the deliberate provision of incorrect facts or the deliberate failure to provide correct facts.



OUTPUT EXPENSE: DEBT MANAGEMENT – FORMER BENEFICIARIES

Description

Through this output expense the Ministry provides debt management services for non-current debt, which is debt owed by former beneficiaries. This output expense supports the achievement of the Ministry's outcomes by negotiating realistic repayment rates with former beneficiaries, by monitoring the integrity of the benefit system and by returning money to the Crown.

Scope

The collection of non-current debt takes into account the individual's ability to repay and the management of the Crown's fiscal risk. We give due consideration to ensuring that debt repayments do not cause undue hardship or jeopardise a client's ability to stay in employment through unrealistic debt repayment levels. We take a 'whole-of-organisation' approach to debt prevention and ensure our staff carry out their duties with due diligence and respect for the rights of clients.

The types of non-current debts collected in this output expense include:

- Special Needs Grants (recoverable)
- advances
- overpayments generated by Ministry or client error or oversight
- Liable Parent Contribution and Maintenance
- debt arising from abuse of the benefit system
- debt arising from Student Allowances and fraudulently received Student Loans
- debt arising from employment-related grants and allowances.

The collection of current benefit debt is managed in Output Expense: Services to Provide Benefit Entitlements and Obligations to Working-Age Beneficiaries and to Promote Self-Sufficiency.

Performance Information

2003/04 RESULT	PERFORMANCE MEASURES	STANDARD 2004/05	STANDARD 2005/06
\$73.042m	Quantity Actual collection of non-current beneficiary debt, New Zealand Superannuation debt, employment-related grants and allowances debt, liable parent contribution, maintenance debt, and major repairs and advances debt is expected to be:	\$70m – \$73m	\$70m – \$73m
\$5.251m	Actual collection of Student Allowance debt and fraudulent Student Loan debt is expected to be:	\$4.8m – \$5.2m	\$5m – \$5.6m
85%	Quality The proportion of collectable non-current beneficiary debtors on arrangement to pay, or paid in full within four months of debt establishment, will be no less than:	82%	82%

Total Output Expense Cost

FINANCIAL PERFORMANCE (FIGURES ARE GST EXCLUSIVE)	2004/2005		2005/2006
	BUDGETED \$000	ESTIMATED ACTUAL \$000	BUDGETED \$000
Revenue			
Crown	19,390	19,390	18,854
Department	77	77	155
Other	-	-	-
Total Revenue	19,467	19,467	19,009
Total Expense	19,467	19,467	19,009
Net Surplus/(Deficit)	-	-	-



OUTPUT EXPENSE: COMMUNITY SERVICES CARD

Description

Through this output expense the Ministry administers the distribution of the Community Services Card and provides information to the public about the card. This output expense contributes to the Ministry's high-level outcomes for Children and Young People, Working Age People, Older People, and Families and Whānau. It contributes to these outcomes by reducing the effects of hardship, and by giving low and middle-income people access to affordable primary health services.

Scope

The scope of this output expense involves administering the Community Services Card. These services are managed by the National Community Services Card Centre, which is a centralised processing unit with a call centre. The centre is responsible for:

- processing applications and reapplications
- ensuring people who are entitled to receive a card know how to apply
- producing and distributing the cards.

The future of the Community Services Card remains under review and is dependent on health sector developments regarding Primary Health Organisations and related services.

Community Services Card

The number of current cards on issue in 2005/06 is expected to be 1,100,000.

The volume of applications and renewals of Community Services Cards to be processed in 2005/06 is expected to be 206,000. The volume of applications and renewals of Community Services Cards to be processed in 2004/05 was expected to be 206,000.

Performance Information

2003/04 RESULT	PERFORMANCE MEASURES	STANDARD 2004/05	STANDARD 2005/06
86.7%	Quality The percentage of all calls to the Community Services Card centre answered within 20 seconds will be no less than:	85%	85%
91.4%	Timeliness The percentage of initial applications and those requiring validation processed within two working days of receipt will be no less than:	90%	90%
94.3%	Accuracy The percentage of Community Services Card entitlement assessments accurately completed as determined by regulation will be no less than:	90%	90%

Total Output Expense Cost

FINANCIAL PERFORMANCE (FIGURES ARE GST EXCLUSIVE)	2004/2005		2005/2006
	BUDGETED \$000	ESTIMATED ACTUAL \$000	BUDGETED \$000
Revenue			
Crown	5,898	5,898	7,028
Department	18	18	36
Other	-	-	-
Total Revenue	5,916	5,916	7,064
Total Expense	5,916	5,916	7,064
Net Surplus/(Deficit)	-	-	-



OUTPUT EXPENSE: SERVICES TO STUDENTS

Description

Through this output expense the Ministry provides financial support to New Zealand students who might otherwise be unable to access tertiary education. This output expense contributes to the Ministry's high-level outcomes for Children and Young People, Working Age People, and Families and Whānau. It contributes to these outcomes by helping people gain qualifications which will improve their employment prospects and by providing support to families who have one or more members studying.

Our StudyLink service line manages the delivery of Student Allowances and Student Loan services. Student Allowance and Student Loan policy is primarily the responsibility of the Ministry of Education. We have a protocol with the Ministry of Education, the Inland Revenue Department and the Tertiary Education Commission that defines the roles and responsibilities of each agency for the Student Allowance and Student Loan programmes. We also work closely with other agencies to ensure effective co-ordination and communication.

Scope

The scope of this output expense includes:

- providing information to help students understand all Student Allowance and Student Loan obligations and entitlements
- assessing, verifying and paying Student Allowances and Student Loans to students
- assisting students to consider all options for funding their study
- providing comprehensive information to students who are considering entering tertiary study.

Student Allowances and Student Loans

Student Allowances

- The volume of Student Allowance applications approved in 2005/06 is expected to be in the range of 66,000 to 71,000 (from a total of between 89,000 to 94,000 applications received).
- The volume of Student Allowance applications approved in 2004/05 was expected to be in the range of 87,000 to 92,000 (from a total of between 116,000 to 121,000 applications received).



Student Loans

- The volume of Student Loan accounts established in 2005/06 is expected to be in the range of 155,000 to 160,000 (from a total of between 194,000 to 199,000 applications received).
- The volume of Student Loan accounts established in 2004/05 was expected to be in the range of 163,000 to 168,000 (from a total of between 206,000 to 211,000 applications received).

Performance Information

2003/04 RESULT	TIMELINESS PERFORMANCE MEASURES	STANDARD 2004/05	STANDARD 2005/06
97.0%	Student Allowances The initial entitlement assessment for a Student Allowance will be completed within five working days of application receipt:	95%	95%
97.7%	Student Loans The initial entitlement assessment for a Student Loan will be completed within three working days of application receipt:	95%	95%

2003/04 RESULT	ACURACY PERFORMANCE MEASURES	STANDARD 2004/05	STANDARD 2005/06
95.2%	Student Allowances The percentage of students who receive their correct Student Allowance entitlement on their first payment will be no less than:	94%	94%
99.4%	Student Loans The percentage of students who receive their correct entitlement (living cost component) on their first payment will be no less than:	95%	95%



2003/04 RESULT	STUDENT ALLOWANCES AND STUDENT LOANS QUALITY PERFORMANCE MEASURES	STANDARD 2004/05	STANDARD 2005/06
94%	The percentage of independently surveyed students satisfied with the level of service provided by the StudyLink contact centre will be no less than:	85%	85%
91.7%	The percentage of independently surveyed students satisfied with the level of service from StudyLink staff will be no less than:	85%	85%
97.9	The percentage of independently surveyed institutions that are satisfied with the level of service from StudyLink staff will be no less than:	85%	85%

2003/04 RESULT	HIGHWAY TO YOUR FUTURE PROGRAMME PERFORMANCE MEASURES ⁸	STANDARD 2004/05	STANDARD 2005/06 ⁸
New measure in 2004/05	The percentage of independently surveyed users of the Highway to your Future programme who found the programme information valuable will be no less than:	85%	90%
New measure in 2004/05	The percentage of New Zealand secondary schools contacted that will participate in one or more components of the Highway to your Future programme will be no less than:	90%	90%

⁸ Surveys for the Highway to your Future programme measures are conducted over the school year (April to October) rather than the financial year.

Total Output Expense Cost

FINANCIAL PERFORMANCE (FIGURES ARE GST EXCLUSIVE)	2004/2005		2005/2006
	BUDGETED \$000	ESTIMATED ACTUAL \$000	BUDGETED \$000
Revenue			
Crown	30,388	30,388	40,569
Department	55	55	110
Other	–	–	–
Total Revenue	30,443	30,443	40,679
Total Expense	30,443	30,443	40,679
Net Surplus/(Deficit)	–	–	–

OUTPUT EXPENSE: FAMILY AND COMMUNITY SERVICES

Description

Through this output expense the Ministry provides services to families and communities. This output expense contributes to the Ministry's high-level outcomes for Families and Whānau, and for Communities, Hapū and Iwi. Our services under this output expense contribute to these outcomes by building the knowledge and capability of families and communities, by supporting programmes that build family resilience and safety, and by promoting social cohesion and participation in communities.

Our Family and Community Services service line leads and co-ordinates services to families and communities across New Zealand.

Scope

The scope of this output expense includes:

- delivering programmes and leading co-ordination processes for communities such as Heartland Services, local services mapping, community funding programmes, refugee and migrant service development, and the National Directory
- delivering programmes and leading co-ordination processes for families such as Strengthening Families, SKIP (Strategy with Kids: Information for Parents), Family and Community Helpline pilot, family violence prevention initiatives, and Family Start and other family support funding programmes.



The successful development and delivery of these programmes involves:

- establishing and maintaining partnerships with key stakeholders from central government, local government, non-government organisations and iwi/Māori
- planning for and aligning services at a regional and local level
- providing information for families and communities
- working with communities and providers to strengthen services for parents, and services to prevent violence within families and address the harm that it does
- building the capability of community-based providers
- administering funding programmes to support community-based services, including services planning, provider development, and the management of funding agreements and contracts.

Key Establishment Milestones

Family and Community Services was established on 1 July 2004. Some of its services are still in an establishment phase, in particular those providing information services to families. From 1 July 2005, Family and Community Services will take on new responsibilities, including the administration of Non-Departmental Output Expense funded programmes.

Key establishment milestones for these new responsibilities include:

- Information for families:
 - completing a pilot of the Family Helpline and, subject to a favourable evaluation, laying the foundation for a nationwide service as funding becomes available
 - establishing a families' knowledge base on the family services website.
- Funding/contracting:
 - ensuring the capability to manage Non-Departmental Output Expense funding is available
 - managing the transfer of responsibilities from the Department of Child, Youth and Family Services with minimal disruption to service providers and their clients.

Performance Information

2003/04 RESULT	PERFORMANCE MEASURES ⁹	STANDARD 2004/05	STANDARD 2005/06
	Family and Community Services		
New measure in 2004/05	Quantity Conduct local services mapping exercises: ¹⁰	20	25
New measure in 2004/05	Quality Local services mapping exercises will meet the quality characteristics described in the Family and Community Services Mapping Guidelines: ¹¹	100%	100%
	Heartlands Services		
New measure in 2004/05	Quality Government departments operating out of Heartlands Service centres are satisfied with the facilities and co-ordination services provided by the Ministry of Social Development:	90%	90%
New measure in 2004/05	Stakeholders are satisfied with the access to government services via Heartlands Service centres: ¹²	80%	80%

9 A number of functions are transferring to Family and Community Services (FACS) or are under establishment. For the 2006/07 SOI FACS will be developing performance measures covering:

- funding administration and contracting
- provision of information to families and communities
- developments with communities and providers to strengthen services for families and communities.

10 The Local Services Mapping exercises consist of:

- a community profile and stocktake of existing services and programmes
- a consultation process with government funders and NGO/community organisations on the appropriateness and targeting of programmes and services, gaps and overlaps
- a report that outlines the local needs and priorities that will assist funders to make decisions on funding over future funding periods
- the development and implementation of an action plan to improve local services.

11 The quality characteristics in the Family and Community Services Mapping Guidelines are based on three key phases: developing the community report, developing a community action plan and implementation.

12 Stakeholders include individual clients, local bodies and significant community organisations.



Total Output Expense Cost

FINANCIAL PERFORMANCE (FIGURES ARE GST EXCLUSIVE)	2004/2005		2005/2006
	BUDGETED \$000	ESTIMATED ACTUAL \$000	BUDGETED \$000
Revenue			
Crown	10,602	10,602	15,243
Department	37	37	75
Other	-	-	-
Total Revenue	10,639	10,639	15,318
Total Expense	10,639	10,639	15,318
Net Surplus/(Deficit)	-	-	-

OUTPUT EXPENSE: SOCIAL DEVELOPMENT LEADERSHIP

Description

Through this output expense the Ministry provides social development leadership that contributes to the Ministry's strategic aim of leading social development. We do this through the provision of strategic social policy advice and through regional social development leadership.

Scope

The scope of this output expense includes:

- monitoring and reporting on the social wellbeing of New Zealanders
- using the social development approach to support policy decision making from a 'whole-of-government' perspective
- providing Government with evidence-based advice on current strategies and initiatives
- developing medium and long-term policy proposals relating to significant and cross-sectoral social policy issues
- bringing together research and evaluation evidence on key social policy issues for Government
- jointly co-ordinating social research through the Social Policy Evaluation and Research (SPEaR) committee
- facilitating the development of regional social development strategies
- providing input to local authorities' Long Term Council Community Plans



- leading, facilitating and contributing to ‘whole-of-government’ regional and local social development initiatives
- contributing to building capacity and capability at a local level.

Performance Information

2003/04 RESULT	PERFORMANCE MEASURES	STANDARD 2004/05	STANDARD 2005/06
Work programme agreed	Quantity Policy advice will be delivered in accordance with a key priorities annual plan agreed with the Minister for Social Development and Employment.	Advice is delivered in accordance with the annual plan	Advice is delivered in accordance with the annual plan
New measure in 2004/05	Quality¹³ Process An audit shows that the Ministry of Social Development’s policy processes as outlined in the Quality Management System have been followed. ¹⁴	Processes are complied with	Processes are complied with
New measure in 2004/05	Technical robustness An external independent review of the Ministry of Social Development’s policy advice confirms that it meets pre-determined best practice criteria.	Standard met	Standard met ¹⁵
New measure in 2004/05	Feedback¹⁶ Feedback from stakeholders indicates the Ministry of Social Development is effectively leading policy thinking on social development issues which are in line with the Ministry’s vision of an inclusive New Zealand.	Standard met	Standard met ¹⁷

13 The work in relation to the audit, review or survey for these measures will be conducted during the year and reported on an annual basis.

14 The quality characteristics in the Ministry’s Quality Management System are based on decision making (defining, debating and deciding) and communication (capturing issues, convincing and confirming).

15 The standard for this measure is based on a continuum of: standard not met, standard met and standard exceeded.

16 Stakeholders include:

- the Minister for Social Development and Employment and the Minister’s office
- other government agencies
- external stakeholders.

17 The standard for this measure is based on a continuum of: standard not met, standard met and standard exceeded.



2003/04 RESULT	PERFORMANCE MEASURES	STANDARD 2004/05	STANDARD 2005/06
100%	Timeliness Policy advice will be delivered to the Minister for Social Development and Employment within negotiated deadlines:	100%	100%
Timeliness standard met	Quarterly reports against the key priorities annual plan will be provided to the Minister for Social Development and Employment.	No more than 7 weeks from the end of the quarter	No more than 7 weeks from the end of the quarter ¹⁸
Revised measure in 2004/05	Regional Social Development and Employment Plans Regional Commissioners for social development will consult with their communities and staff to provide the Minister for Social Development and Employment with annual regional plans that state the strategic aims for each region for the following year.	Consultation completed by 30 April 2005	Consultation completed by 30 April 2005

Total Output Expense Cost

FINANCIAL PERFORMANCE (FIGURES ARE GST EXCLUSIVE)	2004/2005		2005/2006
	BUDGETED \$000	ESTIMATED ACTUAL \$000	BUDGETED \$000
Revenue			
Crown	4,531	4,531	5,056
Department	26	26	52
Other	-	-	-
Total Revenue	4,557	4,557	5,108
Total Expense	4,557	4,557	5,108
Net Surplus/(Deficit)	-	-	-

¹⁸ The standard for this measure coincides with the production of the quarterly reports against the Ministry's Output Plan to the Minister for Social Development and Employment.



OUTPUT EXPENSE: POLICY AND PURCHASE ADVICE

Description

Through this output expense the Ministry provides social sector policy advice, research and evaluation, purchase and monitoring advice and Ministerial services. This output expense contributes to the Ministry's high-level outcomes for Children and Young People, Working Age People, Older People, Families and Whānau, and Communities, Hapū and Iwi.

Social Services Policy Advice

Social sector policy advice supports and strengthens strong families and communities and improves outcomes for children and young people, working age people and older people. This advice informs decisions on:

- the care and protection of children and the successful transition of young people to adulthood
- social and employment assistance and incentives to encourage participation in sustainable employment and in society
- positive ageing and retirement income issues
- better social outcomes for people with disabilities
- programmes that encourage the development of well-functioning and supportive families
- strengthening community infrastructure and investing in the community and voluntary sector.

Office for the Community and Voluntary Sector

The Office for the Community and Voluntary Sector ensures that government policy and service delivery effectively supports community, voluntary and tangata whenua organisations in achieving their objectives. The key functions of the Office are cross-sectoral policy development and advice and acting as a contact point for the community and voluntary sector on sector-wide issues. The Office provides support and reports to the Minister for the Community and Voluntary Sector, as agreed in a separate service agreement between that Minister and the Chief Executive of the Ministry of Social Development.

Office for Disability Issues

The Office for Disability Issues provides policy advice and related services for the Minister for Disability Issues. It leads, monitors and promotes the New Zealand



Disability Strategy, provides policy advice on disability issues and leads strategic and cross-sectoral disability policy across government. It also provides Ministerial servicing and support for the Minister for Disability Issues, as agreed in a separate service agreement between that Minister and the Chief Executive of the Ministry of Social Development.

Social Research and Evaluation

We provide an ongoing programme of evaluation, social research, monitoring, forecasting, and data analysis. We actively promote research and evaluation findings, and promote social sector research and evaluation capability and capacity-building projects. This helps to ensure that:

- the Government's social investment strategies are based on sound evidence
- the New Zealand public and key stakeholders understand the key social issues and trends, along with their causes and consequences
- the wider social research and evaluation community develops its capability and capacity.

The scope of the social research and evaluation output includes:

- promoting and expanding the evidential base of information for social policy decision making
- identifying and assessing the implications of enduring and emerging social issues for policy advice
- assessing the effectiveness, impact and delivery of particular government policies and programmes, and assisting in their development
- building an understanding of the dynamics surrounding the delivery of social assistance and employment assistance
- developing and improving social assistance data/information
- undertaking operational research, performance monitoring and analysis of the Ministry's service delivery relationships, including with clients, employers, students and call centre users
- preparing fiscal forecasts for Government expenditure on social assistance benefits.



Purchase and Monitoring

We provide purchase advice and monitoring services to the Minister for Social Development and Employment and the Associate Minister for Social Development (CYF), to improve effectiveness, efficiency and value for money in social service delivery agencies, and to monitor the delivery of services against requirements set by government.

We are responsible for providing purchase advice and monitoring services relating to the:

- Department of Child, Youth and Family Services
- Retirement Commissioner
- Children's Commissioner
- New Zealand Artificial Limb Board
- Families Commission
- Social Worker Registration Board.

The scope of the purchase advice and monitoring services includes:

- strategic purchase advice on the extent to which services contribute to government outcomes and results
- advice on the efficiency and cost effectiveness of services
- advice on new programmes and spending, particularly Budget proposals
- advice about the development of the Minister's Output Plans (or Output Agreements)
- quarterly reporting to the Minister on the performance of delivery agencies against their Output Plans (or Output Agreements), and the assessment of any delivery risks
- special projects related to service-delivery performance
- service reviews at the Minister's request
- facilitating effective working relationships with relevant agencies.



Ministerial Servicing

Through this output the Ministry provides Ministerial, advisory, support and administrative services to or on behalf of the Minister for Social Development and Employment and Ministerial advisory committees and groups.

The scope of the Ministerial servicing output includes:

- replies to Ministerial correspondence
- speeches, briefing notes, reports and other information as required
- replies to parliamentary questions
- replies required by legislation (includes Ombudsman, Official Information Act, and Privacy Commissioner)
- advisory support and information for Ministers as required in Cabinet committees, select committees and Parliament.

Performance Information

2003/04 RESULT	POLICY, RESEARCH AND EVALUATION PERFORMANCE MEASURES	STANDARD 2004/05	STANDARD 2005/06
Standard met	Key priorities Policy, research and evaluation advice will be delivered in accordance with a key priorities annual plan agreed with the Minister for Social Development and Employment.	Advice is delivered in accordance with the annual plan	Advice is delivered in accordance with the annual plan
Revised measure in 2004/05	Policy advice from the Office for Disability Issues and the Office for the Community and Voluntary Sector will be delivered in accordance with a work programme that is agreed with their respective Ministers.	Advice is delivered in accordance with the work programme	Advice is delivered in accordance with the work programme
New measure in 2004/05	Quality¹⁹ <i>Process</i> An audit shows that the Ministry of Social Development's policy and research processes as outlined in the Quality Management System have been followed. ²⁰	Processes are complied with	Processes are complied with

¹⁹ The work in relation to the audit, review or survey for these measures will be conducted during the year and reported on an annual basis.

²⁰ The quality characteristics in the Ministry's Quality Management System are based on decision making (defining, debating and deciding) and communication (capturing issues, convincing and confirming).



2003/04 RESULT	POLICY, RESEARCH AND EVALUATION PERFORMANCE MEASURES	STANDARD 2004/05	STANDARD 2005/06
New measure in 2004/05	Technical robustness An external independent review of the Ministry of Social Development's policy advice confirms that it meets predetermined best practice criteria.	Standard met	Standard met ²¹
New measure in 2004/05	Social research and evaluation reports Internal and/or external reviewers critically appraise the quality and content of social research and evaluation reports that are intended for publication.	Quality reviewed	Quality reviewed
New measure in 2004/05	Feedback²² Feedback from stakeholders indicates the Ministry of Social Development is effectively leading policy thinking on social development issues which are in line with the Ministry's vision of an inclusive New Zealand.	Standard met	Standard met ²³
100%	Timeliness Policy and research and evaluation advice will be delivered to the Minister for Social Development and Employment, and the Ministers for Disability Issues and the Community and Voluntary Sector as appropriate, within negotiated deadlines.	100%	100%
Timeliness standard met	Quarterly reports against the key priorities annual plan will be provided to the Minister for Social Development and Employment.	No more than 7 weeks from the end of the quarter	No more than 7 weeks from the end of the quarter ²⁴

21 The standard for this measure is based on a continuum of: standard not met, standard met and standard exceeded.

22 Stakeholders include:

- the Minister for Social Development and Employment and the Minister's office
- the Associate Ministers for Social Development and Employment
- the Ministers for Disability Issues and for the Community and Voluntary Sector and their offices
- other government agencies
- external stakeholders.

23 The standard for this measure is based on a continuum of: standard not met, standard met and standard exceeded.

24 The standard for this measure coincides with the production of the quarterly reports against the Ministry's Output Plan to the Minister for Social Development and Employment.



2003/04 RESULT	PURCHASE AND MONITORING PERFORMANCE MEASURES	STANDARD 2004/05	STANDARD 2005/06
Revised measure in 2005/06	Quantity Provide advice on agency Statements of Intent, Output Agreements or Output Plans: ²⁵	Revised measure in 2005/06	6
Revised measure in 2005/06	Provide monitoring reports on each agency's Quarterly Performance Report against their Statements of Intent, Output Agreements or Output Plans:	Revised measure in 2005/06	24 ²⁶
Standard met	Quality Advice and reports will meet the quality characteristics described in the Ministry of Social Development's Quality Management System. ²⁷	Quality characteristics met	Quality characteristics met
Revised measure in 2005/06	Timeliness Purchase advice will be delivered to Ministers within negotiated deadlines: ²⁸	Revised measure in 2005/06	100%
Revised measure in 2005/06	Draft Statements of Intent, Output Agreements or Output Plans are reviewed and commented on by: ²⁹	Revised measure	May 2006 in 2005/06
Timeliness standard met	Quarterly Reports are reviewed.	Within 20 working days of receipt of the final agency report	Within 20 working days of receipt of the final agency report


25 This measure has been expanded in 2005/06 to include Statements of Intent and Output Agreements. This measure also excludes the preparation of the Ministry's own Output Plan.

26 This measure has been expanded in 2005/06 to include Statements of Intent and Output Agreements.

27 The quality characteristics in the Ministry's Quality Management System are based on decision making (defining, debating and deciding) and communication (capturing issues, convincing and confirming).

28 This measure has been expanded in 2005/06 to include all Ministers that the Ministry provides purchase and monitoring advice to.

29 This measure has been expanded in 2005/06 to include Statements of Intent.



2003/04 RESULT	MINISTERIAL SERVICING PERFORMANCE MEASURES	STANDARD 2004/05	STANDARD 2005/06
95.3%	Quality The percentage of ministerial drafts provided for the Minister's signature where error could have been avoided will be no less than:	95%	95%
98.9%	The percentage of parliamentary question drafts provided for the Minister's signature where error could have been avoided will be no less than:	100%	100%
Revised measure in 2005/06	Timeliness The percentage of draft Ministerial replies to be completed within 20 working days of receipt by the Ministry, unless otherwise agreed: ³⁰	Revised measure in 2005/06	95%
Revised measure in 2005/06	The percentage of oral parliamentary questions will be answered by the time as specified by Minister's office: ³¹	Revised measure in 2005/06	100%
100%	The percentage of written parliamentary questions will be answered by the time as specified by Minister's office:	100%	100%

Total Output Expense Cost

FINANCIAL PERFORMANCE (FIGURES ARE GST EXCLUSIVE)	2004/2005		2005/2006
	BUDGETED \$000	ESTIMATED ACTUAL \$000	BUDGETED \$000
Revenue			
Crown	36,706	36,706	36,678
Department	911	911	1,088
Other	–	–	–
Total Revenue	37,617	37,617	37,766
Total Expense	37,617	37,617	37,766
Net Surplus/(Deficit)	–	–	–

30 This measure has been revised in 2005/06 to encompass agreements that may be made between the Ministry and the Minister.

31 Refer to the above footnote.



OUTPUT EXPENSE: INFORMATION TECHNOLOGY SERVICES TO THE DEPARTMENT OF CHILD, YOUTH AND FAMILY SERVICES

Description

Through this output expense the Ministry provides basic information management and integration services to the Department of Child, Youth and Family Services (CYF). This output expense allows the Ministry to provide core IT infrastructure to CYF through the Social Sector Infrastructure (SSI) network. It also allows the Ministry to provide advice to CYF on IT trends and delivery impact assessments, to monitor performance, and to negotiate common contracts such as cellular and software contracts.

Scope

The scope of this output expense involves providing IT services to the Department of Child, Youth and Family Services, as set out in the agreed Service Level Agreement.

Performance Information

2003/04 RESULT	PERFORMANCE MEASURES	STANDARD 2004/05	STANDARD 2005/06
100%	Quantity <i>Availability</i> Wide Area Network (WAN) Availability.	99%	99%
Standard met	<i>Access</i> ³² Scheduled downtime for A and B sites. ³³	A sites – no more than 4 hours per site per month B sites – no more than 8 hours per site per month	A sites – no more than 4 hours per site per month B sites – no more than 8 hours per site per month
Revised measure in 2004/05	Unscheduled downtime – unplanned outage duration (minutes). ³⁴	A sites – no more than 4 hours per site per month B sites – no more than 8 hours per site per month	A sites – no more than 4 hours per site per month B sites – no more than 8 hours per site per month
100%	<i>Event and fault management</i> Priority 'A' response to calls to IT helpdesks.	99% within 30 minutes	99% within 30 minutes
Revised measure in 2004/05	<i>Performance and capacity management</i> Central Processing Unit (CPU) utilisation does not exceed 60% capacity. ³⁵	95% of the time	95% of the time
98.7%	<i>Network and server administration</i> Scheduled back-ups completed overnight.	97%	97%

32 Scheduled downtime refers to outages that are within the control of the Information Systems Co-ordination Unit (ISCU). They include events such as a site being taken down due to maintenance or hardware failure.

33 'A' sites are priority sites and include core processing centres (all metro areas and telecommunications). 'B' sites are satellite sites.

34 Unplanned outages are outside the control of the ISCU. They include events such as power cuts due to workmen cutting cables and natural disasters (storms and floods etc).

35 This measure indicates that for 95% of the time the servers are running at no more than 60% CPU capacity.



Total Output Expense Cost

FINANCIAL PERFORMANCE (FIGURES ARE GST EXCLUSIVE)	2004/2005		2005/2006
	BUDGETED \$000	ESTIMATED ACTUAL \$000	BUDGETED \$000
Revenue			
Crown	33	33	33
Department	12,500	12,500	12,500
Other	-	-	-
Total Revenue	12,533	12,533	12,533
Total Expense	12,533	12,533	12,533
Net Surplus/(Deficit)	-	-	-



VOTE SENIOR CITIZENS

For the year ending 30 June 2006

OUTPUT EXPENSE: SENIOR CITIZENS SERVICES

Description

Through this output expense the Ministry's Office for Senior Citizens provides policy advice and Ministerial services. This output expense contributes to the Ministry's high-level outcomes for Older People, Families and Whānau, and Communities, Hapū and Iwi. It contributes to these outcomes by ensuring that older people can live independently and contribute to and participate in their families and communities as long as possible. This is achieved by providing advice on legislative, policy and operational issues that affect senior citizens, and by providing advice on related issues from an older people's rights and interests perspective.

Scope

The scope of this output expense includes:

- supporting the Minister for Senior Citizens in representing the rights and interests of older people in the Government's policy-making process
- monitoring the *New Zealand Positive Ageing Strategy*
- promoting positive aging concepts to government departments and local communities
- maintaining a broad involvement across the wide range of programmes, policies and services that impact on the lives and wellbeing of older people
- keeping a watching brief on other changes that affect older people and acting in an advisory capacity to other departments on older people's issues.





Performance Information

2003/04 RESULT	PERFORMANCE MEASURES	STANDARD 2004/05	STANDARD 2005/06
Sign-off received	<p>Work programme</p> <p>Policy advice will be delivered in accordance with a work programme agreed at the commencement of each six-month period with the Minister for Senior Citizens.</p>	Advice is delivered in accordance with the work programme	Advice is delivered in accordance with the work programme
New measure in 2004/05	<p>Quality³⁶</p> <p><i>Process</i></p> <p>An audit shows that the Ministry of Social Development's policy processes as outlined in the Quality Management System have been followed.³⁷</p>	Processes are complied with	Processes are complied with
New measure in 2004/05	<p>Technical robustness</p> <p>An external independent review of the Ministry of Social Development's policy advice confirms that it meets predetermined best practice criteria.</p>	Standard met	Standard met ³⁸
New measure in 2004/05	<p>Feedback³⁹</p> <p>Feedback from stakeholders indicates the Ministry of Social Development is effectively leading policy thinking on social development issues which are in line with the Ministry's vision of an inclusive New Zealand.</p>	Standard met	Standard met ⁴⁰

36 The work in relation to the audit, review or survey for these measures will be conducted during the year and reported on an annual basis.

37 The quality characteristics in the Ministry's Quality Management System are based on decision making (defining, debating and deciding) and communication (capturing issues, convincing and confirming).

38 The standard for this measure is based on a continuum of: standard not met, standard met and standard exceeded.

39 Stakeholders include:

- the Minister for Senior Citizens and the Minister's office
- other government agencies
- external stakeholders.

40 The standard for this measure is based on a continuum of: standard not met, standard met and standard exceeded.



2003/04 RESULT	PERFORMANCE MEASURES	STANDARD 2004/05	STANDARD 2005/06
100%	Timeliness Policy advice will be delivered to the Minister for Senior Citizens within negotiated deadlines:	100%	100%
Timeliness standard met	Two six monthly reports on the Work Programme will be provided.	Within 20 working days from the period end	Within 20 working days from the period end
94.5%	The percentage of draft Ministerial replies to be completed within 20 working days of receipt, unless specified urgent:	95%	95%

Total Output Expense Cost

FINANCIAL PERFORMANCE (FIGURES ARE GST EXCLUSIVE)	2004/2005		2005/2006
	BUDGETED \$000	ESTIMATED ACTUAL \$000	BUDGETED \$000
Revenue			
Crown	1,017	1,017	1,168
Department	9	9	18
Other	-	-	-
Total Revenue	1,026	1,026	1,186
Total Expense	1,026	1,026	1,186
Net Surplus/(Deficit)	-	-	-



VOTE VETERANS' AFFAIRS – SOCIAL DEVELOPMENT

For the year ending 30 June 2006

OUTPUT EXPENSE: PROCESSING AND PAYMENT OF PENSIONS

Description

Through this output expense the Minister of Veterans' Affairs will purchase the processing and payment of War Disablement Pensions and related allowances, Veteran's pensions and related concessions and rehabilitation loan scheme payments, and for the collection, monitoring, evaluating and reporting of related data. This output expense contributes to the Ministry's high-level outcomes for Working-Age People and Older People, by providing veterans with information about and access to entitlements. More than 12% of veterans receiving or entitled to assistance are under the age of 65.

Scope

The scope of this output expense includes:

- processing and paying War Disablement Pensions and related allowances
- processing and paying Veteran's Pension and concessions
- making payments under rehabilitation loan provisions
- collecting, monitoring and evaluating War Disablement and Veteran's Pensions data
- ensuring veterans receive their full and correct entitlements
- providing accurate and timely reporting of expenditure, and the forecasting of such expenditure, and the reporting of trends and risks to Crown expenditure.

Processing and Payment of Pensions

The number of new applications for War Disablement Pension and applications for review of disablement processed in 2005/06 is expected to be 6,050. The number of new applications for War Disablement Pension and applications for review of disablement processed in 2004/05 was expected to be 5,500. These applications often cover a number of disabilities.

The number of new Veteran's Pension applications in 2005/06 is expected to be 1,200. The number of new Veteran's Pension applications in 2004/05 was expected to be 1,200.

Performance Information

2003/04 RESULT	PERFORMANCE MEASURES	STANDARD 2004/05	STANDARD 2005/06
5,959	Quantity Payments – War Disablement and Veteran's pensions payments made.	To be reported quarterly	To be reported quarterly
96.8%	Quality All actions processed by War Pension Services are accurate and will meet the accuracy standard of:	95%	95%
94.9%	Timeliness The percentage of new disability applications and reviews of accepted disability that are administered and processed by the Ministry of Social Development (applications are acknowledged and the decisions of the claims panels relayed to veterans) will be completed within 14 working days: ⁴¹	85%	90%
93.8%	The percentage of National Review Officer decisions that are administered and processed by the Ministry will be completed within 14 working days:	90%	90%

⁴¹ This performance measure relates to the processing of the application to the stage of referral to the War Pensions Claims Panel and then the processing of the panel's decision. It does not include the time taken for medical assessment and decision making by the panel.



2003/04 RESULT	PERFORMANCE MEASURES	STANDARD 2004/05	STANDARD 2005/06
99.9%	The percentage of ad hoc payments, overseas treatment costs and rehabilitation reimbursements that will be made within 21 working days of receipt will be no less than:	97%	97%
93.2%	Response to incoming calls – the percentage of all calls answered within 20 seconds will be no less than:	90%	90%
New measure in 2004/05	The percentage of new Veteran's Pension applications that are administered and processed by the Ministry will be completed within 14 days:	85%	90%
Revised measure in 2005/06	Veterans' satisfaction The results of the veterans' satisfaction survey will be reported biennially to the Minister, where veterans' satisfaction will be not less than: ⁴²	Revised measure in 2005/06	85%

Total Output Expense Cost

FINANCIAL PERFORMANCE (FIGURES ARE GST EXCLUSIVE)	2004/2005		2005/2006
	BUDGETED \$000	ESTIMATED ACTUAL \$000	BUDGETED \$000
Revenue			
Crown	4,133	4,133	4,132
Department	12	12	23
Other	–	–	–
Total Revenue	4,145	4,145	4,155
Total Expense	4,145	4,145	4,155
Net Surplus/(Deficit)	–	–	–

42 In 2005/06, the Ministry changed the frequency of this survey from an annual to a biennial basis. This change will enable a more comprehensive survey to be undertaken. The first biennial survey will be undertaken in 2005/06.



VOTE: YOUTH DEVELOPMENT⁴³

For the year ending 30 June 2006

OUTPUT EXPENSE: YOUTH DEVELOPMENT POLICY ADVICE

Description

This output expense provides advice on policies, programmes, services and good practice that promote the *Youth Development Strategy Aotearoa*. This output expense contributes to the Ministry's high-level outcome for Children and Young People by improving outcomes for young people at local, regional and national levels.

Scope

The scope of this output expense includes:

- leading the development and implementation of the *Youth Development Strategy Aotearoa*
- researching and analysing the factors that influence young people's access to opportunities to economic and social wellbeing
- promoting effective cross-sectoral responses
- promoting good practice in respect of the *Youth Development Strategy Aotearoa*.



⁴³ All of the performance measures in each Output Expense within Vote: Youth Development are new in 2005/06.



Performance Information

PERFORMANCE MEASURES	STANDARD 2005/06
<p>Quantity Policy, research and evaluation advice will be delivered in accordance with the annual plan agreed with the Minister of Youth Affairs.</p>	Advice is delivered in accordance with the annual plan
<p>Quality⁴⁴ Ministerial servicing will be delivered to the satisfaction of the Minister of Youth Affairs.</p>	Standard met
<p>Process An audit shows that the Ministry's policy and research processes as outlined in the Ministry of Social Developments' Quality Management System have been followed.⁴⁵</p>	Processes are complied with
<p>Technical robustness An external independent review of the Ministry of Youth Development's policy advice confirms that it meets predetermined best practice criteria.</p>	Standard met ⁴⁶
<p>Research and evaluation reports Internal and/or external reviewers critically appraise the quality and content of research and evaluation reports that are intended for publication.</p>	Quality reviewed
<p>Feedback⁴⁷ Feedback from stakeholders indicates that the Ministry is effectively leading policy thinking on social development issues which are in line with the <i>Youth Development Strategy Aotearoa</i>.⁴⁸</p>	Standard met ⁴⁹

44 The work in relation to the audit, review or survey for these measures will be conducted during the year and reported on an annual basis.

45 The quality characteristics in the Ministry's Quality Management System are based on decision making (defining, debating and deciding) and communication (capturing issues, convincing and confirming).

46 The standard for this measure is based on a continuum of: standard not met, standard met and standard exceeded.

47 Stakeholders include:

- the Minister of Youth Affairs and the Minister's office
- the Associate Minister of Youth Affairs
- other government agencies
- external stakeholders.

48 Refer to the above footnote.

49 The standard for this measure is based on a continuum of: standard not met, standard met and standard exceeded.



PERFORMANCE MEASURES	STANDARD 2005/06
Timeliness Policy and research advice will be delivered to the Minister of Youth Affairs as appropriate, within negotiated deadlines:	100%
The percentage of draft responses to Ministerial correspondence and Official Information and Ombudsman Act requests are submitted to Ministers within 15 working days of receipt, with a nil error rate (where that error could have been avoided):	100%
The percentage of draft responses to parliamentary questions are to be submitted to Ministers within agreed timelines, with a nil error rate (where that error could have been avoided):	100%

Total Output Expense Cost

FINANCIAL PERFORMANCE (FIGURES ARE GST EXCLUSIVE)	2004/2005		2005/2006
	BUDGETED \$000	ESTIMATED ACTUAL \$000	BUDGETED \$000
Revenue			
Crown	2,808	2,808	3,195
Department	7	7	14
Other	-	-	-
Total Revenue	2,815	2,815	3,209
Total Expense	2,815	2,815	3,209
Net Surplus/(Deficit)	-	-	-



OUTPUT EXPENSE: FACILITATING YOUNG PEOPLE'S VOICES

Description

This output expense provides advice that incorporates young people's input into policy, programme and service development in order to improve outcomes for young people at a local, regional and national level. This output expense contributes to the Ministry's high-level outcome for Children and Young People.

Scope

The scope of this output expense includes:

- promoting and facilitating youth development and youth participation at a regional and local level, including delivering events and workshops that assist local government and youth and social development providers to implement the *Youth Development Strategy Aotearoa*
- providing information and managing international events and obligations that enable young people to participate in decision making.

Performance Information

PERFORMANCE MEASURES	STANDARD 2005/06
<p>Quantity Communication and facilitation activity is delivered in accordance with the annual plan agreed with the Minister of Youth Affairs.</p>	Advice is delivered in accordance with the annual plan
<p>Quality <i>Resources</i> Within the distinct culture and identity and separate operating framework of the Ministry, communication and information resources will meet the quality characteristics outlined in the Ministry of Social Development's Quality Management System.⁵⁰</p>	Quality Standards are met
<p><i>Feedback</i> Feedback from stakeholders indicates that the Ministry is effectively communicating with young people, their families and communities, as well as central and local government and the youth development sector, in line with the Government's youth development agenda.⁵¹</p>	Standard met ⁵²
<p>Feedback from young people indicates that the Ministry is effectively facilitating opportunities for youth participation in decision making at a local, regional and national level.</p>	Standard met ⁵³
<p>Timeliness Services will be delivered to the Minister of Youth Affairs within negotiated deadlines:</p>	100%

50 The quality characteristics in the Ministry's Quality Management System are based on decision making (defining, debating and deciding) and communication (capturing issues, convincing and confirming).

51 Stakeholders include:

- the Minister of Youth Affairs and the Minister's office
- the Associate Minister of Youth Affairs
- other government agencies
- external stakeholders.

52 The standard for this measure is based on a continuum of: standard not met, standard met and standard exceeded.

53 Refer to the above footnote.



Total Output Expense Cost

FINANCIAL PERFORMANCE (FIGURES ARE GST EXCLUSIVE)	2004/2005		2005/2006
	BUDGETED \$000	ESTIMATED ACTUAL \$000	BUDGETED \$000
Revenue			
Crown	868	868	677
Department	5	5	11
Other	-	-	-
Total Revenue	873	873	688
Total Expense	873	873	688
Net Surplus/(Deficit)	-	-	-

OUTPUT EXPENSE: ENABLING YOUTH DEVELOPMENT

Description

This output expense provides advice that enables the implementation of the *Youth Development Strategy Aotearoa* through the design, delivery and management of youth development programmes and services at a local and regional level. This output expense contributes to the Ministry's high-level outcome for Children and Young People.

Scope

The scope of this output expense ensures the delivery of programmes and services according to the agreed policy guidelines and criteria. Specifically, it includes:

- assessing, negotiating, monitoring, paying and reviewing, and where appropriate taking corrective action, in the purchase of programmes and services from third parties, consistent with the Services for Youth Development policy and criteria
- establishing four Youth Development Regional Hubs to provide, identify and support emerging and new youth development opportunities that support collaboration between and among sectors, regions, and local clusters to improve outcomes for young people
- undertaking local services mapping for young people in each of the regional hubs
- providing services that administer the Youth Development Partnership Fund consistent with the Youth Development Partnership Fund policy and criteria
- providing services that administer the Commonwealth Youth Programme.



Performance Information

PERFORMANCE MEASURES	STANDARD 2005/06
Purchase services for young people as per agreed policy and criteria:	100%
Administer the Youth Development Partnership Fund as per agreed policy guidelines, criteria:	100%
Establish and maintain regional hubs:	4
Initiate local services mapping exercises: ⁵⁴	4
Quality Feedback Feedback from stakeholders indicates that the Ministry is effectively engaging with young people, their families and communities, as well as central and local government and the youth development sector, in line with the Government's youth development agenda. ⁵⁵	Standard met ⁵⁶

Total Output Expense Cost

FINANCIAL PERFORMANCE (FIGURES ARE GST EXCLUSIVE)	2004/2005		2005/2006
	BUDGETED \$000	ESTIMATED ACTUAL \$000	BUDGETED \$000
Revenue			
Crown	1,453	1,453	1,122
Department	6	6	12
Other	–	–	–
Total Revenue	1,459	1,459	1,134
Total Expense	1,459	1,459	1,134
Net Surplus/(Deficit)	–	–	–

54 The Local services mapping exercise for young people involves government agencies, local government and community organisations working together to develop a shared vision of integrated funding and service to young people within the community; completing a stock-take of local service needs and current services and ensuring through practical agreements that funding and service provision contribute to the implementation of the *Youth Development Strategy Aotearoa*.

55 Stakeholders include:

- the Minister of Youth Affairs and the Minister's office
- the Associate Minister of Youth Affairs
- other government agencies
- external stakeholders.

56 The standard for this measure is based on a continuum of: standard not met, standard met and standard exceeded.

