



MINISTRY OF SOCIAL DEVELOPMENT

Te Manatū Whakahiato Ora

DEPARTMENTAL
forecast report

2002–2003



Contents

Part A

Introduction and highlights	3
Explanation of the Ministry's core business	4
Contribution of the Ministry to Government goals	5
Our approach	6
Vote Social Development	7
Vote Veterans' Affairs – Work and Income	10
Vote Senior Citizens	11
The year ahead	12
Organisational overview	14
Financial highlights	15

Part B

Statement of responsibility	17
Forecast financial statements	18
Forecast statement of financial performance	18
Statement of estimated financial position and forecast financial position	19
Forecast statement of cash flows	20
Reconciliation of net cash flows from operating activities to net surplus/(deficit) in the operating statement	21
Statement of forecast movements in taxpayers' funds (equity)	22
Details of forecast fixed assets by category	22
Statement of objectives specifying the financial performance forecast for the Ministry	23
Statement of objectives specifying the performance forecast for each class of outputs	24
Statement of underlying assumptions	25
Statement of accounting policies	26
Forecast output performance standards	29
Vote: Social Development	29
Vote: Senior Citizens	47
Vote: Veterans' Affairs – Work and Income	48

Part A

Introduction and highlights

The Ministry of Social Development was established on 1 October 2001 from the integration of the Department of Work and Income and the Ministry of Social Policy. The Ministry of Social Development is one of the largest departments in the core public service. It manages a departmental budget of \$673m, administers approximately \$12 billion of transfer payments on behalf of the Crown and employs approximately 5,200 full time equivalent (FTE) staff.

The Ministry is currently responsible to four Ministers:

- Minister of Social Services and Employment.
- Minister of Veterans' Affairs.
- Minister for Senior Citizens.
- Minister for Disability Issues.

It administers three votes:

- Vote Social Development.
- Vote Veterans' Affairs – Work and Income.
- Vote Senior Citizens.

The Minister for Social Services and Employment is the Responsible Minister for the Ministry of Social Development.

The Ministry works alongside the following Crown entities:

- The Office of the Commissioner for Children.
- The Office of the Retirement Commissioner.
- The Artificial Limbs Board of New Zealand.

Explanation of the Ministry's core business

The Ministry of Social Development has a number of primary functions:

- Delivering employment and income support services to working age people.
- Delivering income support services to older people.
- Delivering student loans and allowances.
- Delivering services to veterans.
- Providing inter-sectoral strategic social policy advice.
- Providing social sector policy advice.
- Providing purchase advice and monitoring services.
- Maintaining and developing information, data and knowledge about the social sector.

The above are set within a context of co-ordinating and supporting the wider inter-related social and economic strategies, policies and initiatives of Government.

Contribution of the Ministry to Government goals

The Ministry contributes both directly and indirectly to the achievement of five of the key Government goals, developed to guide public sector policy and performance:

- Strengthen national identity and uphold the principles of the Treaty of Waitangi.
- Grow an inclusive, innovative economy for the benefit of all.
- Restore trust in Government and provide strong social services.
- Improve New Zealanders' skills.
- Reduce inequalities in health, education, employment and housing.

The Ministry contributes to the Government goals through the services it delivers and the advice and information it provides to Ministers and the public.

The Ministry contributes to the goals through the efficient and effective delivery of social assistance to those in need, and employment services for those seeking work. The Ministry seeks local solutions for local problems and works with communities, other agencies and employers to encourage the creation of employment opportunities, develop client capabilities and skills, and assist with the matching of these skills to opportunities and employers to job seekers. Special emphasis is placed on improving outcomes for those most disadvantaged in the community. The Ministry also provides services to students, which operates under the name StudyLink.

The Ministry's policy advice functions contribute to the goals of Government by improving the Government's policy response to complex social problems that cross sectors, and providing advice to improve people's well-being and to decrease inequalities and disparities. The Ministry also helps achieve the Government goals by publishing information and reports to enhance public understanding of social issues and trends. This helps the public to engage with the Government on the appropriate direction for social policy and in developing local solutions to local problems.

The Ministry is currently developing its strategic direction and establishing its vision, mission and goals. It is developing goals in the following areas:

- Improved social outcomes for people.
- Sustainable employment and economic independence.
- Inclusion in community life.
- Strong families.
- Strong communities.

The work on the Ministry's vision, mission and goals will underpin the Ministry's 2002/03 business plan and will form the basis for the development of the Statement of Intent for 2003.

Our approach

Social development is seen as the best approach to reduce inequalities and improve opportunities in a sustainable way. It is about linking economic and social strategies to promote the well-being of the population as a whole. At its most fundamental level it is about making a difference in the lives of people and their children by breaking and preventing cycles of disadvantage and intergenerational issues.

Social development aims to:

- Build lifelong skills and knowledge.
- Help individuals to be responsible and independent.
- Increase opportunities for people to participate fully in social and economic life.
- Strengthen links between individuals, communities, businesses and government agencies.

The key dimensions of the social development approach are:

- Enhancing economic growth through the creation of policies that emphasise the development of opportunities for employment growth.
- Investing in the development of people by providing people with the ability to grow and develop so that they can make and take advantage of the opportunities brought by changes in our society and globally.
- Increasing the sense of belonging of people to their families and communities by providing them with a greater sense of security now and into the future.

The Ministry effects this approach through the delivery of all its functions and across all the Votes it administers.

Vote Social Development

The Ministry provides the following services under Vote Social Development.

Strategic social policy

The strategic social policy role is to:

- Provide advice on key policy initiatives and their impact on the social well-being of New Zealanders.
- Provide advice on issues that are cross-sectoral or involve a range of sectors such as health, education, social assistance and the economy.
- Provide advice on policy issues that the Government confronts over the long term.
- Provide advice on complex policy issues that involve applying expert knowledge in research and evaluation in the social policy area.
- Provide co-ordinated inter-sectoral policy and service delivery at a local level.

Social sector policy

The Ministry is also charged with giving advice on specific policy issues in the following areas:

- Social assistance (including employment-related issues).
- Children and families.
- Youth.
- Disabilities.
- Population.
- Community and voluntary sector.

This function is, where appropriate, carried out in consultation and partnership with other agencies.

The Ministry provides policy advice to the Minister for Disability Issues through the Office for Disability Issues. The key functions of the Office for Disability Issues are to:

- Be the lead agency for the New Zealand Disability Strategy.
- Provide advice on disability issues, including strategic and cross-sectoral disability policy.
- Provide Ministerial services.

Knowledge and information

The Ministry is responsible for developing knowledge and information that informs policy development and supports policy and purchase advice. It publishes reports aimed at enhancing public and sectoral understanding of social issues and trends.

Delivery

The Ministry delivers a variety of services through its distinct service lines.

Work and Income

The Ministry's income support and employment services are provided in 170 locations throughout New Zealand. These service delivery offices, operating under the name Work and Income, offer a single point of contact for New Zealanders needing work-search support, income support and in-work support.

The two primary roles of Work and Income are:

- Supporting people into work.
Being in paid work is the desired outcome for most of the working age population. Being without work significantly reduces independence, a sense of belonging within the community and over time erodes self-confidence. This delivery arm of the Ministry is charged with the responsibility of supporting individuals into a sustainable work situation, maintaining and increasing that attachment.
- Providing income support.
The Ministry is responsible for providing income support to over one million individuals in varying circumstances, accurately and in a timely and efficient way. Income support is provided to people who for a variety of reasons are not able to support themselves (for example, because of their family circumstances or health status) and to older people.

StudyLink

The Ministry's services to students operate as a separate service delivery line under the name StudyLink. StudyLink assists students to achieve their educational goals by providing financial support during their period(s) of study. StudyLink administers student loans and allowances by way of a centralised processing centre, a contact centre, six outreach sites in the main centres and on-site campus services during the enrolment period. StudyLink works closely with student associations and education providers (both secondary and tertiary) to ensure that all students understand what entitlements are available and have access to those entitlements.

Other service lines

Other services provided by the Ministry of Social Development include a network of Benefit Control teams and Debt Collection units that assist in the effective and efficient operations of the income support system.

The Ministry also delivers the Community Services Card which provides subsidies to low income people for access to health services. International Services are responsible for assisting in the negotiation, implementation and administering of New Zealand's International Social Security Agreements and general and special portability arrangements.

Purchase and monitoring

The Ministry provides purchase advice and monitoring services to the Minister of Social Services and Employment on the Department of Child, Youth and Family Services, the Retirement Commissioner and the Commissioner for Children.

Its role in this area includes:

- Ensuring services are aligned with Government priorities.
- Ensuring services are provided in the most effective and efficient way.
- Providing advice on purchase agreements.
- Monitoring performance against purchase agreements including special performance reviews as required by the Minister.

Information technology infrastructure

The Ministry is responsible for maintaining the information technology infrastructure for the Department of Child, Youth and Family Services.

Vote Veterans' Affairs – Work and Income

Vote Veterans' Affairs – Work and Income is administered by the Ministry of Social Development and includes the processing and payment of war pensions and concessions, and rehabilitation loan payments. These services are provided through War Pensions Services.

The key priorities for Vote Veterans' Affairs – Work and Income for 2002/03 include:

- Ensuring accurate, timely and cost effective processing and payment of war pensions, concessions, allowances and rehabilitation loan repayments.
- Implementing a one-stop-shop approach to the delivery of services to veterans and providing a more unified and seamless service. This includes recognition of the special needs and status of veterans by emphasising the separate identity of War Pension Services.
- Continuing the development of relationships with veterans organisations to ensure that services provided by the Ministry of Social Development, including information on social security entitlements, meet the needs of the respective client groups. Working collaboratively with Veterans' Affairs New Zealand in terms of the service delivery agreement between Veterans' Affairs New Zealand and the Ministry of Social Development.
- Collecting war and veterans pension data and monitoring and evaluating such data, including clear and concise reporting to interested parties. Providing accurate and timely reporting on expenditure patterns, trends and risks to Crown expenditure.

Vote Senior Citizens

The Ministry provides services to the Minister for Senior Citizens. The Minister for Senior Citizens purchases policy advice from the Ministry on matters concerning the well-being of senior citizens and related issues, secretariat services to advisory groups and committees, and ministerial services.

Key priorities for 2002/03 will be:

- Promoting the New Zealand Positive Ageing Strategy among government agencies and with the community sector.
- Supporting community volunteer activities benefiting older people.
- Supporting the introduction and implementation of legislation that provide protection for residents of retirement villages.
- Working with other government agencies on Enduring Power of Attorney legislation and other related matters.

The year ahead

This is the first full year of operation for the Ministry and will be a year of both consolidation and development. The Ministry is working on its strategic direction for the year and this direction will form the basis of the Statement of Intent to be implemented on 1 July 2003.

The significant issues for the Ministry relate to its developing role in the social sector, including the provision of strategic and sectoral social policy advice, and the continuation and extension of the services it delivers.

The priorities for 2002/03 include:

Strategic social policy

- Strengthening and developing the strategic social policy function.
- Producing the 2003 Social Report, the second in a regular reporting programme to assess the social state of the nation.
- Providing advice on the development of the Government's overall social strategy, including second opinion advice on significant cross-sectoral social issues.
- Expanding the number of Heartland service centres by nine sites.

Social sector policy

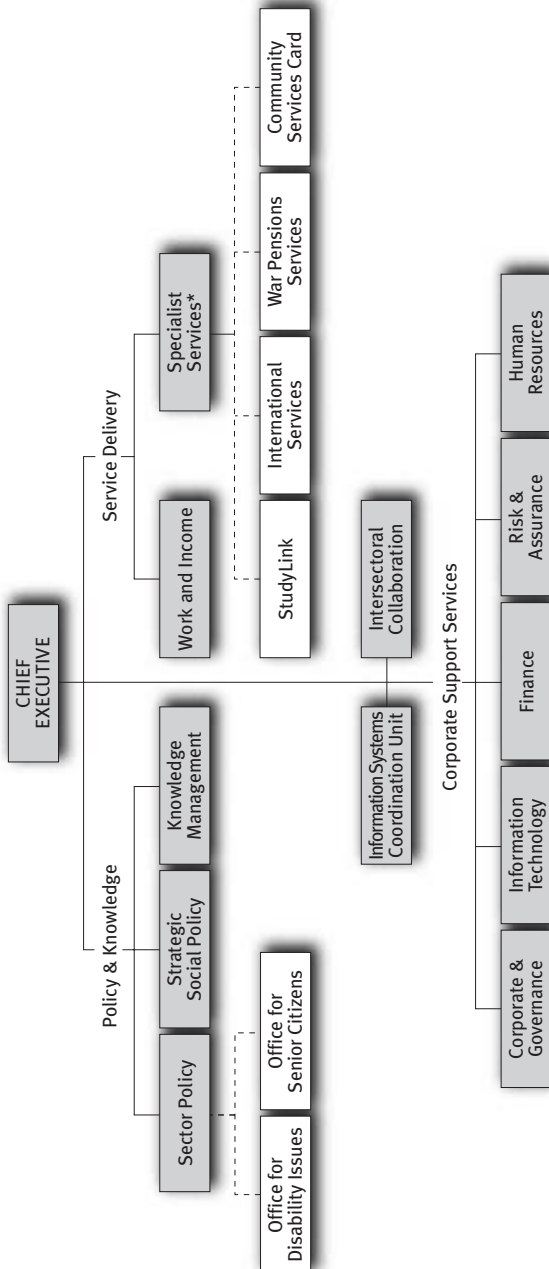
- Developing new approaches to social assistance to protect people of all ages from hardship and to provide all people with opportunities to participate in their communities.
- Improving child and family outcomes over time by developing strategies to provide children with the opportunities they need to maximise their potential and minimise harm, and the provision of effective services for youth at risk.
- Developing strategies to support a "strong community" approach to social well-being.
- Developing strategies to ensure progress towards removing inequalities amongst disadvantaged groups.
- Establishing the Office for Disability Issues to operate as a distinct agency within the Ministry – this agency will be responsible for leading the implementation of the New Zealand Disability Strategy.

Service delivery

- Focusing on sustainable employment including developing a sustainable employment joint outcome. In 2002/03 the Ministry, in conjunction with the Department of Labour, will be working to develop a joint outcome statement of sustainable employment. It is expected that this will be included in the respective Statements of Intent in 2003/04. The aim of this outcome will be to enable people to achieve economic independence throughout their working life.
- Implementing an enhanced case management model for beneficiaries who are sole parents in order to assist them into work, as appropriate to their individual and family circumstances.
- Implementing the Government's strategy – Pathways to Inclusion: Improving Vocational Services for People with Disabilities. This strategy has two aims:
 - 1) increasing the participation of people with disabilities in employment, and
 - 2) increasing the participation of people with disabilities in our communities.The primary focus of the strategy is on providing genuine employment opportunities for people with disabilities, while at the same time recognising that full-time paid work is not practical or desirable for all people with disabilities.
- Ensuring the smooth implementation of the Australian Social Security Agreement from 1 July 2002.
- Changing the Community Services Card – Government has indicated that over the next eight to 10 years the Community Services Card will be phased out. In the short term, in line with the Government's direction, the Ministry of Social Development in conjunction with the Ministry of Health will be collaborating on initiatives to improve the uptake of the card for particular groups.
- Maintaining the integrity of the benefit system and improving the prevention and detection of benefit fraud.
- Continuing StudyLink's quality of delivery, and improving inter-agency risk management relating to potential abuse of student loans and allowances.

Organisational overview

The Ministry is arranged into groups as follows:



Financial highlights

The financial highlights are as follows:

	2001/2002		2002/2003
	Budgeted \$000	Estimated Actual \$000	Budgeted \$000
Revenue Crown	552,256	552,256	571,065
Revenue departments	20,380	15,380	22,408
Revenue other	4,349	1,300	4,349
Output expenses (GST excl.)	576,985	568,936	597,822
Net surplus/(deficit)	-	-	-
Taypayers' funds	104,664	104,664	104,664
Net cash flows from operating and investing activities	(4,287)	(4,287)	84,075

New funding budget 2002

New funding is being appropriated for significant policy areas: Benefit reform and "Making Work Pay", Vocational services and various other priority areas.

Benefit reform and "Making Work Pay"

This funding is to encourage and support beneficiaries with family and caring responsibilities to move into work as appropriate to their individual and family circumstances. Funding for the following initiatives has been appropriated:

- \$13.972m for increased case management support for both work-ready and non-work-ready sole parent beneficiaries.
- \$0.470m to introduce a single abatement rate for recipients of Domestic Purposes Benefit and Widows Benefit.
- \$7.140m to support the development and maintenance of OSCAR (Out of School Care and Recreation) programmes to address the lack of appropriate and accessible after-school and holiday care facilities.
- \$6.230m for a Pathways Payment to assist ex-beneficiaries with children on their return to work.

Vocational services

This funding is to support people requiring vocational services as outlined in the Pathways to Inclusion strategy. \$5.380m is available to ensure the continuation of job assistance and support services to high-need school leavers, and to implement part of the vocational services strategy.

Other priority areas

The following new funding is being appropriated:

- \$0.441m to expand the Heartlands strategy to better deliver government services in smaller provincial centres.
- \$0.655m to support the operations of the Social Policy Evaluation and Research Committee (SPEaR) and to establish and maintain the SPEaR website.
- \$0.150m for a process to improve representation of the community and volunteer sector through a nationally representative organisation.
- \$0.300m to pilot partnership arrangements between operators of foodbanks and Work and Income.
- \$0.162m to enable the Care Supplement to be paid to young people discharged from formal care into the care of the same caregiver prior to 1 July 1999.
- \$0.100m to continue funding of Commissioner for Children to maintain the current level of services.
- \$0.120m to extend the functions of the Retirement Commissioner to include aspects of the retirement villages legislation.
- \$1.280m to remove the benefit stand-down for students with children or dependent family members who are experiencing hardship.
- \$0.276m to increase the accommodation benefit for students who are single parents.
- \$0.778m to introduce “Kbase on Campus” to provide a computer link between StudyLink and campuses.

Part B

Statement of responsibility

The Ministry of Social Development's forecast financial statements for the year ending 30 June 2003 have been prepared in accordance with Section 34A of the Public Finance Act 1989.

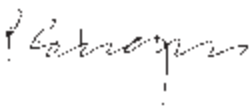
The Chief Executive of the Ministry of Social Development acknowledges, in signing this statement, that he is responsible for the forecast statements contained in this report.

The financial performance forecast to be achieved by the Ministry for the year ending 30 June 2003 that is specified in the Statements of Objectives is as agreed with the Minister of Social Services and Employment, who is the responsible Minister for the Ministry of Social Development.

The performance of each class of output forecast to be achieved by the Ministry for the year ending 30 June 2003 that is specified in the Statements of Objectives is as agreed with the Minister for each vote administered by the Ministry.

We certify that the information contained in this report is consistent with the appropriation contained in the Estimates for the year ending 30 June 2003 that are being laid before the House of Representatives under section 9 of the Public Finance Act 1989.

Signed:



Peter Hughes
Chief Executive
22 April 2002

Countersigned:



Nick Gale
Acting Chief Financial Officer
22 April 2002

Forecast financial statements

Forecast statement of financial performance

For the year ending 30 June 2003

	2001/2002		2002/2003
	Budgeted \$000	Estimated Actual \$000	Budgeted \$000
Revenue			
Crown	552,256	552,256	571,065
Departments	20,380	15,380	22,408
Other	4,349	1,300	4,349
Total revenue	576,985	568,936	597,822
Expenses			
<i>Output expenses:</i>			
Personnel	233,349	233,349	243,246
Operating	299,282	294,233	313,022
Depreciation	34,929	31,929	35,929
Capital charge	9,425	9,425	5,625
Total expenses	576,985	568,936	597,822
Surplus/(deficit) from operations	-	-	-
Profit on sale of fixed assets	-	-	-
Net surplus/(deficit)	-	-	-

Statement of estimated financial position and forecast financial position

Actual position as at 30 June 2001, forecast financial position as at 30 June 2002 and projected financial position as at 30 June 2003

	Actual Position as at 30/6/01 \$000	Estimated Actual Position as at 30/6/02 \$000	Projected Position as at 30/6/03 \$000
Taxpayers' funds	77,564	104,664	104,664
<i>Represented by:</i>			
Assets			
<i>Current assets:</i>			
Bank	2,054	1,336	85,411
Prepayments	848	354	354
Accounts receivable	626	2,108	2,108
Crown receivable	43,841	85,177	-
Total current assets	47,369	88,975	87,873
Fixed assets	107,849	92,734	93,837
Total assets	155,218	181,709	181,710
Less liabilities			
<i>Current liabilities:</i>			
Payables and accruals	43,500	46,787	46,788
Other short-term liabilities	13,314	14,904	14,904
Other provisions	12,821	6,160	6,160
Total current liabilities	69,635	67,851	67,852
<i>Non-current liabilities:</i>			
Provision for employee entitlements	8,019	9,194	9,194
Total liabilities	77,654	77,045	77,046
Net assets	77,564	104,664	104,664

Forecast statement of cash flows

For the year ending 30 June 2003

	2001/2002		2002/2003
	Budgeted \$000	Estimated Actual \$000	Budgeted \$000
Cash flows from operating activities			
<i>Cash provided from:</i>			
Supply of outputs	532,649	527,600	682,999
<i>Cash disbursed to:</i>			
Production of outputs	510,980	505,931	557,745
Capital charge	9,425	9,425	5,625
Net operating cash flows	12,244	12,244	119,629
Cash flows from investing activities			
<i>Cash provided from:</i>			
Sale of fixed assets	368	368	-
<i>Cash disbursed to:</i>			
Purchase of fixed assets	16,899	16,899	35,554
Net investing cash flows	(16,531)	(16,531)	(35,554)
Cash flows from financing activities			
<i>Cash provided from:</i>			
Capital contribution from the Crown	19,750	19,750	-
<i>Cash disbursed to:</i>			
Capital repayments to Crown	11,000	11,000	-
Payment of net surplus to Crown	5,181	5,181	-
Net financing cash flows	3,569	3,569	-
Net increase/(decrease) in cash	(718)	(718)	84,075
Cash at beginning of period	2,054	2,054	1,336
Cash at end of period	1,336	1,336	85,411

Reconciliation of net cash flows from operating activities to net surplus/(deficit) in the operating statement

For the year ending 30 June 2003

	2001/2002		2002/2003
	Budgeted \$000	Estimated Actual \$000	Budgeted \$000
Net operating surplus/(deficit)	-	-	-
<i>Add Non-cash items:</i>			
Depreciation	34,929	31,929	35,929
Other non-cash items	16,303	16,303	(1,478)
<i>Add Working capital movements:</i>			
<i>(Increase)/decrease in:</i>			
Accounts receivable	(1,482)	(1,482)	-
Prepayments	494	494	-
Crown receivable	(44,336)	(41,336)	85,177
<i>Increase/(decrease) in:</i>			
Creditors and payables	3,287	3,287	1
Short-term liabilities	2,765	2,765	-
<i>Add Non-operating activity items:</i>			
Net loss/(gain) on sale of fixed assets	284	284	-
Net cash flows from operating activities	12,244	12,244	119,629

Statement of forecast movements in taxpayers' funds (equity)

As at 30 June 2003

	Actual Position as at 30/6/01 \$000	Estimated Actual Position as at 30/6/02 \$000	Projected Position as at 30/6/03 \$000
Taxpayers' funds as at 1 July	77,564	77,564	104,664
Net surplus	-	-	-
Total recognised revenues and expenses for the period	77,564	77,564	104,664
Capital contribution from the Crown	38,101	38,101	-
Capital repayment to the Crown	(11,000)	(11,000)	-
Repayment of surplus to Crown	(1)	(1)	-
Taxpayers' funds as at 30 June	104,664	104,664	104,664

Details of forecast fixed assets by category

As at 30 June 2003

	2001/2002 Estimated Actual NBV \$000	30 June 2003 Projected Position		
		Cost \$000	Accumulated Depreciation \$000	Net Book Value \$000
Land	1,785	1,785	-	1,785
Buildings	9,376	10,136	(1,008)	9,128
Leasehold improvements	15,863	34,006	(19,871)	14,135
Computer equipment and software	44,428	128,720	(81,730)	46,990
Furniture and fittings	2,138	6,855	(4,273)	2,582
Office equipment	2,143	5,507	(2,782)	2,725
Motor vehicles	6,050	8,988	(3,448)	5,540
Work in progress	10,951	10,951	-	10,951
Total fixed assets	92,734	206,948	(113,112)	93,836

Statement of objectives specifying the financial performance forecast for the Ministry

For the year ending 30 June 2003

	2001/2002		2002/2003
	Budgeted \$000	Estimated Actual \$000	Budgeted \$000
Operating results			
Revenue department	20,380	15,380	22,408
Revenue other	4,349	1,300	4,349
Output expenses	576,985	568,936	597,822
Net surplus	-	-	-
Working capital			
Net current assets	47,369	88,975	87,873
Net current liabilities	69,635	67,851	67,852
Current ratio	68%	131%	130%
Resource utilisation			
<i>Physical assets:</i>			
Total physical assets at year end	92,734	92,734	93,837
Additions as % of physical assets	18%	18%	18%
Taxpayers' funds level at year-end	104,664	104,664	104,664
Taxpayers' funds as % of total assets	67%	67%	58%
Forecast net cash flows			
Net operating activities	12,244	12,244	119,629
Net investing activities	(16,531)	(16,531)	(35,554)
Net financing activities	3,569	3,569	-
Net increase/(decrease) in cash held	(718)	(718)	84,075

Statement of objectives specifying the performance forecast for each class of outputs

For the year ending 30 June 2003

	Revenue Crown \$000	Revenue Depart- ments \$000	Revenue Other \$000	Total Expenses (excl. GST) \$000	GST \$000	Total Expenses (incl. GST) \$000
Vote: Social Development						
D1 Services to provide benefit entitlements and obligations to working age beneficiaries and to promote self-sufficiency	190,784	5,000	4,349	200,133	25,017	225,150
D2 Services to minimise the duration of unemployment and move people into work	224,615	-	-	224,615	28,077	252,692
D3 Services for seniors	36,420	-	-	36,420	4,553	40,973
D4 Services to protect the integrity of the benefit system	24,968	-	-	24,968	3,121	28,089
D5 Debt management - former beneficiaries	20,433	-	-	20,433	2,554	22,987
D6 Community Services Card	6,948	-	-	6,948	868	7,816
D7 Services to students	32,886	-	-	32,886	4,111	36,997
D8 Strategic social policy advice	6,089	-	-	6,089	761	6,850
D9 Policy and purchase advice	23,256	700	-	23,956	2,995	26,951
D10 Information technology services for other departments	-	16,708	-	16,708	2,089	18,797
Sub Total	566,399	22,408	4,349	593,156	74,146	667,302
Vote: Veterans' Affairs						
- Work and Income						
D2 Processing and payment of benefits	4,133	-	-	4,133	516	4,649
Vote: Senior Citizens						
D1 Senior citizens services	533	-	-	533	67	600
TOTAL	571,065	22,408	4,349	597,822	74,729	672,551

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 2003

Statutory authority

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.

Revenue

The Ministry derives revenue through the provision of outputs to the Crown for services to third parties and interest on its deposit with the New Zealand Debt Management Office and overseas bank accounts. Revenue is recognised when it is earned and is reported in the financial period to which it relates.

Cost allocations

The Ministry accumulates and allocates costs to departmental output classes using a three-staged costing system which is outlined in "cost allocation policy" below.

Cost allocation policy

The first stage allocates all direct costs to output classes as and when they are incurred. The second stage accumulates and allocates indirect costs to output classes based on appropriate cost drivers which reflect an appropriate measure of resource consumption/usage. The third stage accumulates and allocates total overhead costs to output classes in proportion to the costs charged in the previous two stages, unless a more appropriate measure is available.

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 class. 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 on the capital employed. This charge is based on taxpayers' funds held by the Ministry as at 31 December and 30 June each financial year, and paid in arrears.

Crown receivable

Crown receivable represents revenue available to be drawn down from the Crown.

Receivables

Receivables are stated at estimated net realisable value.

Operating leases

Leases where the leaseholder effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are charged as expenses in the periods in which they are incurred.

Fixed assets

Fixed assets are stated at historical cost or valuation, less accumulated depreciation. An independent registered valuer revalues land and buildings at net current values every three years. Fixed assets with a cost price in excess of \$2,000 are capitalised and recorded at historical cost.

Depreciation

Depreciation is provided on a straight line basis on all tangible fixed assets except freehold land. Rates are calculated to allocate the cost or valuation, less estimated residual value of assets over their estimated useful lives.

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

	Estimated Life (years)
Buildings	50
Leasehold improvements	up to 10
Computer equipment	up to 5
Software	up to 8
Furniture, fittings and office equipment	5
Motor vehicles	4

Taxation

The Ministry is exempt from paying income tax in terms of the Income Tax Act 1994.

Goods and Services Tax (GST)

The statement of financial position is exclusive of GST, except for payables and receivables which are GST inclusive. All other statements are GST exclusive.

The GST inclusive appropriation value for all output classes is disclosed in each individual statement of the forecast output performance statement and statement of objectives specifying the performance forecast for each class of outputs.

The amount of GST owing to or from the Inland Revenue Department at 30 June 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 account payable.

All financial instruments are recognised in the statement of estimated financial position and forecast 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.

Provision for employee entitlements

A provision for employee entitlements is recognised as a liability in respect of benefits earned by employees but not yet received at balance date. Employee benefits include annual leave, long service leave and retirement leave. Where services that gave rise to the employee benefits are expected to be paid for within 12 months of balance date, the provision is the estimated amount expected to be paid by the Ministry. The provision for other employee benefits is stated at the present value of the future cash outflows expected to be incurred.

Other provisions

Other provisions are recognised when management has approved a business decision resulting 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.

Statement of cash flows

Cash includes cash balances on hand, in bank accounts and short-term deposits held with the New Zealand Debt Management Office. Operating activities include the net cash movement in outputs supplied, and includes interest received. 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 Crown.

Taxpayers' funds

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

Changes in accounting policy

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

Forecast output performance statements

For the year ending 30 June 2003

VOTE: Social Development

Output class D1: *Services to provide benefit entitlements and obligations to working-age beneficiaries and to promote self-sufficiency*

This output class provides services to assist clients to participate in, and contribute to, communities and is based on the principles of mutual responsibility and co-operation. It includes services to manage the Government's interest in an effective and efficient income support system for working-age beneficiaries by supporting the Government's objectives of:

- Simplifying the benefit system.
- Making work pay and investing in people.
- Supporting families and children.
- Acknowledging mutual responsibilities.
- Building partnerships.
- Enabling social inclusion.

This output class specifically includes:

- Providing information on the full range of assistance available to enable people to apply for any such assistance they consider they might be eligible for and wish to apply for.
- Informing people of their rights and obligations should they receive income support.
- Assessing, verifying and paying income support to eligible people.
- The ongoing management of people's need for income support and other assistance, including responding to changes in people's circumstances in a timely and appropriate manner.
- Managing the repayment of client debt in a manner that balances the client's ability to repay with the efficient administration of the benefit system.

Performance measures

Standard

Quantity

- The average number of beneficiaries (excluding spouses) is expected to be 389,000

Quality

- The percentage of clients satisfied with the level of service provided by contact centres will be no less than 85%
- The percentage of clients satisfied with the level of service provided by Case Managers will be no less than 85%

Timeliness

- The percentage of entitlement assessments that are finalised within five working days shall be no less than 85%

Accuracy

- The percentage of entitlement assessments completed accurately will be no less than 88 - 90%

Debt management

- The percentage of current debtors repaying debt shall be no less than 90%

Cost

Year	Total Expenses GST excl. \$000	GST \$000	Total Expenses GST incl. \$000	Revenue Crown GST excl. \$000	Revenue Departments GST excl. \$000	Revenue Other GST excl. \$000
2002/03	200,133	25,017	225,150	190,784	5,000	4,349
2001/02	216,163	27,021	243,184	206,814	5,000	4,349

Output class D2: *Services to minimise the duration of unemployment and move people into work*

This output is directed towards the outcomes of reducing the number of unemployed and reducing time on social security benefits. This will be achieved through the provision of national support services and the regional delivery of strategies and services to all job seekers.

A special focus will be placed on the following priority groups to assist their participation in the development of existing and new skills, training and employment activities: long-term unemployed (especially in areas where the labour market offers fewer opportunities and discourages initiative) and those at risk of becoming long-term unemployed; Māori; Pacific peoples; people with disabilities; and others with barriers to employment (including women, youth, mature job-seekers and migrants).

The performance measures in this output are therefore results-focused – towards achieving stable employment outcomes for all job seekers and increasing the proportion of stable employment outcomes for both Māori and Pacific adults and youth.

The services provided in this output class include the regionally responsive delivery of employment-related services including case management focussed on the needs of the individual – not a one-service-fits-all approach. It also includes the assessment, payment and monitoring of wage subsidies and grants. These grants and subsidies can be utilised to assist job seekers in gaining stable employment outcomes. The types of assistance provided include Job Plus, Enterprise Allowance, Work Start, Job Connection and Taskforce Green. The mix and type of interventions used will vary depending on the local labour market, the needs of individual job seekers and cost effectiveness.

Other services include the direct provision or purchase of a range of other assistance measures including:

- Training opportunities programmes, for which the Ministry has a specific funding allocation and contracts Skill NZ to purchase on its behalf.
- Local employment co-ordination activities.
- Working with the Community Employment Group of Department of Labour in referring job seekers to community employment organisations.

In 2002/03 the Ministry, in conjunction with the Department of Labour, will be working to develop a joint outcome of sustainable employment. It is expected that this will be included in their respective Statements of Intent in 2003/04. The aim of this outcome will be to enable people to achieve economic independence throughout their working life.

Performance measures¹

Standard

- Achieve 23,000 stable employment outcomes for job seekers unemployed for less than 26 weeks.
- Achieve 13,500 stable employment outcomes for job seekers unemployed for between 6 months and 2 years.
- Achieve 5,000 stable employment outcomes for job seekers unemployed for between 2 and 4 years.
- Achieve 2,500 stable employment outcomes for job seekers unemployed 4 years or more.
- Maintain or increase the share of stable employment outcomes gained by Māori job seekers to 32% of total stable employment outcomes.
- Maintain or increase the share of stable employment outcomes gained by Pacific job seekers to 11% of total stable employment outcomes.
- Maintain or increase the share of stable employment outcomes gained by Māori youth to 11% of total stable employment outcomes.
- Maintain or increase the share of stable employment outcomes gained by Pacific youth to 4% of total stable employment outcomes.

Cost

Year	Total Expenses GST excl. \$000	GST \$000	Total Expenses GST incl. \$000	Revenue Crown GST excl. \$000	Revenue Departments GST excl. \$000	Revenue Other GST excl. \$000
2002/03	224,615	28,077	252,692	224,615	–	–
2001/02	202,090	25,262	227,352	202,090	–	–

¹ The performance measures relating to stable employment outcomes are based on actual achievement in the year 2001/02 and the assumption that the labour market and economic conditions experienced during 2001/02 remain the same for the next 12 months.

Output class D3: Services to seniors

This output class provides for the assessment, payment and review of entitlement for New Zealand Superannuation and Transitional Retirement Benefit, and supplementary benefits, grants, allowances and subsidies made to recipients of these benefits or pensions. All payments are made under the Social Security Act 1964, the Social Welfare (Transitional Provisions) Act 1990, the Social Security (Monetary Benefits) Regulations 1971 and New Zealand's Social Security Agreements with other countries.

Specialist superannuation staff provide a service tailored to the individual needs of older people, delivered in an environment that ensures they receive the respect and dignity they deserve. The Ministry will recognise the special role older people have in the community and respect their contribution to society.

This output class includes the provision of services that encourage and promote self-reliance, positive ageing and independence, and providing information relating to client entitlements, including access to supplementary benefits and additional assistance when needed. It also provides for the provision of services to assist superannuitants to participate in community life. The Ministry will collaborate with other agencies to assist in providing support services for seniors.

This output class also includes the provision of services from the International Services unit who are responsible for implementing and administering New Zealand's Social Security Agreements with other countries and general and special portability arrangements.

Performance measures	Standard
Quantity	
• The average number of superannuitants is expected to be	455,000
Timeliness	
• The percentage of entitlement assessments that are finalised within five working days shall be no less than	85%
Accuracy	
• The percentage of entitlement assessments completed accurately will be no less than	92%
Quality	
• The percentage of clients satisfied with the level of service provided will be no less than	90%

Performance measures (International Services)

Standard**Accuracy**

- The percentage of entitlement assessments completed accurately will be no less than 90%

Timeliness

- Applications for payment overseas processed within 24 hours will be no less than 95%
- Review actions processed within 5 working days will be no less than 80%
- Correspondence replied to within 5 working days will be no less than 80%
- The percentage of all incoming calls that are answered within 20 seconds will be 80%

Cost

Year	Total Expenses GST excl. \$000	GST \$000	Total Expenses GST incl. \$000	Revenue Crown GST excl. \$000	Revenue Departments GST excl. \$000	Revenue Other GST excl. \$000
2002/03	36,420	4,553	40,973	36,420	–	–
2001/02	34,376	4,296	38,672	34,376	–	–

Output class D4: *Services to protect the integrity of the benefit system*

This output class covers activities to protect the integrity of the benefit system through the prevention, detection and deterrence of benefit abuse. Activities included in this output are the implementation of an early intervention strategy that focuses on risk management, detection of errors, investigation of suspected irregularities to determine whether people are or have been illegally in receipt of benefits, and activities to deter benefit abuse. Investigations will determine the level of overpayment resulting from benefit abuse so that penalties, if any, can be imposed.

Performance measures	Standard
Quantity	
• The number of cases investigated to determine correct entitlement shall be	70,000
• Of these, the number of cases investigated by Area Benefit Control units shall be	35,000
• The number of cases reviewed by data match shall be	35,000
• The number of cases investigated by Area Benefit Control units where there has been fraud/abuse	Reported each quarter
• The number of overpayments raised by data match	Reported each quarter
Timeliness	
• The percentage of Benefit Control cases finalised within 60 working days of assignment shall be no less than	80%
Quality	
• The percentage of cases where decisions that are open to review remain unchanged will be no less than	95%
• Investigation cases will be audited for quality of investigation and adherence to investigation standards	
1. For cases involving potential fraud of greater or equal to \$5,000.00	100%
2. For cases involving potential fraud of less than \$5,000.00	10%
• For every dollar spent (net of tax and GST exclusive), the return	
- in relation to overpayments shall be no less than	\$2.50
- in relation to prospective savings due to early intervention shall be no less than	\$2.00
• Total return no less than	\$4.50

Cost

Year	Total Expenses GST excl. \$000	GST \$000	Total Expenses GST incl. \$000	Revenue Growth GST excl. \$000	Revenue Departments GST excl. \$000	Revenue Other GST excl. \$000
2002/03	24,968	3,121	28,089	24,968	–	–
2001/02	29,983	3,748	33,731	29,983	–	–

Output class D5: Debt management – former beneficiaries

This output class includes activities related to the management of debt from people not currently in receipt of income support (non-current debt). This debt arises from benefits and pensions paid under the Disabled Persons Community Welfare Act 1975, the Social Welfare (Transitional Provisions) Act 1990, and the Social Security Act 1964. Please note that the collection of current benefit debt is managed in “output class one - services to provide benefit entitlements and obligations to working-age beneficiaries and to promote self-sufficiency”.

The collection of this debt takes into account both the individual’s ability to repay and management of the Crown’s fiscal risk. Consideration will be given to ensuring debt repayments do not cause undue hardship or jeopardise a client’s ability to stay in employment through unrealistic debt repayment. The Ministry of Social Development staff will carry out their duties with due diligence and respect to the rights of clients.

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

- Special Needs Grants (recoverable).
- Advances.
- Overpayments generated by departmental 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.

Performance measures

Standard

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 \$72m
- Actual collection of student allowance debt and fraudulent student loan debt is expected to be \$5m

Quality

- The proportion of non-current beneficiary debtors on arrangement to pay or paid in full within four months of debt establishment shall be no less than 80%

Cost

Year	Total Expenses GST excl. \$000	GST \$000	Total Expenses GST incl. \$000	Revenue Crown GST excl. \$000	Revenue Departments GST excl. \$000	Revenue Other GST excl. \$000
2002/03	20,433	2,554	22,987	20,433	–	–
2001/02	17,783	2,222	20,005	17,783	–	–

Output class D6: *Community Services Card*

This output class provides for the administration of Community Services Card (applications, renewals and card issue) and the provision of information to the public about the card. The card allows higher subsidies on prescriptions and doctors' visits and is provided, subject to eligibility criteria, to those on low or middle incomes or those who are getting one of the main types of income support.

People in receipt of a current benefit automatically receive a card. Superannuitants have to apply for one (over 80% of cards for superannuitants are automatically renewed once they expire). People who don't receive a benefit but are on a low or middle income may also apply for the card.

Information exchanges with the Inland Revenue Department are used to ensure those Family Support recipients eligible for a Community Service Card are advised to apply. Every effort is made to ensure those entitled to the card are aware of this entitlement and are encouraged to apply.

The National Community Services Card Centre is a centralised processing unit with a discrete call centre. All applications and re-application for the card are managed within this unit. The centre also manages production of the Community Service Card.

Performance measures	Standard
Quantity	
• The number of Community Services Cards issued is expected to be	1,430,000
• The volume of applications and re-applications (renewals) of Community Services Cards to be processed is projected to be	221,450
Quality	
• The percentage of all calls to the Community Services Card Centre answered within 20 seconds will be no less than	80%
Timeliness	
• The percentage of initial applications and those requiring validation processed within two working days of receipt will be no less than	90%
Accuracy	
• The percentage of Community Services Card entitlement assessments accurately completed as determined by regulation will be no less than	90%

Cost

Year	Total Expenses GST excl. \$000	GST \$000	Total Expenses GST incl. \$000	Revenue Crown GST excl. \$000	Revenue Departments GST excl. \$000	Revenue Other GST excl. \$000
2002/03	6,948	868	7,816	6,948	–	–
2001/02	6,399	800	7,199	6,399	–	–

Output class D7: *Services to students*

This output class includes the application and determination of eligibility for student loans and allowances and ensures payment of full and correct entitlement. This includes information matching with educational providers in order to obtain the necessary enrolment information.

The Ministry of Education is responsible for the student loan and allowance policy. The Ministry of Social Development, through its StudyLink service line, is responsible for policy relating to the adequacy of student income and its administration, assessment and payment. Inland Revenue Department is responsible for the collection of student loans under the Student Loan Scheme Act 1992.

A protocol between the Ministry of Social Development, Ministry of Education and Inland Revenue Department which defines the roles and responsibilities of each agency in relation to the student allowance and loan programmes has been established. The Ministry of Social Development works closely with the other agencies to ensure effective co-ordination and communication.

The Ministry of Social Development will ensure that programmes are in place to promote the understanding of financial options for secondary school students who may undertake tertiary study in the future.

Student allowances are governed by the Student Allowances Regulations 1998. The delivery and administration of the Student Loan Scheme is governed by:

- Contract law as defined in the Credit Contracts Act 1981.
- The terms and conditions of the Student Loan Contract.
- Various decisions of Cabinet regarding eligibility to a student loan, and various administrative decisions taken by the Ministry of Education.

Performance measures

Standard

Student allowances

Quantity

- Volume of student allowance applications approved in 2002/03 is expected to be in the range 66,000-69,000 (from a total of 88,000-91,000 applications received)

Timeliness

- The percentage of students who apply for a student allowance at least 14 days prior to their course commencement are paid by their first due payment date 90%
- The percentage of students who apply at least 14 days prior to their course commencement are paid within 7 days of their first due payment date 95%

- The percentage of students who apply for a student allowance between 13 and 0 days of the course commencement date are paid within 7 days of their first due payment date 90%
- The percentage of student allowance applications, where the application is received after the course commencement date, are paid within 14 days of receipt 90%
- The percentage of student allowance applications where the application is received after the course commencement date is paid within 21 days of receipt 95%

Accuracy

- The percentage of students who receive their correct student allowance entitlement on their first payment will be no less than 90%

Student loans (living costs)

Quantity

- The volume of student loan accounts established in 2002/03 is expected to be in the range 159,000-164,000 (from a total of 202,000-207,000 applications received)

Timeliness

- The percentage of students who apply for a loan for living costs at least 21 days prior to their course commencement are paid by their first due payment date 90%
- The percentage of students who apply for a loan for living costs at least 21 days prior to their course commencement date are paid within 7 days of their first due payment date 95%
- The percentage of students who apply for a loan for living costs between 20 and 0 days of the course commencement date are paid with 7 days of their first due payment date 90%
- The percentage of applications for living costs, where the application is received after the course commencement date, are paid within 21 days of receipt 90%
- The percentage of applications for living costs, where the application is received after the course commencement date, are paid within 28 days of receipt 95%

Accuracy

- The percentage of students who receive their correct entitlement (living cost component) on their first payment will be 90%

Student loans (fees to institutions)

Timeliness

- The percentage of loan fee payments for students who apply at least 21 days prior to course commencement are approved within 11 days of course commencement 90%
- The percentage of loan fee payments for students who apply at least 21 days prior to course commencement are approved within 18 days of course commencement 95%
- The percentage of loan fee payments for students who apply after the course commencement are approved within 21 days of application date 90%
- The percentage of payments for loan fees for students who apply after the course commencement are approved within 28 days of the application date 95%

Quality (for loans and allowances)

- The StudyLink contact centre will answer 80% of calls within 20 seconds, 95% of days 95%
- The percentage of surveyed students who are satisfied with the level of service from StudyLink staff 85%
- The percentage of independently surveyed institutions that are satisfied with the level of service from StudyLink staff 85%

Cost

Year	Total Expenses GST excl. \$000	GST \$000	Total Expenses GST incl. \$000	Revenue Crown GST excl. \$000	Revenue Departments GST excl. \$000	Revenue Other GST excl. \$000
2002/03	32,886	4,111	36,997	32,886	–	–
2001/02	29,005	3,626	32,631	29,005	–	–

Output class D8: *Strategic social policy advice*

In this output class the Minister of Social Services and Employment purchases the provision of strategic social policy advice. Strategic social policy is policy that improves the social well-being of New Zealanders in significant ways for the longer term, particularly through cross-sectoral initiatives.

The scope of the strategic social policy advice output class covers:

- Monitoring and reporting on the social circumstances of the country.
- Using the social development approach to support policy decision making from a “whole of Government” perspective.
- Providing Government with evidenced-based advice on current strategies and initiatives.
- Developing medium and long term policy proposals relating to significant and cross-sectoral social policy issues.
- Co-ordinating the medium to long term policy-thinking and knowledge-building across government departments.
- Synthesising research and evaluation evidence on key social policy issues for Government.
- Supporting cross-sectoral government collaboration at a local level through the Heartland’s strategy and the “strengthening families” programme.
- Co-ordinating social research through Social Policy Evaluation and Research (SPEaR). This is an officials co-ordinating group with a mandate to oversee the Government’s social policy research programme.

Key pieces of work during 2002/03 include:

- Strengthening and developing the strategic social policy function.
- Producing the 2003 Social Report, the second in a regular reporting programme to assess the social state of the nation.
- Providing advice on the development of the Government’s overall social strategy, providing second opinion advice on significant social issues, particularly of a long-term or cross-sectoral nature.
- Providing advice on legislation for social outcome reporting.

Performance measures

Standard

Quantity

- | | |
|--|-------------------|
| • Policy days – the total number of worked days applied to policy work | 4,390 |
| • Work programme – policy advice will be delivered in accordance with prioritised requirements of a work programme agreed prior to each six-month period with the Minister of Social Services and Employment | Sign-off received |
| • Six-monthly reports on work programme | 2 |

Quality

- Policy advice will meet the negotiated requirements to the satisfaction of the Minister of Social Services and Employment Sign-off received
- Strategic social policy advice will meet the quality characteristics as described in the Cabinet manual and the Ministry of Social Development internal quality assurance framework Standard met
- Quarterly assessment/feedback meeting with Minister's office staff Feedback recorded and acted upon

Timeliness

- Policy advice will be delivered to the Minister of Social Services and Employment within negotiated deadlines 100%
- Six-monthly reports on work programme Within 15 working days from period end

Cost

Year	Total Expenses GST excl. \$000	GST \$000	Total Expenses GST incl. \$000	Revenue Crown GST excl. \$000	Revenue Departments GST excl. \$000	Revenue Other GST excl. \$000
2002/03	6,089	761	6,850	6,089	–	–
2001/02	–	–	–	–	–	–

Output class D9: *Policy and purchase advice*

In this output class the Minister of Social Services and Employment purchases the provision of social sector policy advice, knowledge management, purchase and monitoring advice and ministerial services.

The Minister will expect policy advice in relation to:

- Developing new approaches to social assistance to protect people of all ages from hardship and to provide all people with opportunities to participate in their communities.
- Improving child and family outcomes over time by developing strategies to provide children with the opportunities they need to maximise their potential, and to minimise harm, and the provision of effective services for youth at risk.
- Developing strategies to support a “strong community” approach to social well-being.
- Developing strategies to ensure progress towards removing inequalities amongst disadvantaged groups.

The Ministry will also provide policy advice to the Minister for Disability Issues.

The key functions of the Office for Disability Issues are to:

- Be the lead agency for the New Zealand Disability Strategy.
- Provide advice on disability issues, including strategic and cross-sectoral disability policy.
- Provide ministerial services.

The Minister will expect knowledge management services to:

- Improve the effectiveness of policy and purchase advice.
- Raise public awareness regarding social sector issues in order to contribute to understanding and debate.

The Minister will expect purchase and monitoring advice in relation to:

- Cost-effectiveness of services.
- Efficiency and cost of service delivery.
- Alignment of services to Government objectives.
- Delivery performance against agreed measures and targets.

This advice is provided in regard to the following organisations:

- The Department of Child, Youth and Family Services.
- Retirement Commissioner.
- Commissioner for Children.

The Minister will expect additional information on the following:

- Operations of income support and employment services and programmes including the production of operational statistics as required.
- Research and evaluation services.
- Intervention cost effectiveness.
- Analysis of labour market trends and micro-economic issues, and likely impacts on clients and services provided by the Ministry of Social Development.

The output also includes the provision of ministerial, advisory, support and administrative services to or on behalf of the Minister and the Associate Minister(s) in regard to policy, income support and employment service delivery matters.

Performance measures	Standard
Quantity	
<ul style="list-style-type: none"> • The total number of worked days applied to policy work (includes consultancy days) Note: does not include international policy and agreements 	17,000
<ul style="list-style-type: none"> • Policy advice will be delivered in accordance with prioritised requirements of a work programme agreed prior to each six-month period with the Minister of Social Services and Employment 	Sign-off received
<ul style="list-style-type: none"> • Six monthly reports on work programme 	2
Quality	
<ul style="list-style-type: none"> • Policy advice will meet the negotiated requirements to the satisfaction of the Minister of Social Services and Employment 	Sign-off received
<ul style="list-style-type: none"> • Policy advice will meet the quality characteristics as described in the Cabinet manual and the Ministry of Social Development internal quality assurance framework 	Standard met
<ul style="list-style-type: none"> • Quarterly assessment/feedback meeting with Minister's office staff 	Feedback recorded and acted upon
Timeliness	
<ul style="list-style-type: none"> • Policy advice will be delivered to the Minister of Social Services and Employment within negotiated deadlines 	100%
<ul style="list-style-type: none"> • Six-monthly reports on work programme 	Within 15 working days from period end

Performance measures (ministerial servicing)

Standard**Quality**

- The percentage of ministerial drafts provided for the Minister's signature where error could reasonably have been avoided will be no less than 95%
- The percentage of parliamentary question drafts provided for the Minister's signature where error could reasonably have been avoided will be no less than 100%

Timeliness

- Percentage of draft Ministerial replies to be completed within 20 working days of receipt by the Ministry, unless specified urgent 95%
- Percentage of oral parliamentary questions will be answered by 12 noon the same day 100%
- Percentage of written parliamentary questions will be answered by the time as specified by Minister's office 100%
- Percentage of replies required by legislation will be given by the statutory deadline 100%

Cost

Year	Total Expenses GST excl. \$000	GST \$000	Total Expenses GST incl. \$000	Revenue Crown GST excl. \$000	Revenue Departments GST excl. \$000	Revenue Other GST excl. \$000
2002/03	23,956	2,995	26,951	23,256	700	–
2001/02 ¹	17,817	2,227	20,044	17,117	700	–

¹ Figures reflect the 9 months of Vote Social Development.

Output class 10: *Information technology services to other departments*

This output class includes services for the provision of an information technology (IT) infrastructure for the Department of Child, Youth and Family Services. The infrastructure provides a digital network (including switches, servers, routers and hubs) that is maintained by a series of technical, security and data standards, IT policies and appropriate software tools. It allows social sector data to be collected onto a common database (IAP).

As well as the IT infrastructure, this output class includes the provision of advice on IT trends and delivery impact assessments, the negotiation of common contracts (cellular, software), and the monitoring of IT infrastructure performance.

Performance measures	Standard
Availability	
• Wide area network (WAN) availability	99%
Access	
• Scheduled downtime	No more than 8 hours of scheduled downtime per site per month (except Corporate, Ministry where 16 hour maximums apply)
• Unscheduled downtime – unplanned outage duration (minutes)	To minimise
Event and fault management	
• Priority “A” response	99% within 30 minutes
Performance and capacity management	
• CPU utilisation	To maintain 30% above peak demand
Network and server administration	
• Scheduled back-ups completed overnight	100%

Cost

Year	Total Expenses GST excl. \$000	GST \$000	Total Expenses GST incl. \$000	Revenue Crown GST excl. \$000	Revenue Departments ² GST excl. \$000	Revenue Other GST excl. \$000
2002/03	16,708	2,089	18,797	–	16,708	–
2001/02 ¹	14,680	1,835	16,515	–	14,680	–

¹ Figures reflect the 9 months of Vote Social Development.

² This revenue will be obtained by charging Department of Child, Youth and Family Services for the provision of the IT infrastructure.

VOTE: Senior Citizens**Output class D1: Services for senior citizens**

In this output class the Minister for Senior Citizens purchases policy advice on matters concerning the well-being of senior citizens and related issues, develops policies to promote the rights of older people, provides support services to advisory groups and committees, and provides ministerial servicing.

This output class also includes specified funding to:

- Promote the New Zealand Positive Ageing Strategy within local communities.
- Support local community involvement in senior citizens' issues.
- Maintain and expand the network of volunteer community co-ordinators, originally established during the International Year of Older Persons 1999.

The Minister will expect the following quantity, quality and cost performance indicators to be met:

Performance measures	Standard
Quantity	
• Policy days – the total number of worked days applied to policy work	710
• Work programme – policy advice will be delivered in accordance with prioritised requirements of a work programme agreed prior to each six-month period with the Minister for Senior Citizens	Sign-off received
Quality	
• Appropriateness – policy advice will be delivered to the satisfaction of the Minister for Senior Citizens, as evidenced by sign-off every six months	Sign-off received
• New measure – quarterly assessment/feedback meeting with the Minister's office	Feedback recorded and acted upon
Timeliness	
• Replies to parliamentary questions, ministerial correspondence and Official Information Act requests will be delivered within agreed and statutory timeframes	Meets standard

Cost

This output class will be provided within the appropriated sum of \$0.600 million (inclusive of GST).

Year	Total Expenses GST excl. \$000	GST \$000	Total Expenses GST incl. \$000	Revenue Crown GST excl. \$000	Revenue Departments GST excl. \$000	Revenue Other GST excl. \$000
2002/03	533	67	600	533	–	–
2001/02	533	67	600	533	–	–

VOTE: Veterans' Affairs – Work and Income

Output class D2: *Processing and payment of benefits*

This output class includes the processing and payment of war pensions and concessions, and rehabilitation loan scheme payments. These services are provided through War Pensions Services.

Vote administration also includes data collection and contribution to the monitoring, evaluation, reporting of trends and risks to Crown expenditure and forecasting of benefits and other unrequited expenses through War Pensions Services.

Performance measures

Standard

Quantity

- The number of new applications for war pensions and applications for review of disablement processed is expected to be 4,300

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 85%
- The percentage of National Review Officer decisions that are administered and processed by the Ministry of Social Development will be completed within 14 working days 85%
- 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 95%
- Response to incoming calls – the percentage of all calls answered within 20 seconds will be no less than 90%

Quality

- All actions processed by War Pensions Services are accurate and will meet the accuracy standard of 90%
- The results of the veterans satisfaction survey will be reported annually to the Minister and veterans satisfaction will be not less than 85%
- The results of the RSA satisfaction survey will be reported annually to the Minister and RSA satisfaction will be not less than 85%

Cost

Year	Total Expenses GST excl. \$000	GST \$000	Total Expenses GST incl. \$000	Revenue Crown GST excl. \$000	Revenue Departments GST excl. \$000	Revenue Other GST excl. \$000
2002/03	4,133	516	4,649	4,133	–	–
2001/02	4,172	521	4,693	4,172	–	–

