

# *Annual report*

*of Statistics New Zealand*

for the year ended **30 June 2012**



# Annual report of Statistics New Zealand for the year ended 30 June 2012

Presented to the House of Representatives  
pursuant to section 44(1) of the Public Finance Act 1989  
and section 16 of the Statistics Act 1975



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## Statutory declaration

In accordance with the requirements of the Public Finance Act 1989, and section 16 of the Statistics Act 1975, I present this report on the performance of Statistics New Zealand and on the administration of the Statistics Act 1975 for the year ended 30 June 2012.



Geoff Bascand  
**Chief Executive and Government Statistician**  
31 August 2012



# Chief Executive's overview

Welcome to Statistics New Zealand's formal record of achievements in 2011/12 in support of an informed society using official statistics.

It was a busy and successful year as we stretched ourselves to make a significant contribution to the Government's Better Public Services programme. At the same time, we launched our transformation to deliver more efficient and effective services to the public now and in the future. Good progress was made in replacing outdated technology, implementing our People Strategy, and modernising our statistical systems.

Our ongoing contribution to improving public services includes fostering collaboration, improving quality and expertise across the whole-of-government sector, and contributing to initiatives to make it easier for people and businesses to interact with government. We continued to advise on developing indicators and measures across all results areas and identifying where existing Tier 1 statistics meet these specific needs.

Our transformation work fits under our four priorities of:

1. leading the Official Statistics System
2. obtaining more value from official statistics
3. transforming the way we deliver statistics
4. creating a responsive, customer-focused, influential, and sustainable organisation.

An example of progress in our leadership of the Official Statistics System is our new purchase advice function. This function will see the Government Statistician providing annual budget advice on the investment and prioritisation of activity in the government-wide statistical sector.

We achieved more value from official statistics through a range of initiatives. We digitised our previously produced yearbooks, dating back to 1893. This unlocked information only held in printed material to make it searchable online. Our increased responsiveness to Māori was highlighted by the launch of *Te Ao Mārama*, which featured a range of statistics for Māori and about Māori.

We have improved value for the businesses and households that spend time providing us data by continuing to focus on reducing respondent burden. We reduced the number of businesses needing to provide data for the Annual Enterprise Survey for example, by using anonymised tax data and Charities Commission annual returns.

Budget 2012 provided funding for the continued delivery of social and population statistics. Planning for the next census on 5 March 2013 is well advanced. We made steady progress on transforming statistical delivery to better meet current and future needs. Our joint work with Inland Revenue produced the pilot 'industry benchmarks', a tool to help small and medium-sized enterprises assess and improve their performance by comparing their business with others in their industry.

We also produced an experimental series – the Christchurch retail trade indicator – in response to specific earthquake-related information needs. The indicator is derived from Inland Revenue goods and services tax data supplemented with Retail Trade Survey data.

We created new products to increase the use of information, such as producing more infographics. We are well on our way to upgrading our tools so people can get more data from our website, and are establishing an incredible new research database containing 46 billion cells of data!

Our work on strengthening our people capability was recognised by winning the Institute of Public Administration New Zealand's Improving Performance through Leadership Excellence award for our 'Leading from where you stand' programme, which fosters leadership across the organisation. I was delighted our leadership was recognised in this way.

The continued recovery of our Christchurch operations was another feature of 2011/12. I can never mention this without acknowledging the commitment and strength of our Christchurch staff and those who supported them from our Wellington and Auckland offices. We reopened our main Christchurch building in May, which put an end to over a year of operating from temporary offices or at home.

Our transformation pace stepped up at the same time as we continued producing high-quality statistics and further embedded our sector leadership. I am proud of the contribution our staff made to the country and the international statistics community over the past 12 months.

This annual report outlines our activities and achievements as we continued to:

- lead the Official Statistics System to ensure that all government statistics efficiently meet the country's needs for relevant, trustworthy, and accessible information
- transform what we do and how we work to ensure future customer and Government needs are met
- produce over 230 releases of economic, social, cultural, and environment statistics to tell the country's story and meet critical information needs.

The next year, 2012/13, will be another challenging and stimulating one. We will build on the considerable gains we made this year by continuing our own transformation and improving the value for money provided to those who give us data, use our information, and fund our services.

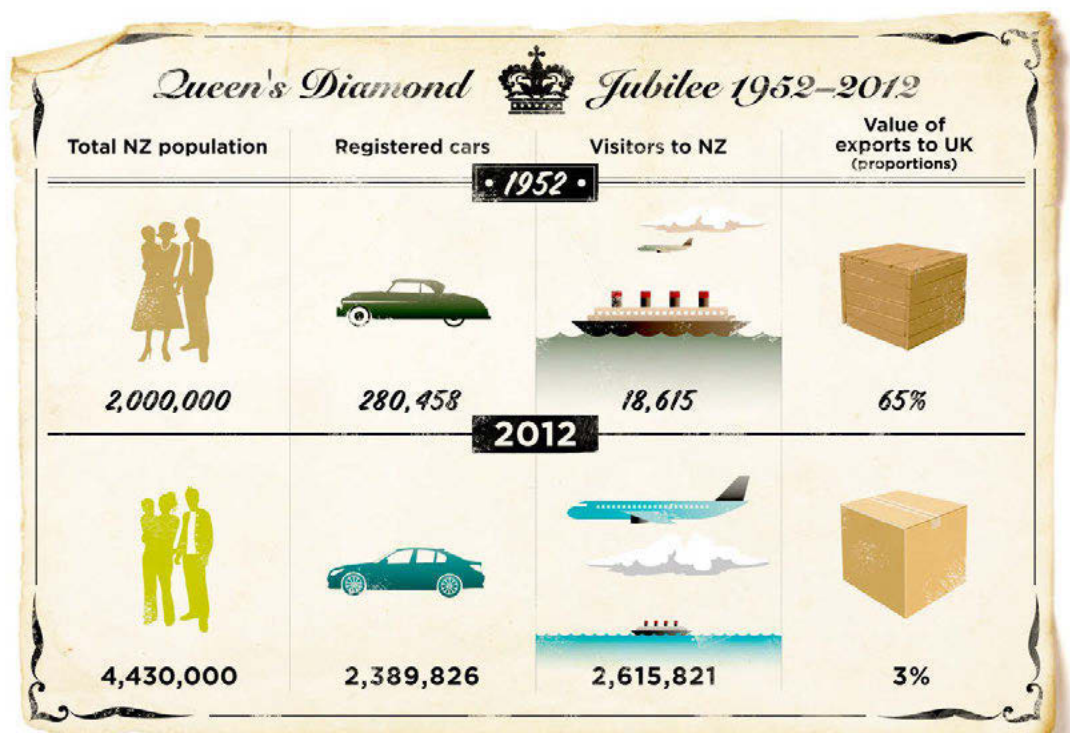


**Geoff Bascand**

Chief Executive and Government Statistician

**Figure 1**

**Infographic on the Queen's Diamond Jubilee 1952–2012**





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# 1 What shaped our year

This chapter highlights seven areas of interest that have shaped our year:

- Statistics 2020 Te Kāpehu Whetū
- Tomorrow's Official Population and Social Statistics programme
- Tier 1 statistics
- 2013 Census
- Christchurch earthquake recovery
- Better Public Services programme
- Performance Improvement Framework.

## Statistics 2020 Te Kāpehu Whetū

Statistics 2020 Te Kāpehu Whetū (Stats 2020) outlines our vision for the future. It is our long-term transformation programme that requires a shift in organisation culture and capability, to ensure that we are a national statistics office that is fit for the future. Stats 2020 will allow us to more effectively and efficiently meet user needs (including Māori and iwi information needs), and obtain greater value from Government's investment in official statistics.

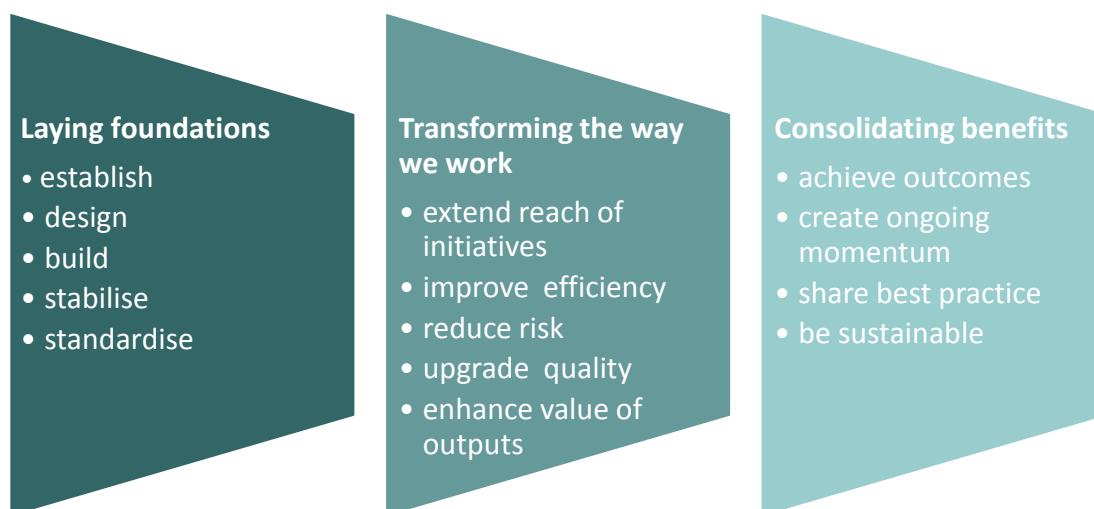
Budget 2011 provided \$58 million over the next four years to implement the first stages of the 10-year programme.

The 2011/12 year was the first year of the Stats 2020 programme. This year we focused on laying the programme's foundations by stabilising our systems, commencing our People Strategy implementation, developing new operating platforms, and standardising the production of statistical outputs.

Figure 2 shows the Stats 2020 pathway over ten years.

**Figure 2**

### Development stages of Stats 2020

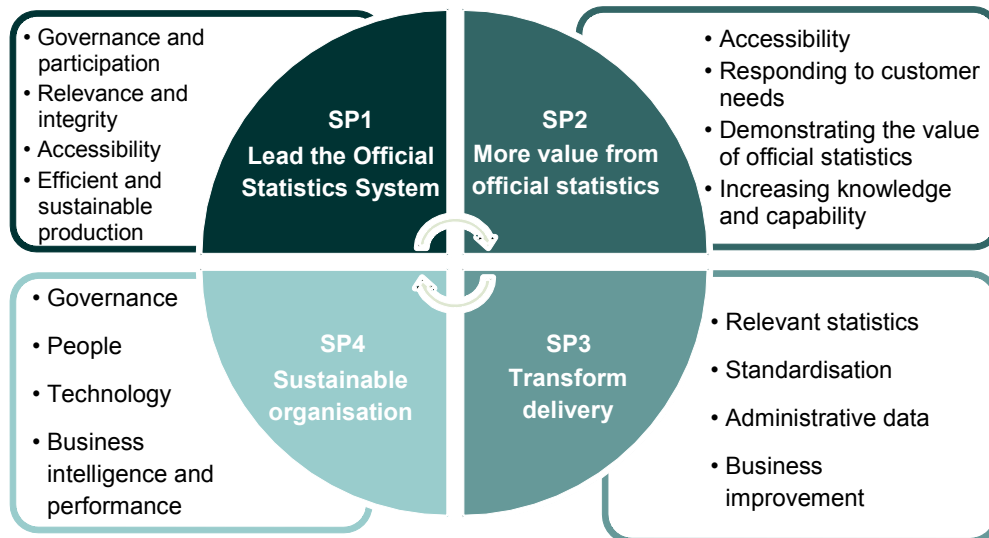


Once the foundations are laid, the programme will increasingly focus on transforming the way we work. As it expands, we will apply these initial developments more widely across our business. The final years of the programme will see our desired outcomes achieved. We will realise the programme's benefits and establish momentum for ongoing improvement that includes extending best practice across the Official Statistics System.

Figure 3 illustrates the four strategic priorities that make up the Stats 2020 programme.

**Figure 3**

#### Our four strategic priorities and their focus areas



The progress we made throughout the year on each strategic priority is outlined in [‘Progress against our strategic priorities’](#) starting on page 21.

## Tomorrow’s Official Population and Social Statistics programme

In April 2012, Cabinet agreed to fund the proposed Tomorrow’s Official Population and Social Statistics (TOPSS) programme. This programme will allow us to continue to deliver social and population statistics and modernise the five-yearly Census of Population and Dwellings.

Population and social statistics provide an objective perspective of the impacts of economic and social changes, and information on New Zealand’s increasingly diverse and highly mobile population and how it fares in changing economic circumstances. These statistics are crucial for allocating resources in health and education, targeting services to the most vulnerable in society, and monitoring the health of the Māori language. TOPSS was a sub-programme of Stats 2020.

The population and social statistics programme will:

- deliver greater value and economies of scale in meeting priority information needs for social and economic policy decision-making
- improve coordination and use of data across government agencies and enable ‘joined-up’ information for ‘joined-up’ government responses
- allow for future flexibility and adaptability, while being fiscally prudent (essentially maintaining the same nominal cost as the current programme)
- support the Better Public Services programme and public sector reform by ensuring greater rationalisation, improved production efficiency, and reduced compliance costs.

As part of the TOPSS programme, we will implement a four-phase strategy and work programme to modernise the current census model while developing a longer-term model based on administrative data. The four phases are to:

1. develop new collection processes for the five-yearly census and investigate administrative data sources
2. implement new collection processes and determine improvements to data sources
3. complete new collection processes, review timing of future census, develop administrative data sources
4. complete evaluation and implementation of an administrative data census if feasible.

The first phase is already under way.

## Tier 1 statistics

In June 2012, Cabinet noted that Tier 1 statistics – the country's most important official statistics – are vital for:

- informing decisions of national importance undertaken by government, Māori, business, and the community
- measuring the performance and progress of our economy, society, and environment, including the achievement of targets for some of the Government's Better Public Services programme results
- evaluating and building understanding of the effects of policy decisions and rating longer-term performance.

Cabinet also noted that an approved Tier 1 list provides a tool for prioritising government investment in statistics that is supported by the Government Statistician's annual purchase advice through the budget processes.

Cabinet agreed to a revised Tier 1 framework, an updated list of the most important statistics, and a five-yearly review cycle to maintain the relevance of the Tier 1 list.

Cabinet also confirmed all Tier 1 statistics had to comply with strict release protocols.

## 2013 Census

We advanced work in preparing for the 2013 Census of Population and Dwellings, following the Government's decision to hold the Census in March 2013 to replace the cancelled 2011 Census. These preparations included contracting suppliers, printing census forms, and recruiting field and community liaison staff.

The 2013 Census will be very similar to the planned 2011 Census – with some worthwhile changes. We will process in Auckland and Wellington instead of Christchurch, and we are implementing a Canterbury strategy. The strategy includes creating an additional collection area in Christchurch covering the red and white zones, and providing information to help people displaced by the earthquakes enter their usual residence details on the census forms.

## Christchurch earthquake recovery

The 22 February 2011 Christchurch earthquake seriously disrupted our Christchurch operations. The focus of our earthquake recovery programme in 2011/12 was to maintain the production of quality and timely products and services from Christchurch. We achieved this by fast-tracking remote access technology and redeploying hardware intended for use in the 2011 Census, enabling staff to work from home for some months, including following the June 2011 earthquakes. We secured temporary office accommodation, and supported staff as we transitioned to normal office-based working arrangements.

Considerable work went into recovering materials from our Christchurch offices and managing the reinstatement and internal fit-out of our main office in central Christchurch (Dollan House). We reoccupied the building on 28 May 2012, which the Minister of Statistics, Hon Maurice Williamson, officially reopened on 19 July 2012.

We contributed to the Christchurch earthquake recovery by developing an [earthquake information portal](#) (available from [www.stats.govt.nz](http://www.stats.govt.nz)), Canterbury-specific statistics, and a Canterbury census strategy aimed at achieving a good census count from earthquake-affected areas in next year's census. We also provided staff on short-term secondments from Statistics NZ to the Canterbury Earthquake Recovery Authority.

## The Better Public Services programme

In March 2012, the Prime Minister announced the Better Public Services programme. He asked government agencies to work more closely together to deliver better services, results, and value for money for New Zealanders.

We worked with other government departments to develop the programme's 10 priority result areas by:

- using our statistical expertise and measures that draw on official statistics to establish targets and indicators that are robust, meaningful, and reliable for programme measurement and reporting
- helping scope and plan the business-facing services result area
- leading the business-facing services information-sharing work stream and continuing to contribute across the other programme work streams.

We are well placed to continue an active leadership role in the Better Public Services programme. This includes supporting the integrity of programme reporting across the 10 result areas. We will advise on service performance measurement and evaluation, use official statistics in policy and decision making across the programme, and make our leadership and resources available to help meet government's expectations for the programme.

## Performance Improvement Framework

In 2011, a Performance Improvement Framework review, led by the State Services Commission, provided a systematic overview of our performance. The *Performance Review Framework: Formal Review of Statistics New Zealand* published in October 2011 contained 11 recommendations for Statistics NZ and key stakeholders (see [Performance Improvement Framework](#) on the State Services Commission website, [www.ssc.govt.nz](http://www.ssc.govt.nz)).

Overall, the report was very positive. It rated the department 'strong' for core business and 'needs development' for Government priorities, which reflected that we are in the very early stages of the 10-year Stats 2020 programme. After the review, we adopted the list of 11 recommendations for action. See [Appendix 1](#) for more information on these priorities and the progress we made over the 2011/12 year.

## 2 Our outcome

This chapter evaluates our performance during 2011/12 against the overall outcome we are seeking, which is 'an informed society using official statistics'. Figure 4 shows how this outcome contributes to the Government's aim to grow the New Zealand economy.

**Figure 4**

### What we aim to achieve



Official statistics report on, and project, New Zealand's economic, demographic, social, and environmental situation. They tell the story of New Zealand's development, and at the same time help to shape it.

For the Official Statistics System to deliver on the outcome of an informed society using official statistics, those statistics must meet the needs of the country and its key decision makers. Statistics must be relevant, trusted, accepted as impartial, free from interference, and easily accessible to capable users who are aware that the information exists and who recognise its value. They must be presented in formats suitable to the needs of users and sufficiently documented for them to understand the data and judge its quality.

Increasing the use of statistical information by government, businesses, Māori, and the public will lead to better decisions. Informed decisions contribute to the growth of our economy, and to our social, environmental, and cultural well-being.

To achieve this, we must be an effective leader of the Official Statistics System and have shared ownership with, and participation from, our partners (for example, producers and users) in the Official Statistics System.

## Official Statistics System's outcome: An informed society using official statistics

The progress we made to the success of the Official Statistics System outcome of New Zealand having an informed society using official statistics is summarised in table 1.

A number of the measures in the following two sections are based on a survey of use and trust in official statistics. The first survey was in 2010, where we focused on the public as a key user group. We used the results from this survey to set benchmarks for targets in 2011–14. In 2011, the second survey focused on government users. We plan to focus on a different key user group each year over a rolling three-year period. The goal is to accumulate results covering all key user groups, and to demonstrate improved results over time. In 2012, we will run the third iteration of the survey, which will focus on business users.

**Table 1**

### Measuring success towards an informed society using official statistics

Measure	2010/11	Progress in 2011/12
Number of users of official statistics	64 percent of public respondents used statistics in some way.	Progress against the benchmarks will be measured when the use and trust in official statistics survey of the public is run again in 2013.
	27 percent actively used New Zealand government statistics in the previous 12 months.	The survey of government users, run in 2011, found that 62 percent of government respondents had accessed official statistics in the last 12 months. <sup>2</sup>
	59 percent of Māori respondents used statistics in some way.	
	26 percent of Māori respondents actively used statistics. <sup>1</sup>	
	<b>Target: Improve results when the Use and Trust in Official Statistics Survey is run again in three years.</b>  <b>Maintain results for Māori at similar levels to the total sample.</b>	

Table 1 continued on next page

<sup>1</sup> From the Use and Trust in Official Statistics Survey of public respondents.

<sup>2</sup> From the Use and Trust in Official Statistics Survey of government respondents. Note these figures are weighted.

Table 1 continued

Measure	2010/11	Progress in 2011/12
Use of official statistics in central government decisions	<p>Official statistics were used by the following groups to report to government:</p> <ul style="list-style-type: none"> <li>• Capital Market Development Taskforce</li> <li>• 2025 Taskforce</li> <li>• Welfare Working Group</li> <li>• Economic Growth Agenda</li> <li>• Housing Shareholders Advisory Group</li> <li>• Savings Working Group</li> <li>• Tax Working Group.</li> </ul> <p><b>Target: Identify and implement a method for monitoring the use of official statistics in central government decisions (in conjunction with Cabinet Office).</b></p>	<p>We continued working with the Cabinet office to update the CabGuide. This work aims to strengthen the requirement for other agencies to consult with us on Cabinet papers. It also aims to find ways to best encourage departments to use official statistics as part of evidence-based policy development.</p> <p>A Statistics NZ staff member joined the Cabinet Office User Group to help develop the new system for submitting and accessing Cabinet papers.</p> <p>A number of projects to monitor the health of the Official Statistics System will begin in 2012/13.</p> <p>Our statistics were used by the following groups in government:</p> <ul style="list-style-type: none"> <li>• Better Public Services – result area measures</li> <li>• Open Government Information and Data Re-use Working Group</li> <li>• NZ Inc Measurement Framework</li> <li>• Crime Statistics Implementation Group</li> <li>• Injury Prevention Ministerial Committee</li> <li>• Child Poverty Ministerial Advisory Committee</li> <li>• New Zealand Productivity Commission</li> <li>• Electoral Commission</li> <li>• New Zealand Treasury – Budget.</li> </ul>

## Statistics NZ's impact: New Zealand gets the statistical information it needs to grow and prosper

The progress we made towards having the desired impact that New Zealand gets the statistical information it needs to grow and prosper is summarised in table 2.

**Table 2**

### Measuring success towards our desired impact

Measure	2010/11	Progress in 2011/12
Number of users who report that government has the information they need	<p>96 percent of public respondents said government had the statistics they needed. Of these, 48 percent reported government 'almost always' had the information they needed and 48 percent said government 'sometimes' had the information they needed.<sup>3</sup></p> <p><b>Target: Maintain the high overall level of 96 percent, but increase the proportion of 'almost always' responses.</b></p>	<p>Progress against the benchmarks will be measured when the use and trust in official statistics survey of the public is run again in 2013.</p> <p>The survey of government users, run in 2011, found that 35 percent of government respondents said that New Zealand government departments almost always had the information they needed, and 58 percent said government departments sometimes had the information they needed.<sup>4</sup></p>
Number of users who trust official statistics	<p>86 percent of public respondents trusted statistics produced by government.</p> <p>This level was higher than for all European countries and similar to Australia's.</p> <p>77 percent of Māori respondents (compared with 87 percent of non-Māori) trusted statistics produced by government.<sup>3</sup></p> <p><b>Target: Maintain or improve this rate in future surveys.</b></p> <p><b>Maintain this high level of trust in relation to Europe and Australia.</b></p> <p><b>Decrease the gap between Māori and total proportion of respondents.</b></p>	<p>53 percent of government respondents said they 'almost always' trust government statistics, while 35 percent trust them sometimes.<sup>4</sup></p>

Table 2 continued on next page

<sup>3</sup> From the Use and Trust in Official Statistics Survey of public respondents.

<sup>4</sup> From the Use and Trust in Official Statistics Survey of government respondents. Note these figures are weighted.



Table 2 continued

Measure	2010/11	Progress in 2011/12
Producers of Tier 1 statistics comply with the Official Statistics System's Principles and Protocols	<p>Agencies that had not complied with aspects of the three protocols surveyed in the years up to and including 2009/10 had improved their practices.</p> <p>Producers of Tier 1 statistics evaluated themselves on a fourth protocol, Frameworks Standards and Classifications. All of them complied but at different levels, ranging from excellent to acceptable.</p> <p><b>Target: Producers of Tier 1 statistics comply with the Principles and Protocols.</b></p>	<p>Agencies were assessed on protocol 3, Respondent Management. This protocol only applies to the six agencies that compile their Tier 1 statistics using direct survey data. Information has been collected and is in the process of being collated into a report. This report will be presented to the Advisory Committee on Official Statistics later in 2012.</p>
Number of people aware of official statistics	<p>61 percent of public respondents were aware of our statistics, and at least one-third had heard of statistics produced by other government departments.</p> <p>49 percent of Māori respondents (compared with 63 percent of non-Māori) said they were aware of our statistics.<sup>5</sup></p> <p><b>Target: Improve proportion of respondents who are aware of our statistics.</b></p> <p><b>Decrease the gap between Māori and total proportion of respondents.</b></p>	<p>83 percent of government respondents were aware of statistics produced by Statistics NZ. This compares with:</p> <ul style="list-style-type: none"> <li>• 29 percent for the Ministry for the Environment</li> <li>• 49 percent for the Reserve Bank</li> <li>• 45 percent for the Ministry of Social Development</li> <li>• 49 percent for the Ministry of Education.<sup>6</sup></li> </ul>

Table 2 continued on next page

<sup>5</sup> From the Use and Trust in Official Statistics Survey of public respondents.

<sup>6</sup> From the Use and Trust in Official Statistics Survey of government respondents. Note these figures are weighted.

Table 2 continued

Measure	2010/11	Progress in 2011/12
User satisfaction with accessibility of statistics	<p>87 percent of public respondents reported they found it 'very easy', or 'fairly easy', to find the statistics they wanted from government.</p> <p>86 percent of Māori (compared with 87 percent of non-Māori) reported they found it 'very easy', or 'fairly easy', to find the statistics they wanted from government.<sup>7</sup></p> <p><b>Target: Maintain this level in future surveys.</b></p> <p><b>Maintain this high level in line with the total results.</b></p>	<p>35 percent of government users of official statistics said they are almost always able to access them. A larger proportion believes they are sometimes able to access them. Half of the respondents said accessing the statistics they needed was either easy (6 percent) or fairly easy (55 percent). However, 16 percent said that it was not easy to find what they needed.<sup>8</sup></p>

<sup>7</sup> From the Use and Trust in Official Statistics Survey of public respondents.

<sup>8</sup> From the Use and Trust in Official Statistics Survey of government respondents. Note these figures are weighted.

## Ministerial and Government priorities

The Minister of Statistics identified six top priorities for Statistics NZ for 2011 and beyond. In early 2012, these priorities were refreshed for 2012–14 and eight top priorities were established.

These priorities contribute to the Government's top four priorities:

1. responsibly manage Government finances
2. build a more competitive and productive economy
3. deliver better public services to New Zealanders
4. rebuild Christchurch, an unprecedented project in New Zealand history.

Table 3 shows the link between the Minister's priorities and our strategic priorities, and the progress we've made so far against all the priorities over the 2011/12 year.

**Table 3**

### Measuring success towards achieving ministerial priorities and our strategic priorities

Ministerial priority	Statistics NZ strategic priority	Progress in 2011/12
Finalise an agreed list of New Zealand's most important statistics (known as Tier 1 statistics)	Lead the Official Statistics System so that it efficiently meets the country's needs for relevant, trustworthy, and accessible information	Reported to Cabinet on the review of Tier 1 statistics (see page 24 for more information).
Mitigate risks arising from ageing IT systems and statistical methodologies	Create a responsive, customer-focused, influential, and sustainable organisation	Replaced processing systems for balance of payments, prices, and overseas trade statistics.
Improve access to government-held information and data	Obtain more value from official statistics	<p>Participated actively in the Open Government Information and Data Re-use Project (see page 26 for more information).</p> <p>Released digital versions of New Zealand's Official Yearbooks for 1893–2008 on our website.</p> <p>Released <i>Te Ao Mārama</i>, which held information about Māori and for Māori.</p>

Table 3 continued on next page

Table 3 continued

Ministerial priority	Statistics NZ strategic priority	Progress in 2011/12
Identify rationalisation opportunities to increase efficiency across the official statistics system (closely linked to the Tier 1 review)	Lead the Official Statistics System so that it efficiently meets the country's needs for relevant, trustworthy, accessible information	Advised on the development of indicators and targets for Better Public Services programme measures.
Progress options for the future of population and social statistics	Transform the way we deliver our statistics	Presented two Cabinet papers, which were approved in March – <i>Continuation of the New Zealand Population and Social Statistics Programme</i> and <i>Transforming the New Zealand Census of Population and Dwellings</i> (see page 32 for more information).
Maximise the benefits from Government's investment in official statistics	Lead the Official Statistics System so that it efficiently meets the country's needs for relevant, trustworthy, and accessible information	The Government Statistician provided purchase advice on statistical investment as part of Budget 2012.
Successfully implement the Stats 2020 transformation programme	Create a responsive, customer-focused, influential, and sustainable organisation	Agreed with central agencies on programme monitoring and reporting, and achieved all critical milestones scheduled for completion (see page 102 for more information).
Build stakeholder confidence in key statistics	Obtain more value from official statistics	<p>Provided parliamentary briefings for major economic releases.</p> <p>Extended media conferences for major economic releases to Auckland, where the majority of market economists are based; communicated changes in methodology before outputs are released; and introduced the Australian and New Zealand Standard Industrial Classification 2006 into our national accounts.</p>

Table 3 continued on next page

Table 3 continued

Ministerial priority	Statistics NZ strategic priority	Progress in 2011/12
Plan and deliver the 2013 Census and subsequent Māori Social Survey and Disability Survey	Transform the way we deliver our statistics	<p>Approved the 2013 Census outputs and collection operations plan.</p> <p>Reused work for the Māori Social Survey and Disability Survey. Work on these surveys will be the same as planned in 2011.</p>
Reinstate Statistics NZ's Christchurch operations	Create a responsive, customer-focused, influential, sustainable organisation	<p>Delivered statistical outputs with minimal delay.</p> <p>Reoccupied Christchurch premises in May.</p>



## 3 Progress against our strategic priorities

This chapter outlines our progress towards achieving our four strategic priorities:

1. lead the Official Statistics System so that it efficiently meets the country's needs for relevant, trustworthy, and accessible information
2. obtain more value from official statistics
3. transform the way we deliver our statistics
4. create a responsive, customer-focused, influential, and sustainable organisation.

### **1. Lead the Official Statistics System so that it efficiently meets the country's needs for relevant, trustworthy, and accessible information**

#### **What we aimed to achieve**

##### **Effective governance and engagement**

We have an influential role across government and internationally in encouraging producers of official statistics to collaborate and achieve an effective Official Statistics System. Our comprehensive overview of the system enables us to give better advice to ministers on the effectiveness of the Official Statistics System and the value of investing in it.

##### **Relevant and trustworthy**

The Official Statistics System produces a clear and comprehensive set of high-quality official statistics. These statistics reflect agreed priorities across government, and are responsive to Māori statistical needs.

##### **Accessibility**

More statistics are available across government, and data can be reused for many purposes. Government departments release, store, and archive their data, so these can be accessed and understood by users.

##### **Efficient and sustainable production**

Producers of official statistics work together to produce statistics cost effectively by sharing statistical infrastructure and capability. We identified opportunities for further rationalisation and improvement and the extent of future investment.

To support this strategic priority we aim to:

- lead the Official Statistics System so that it achieves collective ownership, participation, and improved performance
- ensure the right statistical information is produced by the Official Statistics System to support decision-making
- ensure the Official Statistics System functions effectively and efficiently.

#### **What we achieved in 2011/12**

We achieved some major Official Statistics System deliverables this year, notably:

- revised the Tier 1 list of nationally important statistics
- introduced a system-wide purchase advice process
- committed to an ongoing programme of social statistics.

These achievements represented real examples of effective engagement, sustainability of production, improved accessibility, and relevance of the production of statistics – core aims we had this year. They also provided a very strong foundation to build the Official Statistics System into the future. We know there is more to do. In early 2012, while we made progress

by delivering some major initiatives, we knew we had to do more. We therefore reviewed the Official Statistics Programme. This review reinforced the need for a change in approach and planned activities, to ensure Official Statistics System partners have shared ownership and derive value from the system. This change will also ensure we focus on what drives our business and the changing environment we are operating in.

We developed a plan that focuses on a range of leadership activities to create an efficient, effective, and healthy Official Statistics System with shared accountability and ownership. We will use this plan as our guide for engaging with Official Statistics Partners to promote the system, get them involved at the working and management levels, and increase the use of official statistics.

The development of these plans is reflected in the progress of specific initiatives reported against in this annual report.

### **Progress towards leading the Official Statistics System so that it efficiently meets the country's needs for relevant, trustworthy, and accessible information**

Plan and implement a review of Official Statistics System governance to increase the effectiveness of governance bodies

In September 2011, we created a new strategic governance function within Statistics NZ to enhance the value and effectiveness of the governance of both Statistics NZ and the Official Statistics System. This function works with the key advisory bodies, including the Advisory Committee on Official Statistics, the Māori Statistics Advisory Committee, and the Official Statistics System Chief Executives' Steering Group. An external review of the governance of the Official Statistics System was commissioned to assess their roles, responsibilities, performance, and alignment with external governance bodies. The review found that the Advisory Committee on Official Statistics' role and purpose was clear and its structure and membership were fundamentally sound.

Develop and implement a framework and process to monitor the health of the system, which includes the contribution of partners and stakeholders

The Advisory Committee on Official Statistics and the Official Statistics System Chief Executives' Steering Group endorsed our framework for assessing the health of the system.

This framework comprises six inter-connected dimensions:

- use
- relevance and integrity
- accessibility
- capability
- efficiency
- leadership and shared ownership.

We developed the measures for these dimensions and will continually refine and report against these.

We completed a stocktake of the current health of the system, using the new framework.

The stocktake shows the Official Statistics System is doing well at efficiently producing statistics that are trustworthy, relevant, accessible, and of good quality. Based on international comparisons, New Zealanders have high levels of trust in official statistics. Results from user surveys indicate that many users can find the statistics they need. The review of Tier 1 statistics showed there are some important statistics that are not produced, but Official Statistics System agencies are working together to ensure that all important statistics are produced and remain of good quality.

The use of statistics is an important measure of the health of the Official Statistics System, since statistics prove their value through use. The stocktake showed this is an area where improvements could be made. Recent reports on evidence-based decision-making in government reflect increasing levels of interest in statistical and other evidence, but found that there could be greater and more effective use of statistics across government. Lack of capability was identified as a reason for low usage. Given the interest, use of statistics and statistical capability in government is an area for priority attention.

While we have evidence of sharing systems, infrastructure, and best practice across the Official Statistics System, this could be increased. Investigation of the potential for greater sharing of systems is included in the Stats 2020 programme of work.

Some mechanisms and initiatives are in place to deliver effective leadership and shared ownership across the Official Statistics System. One initiative includes the Official Statistics System's Chief Executives' Steering Group, which provides a whole-of-government perspective on statistical matters. System-thinking is developing across the sector, creating opportunities for efficiencies and cooperation. However, we need to continue working on this so New Zealand gets the most benefit from its investment in statistics. We identified the need to deliver effectiveness for Māori as one aspect of effective leadership that needs more attention.

Amend the Statistics Act 1975 to enable more non-government researchers to access microdata and streamline the approval process, and investigate the inclusion of Crown entities within the Act

One way to improve access to data is by amending the Statistics Act 1975 to give researchers better access. This initiative is being progressed through the Regulatory Reform Bill, which is still awaiting its Committee of the Whole and Third Readings.

We made other internal process improvements, which included reducing the time it takes to approve a microdata access request. We shortened this from three months to 15 working days.

Implement our Stakeholder Relationship strategy, including developing an approach that makes us fully engaged and effective in the policy environment

Overall, we made good progress in setting up the processes for effective governance of the Official Statistics System, and for strengthening the role of our relationship managers so they can work more effectively with other government departments.

We strengthened our leadership of the Official Statistics System and our strategic influence as we work more with other government departments to progress Stats 2020. Our key initiatives included working with our partners on significant projects, such as developing Tier 1 statistics and the proposals for the future of social and population statistics; leading parts of cross-government initiatives, such as the Better Public Services programme; building our strategic communications; and encouraging our staff to be more customer focused, including connecting to Māori.



Continue to develop the list of New Zealand's most important (Tier 1) statistics agreed across the Official Statistics System

The major highlight of the year was the Cabinet endorsement of the paper *Tier 1 statistics: New Zealand's most important statistics*.

Cabinet agreed to the revised Tier 1 framework and list of statistics and noted how the Official Statistics System Principles and Protocols contributed to managing the quality of Tier 1 statistics. Cabinet also confirmed that Tier 1 statistics should adhere to the Principles and Protocols including release protocols, and that to keep the Tier 1 list relevant, we should review this every five years.

This paper was successful because of the engagement and advice received from government departments. We see this as a good indicator – not only of how important this information is to government departments – but of working across the Official Statistics System.

Use the Tier 1 list to inform purchase advice to ministers about statistical investment and statistical priorities for departments, including Statistics NZ

As we reviewed the list of Tier 1 statistics, a new purchase advice function for the Government Statistician was proposed. This function was supported by the Minister of Statistics and Minister of Finance.

This function will provide annual budget advice to ministers about investment across the Official Statistics System and the wider costs required to fully develop the revised Tier 1 list.

In consultation with the Chief Executives' Steering Group, the Government Statistician agreed to provide advice to ministers on proposed investment costs for statistics, including compliance and wider costs. This advice will be given in the context of total statistical priorities for government and rationalisation opportunities.

This advice will provide a system overview, a link to four-year budget plans, and indicative costs and timing for future investments.

The first purchase advice was provided during this year's government budget process. Refining it will occur as it becomes part of the government's annual budget process. Providing purchase advice will give Official Statistics System partners a way to influence the allocation of resources across government.

Complete the development of the outline of Tomorrow's Official Population and Social Statistics programme

Cabinet endorsed our recommended approaches for delivering an ongoing programme of social and population statistics.

A key component of the programme is the information derived from the five-yearly Census of Population and Dwellings. Cabinet approved the proposed strategy and a parallel work programme for transforming the census.

Our activity in the short to medium term will focus on modernising the current census model and creating efficiencies. At the same time, we will investigate the feasibility of producing census information from administrative data.

We created a four-phase programme to implement the strategy, with a series of Cabinet reports to 2026 (see page 10).

Review the Māori statistical framework

We progressed a stocktake of data available through surveys and administrative data to see how much of the draft Māori statistical framework is accomplished. The stocktake will be available on our website once it is completed. This draft was compared with other current cross-organisation frameworks (for example, the sustainable development framework) to compare the common frameworks. The Māori statistical framework was drafted before other cross-organisation frameworks were developed.

Provide policy and purchase advice to ministers, government, the Minister's Advisory Committee on Official Statistics, and Official Statistics System chief executives

The Minister's Advisory Committee on Official Statistics, the Māori Statistics Advisory Committee, and the Official Statistics System Chief Executives' steering group provided input into several key areas during 2011/12. They informed the Government Statistician's purchase advice for Budget 2012, the Tier 1 review process, and Tomorrow's Official Population and Social Statistics business case and future census options. Their input helped provide timely advice to ministers and government.

The new strategic governance function (see page 22) will ensure we continue to maximise the benefits of the expertise and perspective from these advisory bodies.

Regularly monitor compliance with Official Statistics System Principles and Protocols for Tier 1 statistics

We conducted the latest annual self-assessment of Tier 1 statistics producers' adherence to the Principles and Protocols. The 2010 assessment (reported in late 2011) was on protocol 2, frameworks, standards, and classifications. This protocol aims to maximise the value of statistical data through the use of common frameworks, standards and classifications, to provide data consistency and facilitate data comparisons, and to ensure ongoing alignment with international standards and national and international best practice. The assessment found that Tier 1 producers are generally adhering very well to this protocol. The Government Statistician discussed these findings with chief executive colleagues. The Minister's Advisory Committee on Official Statistics also considered these results and provided commentary in its annual report.

In 2011/12 the six agencies that compile their Tier 1 statistics using direct survey data were assessed against protocol 3, respondent management. We are currently compiling information from this assessment.

Ensure our comment is included in budget bids, legislative proposals, and Cabinet papers, according to the guidelines of the CabGuide

After the Prime Minister's announcement of the 10 challenges for the public sector within the Better Public Services programme in March 2012, we worked with agencies to develop targets and indicators to ensure performance information is robust, meaningful, and reliable. We are also working with Treasury on the overall system for reporting and measuring work in each of the result areas. Many of the measures will be, or draw on, Tier 1 official statistics.

We provided feedback to the Cabinet Office to update the CabGuide. Our aim was to highlight the requirement for agencies to consult with us on Cabinet paper proposals: those that affect the collection, analysis, and release of statistics from surveys or administrative databases, or that relate to the monitoring and evaluation of statistics. We also wanted to encourage the use of official statistics to support evidence-based policy development.

Establish mechanisms to reduce duplication in the system and reduce the load on respondents, including reviewing the survey notification system process, ministerial approval, and other mechanisms

We improved our sample design and increased the use of administrative data. Between 2008 and 2010, we reduced the number of businesses we surveyed each year by 38,700 or 28 percent, to 97,700 businesses in 2010. Of eligible businesses surveyed, we reduced the proportion we surveyed between 2008 and 2010 to 18.5 percent of eligible businesses.

Since July 2009, we provided relief, either in full or part, to 361 businesses that were overburdened.

The goodwill and cooperation of respondents are essential to the quality of our statistical data. Without these, response rates may be too low, resulting in statistics that are not fit for purpose.

Our Respondent Load Strategy, first implemented in 2008, ensures the value of official statistics by minimising the load placed on respondents.

The cancellation of the 2011 Census and the three post-censal surveys, and the completion of two social surveys in 2011, resulted in the time taken by households and individuals to complete our social surveys to decline by 56 percent – from 38,200 hours in 2010 to just under 17,000 hours in 2012. In 2011/12, we completed collecting the Survey of Family, Income, and Employment and the Time Use Survey. Both surveys were scheduled to finish in the year.

The Respondent Advocate reviewed two survey proposals and provided feedback to the development teams and a recommendation on the Commodity Data Collection to the Government Statistician. The Advocate also responded to a few cases where respondents laid a complaint or wished to discuss their involvement in surveys.

Participate actively in cross-government initiatives, such as the Open Government Information and Data Re-use Project

We increased our contribution, expertise, and participation to cross-government initiatives, including these four:

#### **Better Public Services Programme**

We contributed strongly to this cross-government initiative. We worked with all agencies on developing results measures for the programme and providing guidance on improving quality and expertise across the whole-of-government statistical sector.

As part of the business-facing services cluster, we began to develop an action plan that will deliver results for area 9 of the programme: New Zealand businesses will have a one-stop online shop for all the government advice and support they need to run and grow their businesses.

#### **Open Government Information and Data Re-use Project**

We contributed greatly to this project, through our membership in the Chief Executives' Steering Group and our participation and contribution at the secretariat level.

This project will help government agencies release data and consolidate the gains achieved so far.

Our new standardised dissemination platform – NZ.Stat – received a high level of interest because of the potential government-wide application of this initiative. This potential is currently being investigated. NZ.Stat is a free web tool currently on our website as a preliminary / beta version that will eventually be replacing other products on our website.

#### **NZ Inc Strategies**

We worked with a number of government agencies to review the ambitions and priorities of the NZ Inc country and regional strategies. We advised on what statistics are available to measure progress against goals. We also identified the gaps in statistics that should be filled to improve transparency and to make government data accessible.

#### **Geospatial Strategy**

We are actively involved in across-government support of geospatial-related activities through our roles in the Geospatial Steering Committee and the Geospatial Executives Group. These groups are collectively accountable for and govern the direction of the New Zealand Geospatial Strategy, without compromising the

accountabilities or outputs of individual agencies. They give a combined perspective and use shared capabilities to address cross-agency issues effectively. The groups promote the strategy to ministers, agency chief executives, and other potential champions.

In 2012/13, we plan to:

- review the programme of statistical development plans (domain plans) to address high priority needs and topics of common interest among agencies
- establish an Official Statistics System brand that indicates the quality of statistics produced
- work with partners to enhance producer capability across the Official Statistics System and develop plans to address capability opportunities
- develop an Official Statistics System plan to encourage access to more data and information
- investigate the potential for shared infrastructure, such as using common dissemination tools across the Official Statistics System, which includes reviewing and determining the future of the Statisphere portal
- develop and implement a targeted approach to standardisation across government, focusing on areas where gains are likely to be highest.

**Measuring success towards leading the Official Statistics System so that it efficiently meet the country's needs for relevant, trustworthy, and accessible information**

Our progress towards this strategic priority and achieving our desired impact and outcome is demonstrated through the quantity, quality, and cost measures outlined in 'Statement of Service Performance, official statistics multi-class output appropriation, output class 1: coordination of government statistical activities' in the 'Financial statements and statement of service performance' chapter.

## 2. Obtain more value from official statistics

### What we aimed to achieve

#### Accessibility

Data, commentary, supporting information, and publications are more easily accessible. The methods and tools used to distribute data constantly evolve to meet user requirements within a changing technology environment. Users have greater access to microdata.

#### Respond to customer needs

User needs and how statistics are used are understood through a robust market intelligence system. The tools and methods used to access data are designed to best meet user needs and capability.

#### Demonstrate the value of official statistics

New Zealanders are aware of the importance, relevance, and integrity of official statistics. These statistics are widely used and valued for their contribution to an informed society.

#### Increase knowledge and capability

New Zealanders know what statistical information is available and how it benefits them. Government, media, and Māori are more able to use statistics to inform decision making.

To support this strategic priority we aim to:

- increase accessibility and the use and reuse of data, by developing the ways we disseminate, and by implementing new approaches to address known gaps in use
- establish our market intelligence capability to ensure we have an ongoing understanding of current and future user needs and the ways to respond to them
- raise awareness of the benefits of using statistics, by increased promotion of the value and availability of statistics
- increase the capability of users to understand and use statistics in order to meet the strategic outcome of an informed society using official statistics.

### Progress towards obtaining more value from official statistics

#### Expand microdata access to meet our users' needs and expectations

We continued to improve the way we deliver microdata by introducing an accreditation scheme for experienced researchers. Nine researchers accepted offers to become accredited. Accreditation gives researchers greater freedom to manage their own work with microdata. All researchers using the Data Lab were trained on the confidentiality methods needed to ensure microdata is safe for wider use. We began a trial of a secure 'remote access' service that allows researchers to use microdata without having to travel to a Statistics NZ office.

#### Complete the development of the standard data dissemination management suite of tools

We completed the first phase of NZ.Stat, a world-class web tool for publishing statistics that enables businesses to find relevant information quickly and easily. This web tool is part of a new smart, fast, automated dissemination system that allows statistics users to automatically update their databases in real time. It also provides flexibility in creating products that meet a range of users' needs. Data from the online tool Table Builder is now accessible through a preliminary release of NZ.Stat. We expect the full release of NZ.Stat later in 2012.

#### Develop and implement our common data management strategy, including metadata for reuse

We developed a strategy to guide the management of our data to ensure its value is maximised. The strategy emphasises the importance of metadata to enable our data to be discovered, used, and reused. Implementation of the recommendations in the strategy has started. We started work on a common content standard for statistical metadata. This standard will improve the description of our datasets and document the

processes used to create them. It will provide data users with improved access to our data and the information needed to use and reuse it.

Develop one database about our customers and ensure we have an ongoing understanding of current and future user needs and the ways to respond to them

We progressed the market intelligence capability project, which identifies the information we need to make better decisions about product and service design, and marketing and communication. We completed a stocktake and a gap analysis, and compiled the options for filling these gaps. This will help the project focus on the most important information for our market intelligence. The next phase will deal with how market intelligence will operate within the organisation.

Confirm our role in analysis and interpretation, and develop our analysis and interpretation capability

We continued working on a project that will confirm how much analysis and interpretation to provide with our data. A report on international best-practice was completed in February 2012 and further research into what our users want is in progress.

Present statistical information in easy-to-understand forms, and provide deeper context to the stories

Throughout 2011/12, we placed significant focus on developing internal capabilities and resources to support enhanced storytelling. These developments include:

- a framework to support plain English use. This framework includes an easy-to-use reference, *Your guide to our plain English standard*. Authors can use this guide to ensure their products are written in a consistent, plain English style that connects with their intended audience.
- *How to tell a story using official statistics* can help authors when writing. This resource outlines the principles to be followed when writing statistical stories – structure, audience, storyline – and guides authors on how to write effective stories for Māori.
- *Te Ao Mārama* is a new product and is a significant step forward in our responsiveness to Māori. Released in June 2012, the product gives a collection of statistics about Māori and from a Māori perspective.
- a number of infographics to support the understanding of our published articles. On several occasions, these infographics caught the media's attention and earned praise from commentators (see page 5 for Queen's Diamond Jubilee infographic).

To support improved accessibility, we updated our website in January 2012 to make it easier for users with mobile devices to access our published information.

Form strategic partnerships with training/education providers to upskill our priority users, initially focusing on government, the media, and key Māori stakeholders

We partnered with the Victoria University of Wellington School of Government to provide a New Zealand Qualifications Authority-registered certificate course: Public sector decision making with official data. This project-based course supports those working in official statistics policy and analysis, and draws its cohort from the public sector and regional councils.

We also partnered with the universities of Auckland, Waikato, Canterbury, and Otago, and Victoria University of Wellington in offering an honours paper in official statistics. This course is for graduates who intend to work in official statistics and need to understand and be competent in the field.



We began drafting a strategy document that will further refine the priorities and strategy for engaging with the priority groups of government, Māori, and media.

### **Measuring success towards obtaining more value from official statistics**

Progress made towards this strategic priority and in achieving our desired impact and outcome is demonstrated through the quantity, quality, and cost measures outlined in our Statement of Service Performance. For further information on the relevant output measures and standards, see 'Statement of Service Performance, official statistics multi-class output appropriation, output class 1: coordination of government statistical activities' in the 'Financial statements and statement of service performance' chapter.

### 3. Transform the way we deliver our statistics

#### What we aimed to achieve

##### Relevance and integrity

Our portfolio of statistics is up-to-date, affordable, and of a suitable quality that meets users' needs. We consider the relevance, quality, and cost of each output when prioritising activities and making decisions about what statistics should be produced.

##### Standardisation

Our statistical production is a model of sound practice, with standard processes and infrastructure across collections. The methodologies, classifications, and frameworks for current statistics are shared across government and updated to reflect the world as it changes.

##### Administrative data

We minimise respondent burden by employing administrative data as the first source, supplemented by direct collection where necessary.

##### Business improvement

Our operations are agile and cost efficient. In designing statistical collections, we consider how multiple needs can be met in one collection.

To support this strategic priority we aim to:

- ensure that we produce the right statistics to support decision-making and understanding, and that these statistics are trustworthy and authoritative, and are maintained to current international standards and practices
- standardise our production of statistics by finalising the statistical architectures for clusters of similar statistics, developing new standard platforms, and redeveloping infrastructure to meet emerging needs
- increase our use of administrative data to reduce burden on survey respondents – this will help increase the return on investment in existing data through data reuse, and improve our users' ability to combine, integrate, and reuse existing data to create richer information
- focus on lowering the cost of products and services, by creating a culture of continuous improvement and making our operations more efficient and effective.

#### Progress towards transforming the way we deliver our statistics

Establish a programme for regularly reviewing outputs and a statistical maintenance schedule

We made good progress in developing the statistical maintenance programme. We advanced a number of projects in 2011/12 (for example, prices redevelopment). We also set up an interim process for creating maintenance priorities for the 2012/13 to 2016/17 business planning round, with a revised process to be set up for 2013/14 and beyond.

We consolidated the statistical maintenance programme into a broader Statistical Infrastructure programme to incorporate statistical redevelopment and maintenance, research priorities, administrative data roadmap, corporate toolbox, quality management, and the review of platforms. The programme will continue working on delivering standardised systems and solutions. It has already led to innovation, where investigation into the use of goods and services tax data resulted in our production of the Christchurch Retail Trade Indicator.

We implemented the new industrial classification Australian and New Zealand Standard Industrial Classification 2006 across economic statistics (see page 32).



Use advisory groups and other consultative mechanisms for expert input

We continued to use the Advisory Committee on Economic Statistics (ACES) as a mechanism for external feedback on key projects and developments in economic statistics. We used ACES to test our early thinking in developing an economic statistics strategy, which will enable us to deliver on our Stats 2020 obligations.

The inter-agency working group on Tomorrow's Official Population and Social Statistics (TOPSS) met regularly during 2011/12. This group provided input into the direction of TOPSS.

The Programme of Official Social Statistics (POSS) Advisory Group met during 2011/12. This group provided advice on priorities and the strategic direction for social statistics. During the year, the group discussed the key findings of an external review of POSS.

Develop a detailed business case for Tomorrow's Official Population and Social Statistics, including investigation of alternative options for the census

Cabinet endorsed our recommended approaches for delivering an ongoing programme of social and population statistics and approved funding as part of the Budget 2012 process. Cabinet also agreed with our proposal to transform the Census of Population and Dwellings by modernising the current collection model in the short term, and investigating the feasibility of operating a census based on administrative data in the longer term.

Progress options to address the deferral of the 2011 Census

We deferred the 2011 Census due to the Canterbury earthquakes of 2011. The decision was made to hold the next census on 5 March 2013, in place of the deferred 2011 Census. Legislation was amended to reflect the change in date. We progressed planning and implementation for the 2013 Census and are within budget and schedule.

Explore and implement options for populating the Māori statistics framework using existing outputs

We produced a stocktake of information of interest to Māori (population and social). We extended the scope of this stocktake to include population and social statistics of interest to central government departments. The stocktake could populate the Māori Statistics Framework and will be made publicly available to assist Māori in finding data specific to their information needs.

Develop a long-term schedule for reviewing classifications across all statistical outputs; complete the implementation of the Australian and New Zealand Standard Industrial Classification 2006; review the iwi statistical standard; review and improve methods to aid small-area estimation

We compiled a 10-year schedule of classification reviews and development across statistical outputs, aligning with international activity where possible. We will review and improve this schedule regularly, incorporating further needs as projects, surveys, and various statistical work programmes progress.

We continued to implement the new industry classification, Australian and New Zealand Standard Industrial Classification 2006, across economic statistics. Despite the programme being affected by the Canterbury earthquakes, manufacturing, wholesale trade, retail trade, and prices statistics were successfully integrated into the national accounts. Gross domestic product statistics based on the new classification were released in May 2012. Productivity and tourism statistics are scheduled to follow in October and November 2012, completing the implementation.

We initiated a review that will look at what classifications of Māori are needed to support analysis in a post-Treaty settlement environment. We began the process of defining the scope of this review.

We began exploring the potential of dual-frame approaches to improve the ability of our household surveys to target sub-populations, such as Māori. If these approaches prove successful, it will be possible to improve the quality of estimates for small areas or subgroups.

Complete the development of productivity statistics and advance the collection of household savings and wealth data

In 2011/12, we made progress towards collecting statistics about household and individual wealth. These statistics will be collected through the Household Economic Survey (Income), an existing survey that collects information about household income and housing expenditure. We worked with other agencies to develop and refine the topics to include in the survey, and to design the survey questions that will capture these.

Undertake a census of international trade and services to update the balance of payments, and review the consumers price index basket of goods and services

We completed the Census of International Trade in Services and Royalties during 2011/12, a joint collection with the Ministry of Foreign Affairs and Trade (MFAT). We released the results on 22 February, which provided information on the imports and exports of services by 6,300 New Zealand enterprises. We will also use the results to improve the quality of international services statistics within our balance of payments and international investment position release.

We completed a review of the consumers price index (CPI) during 2011/12. The review was implemented when the September 2011 quarter index was released in October 2011. The review updated the composition and relative importance of the representative goods and services in the CPI basket, to ensure it continues to reflect household spending patterns. We carried out the previous review in 2008, while the next review will be in 2014. These three-yearly reviews help to keep the CPI relevant for its main uses of setting monetary policy, indexing government benefits, and informing wage negotiations.

Finalise the statistical architectures for clusters of similar statistics

We refined the social statistics architecture by completing the business case for Tomorrow's Official Population and Social Statistics. More information on the value and use of social statistics in government was completed in a paper, [Transforming the New Zealand Census of Population and Dwellings: Issues, options, and strategy](#) (available on the Statistics NZ website), which also outlined the issues, possible options, and a strategy for transforming the New Zealand Census of Dwellings and Population.

Complete the development of, and migrate outputs to, new standardised platforms for microeconomic statistics, national accounts, and social statistics, specifically the Household Labour Force Survey and the General Social Survey

We continued to develop the standardised platforms supporting the production of statistical outputs and dissemination:

- The microeconomic statistics platform supports transactional trade and administrative data processing and enables survey processing. We successfully migrated two of the current economic surveys, which are fully supported by the platform. We continued to finalise a programme for migrating the remaining sub-annual and annual economic surveys.
- The household platform is in the planning phase for migrating the Household Labour Force Survey, and the platform is being extended to accommodate the survey.
- The dissemination platform is in the final stages of the first release of tabular data, replacing the current Table Builder. This will be used for 2013 Census tables.
- The macroeconomic platform was completed. This supports the production of quarterly gross domestic product statistics.
- Initial planning is underway for developing the collection platform.

Research and develop a new infrastructure for integrated data (Integrated Data Infrastructure, formerly

We continued progressing the Integrated Data Infrastructure (IDI) (formerly iLEED). In December 2011, we successfully completed the IDI prototype that integrates longitudinal microdata about individuals, households, and firms. The IDI allows us to research and produce more comprehensive statistics not previously possible. Researchers from

known as iLEED – integrated Longitudinal Employment and Education Data)

across government (including the Ministry of Education, the Treasury, the Tertiary Education Commission, and the Ministry of Business, Innovation and Employment) are using the IDI prototype to answer research, policy, and evaluation questions to support informed decision-making.

We began to build a full-production IDI. The IDI will be a standardised but flexible data integration environment. It will maximise the use of existing administrative and survey data, and will reduce the time and cost of delivering new statistics. It will also allow us to respond more efficiently to real world changes.

Implement the infrastructure required for a new collection model

In October 2011, the Board approved the business case for the Transform Collections programme. The first stage of the programme is well underway, with its structure and project teams set up, most key roles filled, and the first detailed stages being planned. Significant work is under way to understand a wide range of existing business processes and to design a future operating model. We are seeking short-term gains by standardising the collection end of existing business survey systems and implementing an Internet survey option for business respondents.

Redevelop the Business Frame to meet emerging and new needs

Our Business Frame is part of our core infrastructure, and is the sampling frame used by all of our economic collections. We began developing a replacement to support a statistical system mainly based on administrative data sources. It will also incorporate improved methodologies, which will also be more efficient, leading to ongoing operational savings. In the first year of the project, we did a number of things, including:

- completed a needs and gaps analysis between current and future requirements
- developed a maintenance strategy to deliver a fit-for-use business register while attaining efficiency and compliance cost improvements
- developed a statistical unit model that supports the future requirements and existing uses
- produced a plan for the build and implementation phases of the project in 2012/13 and 2013/14.

Redevelop and expand internal metadata stores including classification, variable, and question libraries

We implemented a new reference metadata system that allows staff to capture and discover key information and data. The system is now available to staff and plans are in place to make it accessible to external users next year, so they can search and browse our outputs. The system will support: data reuse by making available data easy to find, and standardisation by making documentation more consistent.

We began the process of procuring a new system to manage statistical classifications; development will begin in 2013. This system will replace a legacy system and will improve how classifications are managed and maintained. Like the new reference metadata system, this will be a step toward a modernised architecture where information can be shared easily between systems.

Redevelop and expand geospatial infrastructure including Geoframes, and geo-visualisation tools and data stores

We established a new geospatial team that began work on a geospatial infrastructure project. This work will develop the corporate platform that will support future mapping and geo-visualisation. Mapping and geo-visualisation are part of our dissemination approaches project.

Review and improve  
confidentiality methods  
to aid dissemination

We continued to work on our goals and standards for reviewing and improving confidentiality methods. These goals and standards are: utility, safety, consistency, and simplicity. We continued to review the rules for existing surveys, such as the Household Labour Force Survey, while new surveys made better use of standards.

We released more output from administrative sources, some of which have special confidentiality needs. An example is the youth court data, where we worked with the Ministry of Justice to create rules for these outputs.

We made significant progress on improving access to microdata while maintaining confidentiality and trust. This year we made improvements in three areas:

- Data Lab – we began new arrangements for documentation, training for researchers, and output checking in the previous year, which are now firmly in place.
- Integrated Data Infrastructure (IDI) – we created rules for the release of the output, and 12 researchers applied these rules to their output.
- synthetic unit record files (SURFs) for statistical education – we added a fourth item to the SURF collection, the ‘super SURF’, a dataset very close to the parent dataset, making it more useful for teachers and students.

Develop policy,  
principles, and  
standards for  
administrative data  
and data management

We reviewed our current policies and standards for administrative data. As part of this work, we carried out an extensive review of our internal data integration policy. This policy ensures that impacts on privacy are minimised when we conduct statistical research by linking two or more administrative datasets together. We adopted a United Nations standard to ensure that the protection of respondents’ privacy is considered in all data integration proposals. As part of the review, we circulated the revised policy to Official Statistics System agencies and the Privacy Commission for input. Work is planned in 2012/13 to develop further policies and supporting guidelines.

## Measuring success towards transforming the way we deliver our statistics

Our progress towards this strategic priority and achieving our desired impact and outcome is demonstrated through the quantity, quality, and cost measures outlined in 'Statement of Service Performance, official statistics multi-class output appropriation, output class 2: population, social, and labour force statistical information services' and 'output class 3: economic and business statistical information services' as well as the 'Multi-year appropriation for the 2011 Census of Population and Dwellings' and the 'Multi-year appropriation for the 2013 Census of Population and Dwellings' in the 'Financial statements and statement of service performance' chapter.

## **4. Create a responsive, customer-focused, influential, and sustainable organisation**

This chapter reports on how we strengthened our organisational health and capability, and created a responsive, customer-focused, influential, and sustainable organisation.

### **Our operating environment**

#### ***Responding to a changing environment***

Changes to our operating environment primarily come from user demands, Māori development, the availability of statistical information, technological advances, and our long-term sustainability. The Stats 2020 programme of change focuses on supporting changes in our operating environment over the next 10 years. We use environmental scanning to assess these areas of work to ensure we are thinking system first, looking outwards, focusing on the important, changing how we operate, and improving business sustainability.

## **Create a responsive, customer-focused, influential, and sustainable organisation**

### **What we aimed to achieve**

#### **Lead change and governance**

Our portfolio governance regime supports us to make good and timely decisions. It takes an overview of Stats 2020 and ensures that programmes and projects are prioritised, well-monitored, and reported on, giving us a clear view of the progress toward achieving our goals.

#### **People**

We are an employer of choice, attracting skilled and talented people from the public and private sectors. We have the right number of the right people doing the right work, and they are effective and responsive to change.

#### **Technology**

Our statistical and IT systems are current and standardised, and our assets are well managed and reinvested in as appropriate.

#### **Business intelligence and performance**

We make effective and timely decisions based on evidence from good management information.

To support this strategic priority we aim to:

- put in place further good-practice management tools
- ensure our current technology is efficient and fit-for-purpose
- provide strong leadership internally and externally to ensure the success of Stats 2020
- recruit, develop, and retain staff with the skills and experience needed
- commit to both operational and capital funding to redevelop or create assets needed to achieve the statistical system of the future.

## Progress towards creating a responsive, customer-focused, influential, and sustainable organisation

Plan and build a comprehensive and coherent information base (business intelligence)

We made a number of improvements to our performance information. This was reflected in an improved 'good' audit rating for our non-financial performance information. To improve this further, we started a three-year programme of work to implement a business intelligence system. The aim of this project is to improve our performance through better decision-making, by ensuring that the right information is provided to the right people at the right time.

The project reviewed existing performance measures, developed principles for developing key performance indicators, and will identify a suite of key performance indicators to monitor our progress. The review will include developing baseline data, and short- and long-term targets for all measures. Performance data will be integrated from across the business so that it can be easily accessed and used. A process for regularly reviewing and improving the data will be established. The project will be completed in 2013/14.

This work will help us achieve the recommendations outlined in our Performance Improvement Framework results and by Audit New Zealand. Specifically, we are developing measures for monitoring our efficiency, productivity, effectiveness, and cost-effectiveness, based on a new activity-based costing model. A separate project is also underway to develop performance measures for monitoring performance across the Official Statistics System. A stocktake of the health of the Official Statistics System, including performance indicators, was endorsed by the Advisory Committee on Official Statistics.

Develop and implement a dynamic activity-based costing model and use this to monitor cost-effectiveness

We developed our activity-based costing model and loaded two years of historic data (2009/10 and 2010/11) into it. The current year (2011/12) will be updated now the accounts are finalised.

We will use this data to analyse trends, monitor cost-effectiveness, and identify cost-improvement opportunities.

Build forward-planning capability, including setting a suite of key performance indicators and targets for us to achieve, and develop ongoing integrated feedback

Our planning framework and approach was reviewed and aligned to support long-term (four-year) planning, and to ensure our people, assets, and budget planning are coordinated.

Review project management, business planning, and reporting processes to ensure they support our business transformation

An Independent Quality Assurance assessment was completed in December 2011. This provided valuable feedback on the governance and project management controls that we set up to manage the Stats 2020 transformation programme. In response to the feedback, we are refining our project management practices. Our transformation team reviewed the Stats 2020 transformation programme life cycle, and updated project management templates to ensure we have a process scaled to successfully deliver our transformation programme.



Complete the legacy mitigation IT programme to replace and update outdated technologies

We continued our IT legacy mitigation programme, which will be completed in June 2016. This programme will reduce the risks of running unsupported software.

Our three-year translation service for Centura-based applications progressed well. We replaced the system crucial for producing our balance of payments statistics and prices statistics, which were key central agency milestones. We continued in-depth testing of the new system that will manage some of our business surveys.

We replaced our first-release Household Labour Force Survey outputs system, and made good progress on the new seasonal adjustment application, replacing outdated desktop SAS software.

Work continued on migrating data to a standardised platform. This is a three-year project that will make best use of the other business-led redevelopments planned or underway.

The IT legacy mitigation programme will continue as part of Stats 2020.

Upgrade products to ensure their eligibility for vendor support

We undertook significant technology upgrades:

- replaced our storage area network, which reduced the overall footprint of our hardware and realised efficiencies in plant (power, air conditioning), while increasing our storage and reducing risk
- upgraded to Windows 7, SAS 9.3, and Visual Studio 2010 to maintain the currency of key enterprise software.

Ensure appropriate capital investment and replacement in accordance with long-term asset-management plan priorities

We compared internal capital-spending proposals with our long-term asset-management plan priorities and ensured we justified any differences on sound business principles.

Deliver process improvement and standardisation to improve the use of our existing assets, and enhance productivity and lower the total cost of ownership, supported by a regular programme of research and development

We ran a reduced research and development programme (reduced due to our commitments to earthquake response, which included some innovations in providing remote access). We completed seven proof-of-concept solutions. Under the IT Investment Programme we undertook productivity improvements, which included improving power management and systems monitoring capability. We also completed our email and shared drive archiving project, which will progressively see all emails and files not accessed for two years to move to a lower-cost disk, freeing up disk space.

Continue to develop current technology platforms and implement common platforms, methods, processes, and tools for delivery

We continued to make good progress in developing the standardised platforms supporting the production of statistical outputs and dissemination. This progress was reported against strategic priority 3 'Complete the development of, and migrate outputs to, new standardised platforms for microeconomic statistics, national accounts, and social statistics, specifically the Household Labour Force Survey and the General Social Survey (see page 33).

Review our IT strategy to ensure ongoing currency

We launched a full review of our IT Strategy in October 2011. We expect this review to conclude in October 2012 with a revised four-year strategy for 2012–16.

Participate in shared service and international standardisation initiatives

We continued to be part of all-of-government procurement, most recently multi-function devices. We will also be using Government Infrastructure as a service to host the 2013 Census Internet collection.

We completed the first phase of NZ.Stat, a new web tool which is part of an automated dissemination system (see page 26 for more information).

Increase our leadership skills and capability to transform our business and the Official Statistics System – focusing on developing inspiring leaders, change management skills, and forward thinking

In addition to running the manager and first-level leader development programmes, we achieved the following:

- We delivered several workshops with our executive, senior, and first-level leaders. These workshops focused on the phases of change and how we lead in a change environment.
- We worked with external experts to specifically design a development module to build on our current change leadership capability. This module will be delivered in September 2012.
- We developed our leadership accountability and behavioural frameworks, which support how we will develop our leaders.
- We were recognised for our leadership excellence through winning the Institute of Public Administration New Zealand's Improving Performance through Leadership Excellence awards with our 'Leading from where you stand' programme.

Ensure robust ongoing governance for Stats 2020, to support its leadership

We adopted a portfolio governance model in 2010/11. Portfolio committees, with delegated authorities from our Board (the whole-of-organisation governance entity) and members at a senior level, make recommendations that inform investments related to our strategic priorities and oversee how this investment is achieved. They do this by providing direction, taking decisions, monitoring action, and providing stewardship, in both the short term and over the long term. The committees focus on:

- providing assurance to the Board on the content, prioritisation and overall coherence
- providing assurance to the Board that there is the appropriate balance of projects, programmes, and research and development (R & D) initiatives
- providing governance oversight of the portfolio of projects, programmes, and research and development initiatives to ensure coherence across the portfolio.

Develop and build a performance programme to use the full potential of our people

We developed a new performance-management framework to improve staff performance outcomes. The new framework will give equal weight to behaviours and tasks in the delivery of every Statistics NZ role. The defined behaviours link to our values of leading, communicating, and connecting; align with our recently conducted culture survey; and draw from the well-researched and validated Lominger competency model. We expect that the focus on behaviours will drive us to commit to our strategic direction and purpose, offer an expanded range of engagement, focus on continuous improvement, and orient us to a performance culture. The Board endorsed this new performance-management framework, which is now being consulted with staff. We expect it to be in place for the 2012/13 performance year.



Determine our future work, based on the Stats 2020 vision and its initiatives; identify and implement the management strategies, the terms and conditions of employment, and accommodation to support our future state

Use results from the annual staff engagement survey to shape our work environment and people initiatives

Review, revise, and implement our People Strategy

Create a productive work environment and employment conditions that encourage innovation and system-wide thinking

We implemented the leadership programme 'Leading from where you are'. We will continue to develop this programme over the 2012/13 year.

We planned our future work to be based on strong leadership supported by management strategies, such as recognition and reward, change leadership, and attraction and retention. We will offer each employee the opportunity to negotiate a new employment agreement that will reflect our needs and the employee's needs, with flexible terms and conditions.

We will also offer our employees the ability to work remotely. This is possible due to enhanced technology and security.

We ran our fourth staff engagement survey in May 2012. Results showed our employee engagement levels are relatively unchanged with a slight upward trend.

After the 2011 engagement survey, we set three organisation objectives to lift engagement:

- deliver exceptional performance
- continue focusing on career development
- ensure we provide feedback, coaching, and recognition.

To ensure we delivered on these objectives we focused on developing and supporting our managers.

The 2012 results showed statistically significant increases in the areas of 'reward and recognition' and 'how my manager supports and encourages me as an employee'.

Results showed our people feel more supported and encouraged in their roles, their contribution is valued, their suggestions are heard, and there are increased career opportunities for them.

Our engagement index was 71.1 percent, which is 5.3 percent above the state sector benchmark of 65.8 percent.

We reviewed and revised our People Strategy in early 2011. It was also independently reviewed by a chief executive of another public service agency in May 2011 and again in November 2011. The Cabinet Committee on State Sector Reform and Expenditure Control read the findings from the independent review on 8 May, which showed we were making good progress and we were more confident in implementing this strategy.

Work within the People Strategy is tracking according to plan with positive progress being achieved.

We began work on defining our future working practices to support our new working environment. We developed our bargaining strategy to set the long-term direction for defining our relationship with our employees, and the key terms and conditions on which the relationship is based.

Ensure we are competitive in the job market

We made significant progress on our attraction strategy, which supports the goals of Stats 2020 by:

- attracting the right people with the right skills
- knowing where to find the right candidates
- reviewing our remuneration and benefits
- promoting Statistics NZ an employer of choice.

In addition, we continued to provide equal employment opportunities in line with current government requirements.

Ensure we attract and retain the right people with the right skills and attitude

We changed our selection methodologies to include a focus on behaviours and key selection criteria (attitude with technical skills). Internal candidates still have the opportunity to further their development by working in other teams across the organisation. In 2012/13, we will introduce a career development strategy that will include development of career pathways and succession planning.

Continue to focus on development strategies that enhance retention and develop and challenge existing staff

We continued to improve our learning and development strategies, focusing on core technical and leadership skills. We took the opportunity to refresh and refocus our approach with a new learning and development strategy and a refreshed capability framework, to help new and existing staff achieve Stats 2020 goals. This new task gave our staff extensive opportunities to develop and challenge them. Integral to this approach is the recognition of the impact of 'on the job' learning and development, and the building of managers' skills through development conversations and coaching.

We developed a recognition and reward strategy, which reinforces this approach. It focuses on development as a key tool to reward performance for staff at all levels.

We introduced a new career pathway for senior statistical analysts, which 34 staff moved through. This is part of a planned career development framework that will extend career pathways and improve succession management.

Continue our work programme to address technical skills gaps

In November 2011, the WriteMark Plain English Awards Trust awarded us the Plain English Champion: Best Organisation prize, thus firmly establishing our plain English movement.

We refreshed our capability framework to recognise the importance of statistical skills and conceptual, analytical, and cost-benefit thinking. There will be a renewed focus on developing these skills on the job in 2012/13.

Develop and implement a Māori responsiveness and capability development plan

Rather than being a stand-alone activity, we made responsiveness to Māori an integral part of our efforts in recruiting, developing, and retaining staff. We made progress by:

- redeveloping our capability framework and incorporating skills development to grow our Māori responsiveness
- reviewing initiatives to attract and retain Māori or staff with the capability to respond to Māori, with an attraction strategy currently being scoped
- identifying responsiveness to Māori as a core behaviour for this organisation and developing a specific behaviour for inclusion in the framework. We will complete this work in October 2012.

Separate to the work on development, attraction, and retention, we drafted a policy on our responsibilities to the Treaty of Waitangi, and developed an internal capability document, the *Māori Development Narrative*.

These documents provide insight on and guide the work outlined above.

Re-establish the Graduate Development Programme

We began planning a new graduate programme with an expected launch later in 2012. This programme will focus on attracting new graduates to come and work for us.

Review, amend, and align our performance management system to ensure it incorporates the needs of Stats 2020

Throughout 2011/12 we developed a refreshed performance management framework that is due for launch in the early part of 2012/13. Our new framework will contribute to improved organisational performance, and will be a key lever to drive and embed change. It will act as a tool to share accountability for delivering our strategic direction through our strategic plans, supported by the leadership accountability and behavioural frameworks. It will be a way to communicate and reinforce our goals, values, cornerstone principles, and changing perspectives as an organisation.

The performance management system is designed to enable managers to share their expectations and provide ongoing coaching and feedback with our staff. Performance management will be a shared responsibility between managers and staff so that we all take responsibility for the continuous improvement of our own skills and behaviour – we will all 'lead from where we are'.

Develop an annual asset-management process based on the current long-term asset-management plan, which will review portfolios of assets to ensure we keep pace and capture efficiencies on an ongoing basis

An external review of asset management gave us detailed best practice recommendations for the next two to three years. We intend to implement these improvements within this timeframe.

Integrate our annual asset management process into our internal business planning approach

During 2011/12, our initiatives were managed as portfolios and these were monitored to maximise their individual and collective impact on performance.

Continue the legacy programme to systematically replace and update outdated technology

This update is included within the measure 'Complete the legacy mitigation IT programme to replace and update outdated technologies'.

Build strong  
relationships with other  
government  
departments and  
statistical offices

We continued to be well-connected internationally, with international thinking integrated into every area of our statistical system. Our connections with the Organisation for Economic Co-operation and Development – Paris, United Nations Economic Commission for Europe – Geneva, and the United Nations Statistical Commission – New York provide valuable access to international thinking and development. Highlights of our work with these organisations included:

- exploring the methods used to derive productivity measures, and helped with policy interpretation of New Zealand's productivity performance
- expanding measures of societal progress beyond the current traditional economic measures (such as gross domestic product) with the possibility of including other measures such as sustainable development, green growth, quality of life, and wellbeing
- developing a joint international data warehouse and dissemination system that is faster and at a lower cost than we would have normally been able to achieve.

### **In the Pacific**

We worked closely with the Ministry of Foreign Affairs and Trade and regional development partners to ensure we continue to use resources effectively to improve our statistical capability in the Pacific. This year's highlights included:

- providing technical support to countries involved in collecting, processing, and reporting on trade statistics through the Statistics NZ-based PC trade system
- providing technical support and supplementation to Tokelau and Niue with their 2011 Censuses
- providing a staff person to Tokelau to boost capacity in their statistical office
- contributing to the governance and implementation of the Ten Year Pacific Statistics Strategy 2011–20.

### **In Asia**

We focused on South-East Asia and contributed at regional forums, such as the United Nations' Economic and Social Commission for Asia and the Pacific's (ESCAP) Committee of Statistics; and the Association of Southeast Asian Nations' Community Statistical System Committee (ACSS). At ESCAP, a highlight of our regional involvement continued to be to improve economic statistics in the region. At ACSS, we provided expertise and continued to be a regional dialogue partner.

## Measuring success towards creating a responsive, customer-focused, influential, and sustainable organisation

Table 4 shows the progress we made towards creating a responsive, customer-focused, influential, and sustainable organisation.

**Table 4**

### Measuring success towards creating a responsive, customer-focused, influential, and sustainable organisation

Measure	2010/11	Progress in 2011/12
Percentage of staff who agree that we have a clear vision of where we are going and how we are going to get there <sup>9</sup>	2010 result – 67.3 percent Sector benchmark (2010) – 68.5 percent <b>Target: Improve this result to match sector benchmark</b>	76.3 percent Sector benchmark (2012) – 63.2 percent Exceeded our target
Percentage of staff who have confidence in the leadership of the organisation	2010 result – 68.3 percent Sector benchmark (2010) – 68 percent <b>Target: Maintain a result higher than the sector benchmark</b>	71.5 percent Sector benchmark (2012) – 58 percent Exceeded our target
Staff engagement index	2010 result – 71.6 percent Sector benchmark (2010) – 74.4 percent <b>Target: Improve this result to match sector benchmark</b>	71.1 percent Sector benchmark (2012) – 65.8 percent Above sector benchmark
Percentage of employees still in same role after 12 months <sup>10</sup>	2011 result – 86.29 percent Peer group (median) – 86.52 percent Peer group (best performers) – 93.16 percent <b>Target: Improve this result to match best performers</b>	2012 result – 90.38 percent Peer group (median) – 78.41 percent Statistics NZ was the best performer in this peer group
Percentage of staff who say there are career and personal development opportunities for them in this organisation	2010 result – 55.3 percent Sector benchmark (2010) – 63.7 percent <b>Target: Improve this result to match sector benchmark</b>	56.5 percent Sector benchmark (2012) – 48.8 percent Exceeded our target

Table 4 continued on next page

<sup>9</sup> From the staff engagement survey.

<sup>10</sup> From the Better Administrative and Support Services programme. This programme aims to reduce the cost and strengthen the efficiency and effectiveness of administrative and support services across the state sector.

Table 4 continued

Measure	2010/11	Progress in 2011/12
Proportion of managers recruited from within the organisation	During 2010, 50 percent of third- and fourth-tier managers appointed came from within the organisation  <b>Target: Maintain or increase this result</b>	During 2011/12, 65 percent of third- and fourth-tier managers appointed came from within the organisation
Percentage of instances dependent on legacy information technology	<p>In the year to February 2011, the following reduction in the proportion of instances dependent on legacy information technology was achieved:</p> <ul style="list-style-type: none"> <li>Centura – 11 percent</li> <li>VB and C++ – 44 percent</li> <li>MS shared access drives – 56 percent</li> <li>SAS DDE – 14 percent</li> <li>SAS AF – 0 percent</li> <li>Sybase – 28 percent</li> <li>Other legacy tools – 0 percent</li> </ul> <p><b>Target: Complete removal of instances dependent on legacy information technology by the following dates:</b></p> <ul style="list-style-type: none"> <li>Centura – July 2014</li> <li>VB and C++ – June 2012</li> <li>MS shared access drives – Dec 2012</li> <li>SAS DDE – June 2012</li> <li>SAS AF – June 2012</li> <li>Sybase – June 2012</li> <li>Other legacy tools – June 2016</li> </ul>	<p>In the year to June 2012, the following reduction in the proportion of instances dependent on legacy information technology was achieved:</p> <ul style="list-style-type: none"> <li>Centura – 31 percent</li> <li>MS Access shared drives – 93 percent</li> <li>SAS DDE – 50 percent (business-led redevelopment which was delayed due to the Christchurch earthquakes)</li> <li>SAS/AF – 65 percent (final applications subject to review in August)</li> <li>Sybase – 30 percent (business testing scheduled to complete in stage 1)</li> <li>Other legacy tools – 0 percent</li> </ul>
Number of statistical system and platform assets that are fully depreciated	<p>At 31 March 2011, there were 68 statistical system and platform assets which were fully depreciated</p> <p><b>Target: Reduced number of statistical system and platform assets that are fully depreciated by 30 June 2014</b></p>	<p>At 30 June 2012 there were 87 fully depreciated statistical system and platform assets. As the projects to replace these are multi-year, the number of fully depreciated systems is expected to increase in the years before 30 June 2014.</p>

Table 4 continued on next page

Table 4 continued

Measure	2010/11	Progress in 2011/12
Cost efficiency	<p>Work was completed on our activity-based costing model – to develop the baseline cost drivers of activities and outputs.</p> <p><b>Target: Develop this work into a tool that will provide detailed analysis of key cost drivers of activities and outputs, so efficiencies can be identified</b></p>	<p>We migrated the static Excel-based model onto a software application that can be updated and maintained on an ongoing basis.</p> <p>Our target for 2012/13 is to run the model for multiple historic periods to generate trend analysis, update the baseline cost drivers for new information, and then deploy the tool into a production environment to use to inform decision-making.</p>
Customer satisfaction	<p>96 percent of clients rate our service as very good or excellent.</p> <p><b>Target: Maintain this level</b></p>	<p>100 percent of clients rate our service as very good or excellent.</p>



## 4 Report of the Internal Audit and Risk Management Committee for the year ended 30 June 2012

### Members

Linda Robertson, Chair of the Committee  
Alastair Carruthers (from June 2012 meeting)  
Professor David Macdonald, QSO  
Suzanne Snively, ONZM  
Colin Lynch, Deputy Government Statistician (Macro-Economic and Environment Statistics) – Statistics NZ (from June 2012 meeting)  
Clare Ward, Deputy Government Statistician (Industry and Labour Statistics) – Statistics NZ (to March 2012 meeting)  
Dallas Welch, Deputy Government Statistician (Organisation Direction) – Statistics NZ

The Audit and Risk Management Committee is an independent committee established by, and reporting directly to, the Chief Executive of Statistics NZ.

During the year, the Committee was refreshed, with new Terms of Reference (TOR), including an additional external member and holding 4 meetings each year. One internal member position was rotated.

The objectives of the Committee are to:

1. provide independent advice bearing on the likelihood of success of Stats 2020 (a change to the TOR), and
2. oversee:
  - internal audit
  - risk management
  - control framework
  - external accountability
  - legislative compliance
  - external audit.

### Report of the Committee

During the past year the Committee met on 1 September and 10 November, 2011, and on 15 March and 7 June, 2012.

At these meetings, the Committee:


- discussed with the external auditors their audit plan for the year and the findings from their audit work
- reviewed the Internal Audit Charter and the Internal Audit policy
- discussed with the internal auditor her audit plan for the year and the findings from the audit work
- received a report on the results of the Board's review of strategic risk
- met with the department's full Board during the 10 November meeting
- received and considered regular reports on the implementation of Stats 2020 and progress towards the intended outcomes
- contributed towards the revision of the Terms of Reference and the subsequent refresh of the Committee.

The Committee Chair has reported to the Chief Executive on the above matters. There are no outstanding or unresolved matters.



Linda Robertson  
Chair of the Audit and Risk Management Committee





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## 5 Financial statements and statement of service performance

This chapter contains the following reports on the financial performance of Statistics New Zealand for the year ended 30 June 2012:

- Independent Auditor's report
- Statement of responsibility
- Statement of service performance
- Statement of comprehensive income
- Statement of financial position
- Statement of changes in taxpayers' funds
- Statement of cash flows
- Statement of commitments
- Statement of contingent liabilities and contingent assets
- Statement of departmental expenses and capital expenditure against appropriations
- Statement of departmental unappropriated expenditure and capital expenditure
- Reconciliation of multi-year appropriation – 2011 Census of Population and Dwellings
- Notes to the financial statements.

# Independent Auditor's report

**AUDIT NEW ZEALAND**  
Mana Arotake Aotearoa

To the readers of Statistics New Zealand's financial statements and non-financial performance information for the year ended 30 June 2012

The Auditor General is the auditor of Statistics New Zealand (the Department). The Auditor General has appointed me, Kelly Rushton, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the non-financial performance information of the Department on her behalf.

We have audited:

- the financial statements of the Department on pages 66 to 96, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2012, the statement of comprehensive income, statement of changes in taxpayers' funds, statement of departmental expenses and capital expenditure against appropriations, statement of unappropriated expenditure and capital expenditure and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the non-financial performance information of the Department that comprises the statement of service performance on pages 53 to 65 and the report about outcomes on pages 12 to 17.

## Opinion

In our opinion:

- the financial statements of the Department on pages 66 to 96:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect the Department's:
    - financial position as at 30 June 2012;
    - financial performance and cash flows for the year ended on that date;
    - expenses and capital expenditure incurred against each appropriation administered by the Department and each class of outputs included in each output expense appropriation for the year ended 30 June 2012; and
    - unappropriated expenses and capital expenditure for the year ended 30 June 2012.
- the non-financial performance information of the Department on pages 12 to 17 and 53 to 65:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects the Department's service performance and outcomes for the year ended 30 June 2012, including for each class of outputs:
    - its service performance compared with the forecasts in the statement of forecast service performance at the start of the financial year; and
    - its actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Our audit was completed on 31 August 2012. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Chief Executive and our responsibilities, and we explain our independence.

## Basis of opinion

We carried out our audit in accordance with the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the non-financial performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and the non-financial performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the non-financial performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the non-financial performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Department's preparation of the financial statements and the non-financial performance information that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Chief Executive;
- the appropriateness of the reported non-financial performance information within the Department's framework for reporting performance;
- the adequacy of all disclosures in the financial statements and the non-financial performance information; and
- the overall presentation of the financial statements and the non-financial performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the non-financial performance information. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

## Responsibilities of the Chief Executive

The Chief Executive is responsible for preparing:

- financial statements and non-financial performance information that:
  - comply with generally accepted accounting practice in New Zealand;
  - fairly reflect the Department's financial position, financial performance, cash flows, expenses and capital expenditure incurred against each appropriation and its unappropriated expenses and capital expenditure; and
  - fairly reflect its service performance and outcomes.

The Chief Executive is also responsible for such internal control as is determined is necessary to enable the preparation of financial statements and non-financial performance information that are free from material misstatement, whether due to fraud or error.

The Chief Executive's responsibilities arise from the Public Finance Act 1989.

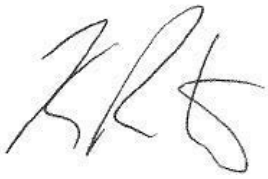
## Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and the non-financial performance information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Public Finance Act 1989.

## Independence

When carrying out the audit, we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit, we have no relationship with or interests in the Department.



Kelly Rushton  
Audit New Zealand  
On behalf of the Auditor General  
Wellington, New Zealand

## Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of Statistics New Zealand for the year ended 30 June 2012 included on Statistics New Zealand's web site. The Department's Chief Executive is responsible for the maintenance and integrity of Statistics New Zealand's web site. We have not been engaged to report on the integrity of Statistics New Zealand's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 31 August 2012 to confirm the information included in the audited financial statements presented on this web site.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Statement of responsibility

*For the year ended 30 June 2012*

In terms of the Public Finance Act 1989, I am responsible, as Chief Executive of Statistics New Zealand, for the preparation of the Department's financial statements and statement of service performance, and for the judgements made in them.

I have the responsibility for establishing, and I have established, a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In my opinion, the financial statements and statement of service performance fairly reflect the financial position of the Department as at 30 June 2012 and its operations for the year ended on that date.

Signed



**Geoff Bascand**

Chief Executive and Government Statistician

31 August 2012

Countersigned



**Michael Beever**

Chief Financial Officer

31 August 2012

# Statement of service performance

*For the year ended 30 June 2012*

This statement summarises, for the year ended 30 June 2012, the actual performance of Statistics New Zealand against the performance standards set out in the statement of forecast service performance contained in the Information Supporting the Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2012.

## 2011 Census of Population and Dwellings multi-year appropriation

### Description

Through this output expense Statistics New Zealand conducts the five-yearly Census of Population and Dwellings, providing an official count of how many people and households there are in New Zealand. This work contributes to the building of trust and confidence in official statistics through the delivery of fit-for-purpose statistical outputs. It also improves the understanding and use of official statistics, by publishing metadata with statistical releases and ensuring that methods of dissemination match different user needs.

### Scope

The scope of this multi-year appropriation involves planning and delivery of the five-yearly Census of Population and Dwellings in 2011, as required under the Statistics Act 1975.

### Performance information

Performance measure	Performance standard	2010/11 Actual	2011/12 Actual
National coverage rate for the 2011 Census of Population and Dwellings	98% (98% coverage rate achieved in 2005/06)	Not applicable due to the 2011 Census not taking place <sup>(1)</sup>	Not applicable due to the 2011 Census not taking place <sup>(1)</sup>
National response rate for the 2011 Census of Population and Dwellings	95% (94.8% coverage rate achieved in 2005/06)	Not applicable due to the 2011 Census not taking place <sup>(1)</sup>	Not applicable due to the 2011 Census not taking place <sup>(1)</sup>

**Footnote 1.** Explanation of significant variance: 2011 Census deferred.

During 2010/11, the main intended activity was to conduct the 2011 Census. All preparation was on schedule until 22 February, the day of the Christchurch earthquake.

A consequence of the Christchurch earthquake was the deferral of the 2011 Census of Population and Dwellings. This decision arose from concerns about the capacity to maintain delivery and collection of census forms, and the potential effects of the accuracy of data to be collected.

Therefore, the information for the main measures of its success is not available. A decision was made to hold the next census on Tuesday 5 March 2013.

**Revenue and output expenses**

<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2012 Supplementary estimates</b>	<b>2012 Main estimates</b>
<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
44,072 Revenue from the Crown	198	198	-
- Other revenue	-	-	-
44,072 Total operating revenue	198	198	-
44,072 Total output expenditure	198	198	-
- <b>Net operating surplus/(deficit)</b>	-	-	-

## 2013 Census of Population and Dwellings multi-year appropriation

**Description**

Through this output expense Statistics New Zealand conducts the 2013 Census of Population and Dwellings, providing an official count of how many people and households there are in New Zealand. This work contributes to the building of trust and confidence in official statistics through the delivery of fit-for-purpose statistical outputs. It also improves the understanding and use of official statistics, by publishing metadata with statistical releases and ensuring that methods of dissemination match different user needs.

**Scope**

This appropriation is limited to conducting the 2013 Census, and the administration and management of the ongoing census programme, as required under the Statistics Act 1975.

**Revenue and output expenses**

<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2012 Supplementary estimates</b>	<b>2012 Main estimates</b>
<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
- Revenue from the Crown	6,340	7,194	-
- Other revenue	-	-	-
- Total operating revenue	6,340	7,194	-
- Total output expenditure	6,340	7,194	-
- <b>Net operating surplus/(deficit)</b>	-	-	-

## Official statistics multi-class output appropriation

### Output Class 1: Coordination of government statistical activities

#### Description

Through this output expense Statistics New Zealand fulfils the statistical coordination requirement of the Statistics Act 1975. This work contributes to the building of trust and confidence in official statistics through assuring the quality and delivery of fit-for-purpose statistical outputs. It also improves the understanding and use of official statistics through providing a range of access channels.

#### Scope

The scope of this output class includes leadership of the Official Statistics System, for instance liaising with our Official Statistics System partners, providing ministerial services and statistical advice, and operating access channels.

#### Performance information

Performance measure	Performance standard	2010/11 Actual	2011/12 Actual	Comments
<b>Leadership of the Official Statistics System</b>				
The Official Statistics System policy programme is delivered, as agreed with the Minister in the Purchase and Performance Agreement, and as varies by agreement during the year	The Minister is 'satisfied' or 'very satisfied' that 100% of policy advice meets the quality standards for policy advice <sup>(1)</sup>	The Minister was very satisfied that 100% of policy advice and ministerial servicing met quality standards during 2010/11.	The Minister was very satisfied that 100% of policy advice and ministerial servicing met quality standards during 2011/12.	
The programme includes policy advice, support to the Advisory Committee on Official Statistics (ACOS), and influencing Official Statistics System participants by developing system-wide strategies and planning, the health and performance of the system, and education and capability initiatives across the system.	The Chair of ACOS is 'satisfied' or 'very satisfied' with the level of support provided <sup>(2)</sup>	New measure	The Chair of ACOS was 'very satisfied' with the level of support provided.	

**Footnote 1:** The Minister's satisfaction with policy advice was measured through a short survey. The survey asked the Minister to rate his personal satisfaction ('not satisfied', 'satisfied', or 'very satisfied') with policy advice provided to date.



Quality standards for policy advice includes:

- purpose: the aims of the paper have been clearly stated and they answer the questions set
- logic: the assumptions behind the advice are explicit, the argument is valid and supported by facts
- accuracy: the facts in the papers are accurate and all material facts have been included
- options: an adequate range of options has been presented and each is assessed for benefits, costs, and consequences to the organisation/system/government and the community as appropriate
- consultation: there is evidence of adequate consultation with interested parties and possible objections have been identified
- practicality: the problems of implementation, technical feasibility, timing, and consistency with other policies have been considered
- presentation: the format meets requirements, the material is effectively and concisely summarised, and is free from spelling or grammatical errors.

**Footnote 2:** The Chair or ACOS's satisfaction with the level of support provided is measured through a short survey annually. The survey asked the Chair to rate his personal satisfaction ('not at all satisfied', 'not satisfied', 'satisfied', or 'very satisfied') with the level of support provided to date.

Performance measure	Performance standard	2010/11 Actual	2011/12 Actual	Comments
<b><i>Facilitation of awareness and use of statistical information</i></b>				
Web-based services:				
Access to free information about all statistical collections	1,450,000 visits	1,528,106 This is a new measure for the annual report	1,545,230	
Online tools to assist users to access the specific information they need All measures in this section are demand driven; therefore, final numbers may differ greatly from estimated totals	160,000 visits	182,507 This is a new measure for the annual report	225,934	
Assisted advisory services:				
Responses to statistical requests for customised datasets, access to microdata and CURFs and responses to international questionnaires	2,300 statistical requests	2,304	2,273	

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Performance measure	Performance standard	2010/11 Actual	2011/12 Actual	Comments
Free telephone and email enquiry service  All measures in this section are demand driven; therefore, final numbers may differ greatly from estimated totals	17,250 free enquiries	17,258	12,659	New census data is expected to increase this in 2014.
<b>Capability building services</b>				
Includes provision of outreach seminars, workshops, and visits  All measures in this section are demand driven; therefore the final numbers may differ greatly from estimated totals	200 visits	1,102  This is a new measure for the annual report	209	The 2010/11 number includes the census outreach activities.
<b>Quality</b>				
High quality services are provided in response to statistical enquiries  Client satisfaction is measured through a voluntary survey sent to clients after the requested service has been provided	80% of clients rate the services as 'very good' or 'excellent'	86%	100%	Clients were asked to rate our services as either 'excellent', 'very good', 'good', 'fair', or 'poor'.
<b>Timeliness</b>				
Responses to statistical enquiries are provided within the timeliness standard	90% of free enquiry service queries responded to within two working days	95%	90%	

For more information on the initiatives that support the measures within 'Output class 1: coordination of government statistical activities' see 'Lead the Official Statistics System so that it efficiently meets the country's needs for relevant, trustworthy, and accessible information' and 'Obtain more value from official statistics' in the 'Progress against our strategic priorities' chapter.

***Revenue and output expenses***

<b>2011 Actual</b>		<b>2012 Actual</b>	<b>2012 Supplementary estimates</b>	<b>2012 Main estimates</b>
<b>\$000</b>		<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
11,202	Revenue from the Crown	14,550	14,550	16,280
736	Other revenue	940	1,405	1,405
11,938	Total operating revenue	15,490	15,955	17,685
12,333	Total output expenditure	14,812	15,955	17,685
<b>(395)</b>	<b>Net operating surplus/(deficit)</b>	<b>678</b>	<b>-</b>	<b>-</b>

## Output Class 2: Population, social, and labour force statistical information services

### Description

Through this output expense Statistics New Zealand provides statistical information relating to New Zealand's society, as mandated by the Statistics Act 1975. This work contributes to the building of trust and confidence in official statistics through assuring the delivery of fit-for-purpose statistical outputs.

### Scope

The scope of this output class includes the delivery of statistical information services relating to the population, household economics, social conditions, and the labour force.

### Performance information

Performance measure	Performance standard	2010/11 Actual	2011/12 Actual	Comments
<b>Quantity</b>				
Statistical releases	87	83	96	The Purchase and Performance agreement 2011/12 updated the performance standard to 90. Three releases were cancelled due to uncertainties in the data. One release was incorrectly reported in the Purchase and Performance Agreement and was not scheduled to go ahead. See the timeliness measures for more information. There were 10 extra releases in the 2011/12 year, see below for more information.
<i>Provisional count: 2011 Tokelau Census</i> <i>New baby most likely Auckland's 1.5 millionth resident</i> <i>1.5 millionth Aucklander could be born today</i> <i>2011 Tokelau Census of Population and Dwellings (three releases)</i> <i>The countdown begins – 12 months till census</i> <i>Child and Youth Offender Statistics: 2010 calendar year</i> <i>Profile of Tokelau Ata o Tokelau</i> <i>Queen's Diamond Jubilee 1952–2012</i>				

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Table continued

Performance measure	Performance standard	2010/11 Actual	2011/12 Actual	Comments
Survey-based releases	13	12	11	<p><i>The Survey of Working Life</i> planned for 2011/12 is scheduled to be published in 2012/13.</p> <p>Waves 1–8 from the <i>Survey of Family, Income and Employment</i> was released into the Data Lab, so no longer classified as a survey-based release.</p>
<b>Quality</b>				
Statistical releases are free from such significant error that they require a public correction notice to be published <sup>(1)</sup>	99% free from significant error	98%	100%	
<p><b>Footnote 1.</b> A significant error is one which affects a high priority output, may mislead economic or social policy decisions or commentary, or changes a headline figure or indicator.</p>				
Users trust official statistics	A majority of a sample of the public trust official statistics	73% of public users, 65% of Māori, and 74.5% of non-Māori almost always trust population and labour force statistics	75% of government users almost always trust population statistics and 61% of government users almost always trust labour force statistics. <sup>(2)</sup>	<p>The first Use and Trust in Official Statistics Survey was run in 2010, focusing on the public as a key user group. We used the results to set benchmarks for targets in 2011–14. In 2011 a second survey focused on government users, and in 2012 a third survey will focus on business users. We plan to repeat this as a rolling three-year cycle.</p>

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Table continued

Performance measure	Performance standard	2010/11 Actual	2011/12 Actual	Comments
Survey-based releases meet their target response rate, as agreed with the Minister in the Purchase and Performance Agreement	100% met target response rate	50%	64%	One survey did not meet its target response rate, as shown below:
Household Labour Force Survey: all quarter reports				
There was no significant impact on the data quality of the Household Labour Force Survey not meeting its response rate targets.				

**Footnote 2.** Note these figures are weighted.

### Timeliness

Statistical releases are published on the advertised date as agreed with the Minister in the Purchase and Performance Agreement	100% published on the advertised date	85%	93.3%	Six releases did not meet the timeliness standard, as shown below.
National Employment Indicator: May 2011 (cancelled due to methodology issues)				
National Employment Indicator: November 2011 and December 2011 (date was changed to fit with other national employment indicator releases)				
National Employment Indicator: March 2012 (cancelled due to uncertainties in the data)				
National Employment Indicator: April 2012 (cancelled due to uncertainties in the data)				
Criminal Convictions and Sentencing: 2011 calendar year – tables (published early)				
Survey of Family, Income and Employment (Waves 1-8) (incorrectly reported as a statistical release and did not go ahead)				

For more information on the initiatives that support the measures within 'Output class 2: population, social, and labour force statistical information services' see 'Transform the way we deliver our statistics' in the 'Progress against strategic priorities' chapter.

### Revenue and output expenses

2011 Actual		2012 Actual	2012 Supplementary estimates	2012 Main estimates
\$000		\$000	\$000	\$000
42,611	Revenue from the Crown	42,052	42,052	56,517
2,589	Other revenue	1,555	3,651	3,651
45,200	Total operating revenue	43,607	45,703	60,168
43,480	Total output expenditure	41,326	45,702	60,167
1,720	Net operating surplus/(deficit)	2,281	1	1

### Output Class 3: Economic and business statistical information services

#### Description

Through this output expense Statistics New Zealand provides statistical information relating to New Zealand's society, as mandated by the Statistics Act 1975. This work contributes to the building of trust and confidence in official statistics through assuring the delivery of fit-for-purpose statistical outputs.

#### Scope

The scope of this output class includes the delivery of statistical information services relating to business and the economy.

#### Performance Information

Performance measure	Performance standard	2010/11 Actual	2011/12 Actual	Comments
<b>Quantity</b>				
Statistical releases	149	143	140	The Purchase and Performance agreement 2011/12 updated the performance standard to 134. There were six extra releases in the 2011/12 year, see below for more information.
Christchurch Retail Trade Indicator (two releases) Agricultural production tables for Federation of Māori Authorities <i>Gross Domestic Product: December 2011 quarter (new industry classification)</i> <i>Gross Domestic Product: March 2011 quarter</i> <i>Impact of the Canterbury earthquakes on New Zealand's gross domestic product</i>				
Survey-based releases	73	85	82	Building consents release was recorded incorrectly in the estimates as quarterly instead of monthly, creating eight extra releases.  <i>Gross Domestic Product: March 2011 quarter</i> was delayed from June 2011 (2010/11 year) to July 2011 (2011/12 year). This added an extra release to the 2011/12 estimates.

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Table continued

Performance measure	Performance standard	2010/11 Actual	2011/12 Actual	Comments
<b>Quality</b>				
Statistical releases are free from such significant error that they require a public correction notice to be published	99% free from significant error	99%	99.3%	The <i>Retail Trade Survey: March 2012 quarter</i> had to be revised due to an anomalous result in the original release.
Users trust official statistics	A majority of a sample of the public trust a sample of official statistics	75% of public users, 65% of Māori, and 75% of non-Māori almost always trust CPI and GDP statistics	70% of government users almost always trust CPI statistics and 67% of government users almost always trust GDP statistics <sup>(1)</sup>	The first Use and Trust in Official Statistics Survey was run in 2010, focusing on the public as a key user group. We used the results to set benchmarks for targets in 2011–14. In 2011 a second survey focused on government users, and in 2012 a third survey will focus on business users. We plan to repeat this as a rolling three-year cycle.
Survey-based releases meet their target response rate, as agreed with the Minister in the Purchase and Performance Agreement	100% met target response rate	97%	99%	One survey did not meet its target response rate as shown below:
<p style="text-align: right;">Annual Transport Survey: June quarter</p> <p style="text-align: center;">There was no significant impact on the data quality of this survey from not meeting its response rate targets.</p>				

**Footnote 1.** Note these figures are weighted.



Performance measure	Performance standard	2010/11 Actual	2011/12 Actual	Comments
<b>Timeliness</b>				
Statistical releases are published on the advertised date as agreed with the Minister in the Purchase and Performance Agreement	100% published on the advertised date	83%	96.3%	Five releases did not meet the timeliness standard, as shown below:
<i>Wholesale Trade Survey: June 2011 quarter</i> (rescheduled due to Canterbury earthquake impacts on quality assurance) <i>Economic Survey of Manufacturing: June 2011 quarter</i> (rescheduled due to Canterbury earthquake impacts on quality assurance) <i>Institutional Sector Accounts: 1999–2009</i> (published early) <i>Screen Industry Survey: 2010/11</i> (delayed due to staff resourcing. Note: not a time critical release) <i>Electronic Card Transactions: April 2012</i> (delayed due to a delay with data supply)				

For more information on the initiatives that support the measures within 'Output class 3: economic and business statistical information services' see 'Transform the way we deliver our statistics' in the 'Progress against our strategic priorities' chapter.

#### Revenue and output expenses

2011 Actual		2012 Actual	2012 Supplementary estimates	2012 Main estimates
\$000		\$000	\$000	\$000
26,631	Revenue from the Crown	35,571	35,571	33,441
4,813	Other revenue	4,897	4,457	4,457
31,444	Total operating revenue	40,468	40,028	37,898
31,303	Total output expenditure	40,125	40,029	37,899
<b>141</b>	<b>Net operating surplus/(deficit)</b>	<b>343</b>	<b>(1)</b>	<b>(1)</b>

## Departmental other expenses – recovery from February 2011 Christchurch earthquake

### Description

The appropriation was established following the 22 February 2011 Christchurch earthquake. Costs that have been incurred as a direct result of the initial and subsequent earthquakes have been changed to this appropriation.

### Scope

The scope of this appropriation is limited to writing off, or making good, damage to departmental assets and re-establishing departmental operations in Christchurch following the earthquake.

2011 Actual	2012 Actual	2012 Supplementary estimates	2012 Main estimates
\$000	\$000	\$000	\$000
- Revenue from the Crown	-	-	-
- Other revenue	-	-	-
- Total operating revenue	-	-	-
1,653 Total output expenditure	-	-	-
<b>(1,653) Net operating surplus/(deficit)</b>	-	-	-

For more information on the effects and our response to the Christchurch earthquakes, see the 'Christchurch earthquake recovery' section under the 'What shaped our year' chapter.

# Statement of comprehensive income

For the year ended 30 June 2012

2011 Actual	Note	2012 Actual	2012 Supplementary estimates	2012 Main estimates
\$000		\$000	\$000	\$000
<b>Income</b>				
124,516	Revenue Crown	98,711	99,565	106,238
8,138	Revenue other	[2] 7,966	9,513	9,513
4	Gain on sale of assets	[3] 22	-	-
<b>132,658</b>	<b>Total income</b>	<b>106,699</b>	<b>109,078</b>	<b>115,751</b>
<b>Expenditure</b>				
84,964	Personnel costs	[4] 63,856	68,742	77,652
31,972	Other operating expenses	[5] 24,096	26,264	20,362
11,062	Depreciation and amortisation expense	[14-15] 10,816	10,184	13,504
3,770	Capital charge	[6] 3,889	3,888	4,233
1,077	Loss on write-off and disposal of non-current assets	[7] 166	-	-
<b>132,845</b>	<b>Total expenditure</b>	<b>102,823</b>	<b>109,078</b>	<b>115,751</b>
(187)	Net surplus / (deficit)	3,876	-	-
-	Other comprehensive income	-	-	-
<b>(187)</b>	<b>Total comprehensive income</b>	<b>3,876</b>	<b>-</b>	<b>-</b>

Explanation of significant variances against budget are detailed in note 22.

The accompanying accounting policies and notes form part of these financial statements.

# Statement of financial position

As at 30 June 2012

2011 Actual	Note	2012 Actual	2012 Supplementary estimates	2012 Main estimates
\$000		\$000	\$000	\$000
<b>Current assets</b>				
43,619	Cash and cash equivalents	27,748	20,646	26,537
1,041	Debtors and other receivables	[8] 965	1,023	983
837	Goods and services tax receivable	-	-	-
1,383	Advances and prepayments	1,472	1,402	650
<b>46,880</b>	<b>Total current assets</b>	<b>30,185</b>	<b>23,071</b>	<b>28,170</b>
<b>Current liabilities</b>				
4,179	Creditors and other payables	[9] 5,635	4,747	7,988
1,466	Repayment of surplus to the Crown	[10] 3,301	-	-
14,689	Creditor Crown	983	-	-
5,304	Employee entitlements	[12] 5,713	4,468	5,058
-	Goods and services tax payable	996	(837)	(837)
567	Deferred revenue	[13] 524	-	-
<b>26,205</b>	<b>Total current liabilities</b>	<b>17,152</b>	<b>8,378</b>	<b>12,209</b>
<b>20,675</b>	<b>Working capital</b>	<b>13,033</b>	<b>14,693</b>	<b>15,961</b>

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2011 Actual		Note	2012 Actual	2012 Supplementary estimates	2012 Main estimates
<b><i>Non-current assets</i></b>					
11,743	Property, plant, and equipment	[14]	17,241	12,578	14,956
20,679	Intangible assets	[15]	23,573	29,843	26,049
<b>32,422</b>	<b>Total non-current assets</b>		<b>40,814</b>	<b>42,421</b>	<b>41,005</b>
<b>53,097</b>	<b>Working capital and total non- current assets</b>		<b>53,847</b>	<b>57,114</b>	<b>56,966</b>
<b><i>Non-current liabilities</i></b>					
196	Provisions	[11]	166	196	-
4,292	Employee entitlements	[12]	4,497	5,609	4,658
<b>4,488</b>	<b>Total non-current liabilities</b>		<b>4,663</b>	<b>5,805</b>	<b>4,658</b>
<b>48,609</b>	<b>Net assets</b>		<b>49,184</b>	<b>51,309</b>	<b>52,308</b>
<b><i>Taxpayers' funds</i></b>					
48,609	General funds	[16]	49,184	51,309	52,308
<b>48,609</b>	<b>Total taxpayers' funds</b>		<b>49,184</b>	<b>51,309</b>	<b>52,308</b>

Explanation of significant variances against budget are detailed in note 22.

The accompanying accounting policies and notes form part of these financial statements.

## Statement of changes in taxpayers' funds

For the year ended 30 June 2012

2011 Actual	Note	2012 Actual	2012 Supplementary estimates	2012 Main estimates
\$000		\$000	\$000	\$000
50,262	Taxpayers' funds as at 1 July	48,609	48,609	52,394
(187)	Total comprehensive income for the year	3,876	-	-
(1,466)	Return of surplus to the Crown	(3,301)	-	-
-	Capital contribution and approved retentions	-	2,700	(86)
(1,653)	Movements in taxpayers' funds for the year	575	2,700	(86)
<b>48,609</b>	<b>Taxpayers' funds as at 30 June</b>	<b>49,184</b>	<b>51,309</b>	<b>52,308</b>

The accompanying accounting policies and notes form part of these financial statements.

# Statement of cash flows

For the year ended 30 June 2012

2011 Actual	Note	2012 Actual	2012 Supplementary estimates	2012 Main estimates
\$000		\$000	\$000	\$000
<b>Cash flows – operating activities</b>				
138,403	Receipts from the Crown	85,005	84,876	106,238
8,552	Receipts from other revenue	8,003	9,513	9,513
(119,503)	Payments to suppliers and employees	(86,001)	(94,526)	(98,014)
(1,260)	Goods and services tax (net)	1,832	-	-
(3,770)	Payments for capital charge	(3,889)	(3,888)	(4,233)
<b>22,422</b>	<b>Net cash flows from operating activities</b>	<b>4,950</b>	<b>(4,025)</b>	<b>13,504</b>
	[17]			
<b>Cash flows – investing activities</b>				
5	Receipts from the sale of fixed assets	22	-	-
(4,464)	Purchase of property, plant, and equipment	(11,033)	(5,669)	(5,669)
(6,183)	Purchase of intangible assets	(8,344)	(14,513)	(16,331)
<b>(10,642)</b>	<b>Net cash flows from investing activities</b>	<b>(19,355)</b>	<b>(20,182)</b>	<b>(22,000)</b>
<b>Cash flows – financing activities</b>				
-	Retention of insurance revenue	-	2,700	-
-	Receipt of capital contributions	-	-	(86)
(742)	Payment of operating surplus to the Crown	(1,466)	(1,466)	-
<b>(742)</b>	<b>Net cash flows from financing activities</b>	<b>(1,466)</b>	<b>1,234</b>	<b>(86)</b>
<b>11,038</b>	<b>Net increase/(decrease) in cash</b>	<b>(15,871)</b>	<b>(22,973)</b>	<b>(8,582)</b>
32,581	Cash as at 1 July	43,619	43,619	35,119
<b>43,619</b>	<b>Cash as at 30 June</b>	<b>27,748</b>	<b>20,646</b>	<b>26,537</b>



The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of the other primary financial statements.

The accompanying accounting policies and notes form part of these financial statements.

## Statement of commitments

As at 30 June 2012

### Non-cancellable operating and lease commitments

The department leases property, plant, and equipment in the normal course of its business. The majority of these leases are for premises, which have a non-cancellable leasing period ranging from one to seven years.

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

The department has entered into non-cancellable contracts for computer maintenance, advertising, printing, consulting services, and other contracts for service.

2011 Actual		2012 Actual
\$000		\$000
<b>Non-cancellable operating and lease commitments</b>		
6,576	Not later than one year	12,545
16,028	Later than one year and not later than five years	14,527
4,459	Later than five years	1,010
<b>27,063</b>	<b>Total non-cancellable operating and lease commitments</b>	<b>28,082</b>

## Statement of contingent liabilities and contingent assets

As at 30 June 2012

2011 Actual		2012 Actual
\$000		\$000
<b>Quantifiable contingent liabilities</b>		
-	Employment-related matters	-
-	<b>Total contingent liabilities</b>	-

### Contingent assets

The department has contingent assets estimated to be \$975,000 (2011: \$740,000), relating to initial insurance claims for the Christchurch earthquakes. Further insurance claims are likely, however it is not practicable to quantify the value of these claims.

The accompanying accounting policies and notes form part of these financial statements.

# Statement of departmental expenses and capital expenditure against appropriations

For the year ended 30 June 2012

2011 Expenditure after remeasure- ment \$000	2012 Expenditure before remeasure- ment \$000	2012 Remeasure- ment \$000	2012 Expenditure after remeasure- ment \$000	2012 Appropri- ation voted <sup>(1)</sup> \$000
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## Vote Statistics: Appropriation for output expenses

### Official Statistics multi-output class appropriation

12,333	Coordination of government statistical activities	14,812	-	14,812	15,955
43,480	Population, social, and labour force statistical information services	41,326	-	41,326	45,702
31,303	Economic and business statistical information services	40,125	-	40,125	40,029
<b>87,116</b>	<b>Total appropriations for output expenses – official statistics</b>	<b>96,263</b>	<b>-</b>	<b>96,263</b>	<b>101,686</b>

### Multi-year appropriations

44,072	2011 Census of Population and Dwellings	198	-	198	198
-	2013 Census of Population and Dwellings	6,340	-	6,340	7,194

Table continued on next page

Table continued

2011 Expenditure after remeasure- ment \$000		2012 Expenditure before remeasure- ment \$000	2012 Remeasure- ment \$000	2012 Expenditure after remeasure- ment \$000	2012 Appropri- ation voted <sup>(1)</sup> \$000
<b>Departmental other expenses appropriation</b>					
1,653	Recovery from the February 2011 Christchurch earthquake	-	-	-	-
<b>Appropriation for capital expenditure</b>					
10,644	Purchase and development of assets by and for the use of Statistics New Zealand	19,374	-	19,374	22,000
<b>143,485</b>	<b>Total</b>	<b>122,175</b>	<b>-</b>	<b>122,175</b>	<b>131,078</b>

**Footnote 1.** This includes adjustments made in the Supplementary Estimates and transfers under section 26A of the Public Finance Act 1989.

The accompanying accounting policies and notes form part of these financial statements.

## Statement of departmental unappropriated expenditure and capital expenditure

For the year ended 30 June 2012 Statistics New Zealand had no unappropriated expenses or capital expenditure (2011: Nil).

## Reconciliation of multi-year appropriations

*For the year ended 30 June 2012*

A multi-year appropriation was established from 1 July 2007 to 30 June 2012, to provide for flexibility in planning for the 2011 Census of Population and Dwellings as a single programme over a five-year cycle.

Following the deferral of the 2011 Census due to the Christchurch earthquakes, and the decision to hold a subsequent census in 2013, a 2013 Census of Population and Dwellings Multi-Year Appropriation was established from 1 October 2011.

Costs associated with the 2013 Census that were incurred before the establishment of this appropriation, that is, from 1 July 2011 to 30 September 2011, amount to \$1,541,000 and were charged against the Multi-Class Output Appropriation, in the population, social, and labour force statistical information services output class.

	2011 Census of Population and Dwellings	2013 Census of Population and Dwellings
<b>Appropriation, adjustment, and use</b>	<b>\$000</b>	<b>\$000</b>
Original appropriation	73,193	72,045
Adjustment for 2007/08	5,000	-
Adjustment for 2008/09	10,413	-
Adjustment for 2010/11	(11,011)	-
Adjustment for 2011/12	(12,575)	-
<b>Total adjusted appropriation</b>	<b>65,020</b>	<b>72,045</b>
Actual expenses in 2007/08	(2,043)	-
Actual expenses in 2008/09	(6,901)	-
Actual expenses in 2009/10	(11,806)	-
Actual expenses in 2010/11	(44,072)	-
Actual expenses in 2011/12	(198)	(6,340)
<b>Total actual expenses</b>	<b>(65,020)</b>	<b>(6,340)</b>
<b>Balance of appropriation</b>	<b>-</b>	<b>65,705</b>

The accompanying accounting policies and notes form part of these financial statements.

## Notes to the financial statements

### 1. Statement of accounting policies for the year ended 30 June 2012

#### Reporting entity and statutory basis

Statistics New Zealand (referred to in full or as 'the department') is a government department as defined by section 2 of the Public Finance Act 1989. These financial statements, which are prepared pursuant to section 45 of the Public Finance Act 1989, encompass the activities of Statistics New Zealand for the year ended 30 June 2012.

For purposes of appropriation under the Public Finance Act 1989, the department's outputs are grouped as follows:

#### Official Statistics – Multi Class Output Appropriation (MCOA)

- Coordination of government statistical activities
- Population, social and labour force statistical information services
- Economic and business statistical information services

#### Multi-year Appropriations (MYA)

- 2011 Census of Population and Dwellings
- 2013 Census of Population and Dwellings

The primary objective of Statistics New Zealand is to provide services to the public rather than making a financial return. Accordingly, Statistics New Zealand has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of Statistics New Zealand are for the year ended 30 June 2012. The financial statements were authorised for issue by the Government Statistician on 31 August 2012.

#### Basis of preparation

The financial statements of Statistics New Zealand have been prepared in accordance with the requirements of the Public Finance Act 1989, which includes the requirement to comply with New Zealand generally accepted accounting practices (NZ GAAP), and Treasury instructions.

These financial statements have been prepared in accordance with NZ GAAP, and comply with NZ IFRS as appropriate for public benefit entities.

The financial statements have been prepared on a historical cost basis.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of Statistics New Zealand is New Zealand dollars.

#### Changes in accounting policies

There have been no changes in accounting policies during the financial year.

#### Changes in financial reporting standards

Statistics New Zealand has adopted the following revisions to accounting standards during the financial year, which have had only a presentational effect:

- Amendments to NZ IAS 1 Presentation of Financial Statements. The amendments introduce a requirement to present, either in the statement of changes in equity or the notes, for each component of equity, an analysis of other comprehensive income by item. Statistics New Zealand has presented this analysis in note 16.

- FRS-44 New Zealand Additional Disclosures and Amendments to NZ IFRS to harmonise with IFRS and Australian Accounting Standards (Harmonisation Amendments) – The purpose of the new standard and amendments is to harmonise Australian and New Zealand accounting standards with source IFRS and to eliminate many of the differences between the accounting standards in each jurisdiction. The main effect of the amendments to Statistics New Zealand is that certain information about property valuations is not required to be disclosed. Note 14 reflects these changes.
- Amendments to NZ IFRS 7 Financial Instruments: Disclosures – The amendment reduces the disclosure requirements relating to credit risk. Note 8 has been updated for the amendments.

### **Standards, amendments, and interpretations issued that are not yet effective and have not been early adopted**

Standards, amendments, and interpretations issued but not yet effective that have not been early adopted, and which are relevant to Statistics New Zealand, are:

- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus or deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, Statistics New Zealand is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Ministry expects to transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, the Ministry is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

### **Revenue**

Revenue is measured at the fair value of consideration received or receivable.

### **Revenue Crown**

Revenue earned from the supply of outputs to the Crown is recognised as revenue when earned.

### ***Sale of publications***

The sale of publications is recognised when the product is sold to the customer. The recorded revenue is the gross amount of the sale.

### ***Other income***

Revenue from contracted surveys is recognised to the extent that the service has been completed by Statistics New Zealand.

### ***Rental income***

Lease receipts under an operating sub-lease are recognised as income on a straight-line basis over the lease term.

### ***Capital charge***

The capital charge is recognised as an expense in the period to which the charge relates.

## ***Leases***

### ***Operating leases***

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

## ***Cash and cash equivalents***

Cash includes cash on hand and funds on deposit with banks and is measured at its face value.

## ***Debtors and other receivables***

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate, less impairment changes if relevant.

Impairment of a receivable is established when there is objective evidence that the department will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the debtor is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of a provision for impairment account, and the amount of the loss is recognised in the surplus or deficit. Overdue receivables that are renegotiated are reclassified as current (that is, not past due).

## ***Property, plant, and equipment***

Property, plant, and equipment consist of computer equipment, leasehold improvements, furniture and fittings, and office equipment. All property, plant, and equipment is shown at cost, less accumulated depreciation and impairment losses.

Individual assets, or group of assets, are capitalised if their cost is greater than \$1,000. The value of an individual asset that is less than \$1,000 and is part of a group of similar assets is capitalised.

### ***Additions***

The cost of an item of property, plant, and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Statistics New Zealand and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated. Property, plant and equipment is recognised at cost.



***Disposals***

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit.

***Subsequent costs***

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the department and the cost of the item can be measured reliably.

***Depreciation***

Depreciation is provided on a straight-line basis on all property, plant, and equipment, at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Furniture and fittings	7 to 10 years
Office equipment	5 years
Computer equipment	3 to 5 years
Leasehold improvements	remaining term of the lease or the estimated remaining useful lives of the improvements whichever is the shorter.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

***Intangible assets******Software acquisition and development***

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by Statistics New Zealand, are recognised as an intangible asset. Direct costs include the software development, employee and directly applicable operating costs.

***Amortisation***

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Software	3 to 7 years
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***Capitalised developments:***

Basic infrastructure systems	10 years
Capture and processing systems	5 to 10 years
Output systems	5 to 10 years
Dissemination and access systems	3 to 7 years
Office automation tools	5 to 7 years

***Impairment of non-financial assets***

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. An intangible asset that is not yet available for use at the balance sheet date is tested for impairment annually.

Property, plant, and equipment, and intangible assets that have a finite useful life, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is the depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount.

### **Creditors and other payables**

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

### **Employee entitlements**

#### ***Short-term employee entitlements***

Employee entitlements that Statistics New Zealand expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Statistics New Zealand recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Statistics New Zealand anticipates it will be used by staff to cover those future absences.

Statistics New Zealand recognises a liability and an expense for bonuses where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

#### ***Long-term employee entitlements***

Employee entitlements that are due to be settled beyond 12 months, such as long service leave and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlements information; and
- the present value of the estimated future cash flows. Discount rates of 2.43% (year 1), 2.47% (year 2), and 6% (year 3 onwards), and a salary inflation factor of 3.50% were used. The discount rate is based on the weighted average of government bonds with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

### **Superannuation schemes**

#### ***Defined contribution schemes***

Obligations for contributions to the State Sector Retirement Savings Scheme, Kiwisaver, and the Government Superannuation Fund are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit as incurred.

## **Provisions**

Statistics New Zealand recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

## **Taxpayers' funds**

Taxpayers' funds is the Crown's investment in Statistics New Zealand and is measured as the difference between total assets and total liabilities. Taxpayers' funds is classified as general funds.

## **Commitments**

Expenses yet to be incurred on non-cancellable contracts that have been entered into on or before balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

Cancellable commitments that have penalty or exit costs explicit in the agreement on exercising that option to cancel are included in the statement of commitments at the value of that penalty or exit cost.

Commitments and contingencies are disclosed exclusive of GST.

## **Goods and services tax (GST)**

All items in the financial statements, including appropriation statements, are stated exclusive of goods and service tax (GST), except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from Inland Revenue, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

## **Income tax**

Government departments are exempt from income tax as public authorities. Accordingly, no charge for income tax has been provided for.

## **Budget figures**

The budget figures are those included in the Information Supporting the Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2012, which are consistent with the financial information in the Main Estimates. In addition, the financial statements also present the updated budget information from the Supplementary Estimates. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

## **Statement of cost accounting policies**

Statistics New Zealand has determined the cost of outputs using the cost allocation system outlined below.

Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be identified in an economically feasible manner, with a specific output.

Statistics New Zealand has derived the costs of outputs shown in these financial statements using a cost driver to assign indirect costs. The cost drivers employed for assigning direct costs to outputs are based on direct charging and time recording.

The cost driver employed to allocate indirect costs to outputs is the proportion of Statistics New Zealand's internal budget that is assigned to direct outputs. Indirect costs, excluding the costs of survey, compilation and statistical databases and development projects, accounted for 57% of total costs for the year ended 30 June 2012 (2011: 43%). The percentage fluctuates from year to year, depending on the amount of direct costs incurred in relation to the cyclical activities of the Census of Population and Dwellings.

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

### **Critical accounting estimates and assumptions**

In preparing these financial statements Statistics New Zealand has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in Note 12, which provides an analysis of the exposure in relation to estimates and uncertainties surrounding retirement and long service leave liabilities.

### **Critical judgements in applying Statistics New Zealand's accounting policies**

Management has exercised the following critical judgements in applying Statistics New Zealand accounting policies for the period ended 30 June 2012:

#### **Leases**

Determining whether a lease agreement is a finance lease or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to Statistics New Zealand. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant and equipment, whereas with an operating lease no such asset is recognised.

Statistics New Zealand has exercised its judgement on rental leases, and has determined them to operating leases.

## 2. Revenue other

2011 Actual		2012 Actual
\$000		\$000
4,069	Contract surveys	3,831
1,338	Sale of publications/customised outputs	1,281
396	Other revenue from Government departments	378
1,632	Superannuation reimbursements	1,339
16	Rental income from sub-lease	16
-	Insurance revenue	575
687	Other	546
<b>8,138</b>	<b>Total</b>	<b>7,966</b>

## 3. Gain on sale of assets

During the period the department disposed of computer hardware assets that resulted in a gain on disposal of \$22,000 (2011: \$4,000).

## 4. Personnel costs

2011 Actual		2012 Actual
\$000		\$000
81,404	Salaries	60,998
2,063	Employer contributions to defined contribution plans	1,852
686	Increase/(decrease) in employee entitlements	614
811	Other	392
<b>84,964</b>	<b>Total</b>	<b>63,856</b>

## 5. Other operating expenses

2011 Actual		2012 Actual
\$000		\$000
68	Audit fees for the financial statement audit	78
-	- Audit related fees for assurance and related services	-
278	Overseas travel	309
3,343	Domestic travel (includes Australia)	2,273
791	Interviewer travel	637
787	Postage and freight	679
5,605	Operating lease and other rentals	4,583
3,561	Software license	3,848
166	Advertising and publicity	191
1,105	Consultancy	1,862
8,552	Contracted services	2,190
233	Maintenance	222
7,483	Other operating expenses	7,224
<b>31,972</b>	<b>Total</b>	<b>24,096</b>

## 6. Capital charge

Capital charge 2010/12: \$3,888,720 (2011:\$3,770,000)

The department pays a capital charge to the Crown on its taxpayers' funds as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2012 was 8 percent (2011: 7.5 percent).

## 7. Loss on write-off and disposal of non-current assets

During the period there was a loss on the write-off and disposal of furniture and fittings, computer hardware, and intangible assets of \$166,000 (2011:\$1,077,000).

## 8. Debtors and receivables

2011 Actual	2012 Actual
\$000	\$000
1,046 Debtors	970
(5) Less: provision for doubtful debts	(5)
<b>1,041 Total debtors and other receivables</b>	<b>965</b>

The carrying value of debtors and other receivables approximates their fair value. Movements in the provision for impairment are as follows:

2011 Actual	2012 Actual
\$000	\$000
5 Balance at 1 July	5
- Additional provisions made during the year	-
<b>5 Balance at 30 June</b>	<b>5</b>

The provision for impairment has been calculated based on a review of specific overdue receivables and a collective assessment. The collective impairment provision is based on an analysis of past collection history and debt write-offs.

Statistics New Zealand holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

	2011			2012		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Not past due	898	-	898	292	-	292
Past due 1–30 days	140	(1)	139	488	(1)	487
Past due 31–60 days	4	(1)	3	15	(1)	14
Past due 61–90 days	3	(2)	1	169	(2)	167
Past due > 91 days	1	(1)	-	6	(1)	5
<b>Total</b>	<b>1,046</b>	<b>(5)</b>	<b>1,041</b>	<b>970</b>	<b>(5)</b>	<b>965</b>

## 9. Creditors and other payables

2011 Actual	2012 Actual
\$000	\$000
875 Creditors	858
574 PAYE payable	-
2,730 Accrued expenses	4,777
<b>4,179 Total creditors and other payables</b>	<b>5,635</b>

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

## 10. Repayment of surplus to the Crown

Under section 22 of the Public Finance Act 1989, no operating surplus can be retained by Statistics New Zealand.

The provision for the repayment of the surplus to the Crown of \$3,301,000 (2011: \$1,466,000) is comprised of the surplus for the year of \$3,876,000, less the \$575,000 insurance revenue relating to the Christchurch earthquakes received during the year. Statistics New Zealand had approval from the Crown to retain up to \$2,700,000 of insurance revenue in the year ended 30 June 2012. The return of the operating surplus to the Crown is required to be paid by 31 October each year.

## 11. Provisions

	Superannuation	Restructuring	Total
	\$000	\$000	\$000
<b>2011</b>			
Opening balance 1 July 2010	555	-	555
Additional provisions recognised	-	-	-
Amounts used	-	-	-
Unused amounts reversed	(359)	-	(359)
<b>Closing balance 30 June 2011</b>	<b>196</b>	<b>-</b>	<b>196</b>
Analysed as:			
Current	-	-	-
Non-current	196	-	196

Table continued on next page



Table continued

	Superannuation	Restructuring	Total
	\$000	\$000	\$000
<b>2012</b>			
Opening balance 1 July 2011	196	-	196
Additional provisions recognised	-	-	-
Amounts used	(30)	-	(30)
Unused amounts reversed	-	-	-
<b>Closing balance 30 June 2012</b>	<b>166</b>	<b>-</b>	<b>166</b>
Analysed as:			
Current	-	-	-
Non-current	166	-	166

The provision relates to Statistics New Zealand's obligations in respect to employee superannuation entitlements.

## 12. Employee entitlements

2011 Actual		2012 Actual
\$000		\$000
	Current employee entitlements are represented by:	
3,874	Annual leave	4,020
381	Sick leave	457
1,049	Retirement and long-service leave	1,236
<b>5,304</b>	<b>Total current portion</b>	<b>5,713</b>
	Non-current employee entitlements are represented by:	
4,292	Retirement and long service leave	4,497
<b>4,292</b>	<b>Total non-current portion</b>	<b>4,497</b>
<b>9,596</b>	<b>Total employee entitlements</b>	<b>10,210</b>

The present value of the retirement and long-service leave obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will impact on the carrying amount of the liability.

The Department has used the actuarial models provided by the Treasury including the appropriate discount rate and salary inflation factor. The discount rate is based on NZ government bond data at 30 June 2012. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary.

If the discount rate were to differ by 1 percent from the Department's estimates, with all other factors held constant, the carrying amount of the liability would be an estimated \$338,355 lower (1 percent increase) or \$385,283 higher (1 percent decrease).

If the salary inflation factor were to differ by 1 percent from the Department's estimates, with all other factors held constant, the carrying amount of the liability would be an estimated \$392,509 higher (1 percent increase) or \$350,391 lower (1 percent decrease).

### 13. Deferred revenue

Deferred revenue is the portion of operating revenue received which relates to future years. It will be recognised as income in the year when the services are provided.

### 14. Property, plant, and equipment

	Furniture and fittings \$000	Office equipment \$000	Computer hardware \$000	Total \$000
<b>Cost</b>				
Balance at 1 July 2010	12,418	1,015	19,662	33,095
Additions	1,623	165	2,929	4,717
Disposals	(178)	(67)	(5,612)	(5,857)
Reclassification of asset classes	380	-	171	551
Working progress movement	(371)	-	(55)	(426)
<b>Balance at 30 June 2011</b>	<b>13,872</b>	<b>1,113</b>	<b>17,095</b>	<b>32,080</b>
Balance at 1 July 2011	13,872	1,113	17,095	32,080
Additions	3,682	14	6,551	10,247
Disposals	(22)	(7)	(2,272)	(2,301)
Reclassification of asset classes	-	-	-	-
Work in progress movements	714	-	104	818
<b>Balance at 30 June 2012</b>	<b>18,246</b>	<b>1,120</b>	<b>21,478</b>	<b>40,844</b>

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	<b>Furniture and fittings</b>	<b>Office equipment</b>	<b>Computer hardware</b>	<b>Total</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b><i>Accumulated depreciation</i></b>				
Balance at 1 July 2010	6,932	895	11,218	19,045
Depreciation expense	1,013	85	4,827	5,925
Eliminate on disposal	(83)	(59)	(4,658)	(4,800)
Reclassification of asset classes	212	-	(45)	167
<b>Balance at 30 June 2011</b>	<b>8,074</b>	<b>921</b>	<b>11,342</b>	<b>20,337</b>
Balance at 1 July 2011	8,074	921	11,342	20,337
Depreciation expense	1,188	55	4,159	5,402
Eliminate on disposal	(22)	(8)	(2,106)	(2,136)
Reclassification of asset classes	-	-	-	-
<b>Balance at 30 June 2012</b>	<b>9,240</b>	<b>968</b>	<b>13,395</b>	<b>23,603</b>
<b><i>Carrying amounts</i></b>				
At 1 July 2010	5,486	120	8,444	14,050
At 30 June and 1 July 2011	5,798	192	5,753	11,743
At 30 June 2012	9,006	152	8,083	17,241

Carrying amounts at year-end are stated at cost less accumulated depreciation and include work in progress relating to furniture and fittings \$714,000 (2011: \$nil) and computer hardware \$412,000 (2011: \$308,000).

There are no restrictions over the title of Statistics New Zealand's property, plant, and equipment. No items of property, plant, and equipment are pledged as security for liabilities.

## 15. Intangible assets

	Software	Internally generated assets	Total
	\$000	\$000	\$000
<b>Cost</b>			
Balance at 1 July 2010	7,225	44,412	51,637
Additions	941	3,497	4,438
Disposals	(1,430)	(224)	(1,654)
Reclassification of asset classes	2,398	(2,949)	(551)
Work in progress movements	(179)	2,094	1,915
<b>Balance at 30 June 2011</b>	<b>8,955</b>	<b>46,830</b>	<b>55,785</b>
Balance at 1 July 2011	8,955	46,830	55,785
Additions	1,540	8,863	10,403
Disposals	(282)	(426)	(708)
Reclassification of asset classes	-	-	-
Work in progress movements	(1)	(2,093)	(2,094)
<b>Balance at 30 June 2012</b>	<b>10,212</b>	<b>53,174</b>	<b>63,386</b>
<b>Accumulated amortisation and impairment losses</b>			
Balance at 1 July 2010	4,685	27,085	31,770
Amortisation expense	849	4,288	5,137
Eliminate on disposal	(1,419)	(215)	(1,634)
Reclassification of assets class	1,586	(1,753)	(167)
Impairment losses	-	-	-
<b>Balance at 30 June 2011</b>	<b>5,701</b>	<b>29,405</b>	<b>35,106</b>
Balance at 1 July 2011	5,701	29,405	35,106
Amortisation expense	1,151	4,263	5,414
Eliminate on disposal	(282)	(425)	(707)
Reclassification of assets class	-	-	-
Impairment losses	-	-	-
<b>Balance at 30 June 2012</b>	<b>6,570</b>	<b>33,243</b>	<b>39,813</b>

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Table continued

	Software	Internally generated assets	Total
Cost	\$000	\$000	\$000
<i>Carrying amounts</i>			
At 1 July 2010	2,540	17,327	19,867
At 30 June and 1 July 2011	3,254	17,425	20,679
At 30 June 2012	3,642	19,931	23,573

Carrying amounts at year-end are stated at cost less accumulated amortisation and include work in progress relating to internally generated assets of \$3,080,000 (2011: \$5,173,812).

There are no restrictions over the title of the Statistics New Zealand's intangible assets. No intangible assets are pledged as security for liabilities.

## 16. Taxpayers' funds

2011 Actual \$000	2012 Actual \$000
<i>General funds</i>	
50,262 Balance at 1 July	48,609
(187) Net surplus/(deficit)	3,876
- Capital contribution from the Crown	-
(1,466) Provision for repayment of surplus to the Crown	(3,301)
<b>48,609 Total taxpayers' funds</b>	<b>49,184</b>

## 17. Reconciliation of net surplus/(deficit) to net cash from operating activities

2011 Actual		2012 Actual
\$000		\$000
(187)	Net operating (deficit)/surplus	3,876
	<i>Add/(less) non-cash items:</i>	
11,062	Depreciation and amortisation	10,816
158	Increase/(decrease) in non-current employee entitlements	205
(359)	Increase/(decrease) in non-current provisions	(30)
<b>10,861</b>	<b>Total non-cash items</b>	<b>10,991</b>
	<i>Add/(less) working capital movements:</i>	
(153)	Decrease/(increase) in debtors and receivables	79
(449)	Decrease/(increase) in advances and prepayments	(89)
(2,445)	Increase/(decrease) in creditors and other payables	1,456
(1,260)	Increase/(decrease) in GST payable	1,833
13,887	Increase/(decrease) in Provision - Creditor Crown	(13,706)
-	Increase/(decrease) in current provisions	-
528	Increase/(decrease) in employee entitlements	409
567	Increase/(decrease) in deferred revenue	(43)
<b>10,675</b>	<b>Net working capital movements</b>	<b>(10,061)</b>
	<i>Add/(less) investing activity items:</i>	
-	(Gain)/loss on reduction of work in progress	-
1,073	(Gain)/loss on sale of fixed assets	144
<b>22,422</b>	<b>Net cash flows from operating activities</b>	<b>4,950</b>

## 18. Related-party transactions and key management personnel

### Related-party transactions

All related-party transactions have been entered into on an arms' length basis.

Statistics New Zealand is a wholly-owned entity of the Crown.

### *Significant transactions with government-related entities*

Statistics New Zealand has been provided with funding from the Crown of \$98.711 million (2011: \$124.516 million) for specific purposes as set out in its founding legislation and the scope of the relevant government appropriations.

### *Collectively, but not individually, significant, transactions with government-related entities*

In conducting its activities, Statistics New Zealand is required to pay various taxes and levies (such as GST, FBT, PAYE, and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies, other than income tax, is based on the standard terms and conditions that apply to all tax and levy payers. As a Government Department, Statistics New Zealand is exempt from paying income tax.

Statistics New Zealand purchases goods and services from entities controlled, significantly influenced, or jointly controlled by the Crown. Purchases from these government-related entities for the year ended 30 June 2012 totalled \$6.441 million (2011: \$5.895 million). These purchases included the purchase of information and services from agencies such as the Accident Compensation Corporation, Meridian Energy, and New Zealand Post, and payments to the Government Superannuation Fund and the Treasury (capital charge).

Statistics New Zealand sells services to entities controlled, significantly influenced, or jointly controlled by the Crown. Sales to these government-related entities for the year ended 30 June 2012 totalled \$6.542 million (2011: \$7.555 million). These sales included the undertaking of surveys and the provision of customised information services, which were provided to agencies including the Ministry of Primary Industries, Ministry of Economic Development, and the Ministry of Science and Innovation. Revenue was also received from the State Services Commission for the reimbursement of superannuation costs.

### *Key management personnel compensation*

<b>2011 Actual</b>		<b>2012 Actual</b>
<b>\$000</b>		<b>\$000</b>
1,764	Salaries and other short-term employee benefits	2,004
-	Post-employment benefits	-
-	Other long-term benefits	-
-	Termination benefits	-
<b>1,764</b>	<b>Total key management personnel compensation</b>	<b>2,004</b>

Key management personnel are the Government Statistician and the seven members of the Senior Management Team which forms the Board.

## 19. Events after the balance sheet date

There have been no significant events after the balance sheet date.

## 20. Financial instruments

### *Financial instrument categories*

The carrying amounts of financial assets and financial liabilities in each of the NZ IAS 39 categories are as follows:

2011 Actual		2012 Actual
\$000		\$000
<b><i>Loans and receivables</i></b>		
43,619	Cash and cash equivalents	27,748
1,041	Debtors and other receivables	2,437
<b>44,660</b>	<b>Total loans and receivables</b>	<b>30,185</b>
<b><i>Financial liabilities measured at amortised cost</i></b>		
4,179	Creditors and other payables	5,635

### Financial instrument risks

Statistics New Zealand's activities expose it to a variety of credit risk and liquidity risks. The department has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

#### Credit risk

A credit risk is the risk that a third party will default on its obligation to the department, causing the department to incur a loss. In the normal course of its business, credit risk arises from debtors and deposits with banks.

The department is only permitted to deposit funds with Westpac, a registered bank, and enter into foreign exchange forward contracts with the New Zealand Debt Management Office. These entities have high credit ratings. For its other financial instruments, the department does not have significant concentrations of credit risk.

The department's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and net debtors and other receivables. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.



### Liquidity risk

Liquidity risk is the risk that the department will encounter difficulty raising liquid funds to meet commitments as they fall due. In meeting its liquidity requirements, the department closely monitors its forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office. The department maintains a target level of available cash to meet liquidity requirements. The table below analyses the department's financial liabilities that will be settled based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are undiscounted and based on the contractual cash flows, and are equal to the carrying amounts.

	Less than 6 months  \$000	Between 6 months and 1 year  \$000	Between 1 and 5 years  \$000
2011			
Creditors and other payables (note 9)	4,179	-	-
2012			
Creditors and other payables (note 9)	5,635	-	-

## 21. Capital management

The department's capital is its equity (or taxpayers' funds), which comprise general funds and revaluation reserves. Equity is represented by net assets.

The department manages its revenues, expenses, assets, liabilities, and general financial dealings prudently. The department's equity is largely managed as a by-product of managing income, expenses, assets, liabilities, and compliance with the Government Budget processes, Treasury Instructions, and the Public Finance Act 1989.

The objective of managing the department's equity is to ensure that the department effectively achieves its goals and objectives for which it has been established, while remaining a going concern.

## 22. Explanations of major variances against budget

Explanations for major variances from the department's budgeted figures in the Information Supporting the Estimates (Main Estimates) are detailed below. The Main Estimates were prepared prior to a decision being made on a post 2011 Census.

### Statement of comprehensive income

#### Revenue Crown

Revenue Crown was \$7.527 million lower than budgeted. As a result of the decision to defer the 2011 Census to 2013, due to the Christchurch earthquakes, a number of post census social surveys were also deferred, which resulted in \$4.0 million of revenue Crown being transferred to future years. Following the decision to hold a 2013 Census, \$2.1 million of revenue Crown was transferred forward into future years of the 2013 Census Multi-Year Appropriation. The earthquakes also affected the Stats 2020 transformation project, and \$1.0 million of funding was transferred to future years. Revenue Crown for 2013 Census was lower than budgeted by \$0.854 million, as revenue relating to Multi Year Appropriations is only recognised up to the level of actual expenses incurred.

### ***Revenue other***

Other revenue earned was \$1.547 million lower than budgeted, mainly due to third party funded activities that did not eventuate during the year.

### ***Expenditure***

Total expenditure was \$12.928 million lower than budgeted. The \$7.527 million reduction in revenue Crown, as explained above, had commensurate decreases in expenditure, due to those activities not taking place. In addition, \$1.5 million of expenditure was not incurred in relation to Stats 2020 transformation activities during 2011/12, with these activities now taking place in 2012/13. An in-principle expense transfer has been approved to enable the funding for these activities to be transferred into 2012/13. Efficiency savings in project and operational activities of \$1.8 million were also achieved during the year. And an in-principle transfer has been approved to enable the retention of a portion of these savings. Expenditure on servicing third party information requests, which are funded on a cost recovery basis by third party revenue, was lower than budget by \$1.547 million.

### **Statement of financial position**

#### ***Working capital***

Current assets and liabilities fluctuate due to the phasing of revenue and expenditure across the year, and the resultant timing of year end payments and receipts. Overall working capital is \$2.928 million lower than budgeted, driven by the provision to repay the surplus to the Crown of \$3.301 million, creditor Crown of \$0.983 million, and a change from a budgeted GST receivable of \$0.837 to an actual payable of \$0.996 million. These increases were partially offset by a decrease in creditors and other payables of \$2.353 million, and an increase in cash of \$1.211 million.

#### ***Property, plant, and equipment***

Property, plant, and equipment is higher than budget by \$2.285 million, as the actual balance includes the costs of repairing and replacing items in Statistics New Zealand's main Christchurch office, following the damage sustained in the earthquakes.

#### ***Intangible assets***

Intangible assets are lower than budget by \$2.476 million due to delays in the start of capital projects. A number of project teams were Christchurch based, and their work programmes were disrupted by the earthquakes.



## 6 Publications released in 2011/12

The following is an indicative list of Statistics NZ's publications for 2011/12.

### **Statistical releases (number published, if more than one)**

2011 Tokelau Census of Population and Dwellings – tables (2)  
Abortion statistics (2)  
Accommodation Survey (12)  
*Agricultural Production Statistics: June 2011 (final)*  
*Agricultural Production Statistics: June 2011 (provisional)*  
Agricultural production tables for Federation of Māori Authorities  
*Alcohol Available for Consumption: Year ended December 2011*  
*Annual Enterprise Survey: 2010 financial year (provisional)*  
*Annual Local Authority Financial Statistics: Year ended June 2010*  
Balance of Payments and International Investment Position (5)  
*Bioscience Survey: 2011*  
Births and Deaths (4)  
Building Consents Issued (12)  
*Business Operations Survey: 2011*  
Capital Goods Price Index (4)  
*Census of International Trade in Services and Royalties: Year ended June 2011*  
Child and Youth Offender Statistics: 2010 calendar year – tables  
Child and Youth Offender Statistics: 2011 calendar year – tables  
Christchurch Retail Trade Indicator (2)  
Civil Unions and Marriages – tables (4)  
Cohort Life Tables (2)  
Consumers Price Index (4)  
Criminal Conviction and Sentencing Statistics: 2010 – tables  
Criminal Conviction and Sentencing Statistics: 2011 – tables  
*Crown Research Institute Statistics: Year ended 30 June 2011*  
Digital boundaries annual update: 2011  
District health tables (3)  
Dwelling and Household Estimates – tables (4)  
Economic Survey of Manufacturing (4)  
Electronic Card Transactions (12)  
*Energy Use Survey: Services sectors 2010*  
*Farm Expenses Price Index: March 2012 quarter*  
Food Price Index (12)  
*General Social Survey: 2010*  
*Government Finance Statistics for Local Government: Year ended June 2010*

Gross Domestic Product (5)  
*Gross Domestic Product: December 2011 quarter (new industry classification)*  
*Household Economic Survey (Income): Year ended 30 June 2011*  
 Household Labour Force Survey (4)  
 Household Labour Force Survey: Estimated Working-age Population (4)  
*Industry Productivity Statistics: 1978–2010*  
*Information and Communication Technology Supply Survey: 2009/10*  
*Injury Statistics – Work-related Claims: 2010*  
*Institutional Sector Accounts: 1999–2009*  
 International Travel and Migration (12)  
*Internet Service Providers Survey: June 2011*  
*Labour Cost Index (All Labour Costs): June 2011 quarter*  
 Labour Cost Index (Salary and Wage Rates) (4)  
 Local Authority Statistics (3)  
 Māori Population Estimates: at 30 June 1991–2011 – tables  
 Māori Population Estimates: Mean year ended 31 December 1991–2011 – tables  
*Marriages, Civil Unions, and Divorces: Year ended December 2011*  
*National Accounts: Year ended March 2011*  
 National Employment Indicator (4)  
 National Population Estimates (4)  
 New Zealand Abridged Period Life Tables (2)  
*New Zealand Business Demography Statistics: At February 2011*  
*New Zealand Income Survey: June 2011 quarter*  
 New Zealand Recorded Crime Statistics: 2011 calendar year – tables  
 Overseas Merchandise Trade (12)  
 Overseas Trade Indexes (Prices) (4)  
 Overseas Trade Indexes (Volumes) (4)  
 Producers Price Index (4)  
*Productivity Statistics: 1978–2011*  
 Quarterly Employment Survey (4)  
*Research and Development Survey: 2010*  
 Retail Trade Survey (5)  
*Screen Industry Survey: 2010/11*  
*Student Loans and Allowances: 2010*  
 Subnational population estimates by age and sex: At 30 June 2011 – tables  
*Subnational Population Estimates: At 30 June 2011*  
 Value of Building Work Put in Place (4)  
 Wholesale Trade Survey (4)

## Reports and papers

2011 Tokelau atoll profiles (3)

*Annual Report of Statistics New Zealand for the year ended 30 June 2011*

*Canterbury labour market: A snapshot after the 22 February 2011 earthquake*

*Census data user guide*

*Childcare use and work arrangements in 1998 and 2009*

*Considering population in policy: Guide for policy analysts and planners*

*Consumers Price Index: 2011 review*

*Crowded housing in New Zealand 1986–2006*

*Demographic Trends: 2011*

*Estimating local populations after the 2010/11 Canterbury earthquakes*

*Ethnicity and crowding: A detailed examination of crowding among ethnic groups in New Zealand 1986–2006*

*Evaluation of alternative data sources for population estimates*

*Exploring the disaggregation of industry multifactor productivity*

*Final count for the 2011 Tokelau Census of Population and Dwellings*

*Finding the crowding index that works best for New Zealand*

*Food price index review: 2011*

*Future New Zealand censuses: Implications of changing census frequency or adopting other models*

*Global New Zealand*

*Health and Pacific peoples in New Zealand*

*Household crowding in New Zealand compared with selected countries*

*How prepared are New Zealanders for a natural disaster?*

*Impact of the Canterbury earthquakes on New Zealand's gross domestic product*

*Improvements to New Zealand's international investment position statistics*

*Innovation in New Zealand: 2011*

*Integrated Data Infrastructure – reports (2)*

*International Visitor Arrivals – reports (12)*

*Labour hours paid for productivity statistics*

*New Zealand in Profile: 2012*

*Parents supporting children who do not live with them*

*Population mythbusters*

*Privacy impact assessment for the feasibility study for linking HLFS data with LEED data*

*Productivity Statistics: Sources and methods (Eighth edition)*

*Profile of Tokelau Ata o Tokelau*

*Progress report for 2009 review of crime and criminal justice statistics: July 2011*

*Progress report for the 2009 review of housing statistics: December 2011*

*Provisional count 2011 Tokelau Census*

*Review of the New Zealand institutional sector classification*

*Serious injury outcome indicators 1994–2010*

*Severe crowding in New Zealand since 1921*

*Social and population statistics architecture for New Zealand*

*Tatauranga Umanga Māori*

*Te Ao Mārama 2012*

*The effect of geographical location on New Zealanders' use of time: Facts from the New Zealand Time Use Survey 2009/10*

*The future approach to the New Zealand General Social Survey – A consultation paper*

*Tourism Satellite Account: 2011*

*Using cellphone data to measure population movements*

*Transforming the New Zealand Census of Population and Dwellings: Issues, options, and strategy*

*Treatment of the 2011 Rugby World Cup in New Zealand's balance of payments and national accounts*

*Water Physical Stock Account: 1995–2010*

*Young people not in employment, education, or training*

## **Media releases**

Media releases published with information releases (172)

*1.5 millionth Aucklanders could be born today*

*Collectively owned Māori farms much larger than the average New Zealand farm*

*Digital yearbook collection officially launched*

*Impact of Canterbury earthquakes captured in GDP*

*Most of Tokelau's people are aged under 30 years*

*New baby most likely Auckland's 1.5 millionth resident*

*New Zealanders more prepared for disasters following Canterbury quake*

*Queen's Diamond Jubilee 1952–2012*

*The countdown begins – 12 months till census*

*Tokelau has world's second-smallest population*

*Tokelau census taken, despite disruption caused by water shortage*

*Where will you be on 5 March 2013?*

## **Statistics NZ Working Paper series**

*Capital-labour substitution elasticities in New Zealand: One for all industries? (No 12-01)*

*Finding the crowding index that works best for New Zealand (No 11-04)*

*Measuring business births and deaths in quarterly job-flow data (No 11-03)*

*Visualising official statistics (No 11-02)*

## **Newsletters**

Building Consents Newsletter

Business Performance Newsletter

Census Advisory

Community Statistics Newsletter

Economic News

Expert Data Users News

Price Index News

The Source

StatsNews

StatZing!

## Appendix 1 – Performance Improvement Framework

The State Services Commission reviewed Statistics NZ as part of a central agency initiative to help senior leaders drive performance improvement across the state services. The review assessed our performance and identified priority areas for action.

The report can be found on the State Services Commission website, [www.ssc.govt.nz/pif](http://www.ssc.govt.nz/pif). Appendix table summarises the review's recommendations and the progress we've made so far.

### Appendix table

#### Our progress towards Performance Improvement Framework recommendations

Recommendation	Progress to 30 June 2012
1. Develop and get early agreement with central agencies to the milestones that they will monitor on behalf of the Government and with the Treasury to the triggers for the continued funding for Stats 2020. Break the ten-year programme into thirds to sharpen early delivery of results, while retaining some flexibility in the details of out-year commitments.	<p>We agreed with central agencies on an approach for monitoring Stats 2020 milestones. This approach includes an independent review of the programme, ongoing monitoring of specific milestones, and quarterly reporting to central agencies.</p> <p>We provided quarterly progress reports to central agencies.</p>
2. Flesh out the vision for Stats 2020 in detail that explains what the future will look like for the various stakeholders and when.	<p>We developed a detailed roadmap for the first stage of Stats 2020 by identifying key outcomes that we should achieve at the end of each year.</p> <p>We developed a 'transformation' visual, which is a graphical representation of the internal vision for Stats 2020.</p>
3. Strengthen HR functioning including: <ul style="list-style-type: none"><li>• Embedding an effective HR management and leadership function</li><li>• Finalising a remuneration strategy to support the organisational transformation</li><li>• Strengthening performance management application</li><li>• Introducing an enhanced remuneration banding structure.</li></ul>	<p>In November 2011, an independent review of our People Strategy concluded that we made a huge effort in completing the detailed planning to support the Stats 2020 transformation programme. The review noted that:</p> <ul style="list-style-type: none"><li>• we sourced external specialist expertise in both change management and remuneration systems to develop the plans, and will continue to access them as required</li><li>• we completed the level of detailed planning in a short time, which is commendable and increased the confidence of those interviewed.</li></ul>

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Table continued

Recommendation	Progress to 30 June 2012
<p>4. Strengthen change management capacity, including:</p> <ul style="list-style-type: none"> <li>• Change management budgeting</li> <li>• Further development of the strategic CFO function to:               <ul style="list-style-type: none"> <li>○ Support Stats 2020</li> <li>○ Contribute to a wider integrated performance reporting system</li> <li>○ Build in to the management systems advanced and robust methods for managing assets, liabilities and multi-year budgets.</li> </ul> </li> <li>• Internal and external key performance indicator finalisation backed by routine and prompt monitoring and reporting</li> <li>• Internal understanding and 'buy-in' by staff through strengthened cascading of messages from the top through all levels of management in regard to what transformation means for them</li> <li>• Implementation of external assurance to support the CE</li> <li>• Enhanced organisational strategic risk management.</li> </ul>	<p>We focused on job evaluation and on developing a new performance management system. Both had staff and Public Service Association participation. We are also working on reviewing and replacing leadership accountabilities.</p> <p>In June 2012, we won the Public Sector Excellence Award for the category 'Improving performance through leadership excellence' with our programme 'Leading from where you stand'.</p> <p>We established the Culture and Change business unit, which began implementing the culture and change programme initiatives.</p> <p>The Government Statistician established an ongoing relationship with Mt Eliza business school to assist him and the Board with developing capability in change leadership. Mt Eliza will also provide independent advice and will review our culture and change management programme.</p> <p>We assessed our planning and performance management processes against the Hackett best practice framework.</p> <p>We continuously implemented the culture and change programme across the organisation. Our focus was on growing and sustaining a high performance culture and developing our leadership behaviours. Senior leaders and first-level leaders worked together to drive engagement in the change process. All staff were involved in regular staff engagement workshops, which focused on change and the Stats 2020 vision. From the results of the survey we created a visual which depicts our transformation.</p> <p>We undertook a culture survey and the results are now being used by teams to inform their work and practice.</p>

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Recommendation	Progress to 30 June 2012
5. Ensure robust management (internal and external) of the three strategic papers going to Cabinet before June 2012.	<p>In March 2012, Cabinet endorsed the recommendations of our papers on the census transformation and on Tomorrow's Official Population and Social Statistics programme.</p> <p>The Cabinet Economic Growth and Infrastructure Committee considered the Tier 1 statistics paper in June, and agreed to the revised list with only one amendment. Cabinet agreed to this list in July, and endorsed the overall framework. They also confirmed the policy and protocols regime, including the existing release protocol.</p> <p>We lodged the <i>Independent review of the Statistics New Zealand People Strategy</i> with the Officials' Cabinet Expenditure Control Committee in November 2011. In May 2012 we reported back to the Cabinet Committee on State Sector Reform and Expenditure Control on our progress with our People Strategy.</p>
6. Extend the vision for Official Statistics System management responsibility and impact, including strengthening partnering with the Treasury; reviewing the Advisory Committee on Official Statistics value for money; and giving consideration to strengthening and better utilising the Statistics Act to better empower the Official Statistics System leadership role of the Government Statistician and Statistics NZ.	<p>We strengthened our partnership with Treasury through engagement with their senior leadership team, and through collaboration to develop their Living Standards Framework.</p> <p>We continued to work across government through our involvement in the Better Public Services programme. We worked with agencies to develop measures for the programme's top 10 result areas and assisted Treasury on the Cabinet paper that outlined the processes for managing and releasing these results. We continued to contribute actively to two specific result areas.</p> <p>The Government Statistician's purchase advice for government statistical production for the fiscal year 2012/3 was accepted by budget ministers for consideration.</p> <p>In August 2011, we welcomed the Treasury into the Official Statistics System Chief Executives' Steering Group (and the supporting Senior Officials Group) to provide a cross-portfolio focus.</p>

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Table continued

Recommendation	Progress to 30 June 2012
<p>7. Strengthen Statistics NZ organisational management, including:</p> <ul style="list-style-type: none"> <li>Continue to strengthen internal governance, including: concluding planned effectiveness reviews and implementing enhancements; and finalising outstanding governance composition and/or modus operandi for existing governance structures</li> <li>Implement processes and disciplines that will future-proof (during and post-Stats2020) ongoing IT asset repair and maintenance/replacement, upgrade and enhancement</li> <li>Further embed a key performance indicator-based active performance culture and capability throughout the organisation, including staff development to support this.</li> </ul>	<p>We commissioned an external review of Official Statistics System governance, which showed that the Advisory Committee on Official Statistics' role and purpose was clear and its structure and membership were fundamentally sound. The Advisory Committee on Official Statistics evolved over the year to enhance its value and advice to the Minister of Statistics. However, there is potential to further strengthen the role of Official Statistics System partners in the leadership of the Official Statistics System.</p> <p>See also recommendation 8 for changes to the Statistics Act 1975.</p> <p>The Government Statistician was appointed to Treasury's external panel to test its analysis of the Crown's long-term fiscal position.</p> <p>We began the Stats 2020 business intelligence project and will develop key performance indicators.</p> <p>An Independent Quality Assurance assessment of our Stats 2020 transformation programme was conducted. Overall, this review found that the programme made very good progress towards establishing an appropriate programme and project management environment. We began responding to a series of recommendations to improve the overall programme management.</p> <p>We reviewed the effectiveness of current Stats 2020 governance structures, roles, and processes, before the formal review due in December 2012. We are also addressing recommendations from this interim review.</p> <p>We completed an external review of procurement and we will reposition our procurement function across the organisation to add more value and seek savings.</p> <p>We continued to develop the long-term asset management plan and the activity-based costing project is also underway.</p>

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Table continued

Recommendation	Progress to 30 June 2012
8. Finalise and transparently communicate guidelines for external access / eligibility / cost / dissemination / reach for data and statistical information.	<p>The Regulatory Reform Bill completed its second reading in March. The amendments in the bill included extending the Government Statistician's discretion to allow wider access to microdata.</p> <p>We continued to trial remote access as planned, with trial participants very positive about it.</p> <p>Since we introduced the accredited researcher scheme in November 2011, we offered 11 researchers accreditation and nine have accepted.</p> <p>We established a position for a Microdata Access Coordinator.</p> <p>We made changes to our website, which included adding information on pricing for microdata access and an updated link to the microdata access policy. Information on the microdata application process and eligibility was improved. We will make more changes once the Statistics Act is amended.</p> <p>We continued to participate in the Open Government Information and Data Re-use Project.</p>
9. Demonstrably lead and add value to the government-wide statistics profession.	<p>We offered regular Official Statistics System seminars that attracted both internal and external users of official statistics. This series delivers 10 seminars annually, drawing on local and international speakers.</p> <p>We offered state sector employees the opportunity to do individual modules of the National Certificate in Public Sector Services (Official Statistics). This course helps policy analysts and advisors deliver high-quality quantitative analysis.</p>

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Recommendation	Progress to 30 June 2012
10. Finalise and communicate the organisational scope (internally and externally) in regard to the Statistics NZ story telling/analytical value-add role.	<p>We finalised the guide <i>How to tell a story using official statistics</i> and disseminated this to staff. The guide is an important tool to help staff become more effective storytellers so people become more informed through statistics. The guidelines demonstrate how to turn statistics into a story to catch people's attention.</p> <p>We encouraged the use of plain English in telling stories. This resulted in Statistics NZ winning the WriteMark 2011 Best Plain English Award for Best Organisation in November 2011.</p> <p>We continued our research on the levels of analysis and interpretation different user groups need from us. Our focus is now on the external user consultation phase.</p> <p>We initiated regular communication with market analysts and other key users to find ways of enhancing our value-add role.</p>
11. Give consideration to implementing sustainable 'blue-sky' research and development processes to support ongoing organisational innovation, which will support fundamental business system changes.	<p>We continued working on our Research Priorities and Planning project, which is part of Stats 2020. We created a coordinating committee of senior staff who are working on a stocktake of all current research across the organisation, and a set of priorities and criteria for assessing our quality of research.</p> <p>We continued working on four projects under the Business Improvement Programme. This programme was restarted at the end of 2011, with a focus to fund small projects with a return of investment of two years or less. These projects aim to improve our operations and current systems, and develop and implement new or updated systems.</p>



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