



Statement of Performance Expectations

1 July 2026 to 30 June 2027



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to section 149L of the Crown Entities Act 2004








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Introduction by the Privacy Commissioner

I am committed to the Office of the Privacy Commissioner making privacy a core focus for agencies – in order to protect New Zealanders from harm, to enable organisations to achieve their own objectives, and to safeguard our free and democratic society.

The urgent need to deliver on this purpose is seen in the results we received in response to our most recent privacy survey of New Zealanders¹:

- 82% wanted more control and choice over the collection and use of their personal information
- 66% agreed that protecting personal privacy is a major concern
- 66% would consider changing service providers if they heard they had poor privacy and security practices
- 71% were concerned about the privacy of children, including when they use social media
- 67% were concerned about government agencies or businesses using AI to make decisions about them, using their personal information
- 52% of respondents were more concerned about privacy issues over the last few years.

Results such as these always prompt me to ask a number of difficult questions. How can my Office best increase the privacy understanding and capabilities of public and private sector agencies? How can they lift their ability to provide assurance to citizens and customers that their right to privacy is being taken seriously? How can New Zealand best balance public good goals around things like public safety, and privacy?

Our answer to these challenges is this Statement of Performance Expectations, which represents another step towards implementing our strategy set out in the Statement of Intent 2026–2030.



WANTED MORE CONTROL AND CHOICE OVER THE COLLECTION AND USE OF THEIR PERSONAL INFORMATION

1. *Research on Privacy Concerns and Use of Personal Information*, AK Research and Consulting, April 2026

In 2026/27 we will undertake a range of activities under our four objectives:



We advocate for and empower people and communities who are more likely to be vulnerable to serious privacy harm.

We will be developing an engagement programme focused on educating New Zealanders, and in particular Māori, on their privacy rights, and continuing to advocate for modernisation of the privacy regulatory framework.



We provide direction and guidance to agencies that makes our expectations clear.

We will develop a regulatory stewardship programme for Codes of Practice, provide direction to agencies who are implementing the new Information Privacy Principle 3A, and will provide additional guidance to the retail sector.



We use our investigation and compliance powers to hold agencies to account for serious privacy harm.

We will keep implementing recommendations arising from a review of our public complaints and enquiries functions, and will complete the Inquiry into the cyber security breach affecting the Manage My Health Limited patient portal.



We take account of te ao Māori perspectives on privacy.

We will continue to discuss and receive feedback and advice on our work programme with Te Ranga Tautiaki, our Māori Reference Panel.

These activities will be just a fraction of the work that we undertake during the year. Every week, privacy complaints, notifications of privacy breaches and Government legislative proposals will arrive. The challenge of implementing our strategy becomes all the more real when you consider that between 2023/24 and 2024/25 the number of privacy complaints we received increased by 21% and the number of serious privacy breaches notified to us rose by 43%.

Success will only be possible through the continued hard work of the staff of my Office and I would like to thank them once more for their efforts. I look forward to the coming year as my Office continues to focus on the ambitious goal of a nation where New Zealanders can have trust and confidence in the way their personal information is protected and cared for, for the benefit of all.

Michael Webster
Privacy Commissioner
30 June 2026

Alignment with the Statement of Intent

The Statement of Performance Expectations is provided under the Crown Entities Act 2004 and aligns with the Privacy Commissioner's strategy as articulated in the Statement of Intent.

The Statement of Intent was updated for the period July 2026 to June 2030 and refreshed the strategic framework of the Office. These changes included relatively small adjustments to our purpose, outcomes and objectives. Our functions and values were more significantly changed. For the functions, our work to provide agencies with guidance was made more explicit, leading to scope changes within other functions. Our organisational values were completely reviewed and updated in 2026.

The diagram opposite sets out the new strategic framework.

The work of our Office also contributes to the broader outcomes of the Ministry of Justice, which are:

- ✓ **Trusted and legitimate**
That New Zealanders trust, view as legitimate, and have confidence in the outcomes of the justice and constitutional systems.
- ✓ **Accessible and effective**
Ensuring that people and businesses that seek to resolve disputes or seek justice can use the legal system to obtain an outcome by means of a fair and open process.
- ✓ **Safe and prosperous society**
Allowing people to live without fear, participate fully in society, and pursue opportunities without worry about potential harm.

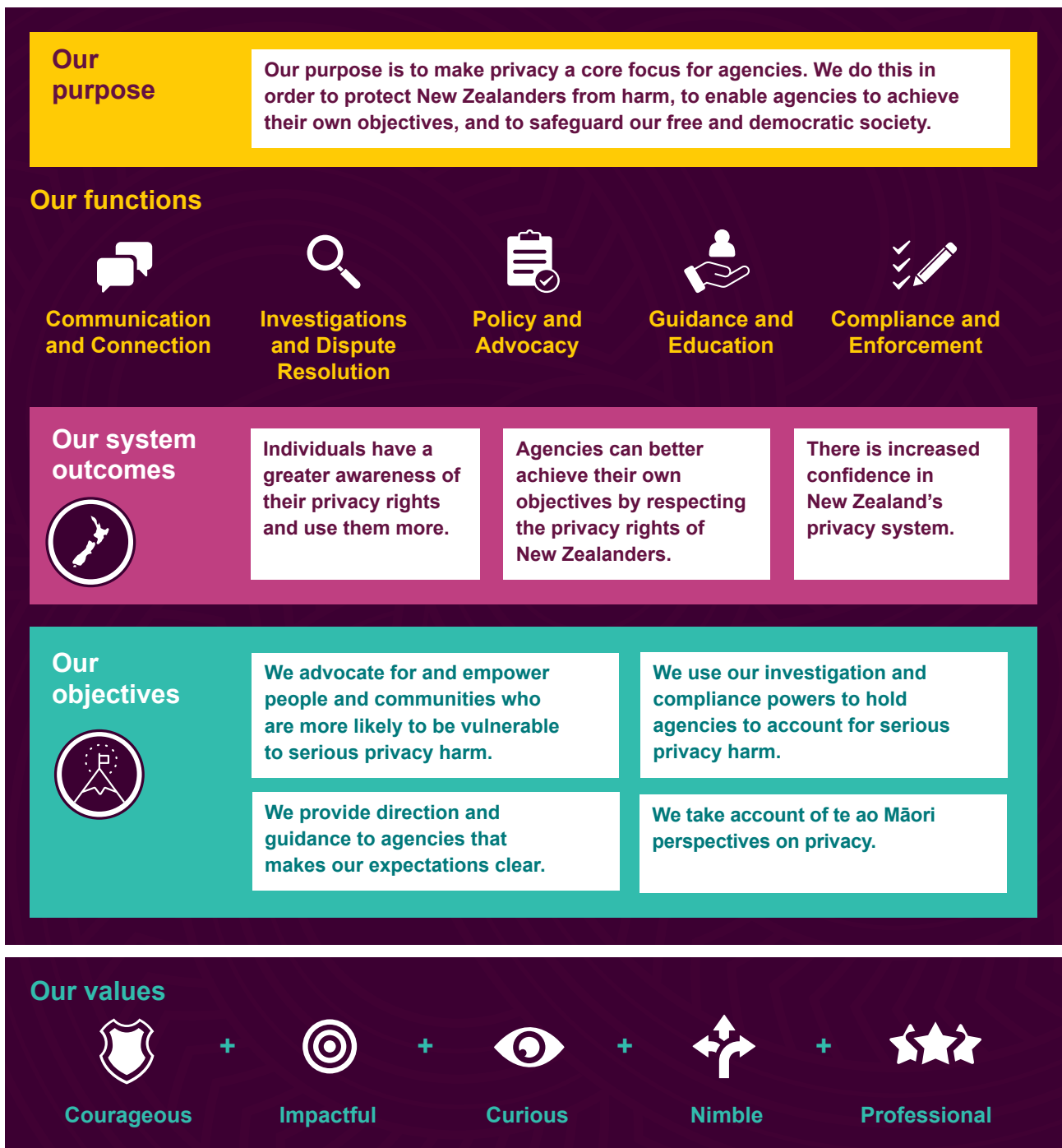
This Statement of Performance Expectations provides further detail on how our Office will deliver on its vision, outcomes and objectives. It also sets out how the Office's performance in each functional area will be assessed for the year to 30 June 2027.

The Statement of Intent sets out how our Office will measure the progress towards our outcomes. These measures can be read in the Statement of Intent² and progress towards them will be covered in our Annual Reports.

The Statement of Performance Expectations responds to the expectations as set out in the Annual Letter of Expectations 2026/27 and sets the strategic direction and work programme for the year ahead.

2. <https://www.privacy.org.nz/about-us/corporate-reports/statement-of-intent/>

Our Strategic Framework



Our operating environment

The strategic direction of the Office has been established to help us succeed in the dynamic environment we operate in.

As articulated in our Statement of Intent, we face a range of broad challenges:

- Privacy is highly contextual, where there is no one size fits all.
- The impact and importance of privacy varies, with some people more vulnerable to serious harm and in greater need of assistance.
- The agencies we regulate are many and varied, with our regulated sector extending to nearly the entire public, private and not-for-profit sectors.
- Privacy breaches are increasingly frequent.
- Technology is rapidly changing, introducing new and novel privacy risks that need to be managed.
- There are rising expectations related to the Treaty of Waitangi / Te Tiriti o Waitangi.
- Privacy is increasingly important, with countries increasingly viewing data as 'the new oil'.



Technology is rapidly changing, introducing new and novel privacy risks that need to be managed.

Our specific objectives for the 2026/27 year

To improve privacy outcomes we have set four objectives.



Objective 1:

We advocate for and empower people and communities who are more likely to be vulnerable to serious privacy harm.



Objective 2:

We provide direction and guidance to agencies that makes our expectations clear.



Objective 3:

We use our investigation and compliance powers to hold agencies to account for serious privacy harm.



Objective 4:

We take account of te ao Māori perspectives on privacy.



Objective 1: We advocate for and empower people and communities who are more likely to be vulnerable to serious privacy harm.

Functions that directly support this objective: Communication and Connection.

Our work to engage New Zealanders will improve the awareness and use of privacy rights. There are a range of people and communities more likely to be vulnerable to serious privacy harm and this can relate to demographic factors such as age, ethnicity, disability, sexuality or gender. Being vulnerable can also be situational, such as being a vulnerable patient or migrant worker. We will focus on those people and communities more likely to be vulnerable to serious privacy harm as we believe this is how we can effect the biggest change within our limited resources.

Over the course of the next four years, our activities will include:

- implementing engagement programmes to reach parts of society more likely to be vulnerable to serious privacy harm

- continuously improving the accessibility and usefulness of our brochures and website material targeted at New Zealanders
- advocating for important new privacy rights through Privacy Act modernisation.

Significant activities we will be undertaking in the 2026/27 year include:

- developing an engagement programme focused on educating New Zealanders, and in particular Māori, on their privacy rights
- providing advice to the Ministry of Justice on options to incentivise the protection of personal information from cyber threats, such as introducing a civil pecuniary penalty regime to the Privacy Act 2020³.



Objective 2: We provide direction and guidance to agencies that makes our expectations clear.

Functions that directly support this objective: Policy and Advocacy, Guidance and Education.

Agencies can only make privacy a core focus when they understand and have the capability to meet their privacy requirements. By setting clear directions and guidance, agencies that want to comply with the Privacy Act will be better able to respect the privacy rights of New Zealanders and achieve their own objectives.

Over the course of the next four years, our activities will include:

- providing guidance to agencies on important Privacy Act requirements and technological developments
- meeting our regulatory stewardship responsibilities through reviewing Privacy Act Codes of Practice

- providing targeted one-to-one assistance to agency projects that will have a large impact on privacy system.

Significant activities we will be undertaking in the 2026/27 year include:

- developing a regulatory stewardship programme for Codes of Practice and initiating the first Code review under this programme
- providing direction to agencies who are implementing the new Information Privacy Principle 3A, relating to the indirect collection of personal information
- providing additional guidance to the retail sector, in response to concerns relating to retail crime.

3. This activity relates to Action 8 of the [New Zealand Cyber Security Action Plan 2026-2027](#).



Objective 3: We use our investigation and compliance powers to hold agencies to account for serious privacy harm.

Functions that directly support this objective: Investigations and Dispute Resolution, Compliance and Enforcement.

Confidence in the privacy system requires a privacy regulator that holds agencies to account for serious non-compliance. While our 'harder' powers will always be a minority of the actions we undertake, their use will provide a warning to non-compliant agencies – and support to compliant agencies.

Over the course of the next four years, our activities will include:

- promptly triaging privacy complaints and breach notifications to help focus our activities on areas of serious privacy harm
- using the full range of powers available to us to hold agencies to account
- updating our IT systems to improve the efficiency and effectiveness of our Compliance and Enforcement and Investigations and Dispute Resolution functions.

Significant activities we will be undertaking in the 2026/27 year include:

- implementing recommendations arising from an independent review of our public complaints and enquiries functions, with the objective of resolving privacy harms and maximising limited resources
- completing the Inquiry into the Cyber Security Breach affecting the Manage My Health Limited patient portal.



Objective 4: We take account of te ao Māori perspectives on privacy.

This is a cross-cutting objective that all our functions support.

The Privacy Act⁴ requires the Privacy Commissioner to take account of cultural perspectives on privacy when performing any statutory function or duty and in exercising any statutory power. The privacy surveys that we commission also show that Māori are more concerned about privacy and personal information than other New Zealanders.

Taking account of te ao Māori perspectives on privacy will enable us to not only to act in accordance with the principles of the Treaty of Waitangi, but to better connect with Māori and Māori organisations. We will work to ensure that our significant work programmes appropriately consider and take account of te ao Māori perspectives.

Over the course of the next four years, our activities will include:

- continuing our staff training on Te Rēo Māori, tikanga, and kawa
- consulting on our work with our Māori reference panel, Te Ranga Tautiaki
- implementing an engagement programme focused on engaging Māori on their privacy rights.

Significant activities we will be undertaking in the 2026/27 year include:

- continuing our internal training programme for staff
- continuing to discuss, and receive feedback and advice on, our work programme with Te Ranga Tautiaki.

4. Privacy Act 2020, s 21(c)

Functions

Function

Outputs

Communication and Connection



- We use our website and brochures to inform people about their privacy rights in a simple and concise way.
- We promote privacy understanding through engaging New Zealanders both in person and through the media on issues of public and media interest.
- We undertake engagement focused on those parts of society more likely to be vulnerable to serious privacy harm.

Investigations and Dispute Resolution



- We use dispute resolution techniques for individual complaints and where we can encourage the settlement of a complaint between the parties.
- We undertake full investigations where necessary and appropriate, and refer serious cases to the Director of Human Rights Proceedings to consider bringing to the Human Rights Review Tribunal.
- Where appropriate, we can direct agencies to provide individuals access to their personal information.

Policy and Advocacy



- We provide advice to the government on new legislation and policy proposals, including for government information sharing.
- We set clear expectations for agencies through clear positioning of our Office as a regulator and reviewing Codes of Practice.
- We advocate for privacy positive outcomes, including through championing reform to the Privacy Act.

Guidance and Education



- We provide comprehensive and clearly written guidance to agencies.
- We provide e-learning modules so that employees of agencies can build their privacy knowledge.
- We promote the importance and understanding of privacy through events, conferences, and stakeholder engagement.

Compliance and Enforcement



- We proactively identify and investigate systemic issues for possible intervention.
- We receive breach notifications and follow up with agencies on those likely to cause serious harm.
- We undertake monitoring and compliance activities, such as issuing compliance notices, to ensure compliance with the Privacy Act and prosecute offenders if required.

Forecast Service Performance 2026/27

The Privacy Commissioner has developed a set of measures to provide a means to demonstrate both internally and externally that the Office is performing effectively. These measures are set out in the following pages and relate to the Office’s five functions, including one measure that spans across the functions.

The comparative results have been taken from the 2024/25 Annual Report and the 2025/26 Statement of Performance Expectations. Where the comment in the previous year column states “N/A”, this indicates that the target was new for the 2025/26 year and was therefore not reported against in the 2024/25 Annual Report. All new measures have been indicated as such.

Assessment of our performance against the targets identified will be based on the following grading system. This will take into account where performance may have improved but the actual target may not have been met exactly.

Criteria	Rating
On target or better	Achieved
<10% away from target	Substantially achieved
>10% away from target	Not achieved

Basis of preparation

PBE FRS 48 is the relevant reporting standard and establishes generally accepted accounting practice and high-level requirements for reporting on service performance. This standard has been applied when collating the Forecast Service Performance measures for 2026/27. Specifically, a detailed review of the suite of

measures was carried out by the Management and Senior Leadership Team to ensure that the indicators aligned to the functions and priorities of the Office. The review was performed in detail for the Appropriations with a focus on ensuring that the measures were specific, achievable, measurable, relevant and timely.

Taking account of te ao Māori perspectives on privacy

To be an effective privacy regulator, we need to engage effectively with Māori, and to identify and respond to te ao Māori perspectives on privacy. Taking account of te ao Māori

perspectives on privacy is something that must be undertaken across all of our functions. Te Ranga Tautiaki, our Māori Reference Panel, is central to our approach.

How performance will be measured

Measure	Expectation 2026/27	Expectation 2025/26	Previous year 2024/25	How it will be measured
Major projects with te ao Māori implications are discussed with Te Ranga Tautiaki.	Achieved	New Measure	New Measure	Evidence of discussions held.



Function 1 Communication and Connection

What this function covers

Providing clear and simple information about privacy rights through our website and brochures. Promoting understanding through media and public discussion on privacy issues while supporting communities that are more likely to be vulnerable to privacy harm.

How performance will be measured

Measure	Expectation 2026/27	Expectation 2025/26	Previous year 2024/25	How it will be measured
Content improvements made to digital service channels.	Achieved	Achieved	Achieved	Evidence of improvements made.
Number of brochures being requested to inform people about privacy rights.	3,300	New Measure	New Measure	Evidence of brochures placed via MediBoard system.



Function 2 Investigations and Dispute Resolution

What this function covers

Working with parties to achieve a fair outcome using dispute resolution techniques in the first instance. Investigating individual complaints where dispute resolution is inappropriate or unsuccessful. Declining to investigate cases where investigations are unnecessary or inappropriate. Referring serious cases to the Director of Human Rights Proceedings to consider bringing to the Human Rights Review Tribunal.

How performance will be measured

Measure	Expectation 2026/27	Expectation 2025/26	Previous year 2024/25	How it will be measured
The percentage of externally reviewed complaints investigations that are rated as 3.5 out of 5 or better for quality.	85%	85%	80%	Evidenced by report prepared by independent evaluator.
The percentage of complaints closed during the year that were less than 6 months old at closure.	85%	85%	88%	Evidence retained in the document management system.



Function 3 Policy and Advocacy

What this function covers

Developing interventions such as guidance and Codes of Practice so that our expectations as a regulator are clear. Providing advice on the primary implications of policies being developed by government and advocating for privacy positive outcomes.

How performance will be measured

Measure	Expectation 2026/27	Expectation 2025/26	Previous year 2024/25	How it will be measured
The percentage of externally reviewed policy files that are rated as 3.5 out of 5 or better for quality.	85%	85%	93%	Evidenced by report prepared by independent evaluator.
Undertake 1 project relevant to setting privacy standards, and expectations in the privacy system.	Achieved	Achieved	Achieved ⁵ (See the Annual Report for details)	Evidence retained in the document management system.

5. The wording for this measure has been slightly amended from the prior year. The previous wording was "Undertake 2 projects relevant to setting privacy standards, expectations and guidance in the privacy system". No change is required to be made to the prior year result due to amended wording.



Function 4 Guidance and Education

What this function covers

Producing material and resources to inform, guide and educate. Raising awareness and deepen understanding of privacy through events, conferences, and engagement with stakeholders.

How performance will be measured

Measure	Expectation 2026/27	Expectation 2025/26	Previous year 2024/25	How it will be measured
Education module (e-learning) completions as a percentage of education module registrations in the year.	75%	75%	82%	Evidence retained in the document management system.
Publish significant guidance relevant to explaining privacy concepts or setting agency expectations.	2	New measure	New measure	Evidence of publication on OPC website.



Function 5 Compliance and Enforcement Activities

What this function covers

Identifying and assessing systemic issues, using the right tools to get the best privacy outcomes for New Zealanders, including enforcing Codes of Practice, managing privacy breach responses, prosecution, monitoring of compliance, and enforcement of policy work to ensure compliance.

How performance will be measured

Measure	Expectation 2026/27	Expectation 2025/26	Previous year 2024/25	How it will be measured
The percentage of externally reviewed compliance investigations that are rated as 3.5 out of 5 or better for quality.	85%	85%	100%	Evidenced by report prepared by an independent evaluator.
All compliance issues are assessed in line with the CARAF. ⁶	90%	90%	99%	Evidence retained in the document management system.
Number of proactive compliance reviews completed in response to high-risk systemic issues, sectors or behaviours identified.	2	New measure	New measure	Evidence retained in the document management system.

6. The wording for this measure has been amended from the prior year. The previous wording was "Incoming compliance issues are risk assessed on allocation to determine the appropriate response activity". No change is required to be made to the prior year result due to amended wording.

The new wording is to better reflect our outcome and objective. For more information on the CARAF (Compliance and Regulatory Action Framework), refer to our website: <https://www.privacy.org.nz/about-us/what-we-do/caraf/>

Summary of Output Revenue and Expenses for 2026/27

The Privacy Commissioner receives funding through an appropriation within Vote Justice. The appropriation is within the Non-Departmental Output Expenses; Services from the Privacy Commissioner. The scope of this appropriation is limited to privacy issues relating to the collection and disclosure of personal information and the privacy of individuals. It is intended to achieve the efficient and effective provision of services by the Privacy Commissioner.

The baseline funding in 2026/27 has remained at \$7.6m after a reduction of 6.5% of funding from the Ministry of Justice in 2024/25.

The Privacy Commissioner has committed through the appropriation to provide five functions in 2026/27.

Output operating statements: 2026/27

Function Description	Revenue		Expenses	Surplus
	Revenue Crown \$000	Revenue Other \$000	Total Expenses \$000	Surplus / (Deficit) \$000
Communication and Connection	1,243	69	1,389	(77)
Investigations and Dispute Resolution	1,944	107	2,179	(128)
Policy and Advocacy	1,514	60	1,690	(116)
Guidance and Education	1,357	23	1,514	(134)
Compliance and Enforcement	1,583	105	1,765	(77)
Total Output Classes	7,641	364	8,537	(532)

Capital expenditure

Provision of \$50k has been included in 2026/27 budget. The budget includes provision for costs associated with office furniture and computer hardware.

Deficit and cash reserves

The 2026/27 budget shows a deficit of \$532k compared to a budgeted deficit in the 2025/26 year of \$657k. The Office has built up cash reserves over previous years and intends to use these to fund the deficit that is being predicted for 2026/27.

Savings were identified through the budget setting process for 2026/27, but were mostly offset through the impact of inflation. Without a change in baseline funding, further savings will be needed and the impact is very likely to impact service delivery. The Office will be looking at system and process changes, as well as AI options, to assist in generating further efficiencies. This is a current priority for the Office.

Risks

Risks are formally reviewed by the Senior Leadership Team on a quarterly basis and specific updates continue to be reviewed by both the Legislative Compliance Working Group and the Health, Safety and Wellbeing Committee, both of which are made up of staff from across the different office functions.

During 2025/26, the Senior Leadership Team also reviewed and discussed office wide and team level risks in detail, and this showed that the risks facing the Office remain the same. These risks include long-term financial sustainability, staff resourcing to meet increased demand and complexity and the wellbeing of staff continuing to be priorities.

While the Office's current cash reserves will enable the budgeted deficit to be funded in the 2026/27 year, the Senior Leadership Team will continue to proactively work at identifying areas of savings while remaining mindful of the ability to deliver on both proactive work and reactive core services.

Prospective Financial Statements

Prospective Statement of Comprehensive Revenue and Expenses

for the year ended 30 June

	Budget 2026/27 \$000	Forecast 2025/26 \$000	Actual 2024/25 \$000
Crown revenue	7,641	7,641	7,640
Other revenue/seminars	352	324	116
Interest income	12	28	79
Total Operating Revenue	8,005	7,993	7,835
Marketing	66	75	116
Audit fees	59	55	57
Depreciation and Amortisation	91	89	99
Rental expenses	524	545	557
Operating expenses	1,149	1,357	1,338
Staff expenses	6,648	6,627	5,920
Total expenses	8,537	8,748	8,087
Total Comprehensive Income	(532)	(755)	(252)

Prospective Statement of Changes in Equity

for year ended 30 June

	Budget 2026/27 \$000	Forecast 2025/26 \$000	Actual 2024/25 \$000
PUBLIC EQUITY AS AT 1 JULY	1,434	2,189	2,441
Total Comprehensive Income	(532)	(755)	(252)
Total recognised revenues and expenses for the period	(532)	(755)	(252)
Public equity as at 30 June	902	1,434	2,189

Prospective Statement of Financial Position

for year ended 30 June

	Budget 2026/27 \$000	Forecast 2025/26 \$000	Actual 2024/25 \$000
PUBLIC EQUITY			
General funds	902	1,434	2,189
Total public equity	902	1,434	2,189
REPRESENTED BY: ASSETS			
Current assets			
Cash and cash equivalents	1,237	1,504	2,271
Debtors and other Receivables	24	28	64
Prepayments	121	125	127
Total current assets	1,382	1,657	2,462
Non-current assets			
Property, plant and equipment	88	126	134
Intangible assets	0	3	4
Total non-current assets	88	129	138
Total assets	1,470	1,786	2,600
LESS: LIABILITIES			
Current liabilities			
Creditors and other Payables	110	126	194
Employee entitlements	270	210	217
Total current liabilities	380	336	411
Non-current liabilities	188	16	-
Total liabilities	568	352	411
NET ASSETS	902	1,434	2,189

Prospective Statement of Cash Flows

for year ended 30 June

	Budget 2026/27 \$000	Forecast 2025/26 \$000	Actual 2024/25 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash provided from:			
Supply of outputs to the Crown	7,641	7,641	7,640
Revenues from services provided	352	324	116
Interest received	12	28	79
Cash applied to:			
Payments to suppliers	1,645	2,081	2,156
Payments to employees	6,581	6,634	5,973
Net Goods and Services Tax	4	(35)	(3)
Net cash flows from operating activities	(217)	(687)	(291)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Sale of Fixed Assets and Intangibles	-	-	-
Cash applied to:			
Purchase of Fixed Assets and Intangibles	50	80	12
Net cash flows from investing activities	(50)	(80)	(12)
Net increase (decrease) in cash held	(267)	(767)	(303)
Plus opening cash	1,504	2,271	2,574
Closing cash balance	1,237	1,504	2,271
Represented by: Cash and bank	1,237	1,504	2,271
Closing cash balance	1,237	1,504	2,271

Statement of underlying assumptions

Significant assumptions

The opening position of the forecasted statements is based on the unaudited results of the year ended 30 June 2026. The actual results for April, May and June 2026 are unavailable and therefore the balance as at 30 June 2026 has been estimated using the forecast figures as at 31 March 2026.

Revenue from the Crown

The budget has been set based on the operating grant from the Ministry of Justice remaining at the current level.

Other income and grants

Other income is made up as follows: \$116k income from the Department of Internal Affairs and \$236k income from the Ministry of Business, Innovation and Employment.

The budget has been prepared on the basis that funding from the Department of Internal Affairs will continue as in previous years.

An assumption has also been made that income will be received from the Ministry of Business, Innovation and Employment to fully cover costs associated with the Office's regulatory functions under the Customer and Product Data Act.

Other assumptions

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

Staffing levels

The budget reflects staffing levels of FTEs to meet the work programme. This includes some new roles for work under the Customer and Product Data Act. The budget also includes a vacancy lag amount taking into account the average time that roles remain vacant prior to being filled.

Nature of prospective financial statements

The forecasted financial statements have been prepared as a best effort's indication of the Privacy Commissioner's future financial performance. Actual financial results for the period covered are likely to vary from the information presented, potentially in a material manner.

Statement of accounting policies

Reporting entity

The Privacy Commissioner is a Crown entity in terms of the Public Finance Act 1989 and the Crown Entities Act 2004. As such the Privacy Commissioner's ultimate parent is the New Zealand Crown.

The Privacy Commissioner's primary objective is to provide public services to the NZ public, as opposed to that of making a financial return.

The financial statements have been prepared in accordance with Tier 2 PBE accounting standards. The Tier 2 criteria have been met as expenditure is less than \$33m and the Privacy Commissioner is not publicly accountable (as defined in XRB A1 Accounting Standards Framework). These financial statements comply with PBE accounting standards.

The financial statements for the Privacy Commissioner are for the year ended 30 June and are approved by the Commissioner prior to issue. The financial statements cannot be altered after they have been authorised for issue.

Basis of preparation

The financial statements of the Privacy Commissioner are prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice ("NZ GAAP").

The financial statements comply with PBE FRS 42, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Significant accounting policies

The following accounting policies which materially affect the measurement of comprehensive income and financial position will be applied:

Revenue

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

Revenue from the Crown

The Privacy Commissioner is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of the Privacy Commissioner meeting its objectives as specified in the Statement of Intent and this Statement of Performance Expectations.

The Privacy Commissioner considers there are no conditions attached to the funding and it is recognised as revenue at the point of entitlement.

The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding agreements.

Other income and grants

Non-government grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation the grants are initially recorded as grants received in advance and recognised as revenue when the conditions of the grant are satisfied.

Income in relation to the work under the Customer and Product Data Act is directly linked to the budgeted staff costs to deliver this work.

Interest

Interest income is recognised by accruing on a time proportion basis.

Provision of services

Revenue derived through the provision of services to third parties is treated as exchange revenue and recognised in proportion to the stage of completion at the balance sheet date.

Goods and Services Tax (GST)

All items in the financial statements presented are exclusive of GST, with the exception of accounts receivable and accounts payable, which are presented on a GST inclusive basis. Where GST is irrecoverable as an input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

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

Income tax

The Privacy Commissioner is a public authority for tax purposes and therefore exempt from income tax. Accordingly, no provision has been made for income tax.

Property, plant and equipment

Property, plant and equipment asset classes consist of furniture and fittings, computer equipment and office equipment.

Property, plant and equipment are shown at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, at a rate which will write off the cost of the assets to their estimated residual value over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Furniture and fittings	5 – 7 years
Computer equipment	4 years
Office equipment	5 years

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Privacy Commissioner and the cost of the item can be measured reliably.

Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

Intangible assets

Software

Acquired computer software licences are capitalised based on the costs incurred to acquire and bring to use the specific software and only when the licences cover a period of over 2 years.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Website costs

Costs that are directly associated with development of interactive aspects of the Office's website are capitalised when they are ready for use.

Costs associated with general maintenance and development of non-interactive aspects of the Office's website are recognised as an expense when incurred.

Amortisation

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Acquired computer software	2 – 4 years
Interactive tools	3 years

Employee entitlements

Employee entitlements that the Privacy Commissioner expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay.

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

Financial instruments

The Privacy Commissioner is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, debtors, and creditors. All financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the statement of revenue and expenses.



Privacy Commissioner
Te Mana Mātāpono Matatapu

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