

# *Statement of Intent*

2010 – 2013

Office of the Privacy Commissioner  
Te Mana Matapono Matatapu

*Presented to the House of Representatives  
Pursuant to section 139 of the Crown Entities Act 2004*

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## INTRODUCTION

Information now moves freely on a global scale. We work internationally to protect New Zealand's reputation and trade competitiveness as good guardians of the information of our own and other countries' citizens. Technology is yielding information dividends for business and government. We act as a watchdog of big and small information systems and provide targeted advice and assistance. The invasion of technology into almost every aspect of day to day life accentuates the need to help both organisations and individuals to handle personal information well. We raise awareness of information risks and benefits, and provide self help tools.

We are in the middle of a technology tidal wave - an information revolution. Like all changes on a massive scale the information revolution will have effects on society, business and government, and on human behaviour and values. These effects are yet to emerge clearly. The challenges are to exploit the many advantages of the new digital world, to manage the risks, and to maintain human values.

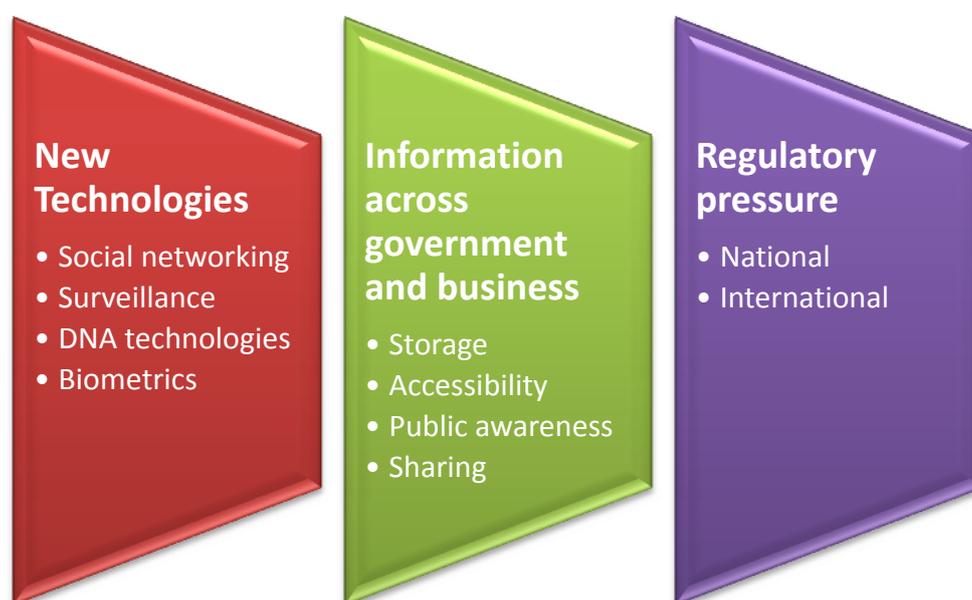
This Statement of Intent covers a three year time scale and sets demanding objectives. As a small organisation we must make intelligent choices and work in partnership with others. Our goal is to influence progress towards a modern New Zealand which reflects excellence in personal information handling and responds to the changing demands of the electronic age.

A handwritten signature in black ink, appearing to read 'Marie Shroff', with a stylized flourish at the end.

Marie Shroff  
**Privacy Commissioner**

## WHAT LIES AHEAD

The race to develop and take advantage of new technology is an exciting one to be part of. These are developments which will support economic growth for New Zealand. We can assist the uptake of new technologies and at the same time, protect personal information and privacy, as part of those developments. We can only hope to do this by working cooperatively with business, science and technology developers, while at the same time raising public awareness, identifying threats and empowering people to protect their own privacy and personal information.



*Fig 1: Challenges ahead*

### NEW TECHNOLOGIES

Technological change and the different uses of technology are dynamic. Generally, the future application of technology is not very predictable, although the rapid pace of change is well recognised.

Often new technologies and applications are developed and put into use before analysing the implications for people and society. Existing regulatory frameworks were not established with the IT revolution fully in mind. The pace of change poses a real challenge for maintaining the relevance of the regulatory framework and for the agencies that work within this framework to lead privacy knowledge and practice.

There is an expectation on the Office of the Privacy Commissioner in its role as a privacy watchdog to be able to quickly develop a view on the privacy implications of new technology and its use. In order to remain credible and effective over time we need to be very good at scanning emerging developments, selecting the issues that require a proactive response, and moving quickly to develop the appropriate response.

A significant question is how can the Office of the Privacy Commissioner, with limited resources, keep pace with changes in technology, and community and consumer attitudes?

Issues include:

- social networking – e.g. Facebook, Twitter, Flickr and their successors
- increased use of surveillance – e.g. CCTV, electronic monitoring
- information enabled by technology - e.g. DNA technologies (giving rise to issues of ‘genetic privacy’), and biometric data.

## INFORMATION ACROSS GOVERNMENT AND BUSINESS

### *Storage*

There is a clear trend towards aggregation of data into larger centralised repositories or ‘super-databases’, enabled by improved processing power and networks, and cheaper information storage. These databases endure over time as in the IT realm, destruction of data tends not to occur. In the government sector particularly, consolidation of service provision in the name of value for money may apply pressure to agencies to ‘collect it all’ and put it in one place. Rapid increases in data capabilities such as ‘cloud computing’ and ‘data mining’ are increasing the data holders’ ability to access, combine, store, search and manipulate data in different ways at lower cost.

These key storage and access trends have several important consequences:

- centralisation of data means that a more complete picture of an individual’s personal information can be more readily obtained, which increases the risks and responsibilities around effective data security management. As information is increasingly linked, the consequences of breaches of information security will become more serious
- improved ICT infrastructure and efficiency means that agencies are able to obtain more data, and access it more readily
- improvements in data mining capability are eroding the anonymity of personal information when cross-matched and sorted using more sophisticated technologies
- an ongoing shift towards e-business and e-government. This creates new privacy pressures and opportunities in terms of information management and security, storage, and subsequent use. It is expected that within the next five years, online platforms will be a default way for many individuals to interact with government and business.

### *Accessibility*

Citizens are better able to access an enormous range of information themselves through technology development and new applications.

Behind the scenes, there is increasing pressure to share information between agencies, within and across the government and private sectors. Businesses are exerting pressure to get access to public sector information - to pool and share information for the public good as well as for commercial reasons. This is expected to continue over time and value for money drivers are likely to see this pressure increase (collect once, use for multiple purposes).

### *Public awareness*

There is an increasing public awareness of the information revolution and its implications for privacy and privacy rights. But this awareness continues to be relatively unsophisticated. There remains a lack of individual awareness about 'safe' practice, especially online.

The Office has seen a marked increase in media and public enquiries, and complaints in the last year. It is likely that the increase over time reflects the generally increasing profile and awareness of information and privacy issues amongst the public.

There is also increasing demand from those who manage information (corporate and government) for information and guidance from the Privacy Commissioner.

As awareness of privacy increases, this is likely to place further demands on the Office for perspectives and guidance on the key issues, coupled with an expectation of an immediate response to new issues. Faced with resource constraints the Office will need to consider how it can best use its own resources and key relationships to remain effective and influential over time. This implies the need for careful judgements about focus and where to allocate resources across a range of mandated functions and activities, managing priorities while delivering value for money services.

## REGULATORY PRESSURES

### *National*

The Law Commission is conducting a review of the privacy legal framework for New Zealand. The review examines the complexity of the environment and will determine whether the law is still fit for purpose, and what improvements are required. There is the possibility of significant legislative change which may have downstream implications for the purpose, roles and functions of the Privacy Commissioner. These may require repositioning the Office, resourcing for new functions and managing public expectations.

## *International*

Through the focus on technology and globalisation, information (storage, access and flows) now transcends national borders. Data is stored outside New Zealand by individuals (e.g. Facebook and Flickr) and by agencies through 'cloud computing'. Smaller countries such as New Zealand are inevitably 'takers' of new technology and services from major global players such as Google and Microsoft. There is a real challenge to develop effective and compatible cross-border regulation, standards and enforcement solutions to facilitate the use of new technologies, while affording appropriate protections for individuals.

There is international pressure from both global business and privacy regulators to strengthen trans-border standards and regulation, and establish consistency to provide certainty in how they will operate. Who will regulate the global environment, if this is possible? The Office needs to be an active participant in contributing to the development of proposals and ultimately their implementation, for the best interests of New Zealand and New Zealanders.

The national and international security climate provides an important backdrop to the debate around the balance of privacy rights and regulation with the desire to identify and curb terrorist activity and security threats. There is little doubt the pressures of increasing security protections and the technologies becoming available will place significant pressure on privacy jurisdictions internationally.

## GOVERNMENT PRIORITIES AND JUSTICE SECTOR OUTCOMES

The work of the Office supports the government in growing the New Zealand economy in order to deliver greater prosperity, security and opportunities to all New Zealanders.

The effective uptake of many new technologies has been shown to be supported by robust and effective privacy protections and standards. In particular the work of the Office supports the uptake and use of broadband technologies by providing independent oversight and promoting public confidence in the protection of personal information. New Zealand business success requires trust by individuals in the accuracy, security and purpose for which personal information is collected, retained and used by business and government.

The Privacy Commissioner supports Justice sector outcomes through the work of the Office. The Privacy Commissioner facilitates access to justice through a robust yet accessible complaints investigation process. Significant efforts to lower complaints backlogs have been successful. As at 30 June 2009, 95% of complaints were less than 12 months of age, and 83% under six months old. In the 2008/09 year, 193 of complaints received were settled or mediated, a 43% increase on the previous year.

## RISKS

The Office has identified four major risks and responses to address those risks:

RISK TYPE	RESPONSE
<p><b>Credibility:</b></p> <p>The risk that the Office loses influence with the public, government, business and the media. The Office loses relevance.</p>	<p>Ensure statutory obligations and advisory responsibilities are met.</p> <p>Ensure that the Office of the Privacy Commissioner's position and advice on issues is evidence-based through the use of reliable information and robust research.</p> <p>Ensure that the Office remains abreast of international privacy developments.</p>
<p><b>Demand and expectations:</b></p> <p>The risk that the Office cannot meet the level of complaints, public enquiries, media enquiries and demand for information arising from increased awareness.</p>	<p>Self resolution measures and tools are in place.</p> <p>Current priority systems are maintained and developed further if necessary.</p> <p>Ensure that information is disseminated to reach a wide audience.</p>
<p><b>International standards:</b></p> <p>The risk that New Zealand fails to meet international privacy standards.</p>	<p>Continue to participate in international privacy networks.</p> <p>Promote legislative change to reflect these standards.</p>
<p><b>Staff skills:</b></p> <p>The risk that key skill capabilities are not available for the Commissioner's work. Staff knowledge is lost.</p>	<p>Plan recruitment and retention to ensure that the required skills are developed and maintained.</p> <p>Ensure staff are supported with professional development and performance management systems.</p> <p>Ensure opportunities exist for gaining wider experience and career development.</p>

## MOVING FORWARD

### *Organisational Capability and Health*

The Privacy Commissioner commissions independent research to assess individual concerns, awareness and developing trends in privacy within New Zealand.

The Office measures quality and satisfaction with the complaints investigation process for complainants and respondents, and reports annually on the results.

In addition, the Office looks to benchmark performance across a range of functions undertaken by similar jurisdictions in the Asia-Pacific region.

Within the resources of the Office, the Privacy Commissioner maintains relationships with international privacy jurisdictions to keep a watch on international developments which have the potential to affect individuals, businesses and the government in New Zealand.

The Office participates in many public forums and speaking engagements, monitors media reporting of privacy issues, develops education programmes from which information and feedback is received and maintains close links with privacy officer interest groups in the public and private sectors.

## CORE CAPABILITIES

Given the current and likely future operating environment, and our purpose and functions, we need to ensure we can:

- develop and maintain relationships with partners who have shared goals and can provide opportunities for greater leverage over privacy issues
- influence and persuade others
- actively manage the reputation of the Office
- identify and respond to significant new issues
- choose the 'right' issues in which to become involved
- work flexibly across functional areas to ensure that our knowledge and resources are used efficiently
- hire and retain competent and experienced people
- deliver value for money.

We have budgeted for a further deficit this year, as we did in 2009/10. The current financial baseline is increasingly restrictive, in an environment of new technology and growing demand for our services.

The Office has managed its accounts to provide modest reserves at year end. Reserves provide us the ability to meet capital expenditure in out years, manage year end deficits and meet one-off impacts through the year. The application of expected reserves is provided in the financial statements to this Statement of Intent. The level of available reserves has decreased from previous years.

## DETERMINING OPERATIONAL PRIORITIES

The operating environment places significant fiscal and capability pressures on the Office for the delivery of outputs and outcomes. To assist in determining priorities the Privacy Commissioner has established criteria by which current and future activities will be assessed. These criteria are:

- Relevance to our functions and responsibilities
- Importance or value of the issue
- Degree of external interest or demand
- Ability to make a difference
- Cost effectiveness (both short term and long term) in taking action

## EQUAL EMPLOYMENT OPPORTUNITIES AND GOOD EMPLOYER STATEMENT

The Office has an EEO policy and is an equal opportunities employer in its recruitment, human resources and staff development practices. The Office has documented human resource policies and regularly monitors staff morale as part of management reporting.

We report on the Key Employment Elements in our Office in the Annual Report.

## OUR FUNCTIONS

Protecting personal information and privacy is a complex activity which extends across government, business, the economy and society at large. Privacy is a human right that can, when managed in a careful way, be reconciled with potentially competing interests, such as efficiency in business and government. Finding that balance has become increasingly important, because a changing technological environment has opened new means and opportunities to acquire, manage and distribute personal information.

The Privacy Act 1993 takes a modern approach to the regulation of personal information through the application of principles. Openness, fairness and clarity of purpose are its themes.

Section 13 sets out many of the functions of the Privacy Commissioner. Other functions, including complaints and information matching, are set out elsewhere in the Privacy Act and in the provisions of other legislation.

### COMPETING INTERESTS

The Privacy Act requires the Commissioner to have regard both to the privacy principles and provide a balance in the protection of important human rights and social interests that compete with privacy. Competing interests include the desirability of a free flow of information, and the right of government and business to achieve their objectives in an efficient way. The Commissioner will also take account of New Zealand's international obligations and consider international guidelines that are relevant to better protection of individual privacy.

### INDEPENDENCE

The Privacy Commissioner is independent of the Executive in carrying out her functions and in investigating complaints, including those against Ministers or their Departments.

### LEGISLATION AND POLICY

A key role is to comment on legislative, policy or administrative proposals that impact on the privacy of individuals. The Office assists public and private sector agencies to reach reasonable goals in a privacy-respectful manner. Its recommendations are in many cases adopted by government agencies, Cabinet committees or select committees when considering policy and legislative proposals.

### COMPLIANCE

The Commissioner receives, investigates and seeks to settle complaints about an interference with individual privacy. The Commissioner is empowered to undertake Commissioner initiated inquiries into general matters where the privacy of the individual may be affected.

## EDUCATION AND AWARENESS

The Office encourages awareness of personal information issues to help agencies and individuals to protect their privacy. Communication activities include an 0800 enquiries helpline (handling 6,000+ calls per year), a modern website, training workshops and seminars, publications, speeches and responses to media enquiries.

## INFORMATION MATCHING PROGRAMMES

The Privacy Commissioner has an oversight and monitoring role for all government data matching programmes. As at February 2010, there were 87 authorised data matching programmes, of which 53 were active. That figure is projected to continue to rise in subsequent years as further information sharing increases efficiencies in the provision of government services.

## CODES OF PRACTICE

The Privacy Commissioner may issue codes of practice. Codes can modify the information privacy principles or prescribe how information privacy principles are to be applied or complied with in a particular industry or context.

## INTERNATIONAL

The privacy of New Zealand citizens is significantly affected by developments beyond our borders such as new technologies and international standard setting. Rules implemented by our trading partners require New Zealand to have robust privacy laws to facilitate business opportunities and commercial activity, while in turn, protecting the data we receive about their citizens.

The Privacy Commissioner actively works and shares knowledge and experience with counterparts overseas and others involved in protecting privacy. The Office is particularly active amongst our trading partners in the Asia-Pacific region and European Union countries.

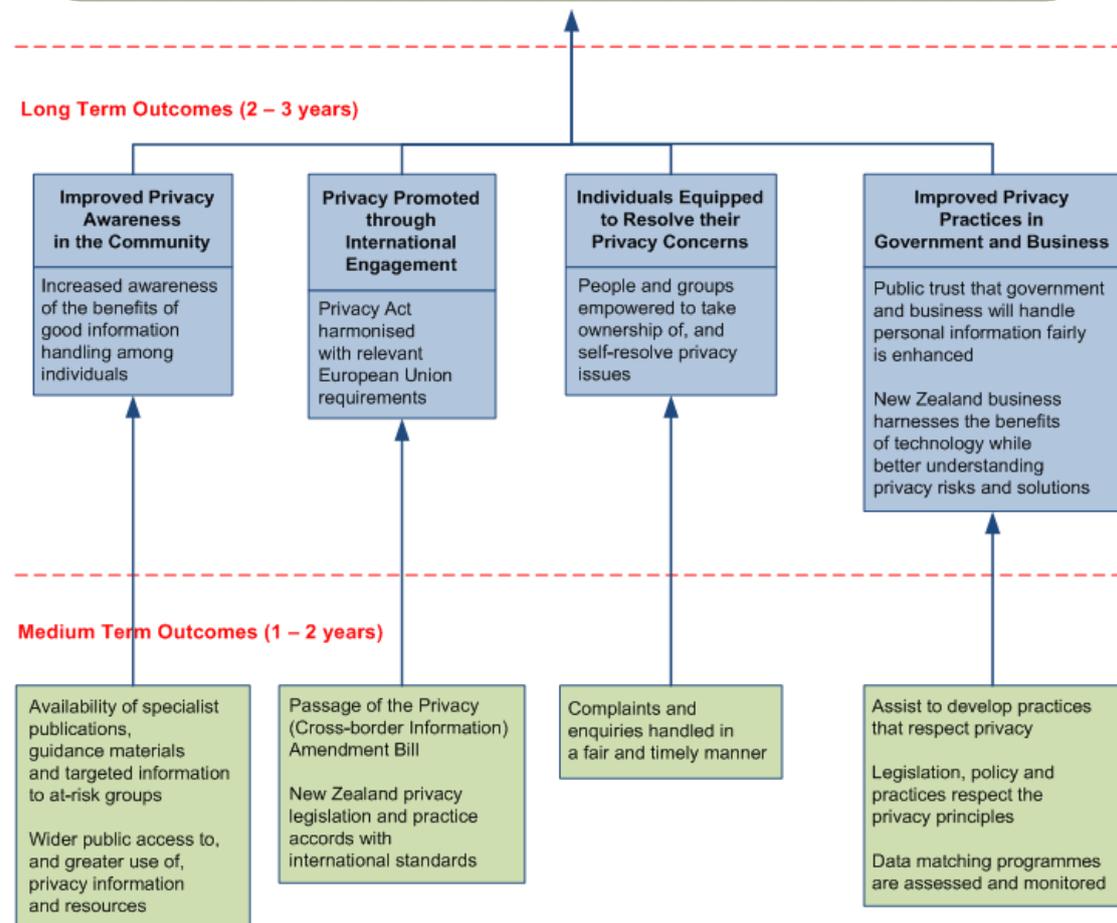
The Privacy Commissioner is a founding authority of the Global Privacy Enforcement Network (GPEN) and contributes strongly to international initiatives in global privacy standards.

# THE NEXT THREE YEARS (2010/11 – 2012/13)

## OUR PURPOSE

We will work towards a modern New Zealand which:

- recognises the individual and societal value in protecting privacy
- reflects excellence in personal information handling by government and business
- recognises and reacts to the changing privacy demands of the electronic age



*Fig 2: Overview of the three year plan to support our purpose*

## THE THREE YEAR PLAN EXPLAINED

### 1. Improved privacy awareness in the community

We need to do more work to develop public awareness to promote a more equal balance between agencies with huge power to gather and manipulate information, and the individuals whose information makes up these databases. A balanced public debate is desirable. The Office needs to develop its understanding of the extent of privacy awareness across all groups in the community, including young people and develop effective means to empower individuals to protect their privacy.

#### *Outputs*

Initiatives include, to:

- Publish plain English material including resources for young people, material to raise awareness about internet use, and easy guidance for business and government on managing information.
- Review our website to ensure that it continues to provide relevant, accessible and up to date information.
- Target key privacy concerns and interest groups.
- Develop education initiatives to improve privacy awareness.
- Continue involvement in the international initiative of Privacy Awareness Week.

#### *Outcomes*

##### Medium Term:

- Availability of specialist publications, guidance materials and targeted information to at-risk groups.
- Wider public access to, and greater use of, privacy information and resources.

##### Long Term:

- Increased awareness of the benefits of good information handling among individuals.

#### *Monitoring*

Impacts will be monitored by analysing enquiries, complaints and feedback received from the public, conducting surveys to determine public awareness, and measuring website use.

## 2. Improved privacy practices in government and business

Agencies vary in the extent to which they consider and address the privacy impacts of their actions, when handling personal information. Opinion surveys indicate that New Zealanders are concerned about the misuse of personal information and invasion of individual privacy by technology. Unease exists around privacy intrusions in areas such as social networking, the internet, employment, finance, telecommunications and health.

The Commissioner acts as a watchdog to respond to privacy concerns and to encourage responsible stewardship of personal information. The Office encourages government and business to find ways to achieve their objectives while respecting the personal privacy of individuals.

### *Outputs*

- Monitor and advise on the privacy impacts of proposed legislation, policy and technology initiatives.
- Contribute to and help guide e-government initiatives.
- Scope potential solutions to the privacy impacts of inter-agency sharing of personal information.
- Provide policy advice on key privacy matters in relation to health information policy development.
- Contribute to and as necessary assist the Law Commission Review of Privacy.
- Actively support the development of a network of privacy officers.
- Monitor and report on government data matching programmes.
- Develop and improve guidance materials for government and business.
- Enhance guidance resources to assist agencies conducting information matching.
- Promote better practice with public CCTV systems.
- Participate in international privacy forums to identify global privacy issues and threats and promote best practice, standard setting and cooperation amongst international enforcement authorities.

### *Outcomes*

#### Medium Term:

- Government and business are assisted to develop practices that respect privacy.
- Legislation, policy and practices respect the privacy principles.
- Data matching programmes are assessed and monitored.

#### Long Term:

- The public's trust that government and business will handle personal information fairly is enhanced.
- New Zealand business harnesses the benefits of technology while better understanding privacy risks and solutions.

#### *Monitoring*

The quality of advice to government agencies will be tested through informal feedback mechanisms. Statistics for legal and policy work will be used to provide comparative analysis with previous years. Independent public opinion surveys will provide a measure of the public's perception of information handling by business and government.

### 3. Individuals equipped to resolve their privacy concerns

The Privacy Act encourages awareness and self-resolution of problems for individuals. An informal non-punitive environment encourages mediation, conciliation, settlement negotiations and overall positive outcomes. Nevertheless, individuals need access to a low cost way to challenge how their information is being used and to obtain any necessary redress.

#### *Outputs*

- Reduced time between receipt and completion of complaints.
- Providing the website and other resources to help individuals and agencies avoid problems in the handling of personal information and to resolve complaints where they arise.
- Ensuring the website provides an easily navigable source of plain English information on privacy issues for individuals.
- Providing an enquiries service and 0800 helpline on privacy matters.
- Identifying opportunities for international cooperation in the resolution of complaints involving a cross-border element.

#### *Outcomes*

##### Medium Term:

- Complaints and enquiries are handled in a fair and timely manner.

##### Long Term:

- People and groups are empowered to take ownership of, and self-resolve privacy issues.

### *Monitoring*

- Monthly performance statistics will track complaints resolution – including time to complete.
- Annual surveys of complainant and respondent satisfaction will be undertaken.
- The quality of the complaints service will be regularly and independently audited.
- Website use will be monitored and content regularly updated.
- The enquiries function will be reported on and audited.

#### 4. New Zealanders' privacy is promoted through engagement at an international level

In the growing world of e-commerce and cross-border trade, such as offshore processing of data, New Zealand needs to meet the data protection standards of our trading partners to better facilitate and protect our trading relationships.

New Zealanders want their personal information protected wherever it travels. The Office of the Privacy Commissioner can play a useful part in protecting personal information through effective engagement with others involved in protecting privacy in other countries and at an international level in researching privacy risks and regulatory strategies, standard setting and enforcement cooperation.

### *Outputs*

- Provide advice to Parliament and the Minister on the merit of legislative amendment to the Privacy Act to meet EU standards for data processing.
- Monitor international privacy activities, codes and standards for their impact upon New Zealand's trade and investment opportunities.
- Make information relating to New Zealand's privacy standards known to overseas regulators and in cooperation with the Ministry of Justice achieve an 'adequacy finding' from the European Union.
- Enhance or, where they do not yet exist, create, mechanisms to promote cooperation with overseas privacy regulators and to facilitate the exchange of information across jurisdictions.
- Contribute to ongoing APEC and OECD initiatives to enhance cross-border cooperation in privacy enforcement.

## *Outcomes*

### Medium Term:

- Passage of the Privacy (Cross-border Information) Amendment Bill.

### Long Term:

- New Zealand privacy legislation and practice accords with international standards.
- Business opportunities are enhanced through consistency in the international regulatory environment.

## *Monitoring*

Amendments to the Privacy Act will be in effect and reports to the Minister will contain monitoring information on international developments.

# SERVICE PERFORMANCE FOR THE YEAR 2010-2011

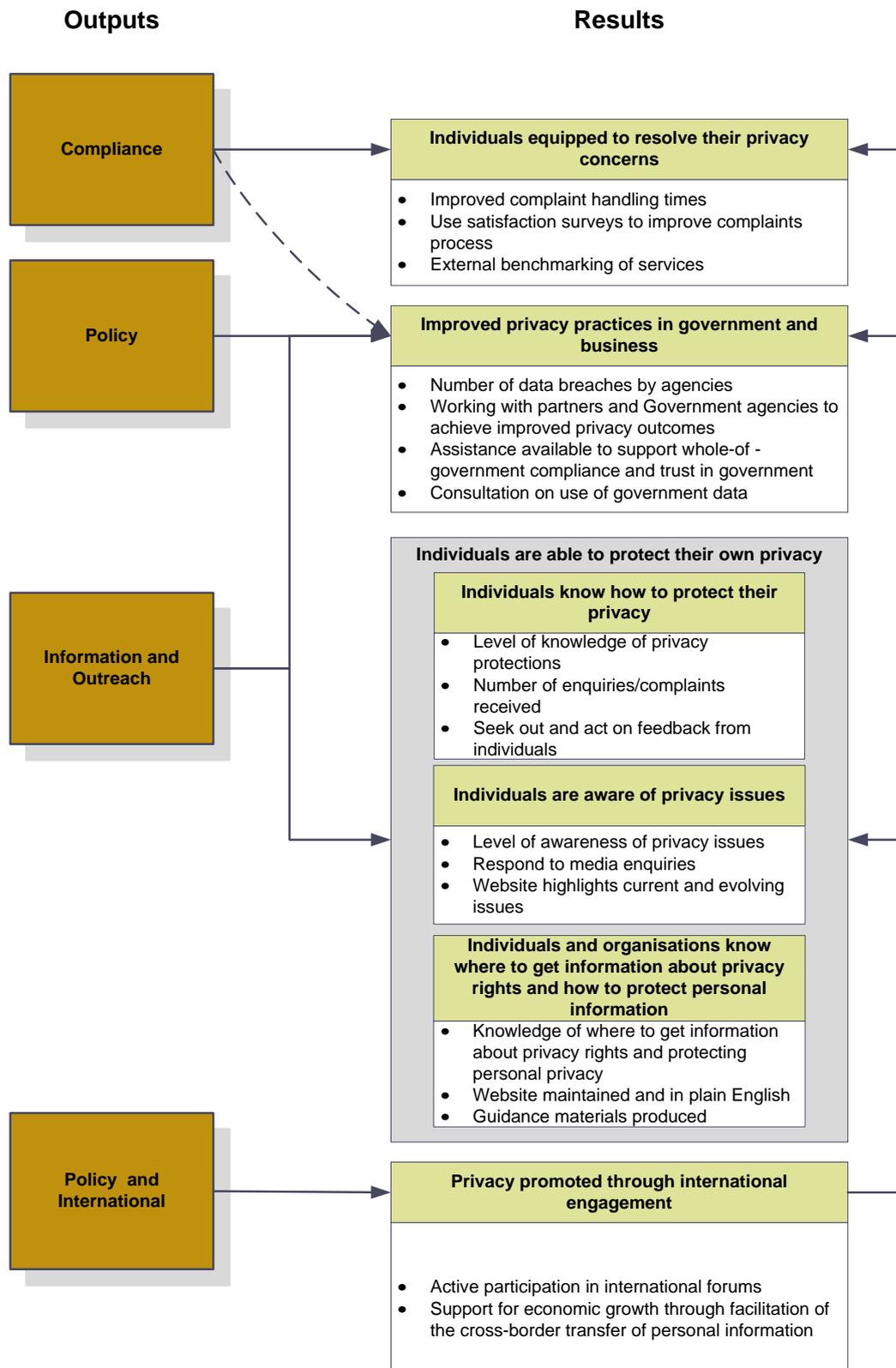


Fig. 3: Overview of the Service Performance Measures for the year 2010/11

## SERVICE PERFORMANCE MEASURES FOR THE YEAR 2010 - 2011

The measures that follow provide greater detail of how we will demonstrate performance during the first year of the plan as outlined in the Statement of Intent

### Compliance

- Handle complaints of breaches with privacy.
- Participate in Human Rights Review Tribunal and Court cases as appropriate.
- Monitor active information matching programmes.

### Quantity

	<u>Estimation</u>
Number of complaints received	800 – 1,000
Number of current complaints processed to completion or settled or discontinued	800
Projected number of active information matching programmes monitored	53
Participation in Human Rights Review Tribunal and Court cases	6

### Quality

- Complainants' and respondents' satisfaction with the complaints handling process rated as "satisfactory" or better in 80% of responses to a survey of complaints received and closed in the preceding period.
- Of the complaints processed, 30% are closed by settlement between the parties.
- In 90% of the complaints closed we demonstrate personal contact, either by phone or in person, with one or more of the parties.
- An external review is conducted of a sample of complaints investigations for their standard of the legal analysis, correctness of the legal conclusions, soundness of the investigative procedure and timeliness.
- Provide all draft reports on operating, information matching programmes to the relevant departments for comment before they are published in the Annual Report.

### Timeliness

- 80% of complaints are completed, settled or discontinued within nine months of receipt.
- Report on all operating information matching programmes in the Annual Report.

## Information and Outreach

Implement our outreach programme across all activities of the Office to support and promote:

- Awareness and understanding of and compliance with the Privacy Act.
- Awareness of privacy rights and issues, and an appreciation of privacy as a human right.

### *Quantity*

- Organise annual New Zealand Privacy Awareness Week as part of Asia-Pacific Privacy Awareness Week.
- All media enquiries are recorded, and responded to within required deadlines.
- Provide assistance to promote better privacy practice in the development of policy and legislation and administrative practices by government agencies.
- Provide an enquiries service including 0800 helpline and website access to information, supporting self-resolution of complaints.
- Preparation of practical guidance materials to assist public awareness and understanding of the Privacy Act.
- Maintain an effective website and other publications to assist stakeholders to promote better privacy practice.

<u>Activities</u>	<u>Estimation</u>
Education workshops delivered	30
Presentations at conferences / seminars	15
Projected number of enquiries received and answered	6,000
Case notes published	10
Media enquiries received	250

### *Quality*

- Seek out and act on feedback obtained from stakeholders and the public.
- Evaluations show that the expectations of 90% of attendees at workshops were either met or exceeded for quality of presentation and materials.
- Case notes are accepted and published by the Asia Pacific Privacy Authorities (APPA).
- Website publications provide reliable and relevant information which is legally accurate and in plain English.

### *Timeliness*

- Current information is placed on the website within five working days of being made available.
- Respond to 90% of 0800 line enquiries within one working day.

### *Policy and International*

- Provide advice on the privacy impact of proposed legislation and other significant proposals.
- Monitor and advise on international developments, new technologies and other issues affecting privacy.
- Assess proposals for information matching, monitor and report on authorised information matching programmes and review statutory authorities for information matching.

### *Quantity*

- Contribute to the Law Commission's Review of Privacy, providing comment and other contributions as requested.
- Issue the amendment to the Credit Reporting Privacy Code 2004.
- Provide practical advice to departments on privacy issues and fair information practices in proposed legislation and administrative proposals, including additional support to agencies as they undertake privacy impact assessments.
- Provide specialised assistance to government departments in accordance with agreed memoranda of understanding (currently with Department of Internal Affairs and Ministry of Health).
- Provide assistance to improve whole-of-government compliance with information matching controls to support the efficient delivery of front line services.
- Participate in international forums.
- Contribute to international initiatives to facilitate cross-border cooperation in privacy standard setting and enforcement.

### *Quality*

- The Amendment to the Credit Reporting Privacy Code 2004 will be the subject of discussion with stakeholders and a public submission process which includes a clear statement of purpose.
- The Amendment to the Credit Reporting Privacy Code 2004 will be referred to the Regulations Review Committee of the House of Representatives.
- Assistance provided to government agencies presents a clear, concise and logical argument, and is supported by facts.
- Respond to feedback obtained from recipients of policy advice.

### *Timeliness*

- Amendment 5 of the Credit Reporting Privacy Code 2004 will be released and implemented before 30 June 2011.
- Advice given to agencies by the agreed date so that it is useful to them.

# FINANCIAL FORECAST STATEMENT

STATEMENTS OF FORECAST FINANCIAL PERFORMANCE  
FOR THE YEAR ENDING 30 JUNE 2011

## OFFICE OF THE PRIVACY COMMISSIONER STATEMENT OF FINANCIAL PERFORMANCE BUDGET FOR YEAR ENDED 30 JUNE 2011

<b>2009/2010</b>		<b>2010/2011</b>
<b>Budget</b>		<b>Budget</b>
	<b>INCOME</b>	
3,148,000	Operating Grant	3,148,000
36,000	Seminars	30,000
30,000	Interest Received	30,000
271,555	Other Income	240,755
<u><b>3,485,555</b></u>	<b>TOTAL INCOME</b>	<u><b>3,448,755</b></u>
	<b>EXPENDITURE</b>	
2,531,022	Personnel	2,481,717
18,000	Audit Fees	18,000
150,000	Depreciation	150,000
402,940	Rental	402,940
355,100	Operating Costs	391,200
53,000	Promotion	53,000
<u><b>3,510,062</b></u>	<b>TOTAL EXPENDITURE</b>	<u><b>3,496,007</b></u>
<b>24,507</b>	<b>EXCESS EXPENSES OVER INCOME</b>	<b>47,252</b>

**OFFICE OF THE PRIVACY COMMISSIONER  
STATEMENT OF CHANGES IN EQUITY  
BUDGET FOR YEAR ENDED 30 JUNE 2011**

STATEMENTS OF FORECAST FINANCIAL PERFORMANCE  
FOR THE YEAR ENDING 30 JUNE 2011

<b>2009/2010 Budget</b>		<b>2010/2011 Budget</b>
	<b>CURRENT ASSETS</b>	
626,000	Public Equity as at 1 July	601,493
-24,507	Excess Expenses over Income	-47,252
-24,507	Total recognised Revenue and Expenses for the period	-47,252
<u>601,493</u>	<b>PUBLIC EQUITY AS AT 30 JUNE</b>	<u>554,241</u>

**OFFICE OF THE PRIVACY COMMISSIONER  
STATEMENT OF FINANCIAL POSITION  
BUDGET AS AT 30 JUNE 2011**

<b>Forecast 2010</b>		<b>Budget 2011</b>
	<b>CURRENT ASSETS</b>	
450	Cash on Hand	450
58,140	National Bank - Cheque	27,433
250,000	National Bank - Deposit	383,469
75,000	Debtors	75,000
3,864	Inventory	3,864
-	GST receivable	-
8,056	Prepayments	8,056
<b>395,510</b>		<b>498,272</b>
<b>288,327</b>	<b>Fixed Assets</b>	<b>280,827</b>
<b>683,837</b>		<b>779,099</b>
	<b>CURRENT LIABILITIES</b>	
25,000	Sundry Creditors	25,000
90,069	GST Payable	89,858
30,000	Accruals	30,000
-	Unearned Income	-
80,000	Employee Entitlements	80,000
<b>225,069</b>	<b>Total Current Liabilities</b>	<b>224,858</b>
<b>458,768</b>	<b>NET ASSETS</b>	<b>554,241</b>

**OFFICE OF THE PRIVACY COMMISSIONER  
STATEMENT OF CASH FLOWS  
BUDGET FOR YEAR ENDED 30 JUNE 2011**

**Budget  
2010-11**

**CASH FLOWS FROM OPERATING ACTIVITIES**

**Cash was provided from:**

Operating Grant	3,148,000
Other Income	270,555
Interest	30,000
	<u>3,448,755</u>

**Cash was applied to:**

Payments to Suppliers	864,290
Payments to Employees	2,481,717
Payments of GST	211
Payments of Audit Fees	18,000
	<u>3,346,218</u>

**Net Cash Flows from Operating Activities**

**102,537**

**CASH FLOWS FROM INVESTING ACTIVITIES**

**Cash was provided from:**

Sale of Fixed Assets	7,500
	-

**Cash was applied to:**

Purchase of Fixed Assets	150,000
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**Net Cash Flows applied to Investing Activities**

**-142,500**

Net increase (decrease) in cash held -39,963

Cash brought forward 451,315

**CLOSING CASH BALANCE** **411,352**

**Cash made up of:**

Cash on Hand	450
National Bank	27,433
National Bank – Deposit	383,469
	<u>411,352</u>

## RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	<b>Budget 2010-11</b>
Surplus/(deficit)	-47,252
Depreciation	150,000
Gain on sale of Fixed Assets	-
Interest	-
<b>Movements in Working Capital</b>	
Increase (Decrease) in Creditors	-
Increase (Decrease) in Accruals	-
(Increase) Decrease in GST	-211
Increase (Decrease) in Employee Provision	-
Increase (Decrease) in Inventory	-
(Increase) Decrease in Prepayments	-
(Increase) Decrease in Debtors	-
	<hr/> <b>102,537</b> <hr/>

## STATEMENT OF FORECAST SERVICE PERFORMANCE

The Privacy Commissioner has committed to provide three output classes in 2010/11 that meet the requirements of the Minister of Justice in terms of their description, quantity, timeliness and costs.

### OUTPUT OPERATING STATEMENTS: 2010/11

Departmental Output Class Description	REVENUE			EXPENSES	SURPLUS
	Revenue Crown \$000	Revenue Other \$000	Capital Contribution \$000	Total Expenses \$000	Surplus / (Deficit) \$000
Privacy Policy and International	826	225	0	1,035	(16)
Information and 'Outreach'	884	35	0	1,097	(178)
Compliance	1,438	40	0	1,363	115
<b>TOTAL DEPARTMENTAL OUTPUT CLASSES</b>	<b>3,148</b>	<b>300</b>	<b>0</b>	<b>3,495</b>	<b>(47)</b>

### ACCUMULATED RESERVES

The Privacy Commissioner is able to accumulate reserves from previous years which provide capability to meet future capital expenditure requirements and provision for unbudgeted impacts. Accumulated reserves of \$250,000 are an estimate of reserves to be carried over from the 2009/10 financial year and are subject to change following the audit of the year end accounts.

Accumulated reserves from 2009/10 will be used in 2010/11 for:

	\$000
Year one of programme for replacement of desktop computers currently out of warranty.	40
Replacement for Exchange Server	30
Upgrade of Document Management System to supported version	40
Provision for costs of legal actions outside of budgeted activities	40
Providing for unexpected impacts through the year	100

## STATEMENT OF UNDERLYING ASSUMPTIONS

These financial statements are likely to vary from the actual financial results achieved for the period covered and from the information presented. The variations may be material. The assumptions made are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The information in the forecast financial statements may not be appropriate for purposes other than those described.

These forecast financial statements have been prepared to be included within the Statement of Service Performance. The figures presented are best estimates at this time.

Government funding will be adequate to cover operating costs and capital purchases.

If an increase/decrease in expense category is known or reasonably anticipated, it is included with the forecast financial statements.

There have been no changes to the accounting policies since the date of the last audited financial statements. All accounting policies have been applied on a basis consistent with those used in the previous year and reported in the Annual Report of that year.