

# *Performance Information for Appropriations*

## *Vote Local Government*

---

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Local Government (M49)

ADMINISTERING DEPARTMENT: Department of Internal Affairs

MINISTER RESPONSIBLE FOR DEPARTMENT OF INTERNAL AFFAIRS: Minister of Internal Affairs

## Part 1 - Summary of the Vote

### Part 1.1 - Overview of the Vote

The Minister of Local Government is responsible for appropriations in the Vote for the 2009/10 financial year covering the following:

#### Departmental Appropriations

- A total of nearly \$4.057 million (20% of total departmental appropriations in this Vote) for advisory, information, regulatory and support services including administration of statutes, providing information and advice about local government, supporting the Local Government Commission, local government services to offshore islands, providing Lake Taupo Harbourmaster functions, and administering the Rates Rebate Scheme.
- A total of nearly \$7.167 million (35% of total departmental appropriations in this Vote) on providing policy advice on, and information relating to, local government issues, including ministerial correspondence and questions.
- A total of nearly \$9.144 million (45% of total departmental appropriations in this Vote) on implementation of the Government's decisions on the recommendations of the Royal Commission on Auckland Governance.

#### Non-Departmental Appropriations

- A total of nearly \$65 million for assisting low-income residential ratepayers with rates rebates.
- A total of nearly \$3.064 million contribution for the cost of Chatham Islands Council for meeting its statutory responsibilities.
- A total of nearly \$147,000 for depreciation on Lake Taupo's Crown assets.
- A total of nearly \$1.500 million grant for the use of Lake Taupo, based upon a 2007 agreement between the Crown and the Tuwharetoa iwi.
- A total of nearly \$34,000 for upgrading boating facilities at Lake Taupo.

Details of these appropriations are set out in Parts 2-6 below.

### Part 1.2 - High-Level Objectives of the Vote

#### Contribution of Appropriations to Government Priorities and Outcomes

Appropriations	Government Priorities	Government Outcomes
Capital Investments - Lake Taupo Chatham Islands Council Depreciation Implementation of Auckland Governance Reforms Rates Rebate Scheme Services for Local Government Tuwharetoa Māori Trust Board	Looking after the system of local government to optimise economic, social and cultural benefits to key stakeholders, which include ratepayers, residents (including communities), business and central government. Ensuring that local government is fiscally responsible, providing citizens with good planning and decision-making on their behalf.	Strong, Sustainable Communities/Hapū/Iwi

## Part 1.3 - Trends in the Vote

### Summary of Financial Activity

	2004/05	2005/06	2006/07	2007/08	2008/09		2009/10			2010/11	2011/12	2012/13
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
<b>Appropriations</b>												
Output Expenses	8,015	9,739	11,987	11,528	14,414	14,007	20,368	-	20,368	10,249	10,269	10,269
Benefits and Other Unrequited Expenses	498	674	43,517	44,786	60,715	60,715	N/A	65,000	65,000	70,000	75,000	75,000
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	12,641	3,732	2,040	15,687	3,878	3,878	-	4,711	4,711	3,844	3,880	3,880
Capital Expenditure	34	528	41	17	196	196	-	34	34	34	34	34
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
<b>Total Appropriations</b>	<b>21,188</b>	<b>14,673</b>	<b>57,585</b>	<b>72,018</b>	<b>79,203</b>	<b>78,796</b>	<b>20,368</b>	<b>69,745</b>	<b>90,113</b>	<b>84,127</b>	<b>89,183</b>	<b>89,183</b>
<b>Crown Revenue and Capital Receipts</b>												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	-	-	1,277	-	-	-	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	<b>-</b>	<b>-</b>	<b>1,277</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## New Policy Initiatives

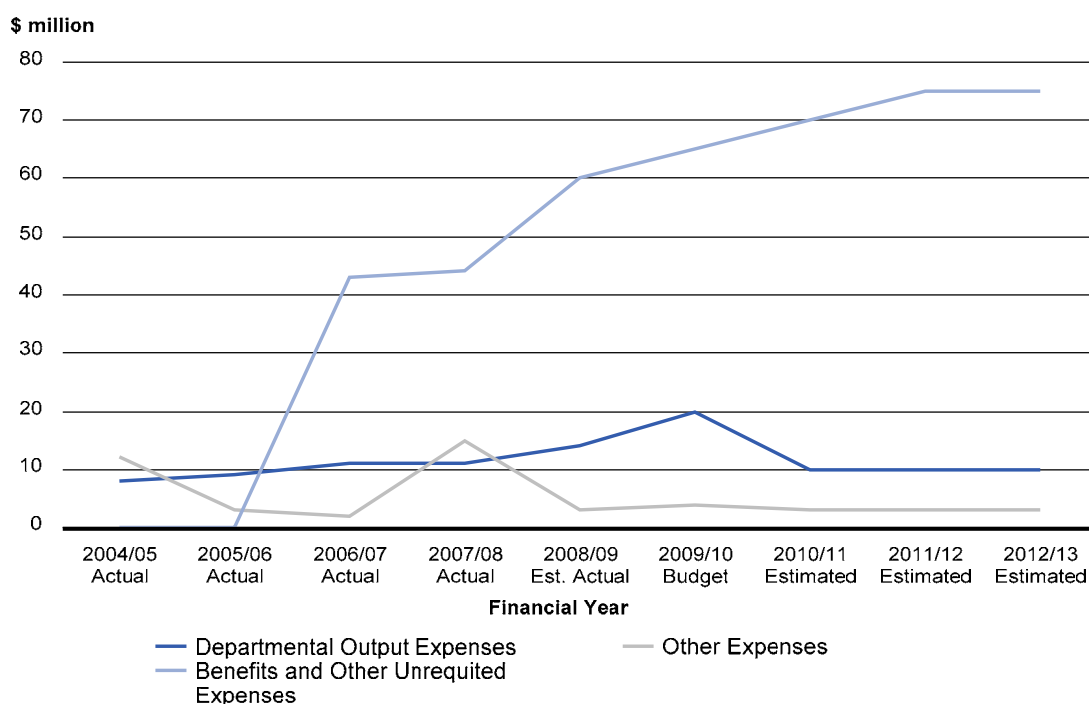
Policy Initiative	Appropriation	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Implementation of Royal Commission on Auckland Governance Recommendations.	Policy Advice - Local Government	1,275	9,144	-	-	-
Savings for the National Dogs Database.	Information, Support and Regulatory Services	-	(198)	(198)	(198)	(198)
Savings for Dog Safety Education.	Information, Support and Regulatory Services	-	(250)	(250)	(250)	(250)
Savings for the Rates Rebate Promotion.	Information, Support and Regulatory Services	-	(100)	(100)	(100)	(100)
Savings for local and central government interface and facilitation.	Policy Advice - Local Government	-	(40)	(40)	(40)	(40)

## Analysis of Significant Trends

### Total Vote: All Appropriations

Significant changes in departmental and non-departmental appropriations are discussed briefly below.

**Figure 1** - Vote trends in actual expenses and capital expenditure by appropriation type



Source: Department of Internal Affairs

The movements in departmental and non-departmental appropriations in Vote Local Government, which are detailed in the Summary of Financial Activity table, are largely driven by one-off funding for specific purposes rather than ongoing funding.

### *Departmental Output Expenses*

Additional funding was provided in 2005/06 for the Upgrade of Information and Technology Capability. In 2006/07 funding was increased for the hosting of the 2007 Local Government Conference. The increase in 2008/09 and 2009/10 is largely due to funding for the professional development of elected members of councils and implementation of the Royal Commission on Auckland Governance recommendations.

### *Benefits and Other Unrequited Expenses*

The baseline increased from 2006/07 onwards to allow for revised income thresholds for entitlements under the Rates Rebate Scheme. Additional funding was provided from 2008/09 for consumer price index adjustments to rate rebates claims.

### *Non-Departmental Other Expenses*

One-off funding was provided in 2004/05 for a contribution to local authorities arising from the Bay of Plenty flooding. In 2004/05, funding was provided to the Chatham Islands Council to enable it to meet its statutory responsibilities and to upgrade its water supply and sewerage systems. Funding was provided in 2005/06 for the purchase of land from Chelsea Estate Limited and part of Waitangarua Farm, and in 2007/08 for settlement costs relating to Lake Taupo property rights.

## Part 2 - Details and Expected Performance for Output Expenses

### Part 2.1 - Departmental Output Expenses

#### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<p><b>Outcome</b> - Strong, Sustainable Communities/Hapū/Iwi:</p> <ul style="list-style-type: none"> <li>• People engage with and participate in their communities.</li> <li>• Communities are supported by fair and responsive local government and other organisations.</li> </ul>	<p>Implementation of Auckland Governance Reforms</p> <p>Services for Local Government MCOA:</p> <ul style="list-style-type: none"> <li>• Information, Support and Regulatory Services - Local Government</li> <li>• Policy Advice - Local Government</li> </ul>

#### Implementation of Auckland Governance Reforms (M49)

##### *Scope of Appropriation*

This appropriation is limited to the implementation of the government's decisions on the recommendations of the Royal Commission on Auckland Governance.

##### *Expenses and Revenue*

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,275	1,275	9,144
Revenue from Crown	1,275	1,275	9,144
Revenue from Other	-	-	-

##### *Reasons for Change in Appropriation*

The appropriation is increasing as the programme for implementation of the government's decisions on Auckland governance is progressively put into place. The appropriation was established in 2008/09 as the implementation programme began and includes the costs of the Implementation Unit.

### *Output Performance Measures and Standards*

Performance Measures	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
An Establishment Board and transition agency to manage the transition to new local governance arrangements in Auckland will be established according to the provisions in legislation.	N/A	N/A	Achieved
A plan and budget for the management of the transition will be developed, within the agreed timeframe, after the legislation is in place.	N/A	N/A	Achieved

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Implementation of Royal Commission on Auckland Governance Recommendations.	2008/09	1,275	9,144	-	-	-

## **Services for Local Government MCOA (M49)**

### *Scope of Appropriation*

#### **Information, Support and Regulatory Services - Local Government**

Providing advisory and support services to the Local Government Commission in respect of its statutory functions, providing information to and about local government, administering the Local Government Act 2002 and other statutes, providing operational advice and support to the Minister of Local Government, administering the Local Electoral Act 2001, administering the Rates Rebate Scheme, providing regulatory and boating services for Lake Taupo, including providing the Harbourmaster and managing the Lake Taupo Landing Reserve, governance and management of the National Dog Control Information Database and education about dogs.

#### **Policy Advice - Local Government**

Provision of policy advice on, and information relating to, local government issues, including ministerial correspondence and questions.

### *Explanation for Use of Multi-Class Output Expense Appropriation*

Both outputs contribute to the effective governance and support for New Zealand's Local Government sector.

## Expenses and Revenue

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	13,139	12,732	11,224
Information, Support and Regulatory Services - Local Government	5,784	5,432	4,057
Policy Advice - Local Government	7,355	7,300	7,167
<b>Revenue from Crown</b>	11,961	11,961	10,209
Information, Support and Regulatory Services - Local Government	4,852	4,852	3,137
Policy Advice - Local Government	7,109	7,109	7,072
<b>Revenue from Other</b>	1,138	1,138	994
Information, Support and Regulatory Services - Local Government	893	893	900
Policy Advice - Local Government	245	245	94

## Reasons for Change in Appropriation

The decrease in this appropriation is largely due to ongoing savings in the administration of the National Dog Database, dog safety education, and promotion costs for the rates rebate scheme.

## Output Performance Measures and Standards

Performance Measures	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Information, Support and Regulatory Services - Local Government</b>			
<b>Local Government Commission Advice and Support</b>			
Local Government Commission's satisfaction with the quality of advice and support services provided rated at 3 or above on a scale of 1 to 5 is no less than:	3 or above	3 or above	3 or above
Percentage of Local Government Commission decisions dispatched to parties within 10 working days of decision, or to such other timetable as instructed by the Commission is:	100%	100%	100%
<b>Local Government Services</b>			
Percentage of rates rebate claims processed accurately is no less than:	99%	99%	99%
Percentage of requests for information from the public about the Rates Rebate Scheme responded to within 15 working days is no less than:	99%	99%	99%
Percentage of claims for rates rebates processed within 20 working days is no less than:	98%	98%	98%
Percentage of system availability for the National Dog Database is no less than:	99%	99%	99%
<b>Activity Information (see Note 2)</b>			
Number of responses to requests for information from the public about the Rates Rebate Scheme.	300 - 600	300 - 600	300 - 600

Performance Measures	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Number of rates rebate claims received for processing.	100,000 - 140,000	100,000 - 140,000	100,000 - 140,000
<b>Regulatory and Boating Services for Lake Taupo</b>			
The Taupo Harbourmaster will implement a programme of facilities inspection and maintenance.	Facilities managed in accordance with programme and standards	Achieved	Facilities managed in accordance with programme and standards
All boating facilities on Lake Taupo are maintained to an appropriate level of safety and usability.	Facilities maintained to specified standards	Achieved	Facilities maintained to specified standards
Percentage of respondents to a survey of key stakeholders who rate their satisfaction with the quality of Lake Taupo regulatory services at 3 or above on a scale of 1-5 is no less than:	85%	85%	85%
Percentage of prosecutions taken under navigation safety legislation and regulations dismissed because a prima facie case has not been established is no more than:	10%	10%	10%
<b>Policy Advice - Local Government</b>			
<b>Local Government Policy Advice</b>			
Policy advice will be delivered according to the output plan (and any subsequent amendments) as negotiated between the Minister and the Chief Executive.	100%	100%	100%
Policy advice is delivered in accordance with agreed policy quality criteria (refer Conditions on Use of Appropriation).	100%	100%	100%
The Minister is requested to indicate his/her level of satisfaction with the quality of policy advice.	Satisfied or better (see Note 1)	Satisfied or better (see Note 1)	Satisfied or better (see Note 1)
Policy advice is delivered according to the timeframes agreed.	100%	100%	100%
<b>Ministerial Correspondence and Questions</b>			
Percentage of first versions of replies to ministerial correspondence, Official Information Act 1982 requests, Ombudsman's inquiries and parliamentary questions accepted by the Minister is no less than:	95%	95%	90%
Percentage of draft responses to ministerial correspondence returned to the Minister's office for signature within 15 working days of receipt from the Minister's office or such other deadlines as may be specifically agreed is no less than:	95%	95%	95%
Percentage of draft responses to Official Information Act 1982 requests and Ombudsman's inquiries returned to the Minister's office for signature five days prior to the statutory deadline for reply is no less than:	100%	100%	100%
Percentage of draft replies to parliamentary questions completed within the time frames specified by the Minister is no less than:	100%	100%	100%
<b>Activity Information (see Note 2)</b>			
Number of replies to ministerial correspondence, Official Information Act 1982 requests and Ombudsman's inquiries and answers to parliamentary questions.	500 - 750	500 - 750	3,000-3,500

Note 1 - Ratings used in all Ministerial Satisfaction Surveys are: Very Good, Good, Satisfied, Poor, Very Poor.

Note 2 - Activity information relates to output volume measures that are demand driven and therefore outside the Department's control.

### *Conditions on Use of Appropriation*

Reference	Conditions
Purpose	Policy papers should be short (where practicable), succinct and clearly focused on decisions required from Ministers.
Consistency	The advice takes account of other Government policies and decisions, and is consistent with the principles of the Treaty of Waitangi.
Logic	The assumptions behind the advice are explicit and argument is logical and supported by the facts.
Accuracy	The facts in the papers are legally and statistically accurate and all material facts and sources are included. Where appropriate, the advice includes sound legal opinion.
Options	An appropriate range of options is presented; each option is assessed in terms of the benefits and costs for the Government, the economy, the community sector and all other relevant parties. The information provided has sufficient range and depth.
Consultation	There is evidence of adequate consultation with other government agencies and other affected parties and possible objections to proposals are identified.
Practicality	The problems of implementation, technical feasibility, timing and consistency with other policies have been considered. Where appropriate, the advice considers the impact on the lives of New Zealanders.
Presentation	The length and format of Cabinet papers meet Ministerial and Cabinet Office requirements. All papers and briefings are in accordance with the Department's Policy Quality Assurance guidelines. All presentations to Ministers are in accordance with Ministerial preference for style and format. All key facts and recommendations are on the first page. All material is effectively, concisely and clearly presented, has short sentences in plain English, and is free of grammatical or numerical errors.
Impartiality	The Department of Internal Affairs strives to provide professional, impartial and comprehensive advice to Ministers and to alert Ministers to the possible consequences of following particular policies, whether or not such advice accords with the Ministers' views.

### *Memorandum Account*

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Use of Facilities and Access by Lake Taupo Boat Users</b>			
Opening Balance at 1 July	52	52	62
Revenue	345	345	345
Expenses	350	335	336
Transfers and Adjustments	-	-	-
Closing Balance at 30 June	47	62	71

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Savings for the National Dogs Database.	2009/10	-	(198)	(198)	(198)	(198)
Savings for Dog Safety Education.	2009/10	-	(250)	(250)	(250)	(250)
Savings for Rates Rebate Promotion.	2009/10	-	(100)	(100)	(100)	(100)
Savings for Local and Central Government Interface and Facilitation.	2009/10	-	(40)	(40)	(40)	(40)
Optimising Central Government Investment in Local Government.	2008/09	1,551	800	230	230	230
Departmental Personnel Capability	2005/06	594	594	594	594	594
Facilitation of Central/Local Government Engagement in Community Outcome Process	2005/06	590	590	590	590	590
Funding to Implement a National Dog Database	2005/06	822	822	822	822	822
Increase in Fees for Use of Lake Taupo Facilities	2005/06	41	41	41	41	41
National Awards Scheme for Local Government	2005/06	44	44	44	44	44
Updating Thresholds for Entitlements Under the Rates Rebate Scheme	2005/06	475	475	475	475	475
Update of Information and Technology Infrastructure	2005/06	1,406	1,406	1,406	1,406	1,406
Local Authority Comparative Data	2004/05	187	187	187	187	187
Local Government Commission - Legislative Reviews and Additional Functions	2004/05	1,113	1,113	1,113	1,113	1,113

## Part 3 - Details for Benefits and Other Unrequited Expenses

### Part 3.2 - Non-Departmental Benefits and Other Unrequited Expenses

#### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<b>Outcome</b> - Strong, Sustainable Communities/Hapū/Iwi: <ul style="list-style-type: none"> <li>Communities are supported by fair and responsive local government and other organisations.</li> </ul>	Rates Rebate Scheme

#### Rates Rebate Scheme (M49)

##### *Scope of Appropriation*

Assistance with rates for low-income residential ratepayers.

##### *Expenses*

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	60,715	60,715	65,000

##### *Reasons for Change in Appropriation*

The increase in this appropriation is due to a forecast increase in CPI indexed assistance with rates for low-income residential ratepayers.

##### *Conditions on Use of Appropriation*

Reference	Conditions
Rates Rebates Act 1973, section 3	Rebates are granted on the basis of a formula taking into account income, the number of dependants and the amount of rates owing.

##### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Optimising Central Government Investment in Local Government	2008/09	5,915	8,210	10,951	13,051	13,051
Updating Thresholds for Entitlements Under the Rates Rebate Scheme.	2006/07	49,700	49,700	49,700	49,700	49,700

## Part 5 - Details and Expected Results for Other Expenses

### Part 5.2 - Non-Departmental Other Expenses

#### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<b>Outcome</b> - Strong, Sustainable Communities/Hapū/Iwi: <ul style="list-style-type: none"> <li>Contribution to the cost of the Chatham Islands Council meeting its statutory responsibilities.</li> </ul>	Chatham Islands Council
<b>Outcome</b> - Strong, Sustainable Communities/Hapū/Iwi: <ul style="list-style-type: none"> <li>Communities are supported by fair and responsive local government and other organisations.</li> </ul>	Depreciation
<b>Outcome</b> - Strong, Sustainable Communities/Hapū/Iwi: <ul style="list-style-type: none"> <li>Communities are supported by fair and responsive local government and other organisations.</li> </ul>	Tuwharetoa Māori Trust Board

#### Chatham Islands Council (M49)

##### *Scope of Appropriation*

Contribution to the cost of the Chatham Island Council meeting its statutory responsibilities.
--

##### *Expenses*

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,231	2,231	3,064

##### *Reasons for Change in Appropriation*

The increase in this appropriation is due to a higher level of funding for the Chatham Islands waste management programme in 2009/10.

##### *Expected Results*

	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The Chatham Islands Council is well supported and financially solvent.	Achieved	Achieved	Achieved
The Chatham Islands Council complies with its responsibilities under the Local Government Act 2002.	Achieved	Achieved	Achieved

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Chatham Islands Council Financial Assistance Programme.	2008/09	1,828	1,613	1,878	1,914	1,914
Chatham Islands Council Waste Management Assistance.	2006/07	403	1,451	319	319	319

**Depreciation (M49)***Scope of Appropriation*

Depreciation on Lake Taupo's Crown owned assets.

*Expenses*

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	147	147	147

**Tuwharetoa Māori Trust Board PLA (M49)***Scope of Appropriation*

This appropriation is limited to payment to Tuwharetoa Māori Trust Board to provide for continued public access to Lake Taupo, based upon a 2007 agreement between the Crown and the Tuwharetoa Māori Trust Board.

*Expenses*

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,500	1,500	1,500

*Conditions on Use of Appropriation*

Reference	Conditions
Cabinet decision	Deed between the Crown and the Tuwharetoa Māori Trust Board requires an annual payment of \$1.500 million by the Crown to the Board for continued access by the people of New Zealand to Lake Taupo.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Settlement costs relating to property rights in Lake Taupo.	2007/08	1,331	1,331	1,331	1,331	1,331

**Reporting Mechanisms**

Appropriation	Reporting Mechanism
Chatham Islands Council	Annual Report of the Chatham Islands Council

The above table indicates the mechanisms to be used for reporting actual performance for each non-departmental other expenses appropriation.

## Part 6 - Details and Expected Results for Capital Expenditure

### Part 6.2 - Non-Departmental Capital Expenditure

#### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<b>Outcome</b> - Strong, Sustainable Communities/Hapū/Iwi: <ul style="list-style-type: none"> <li>Communities are supported by fair and responsive local government and other organisations.</li> </ul>	Capital Investment - Lake Taupo

#### Capital Investments - Lake Taupo (M49)

##### *Scope of Appropriation*

Upgrading of boating facilities at Lake Taupo. Provision of safety lighting and adequate warning of navigational hazards.

##### *Capital Expenditure*

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	196	196	34

##### *Reasons for Change in Appropriation*

The decrease in this appropriation is due to a capital transfer from 2007/08 to 2008/09 for undertaking capital works at Lake Taupo.