

VOTE *Local Government*

Local Government

Overview

Departmental Appropriations

Departmental appropriations sought for Vote Local Government in 2006/07 total \$12.056 million. The appropriations are intended to be spent as follows:

- \$4.670 million (39% 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 (see Note 1), providing Lake Taupo Harbourmaster functions, and administering the rates rebates scheme.
- \$7.386 million (61% of total departmental appropriations in this Vote) on providing policy advice on, and information relating to, local government issues, including ministerial correspondence and questions.

Detail of how the appropriations are to be applied appear in Parts B1 and C.

Non-Departmental Appropriations

Non-departmental appropriations sought for Vote Local Government in 2006/07 total \$52.246 million. The appropriations are intended to be spent as follows:

- \$50.650 million on assisting low-income residential ratepayers with rates rebates.
- \$1.251 million contribution to the cost of Chatham Islands Council for meeting its statutory responsibilities.
- \$142,000 for depreciation on Lake Taupo's Crown assets.
- \$169,000 grant for the use of Lake Taupo, based upon a 1926 agreement between the Crown and the Tuwharetoa iwi.
- \$34,000 for upgrading boating facilities at Lake Taupo.

Further information and explanations of the appropriations appear in Parts C and E3 of this Vote.

Terms and Definitions Used

STV Single Transferable Vote

Footnotes

Note 1 The Minister of Local Government is, by virtue of section 22 of the Local Government Act 2002, the territorial authority for any part of New Zealand not within a territorial authority district. The main areas to which this applies are Tuhua/Mayor, Motiti, Moutuhora and Whakaari/White Islands.

Minister Portfolio Table

49 Minister of Local Government

Local Government

VOTE MINISTER: Minister of Local Government

ADMINISTERING DEPARTMENT: Department of Internal Affairs

The Minister of Internal Affairs is the Responsible Minister for the Department of Internal Affairs

Part A - Statement of Objectives and Trends

Part A1 - Objectives for Vote

Related Government Outcomes

The Department of Internal Affairs contributes to the following outcome

- Strong, sustainable communities/hapū/iwi.

Output Expense Appropriations

The Department of Internal Affairs administers Vote Local Government. The appropriations in this Vote fund a wide range of activities, including policy advice and/or other services, relating to:

- policy advice on matters relating to Local Government
- information, support and regulatory services.

The outputs provided by the Department are set out in section C1.

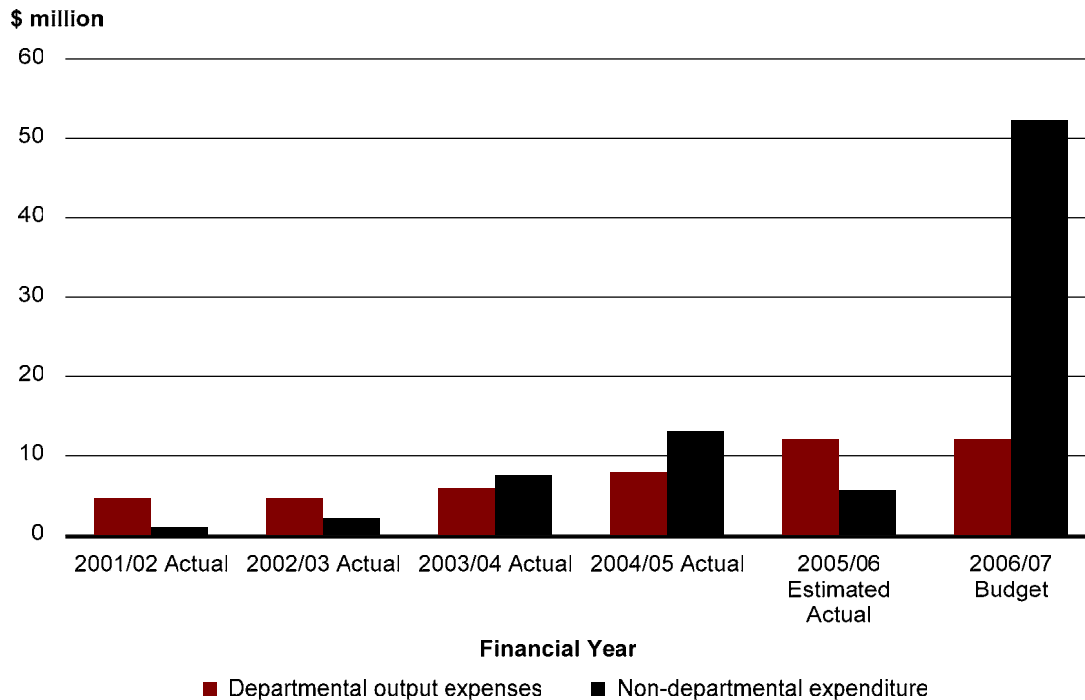
Linkages between Departmental Output Expenses and Outcomes

The links between the output expenses to be purchased and the particular outcomes for the Department of Internal Affairs are set out below.

Departmental Output Expenses	Outcomes
Information, Support and Regulatory Services - Local Government	Strong, sustainable communities/hapū/iwi
Policy Advice - Local Government	Strong, sustainable communities/hapū/iwi

Part A2 - Trends in Vote

The chart below compares the actuals for 2001/02, 2002/03, 2003/04, 2004/05 and estimated actuals for 2005/06 with the budget for 2006/07, for both Departmental Output Expenses and Non-Departmental Expenditure.

Figure 1 - Trends in Appropriations

Source: Department of Internal Affairs

Departmental Output Trends: 2001/02 to 2006/07

Departmental output class appropriations in 2006/07 decreased by \$16,000 compared to the 2005/06 Estimated Actuals.

Funding has decreased due to:

- an expense transfer between 2004/05 and 2005/06 for the Local Government Commission's review of the Local Government Act 2002 and the Local Electoral Act 2001.

The principal reasons for output expenditure movements between 2001/02 and 2006/07 are:

- Increase in funding in 2001/02 for the Review of the Local Government Act 1974.
- Increase in funding in 2002/03 for the implementation of the new Local Government Act 2002.
- Increase in funding in 2003/04 for the Single Transferable Vote (STV) public education programme, implementation of the STV electoral system, review of Auckland infrastructure, public education campaign on dog control, and improvement of the policy capability and capacity of the Department.
- Increase in funding in 2004/05 to improve the policy capability and capacity of the Department, the Local Government Commission's review of the operation of the Local Government Act and Local Electoral Act, develop and maintain a comparative information database on Local Authority performance, upgrade Information and Technology capabilities and maintain and enhance departmental personnel capability.

Non-Departmental Expense Trends: 2001/02 to 2006/07

Marked variations in non-departmental expenses tend to reflect one-off rather than ongoing transactions. These are identified below.

Benefits and other unrequited expenses

Decrease in the level of payment of rates rebates to low-income residential ratepayers due to reduced application numbers in 2001/02 and 2002/03.

In 2006/07 additional funding for revised thresholds for entitlements under the Rates Rebate Scheme.

Other expenses to be incurred by the Crown

The expenditure under this category mainly consists of assistance to regional and district councils as set out below:

- In 2002/03 funding was provided for the acquisition of properties within the high to medium-risk area for subsidence within Waihi.
- In 2003/04 funding was provided for an ex gratia payment to the Greymouth District Council as a contribution to the upgrade of the sewerage system, and the replacement of a Crown-owned jetty at Lake Taupo.
- In 2004/05 funding was provided for a contribution to local authorities for income foregone by rates remission for the most affected income-generating properties arising from the 2004 Bay of Plenty floods.
- In 2005/06 funding was provided for a contribution to the cost of Chatham Islands Council to meet its statutory responsibilities, and for the reparation of the Crown-owned breastworks at the Taupo Boat Harbour.
- In 2005/06 funding was provided to assist in the purchase of land from Chelsea Estates Limited and from Landcorp for the Waitangarua Farm.

New Policy Initiatives by Appropriation

Initiative	Appropriation as shown in Part B	\$000 increase/(decrease)				
		2005/06	2006/07	2007/08	2008/09	2009/10
Assistance to purchase land - Chelsea Estates Limited	Other Expenses to be Incurred by the Crown - Grants to Assist in Land Purchases	1,000				
Assistance to purchase land - Waitangarua Farm	Other Expenses to be Incurred by the Crown - Grants to Assist in Land Purchases	2,296				
Chatham Islands Council waste management assistance	Other Expenses to be Incurred by the Crown - Chatham Islands Council		101	558	403	1,451
Local government elections project	Departmental Output Expense - Information, Support and Regulatory Services - Local Government		65	615		
Total Initiatives		3,296	166	1,173	403	1,451

Part B - Statement of Appropriations

Summary of Financial Activity

	2001/02	2002/03	2003/04	2004/05	2005/06		2006/07 Appropriations to be Used				2007/08	2008/09	2009/10	
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budget \$000	Estimated Actual \$000	By the Department Administering the Vote		For Non-Departmental Transactions		Total \$000	Estimated \$000	Estimated \$000	Estimated \$000
							Annual \$000	Other \$000	Annual \$000	Other \$000				
Appropriations														
Output Expenses	4,637	4,621	5,838	8,015	12,072	12,072	12,056	-	-	-	12,056	11,565	11,086	11,086
Benefits and Other Unrequited Expenses	653	611	585	498	950	950	N/A	N/A	50,650	-	50,650	50,650	50,650	50,650
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Other Expenses	161	890	6,813	12,641	4,725	4,725	-	-	1,562	-	1,562	1,883	699	1,747
Capital Expenditure	34	34	-	34	734	734	N/A	N/A	34	-	34	34	34	34
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	-	N/A	N/A	-	-	-	-
Total Appropriations	5,485	6,156	13,236	21,188	18,481	18,481	12,056	-	52,246	-	64,302	64,132	62,469	63,517
Crown Revenue and Receipts														
Tax Revenue	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Total Crown Revenue and Receipts	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-

Part B1 - Details of Appropriations

Appropriations	2005/06				2006/07		Scope of 2006/07 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Expenses (General)							
Information, Support and Regulatory Services - Local Government (M49)	4,790	-	4,790	-	4,670	-	- Administration of statutes, providing information and advice about local government, supporting the Local Government Commission, local government services to certain offshore islands (see Note 1), providing Lake Taupo Harbourmaster functions, administering rates rebates, governance and management of the National Dog Control Information Database. Reason for Change: Expense transfers from 2004/05 (\$129,000 for Local Government Reform Programme, \$89,000 for Dog Control Communication Strategy, \$100,000 for Local Government Commission) to 2005/06 offset by an increase in 2006/07 to maintain capability.
Policy Advice - Local Government (M49)	7,282	-	7,282	-	7,386	-	- Provision of policy advice on, and information relating to, local government issues, drafting ministerial correspondence and questions. Reason for Change: Increase to maintain capability.
Total Departmental Output Expenses (General)	12,072	-	12,072	-	12,056	-	
Benefits and Other Unrequited Expenses							
Rates Rebate Scheme (M49)	950	-	950	-	50,650	-	- Assistance with rates for low-income residential ratepayers. Reason for Change: Change in the qualifying threshold income for rates relief.
Total Benefits and Other Unrequited Expenses	950	-	950	-	50,650	-	
Other Expenses to be Incurred by the Crown							
Chatham Islands Council (M49)	1,100	-	1,100	-	1,251	-	- Contribution to the cost of the Chatham Island Council meeting its statutory responsibilities.
Depreciation (M49)	160	-	160	-	142	-	- Depreciation on Lake Taupo's Crown owned assets.
Grants to Assist in Land Purchases (M49)	3,296	-	3,296	-	-	-	- To provide funding to assist in the purchase of land by the Crown. Reason for Change: One-off funding to assist in the purchase of Waitangarua Farm from Landcorp (\$2.296 million) and contribution to purchase land from Chelsea Estate Limited (\$1.000 million).

	2005/06				2006/07		
	Budget		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	Scope of 2006/07 Appropriations
Tuwharetoa Māori Trust Board (M49)	169	-	169	-	169	-	- A grant for the use of Lake Taupo, based upon a 1926 agreement between the Crown and the Tuwharetoa iwi.
Total Other Expenses to be Incurred by the Crown	4,725	-	4,725	-	1,562	-	
Capital Expenditure							
Capital Investments - Lake Taupo (M49)	734	-	734	-	34	-	- Upgrading of boating facilities at Lake Taupo. Provision of safety lighting and adequate warning of navigational hazards. Reason for Change: Funding for Taupo boat harbour - breastwork repairation in 2005/06.
Total Capital Expenditure	734	-	734	-	34	-	
Total Appropriations	18,481	-	18,481	-	64,302	-	

Part C - Explanation of Appropriations for Output Expenses

Part C1 - Departmental Output Expenses

Information, Support and Regulatory Services - Local Government

This output covers:

- 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, including advising the Minister of Local Government on:
 - local government boundaries and reorganisation schemes
 - approval of sales of endowment land and other statutory approvals
 - the Rates Rebates Scheme
 - offshore islands not in a territorial authority district
 - servicing of ministerial review authorities when required
- administering the Local Electoral Act 2001 including:
 - approving voting document formats
 - administering the Single Transferable Vote calculator
 - collection and publication of local government election statistics
- 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.

This work contributes to the development of *Strong, sustainable communities/hapū/iwi*.

Policy Advice - Local Government

This output covers:

- policy advice and information on local government issues. It also involves monitoring the local government system, preparing ministerial briefings and speech notes, and providing support for the Minister of Local Government, as required, in Cabinet committees, select committees, and Parliament. It also includes preparations for hosting the Commonwealth Local Government Forum 2007 Conference
- draft replies to ministerial correspondence, Official Information Act 1982 requests, Ombudsman's inquiries and parliamentary questions addressed to the Minister of Local Government or referred from other Ministers.

This work contributes to the development of *Strong, sustainable communities/hapū/iwi*.

Part E - Explanation of Capital Flows

Part E3 - Explanation of Appropriations for Capital Expenditure

Capital Expenditure

The capital expenditures received for the purchase or development of capital assets owned by the Crown are set out below:

- upgrading of boating facilities at Lake Taupo
- in 2005/06 to fund boat harbour breastwork reparation at Lake Taupo.