

VOTE *Local Government*

Local Government

Overview

Departmental Appropriations

Departmental appropriations sought for Vote Local Government in 2007/08 total \$11.515 million. The appropriations are intended to be spent as follows:

- \$5.248 million (46% 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.
- \$6.267 million (54% of total departmental appropriations in this Vote) on providing policy advice on, and information relating to, local government issues, including ministerial correspondence and questions.

Details 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 2007/08 total \$72.710 million. The appropriations are intended to be spent as follows:

- \$70.650 million on assisting low-income residential ratepayers with rates rebates.
- \$1.721 million contribution to the cost of Chatham Islands Council for meeting its statutory responsibilities.
- \$136,000 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
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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.
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Minister Portfolio Table

49	Minister of Local Government
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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 outcome Strong, sustainable communities/ hapū/iwi.

The Department makes a positive contribution across all of the Government's Themes in areas such as:

- **economic transformation** - giving community access to digital networks
- **families - young and old** - helping communities identify and provide for enhanced social outcomes across the entire range of social, health and safety sub-themes
- **national identity** - helping local communities to define and promote and work towards their own visions, to assist in building a cohesive society, promoting voluntary activity and promoting participation in civil society and local decision-making.

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:

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

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

Linkages between Departmental Output Expenses and Outcomes

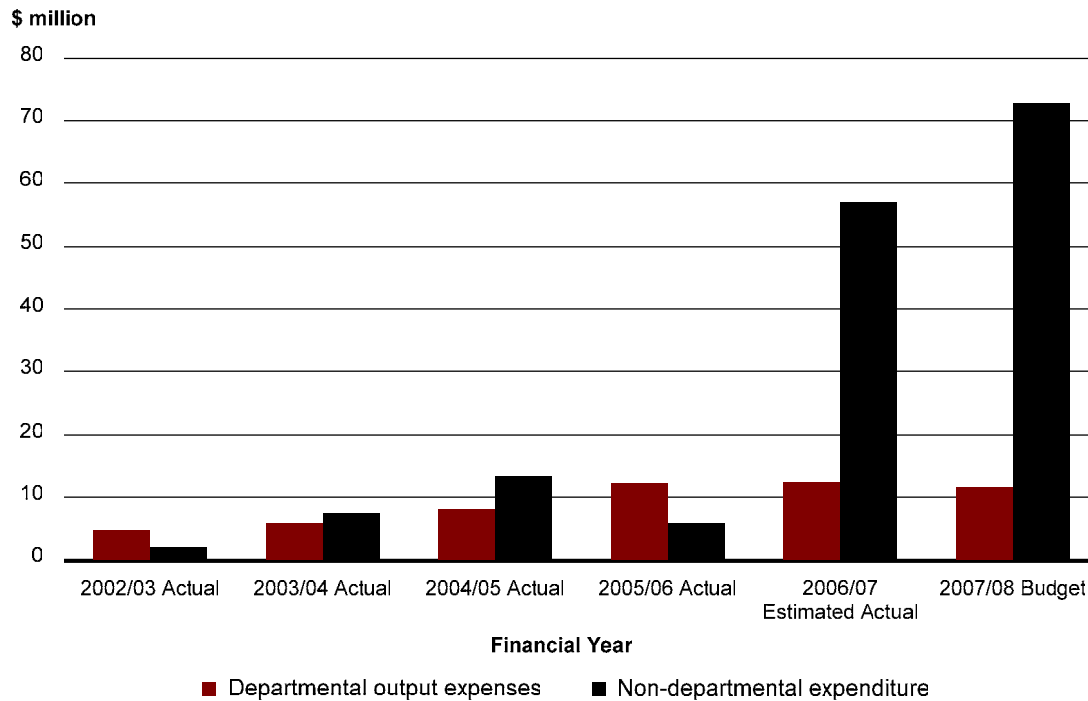
The links between the output expenses to be purchased and the particular outcomes for the Department of Internal Affairs are set out below.

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 from 2002/03 to 2005/06 and estimated actuals for 2006/07 with the budget for 2007/08, for both departmental output expenses and non-departmental expenditure.

Figure 1 - Trends in appropriations



Source: Department of Internal Affairs

Departmental Output Trends: 2002/03 to 2007/08

Departmental output expense appropriations in 2007/08 decrease by \$1.023 million compared to the 2006/07 Estimated Actuals. This is due to:

- expense transfers from 2005/06 to 2006/07 for the Local Government Commission's review of the Local Government Act 2002 and the Local Electoral Act 2001, the National Dog Database, implementation of the communication plan for the Dog Control Act and implementation of the new thresholds for the Rates Rebate Scheme.
- The completion of hosting arrangements for the 2007 Commonwealth Local Government Conference.

The principal reasons for output expenditure movements between 2002/03 and 2006/07 are:

- 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, enable 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.
- Increase in funding in 2006/07 for hosting the 2007 Commonwealth Local Government Conference.

Non-Departmental Expense Trends: 2002/03 to 2007/08

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

Benefits and other unrequited expenses

- In 2006/07 and 2007/08 additional funding has been provided to allow for revised income 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 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 the replacement of a Crown-owned jetty at Lake Taupo and an ex-gratia contribution to Greymouth District Council for an upgrade of the sewerage system.
- In 2004/05 funding was provided for a contribution to local authorities (arising from the 2004 Bay of Plenty floods), for income foregone by rates remission for the most affected income-generating properties.
- In 2005/06 funding was provided for the reparation of the Crown-owned breastworks at the Taupo Boat Harbour and a contribution was made to the cost of Chatham Islands Council, to enable it to meet its statutory responsibilities.
- In 2005/06 funding was provided for the purchase of land from Chelsea Estate Limited and part of Waitangarua Farm.

Part B - Statement of Appropriations

Summary of Financial Activity

	2002/03	2003/04	2004/05	2005/06	2006/07		2007/08 Appropriations to be Used					2008/09	2009/10	2010/11
					Budget	Estimated	By the Department Administering the Vote		For Non-Departmental Transactions					
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	\$000	Actual \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	Total \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations														
Output Expenses	4,621	5,838	8,015	9,739	13,964	12,538	11,515	-	-	-	11,515	10,352	10,352	10,352
Benefits and Other Unrequited Expenses	611	585	498	674	70,650	55,000	N/A	N/A	70,650	-	70,650	70,650	70,650	70,650
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Other Expenses	890	6,813	12,641	3,732	3,074	2,073	-	-	2,026	-	2,026	699	1,747	615
Capital Expenditure	34	-	34	528	179	179	N/A	N/A	34	-	34	34	34	34
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	-	N/A	N/A	-	-	-	-
Total Appropriations	6,156	13,236	21,188	14,673	87,867	69,790	11,515	-	72,710	-	84,225	81,735	82,783	81,651
Crown Revenue and Receipts														
Tax Revenue	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Non-Tax Revenue	-	-	-	-	500	838	N/A	N/A	N/A	N/A	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Total Crown Revenue and Receipts	-	-	-	-	500	838	N/A	N/A	N/A	N/A	-	-	-	-

Part B1 - Details of Appropriations

	2006/07				2007/08		
	Budget		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	Scope of 2007/08 Appropriations
Departmental Output Expenses (General)							
Information, Support and Regulatory Services - Local Government (M49)	5,637	-	4,855	-	-	-	- Administration of statutes, providing information and advice about local government, supporting the Local Government Commission, local government services to certain offshore islands, providing Lake Taupo Harbourmaster functions, administering rates rebates, governance and management of the National Dog Control Information Database. Reason for Change: Expense transfer from 2005/06 to 2006/07 for the National Dog Database. This output expense now forms part of the multi-class output appropriation Services for Local Government.
Policy Advice - Local Government (M49)	8,327	-	7,683	-	-	-	- Provision of policy advice on and information relating to, local government issues; drafting ministerial correspondence and questions. Reason for Change: The decrease in funding relates to the completion of hosting arrangements for the 2007 Commonwealth Local Government Conference. This output expense now forms part of the multi-class output appropriation Services for Local Government.
Services for Local Government MCOA							Basis: Both outputs contribute to the effective governance and support for New Zealand's Local Government sector.
Information, Support and Regulatory Services - Local Government	-	-	-	-	5,248	-	- 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 Rebates 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.
Policy Advice - Local Government	-	-	-	-	6,267	-	- Provision of policy advice on, and information relating to, local government issues, including ministerial correspondence and questions.
Services for Local Government (M49)	-	-	-	-	11,515	-	
Total Departmental Output Expenses (General)	13,964	-	12,538	-	11,515	-	

	2006/07				2007/08		
	Budget		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	Scope of 2007/08 Appropriations
Benefits and Other Unrequited Expenses							
Rates Rebate Scheme (M49)	70,650	-	55,000	-	70,650	-	Assistance with rates for low-income residential ratepayers. Reason for Change: Change in the qualifying income threshold for rates relief.
Total Benefits and Other Unrequited Expenses	70,650	-	55,000	-	70,650	-	
Other Expenses to be Incurred by the Crown							
Chatham Islands Council (M49)	1,763	-	1,763	-	1,721	-	- Contribution to the cost of the Chatham Island Council meeting its statutory responsibilities.
Depreciation (M49)	142	-	141	-	136	-	- Depreciation on Lake Taupo's Crown owned assets.
Grants to Assist in Land Purchases (M49)	1,000	-	-	-	-	-	- To provide funding to assist in the purchase of land by the Crown. Reason for Change: Expense transfer from 2005/06 to 2006/07 for the purchase of land from Chelsea Estate Limited.
Tuwharetoa Maori 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	3,074	-	2,073	-	2,026	-	
Capital Expenditure							
Capital Investments - Lake Taupo (M49)	179	-	179	-	34	-	- Upgrading of boating facilities at Lake Taupo. Provision of safety lighting and adequate warning of navigational hazards. Reason for Change: Expense transfer from 2005/06 to 2006/07 for Taupo boat harbour - breastwork repair.
Total Capital Expenditure	179	-	179	-	34	-	
Total Appropriations	87,867	-	69,790	-	84,225	-	

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
- providing operational advice and support to the Minister of Local Government on:
 - local government boundaries and reorganisation schemes
 - approval of sales of endowment land and other statutory approvals
 - 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
- administering the Rates Rebates 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.

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
- 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.

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Capital Receipts

	2006/07		2007/08	Description of 2007/08 Crown Revenue
	Budgeted \$000	Estimated Actual \$000	Budget \$000	
Non-Tax Revenue				
Refund of Non-Department payment	500	838	-	Refund of Non-Department payment
Total Non-Tax Revenue	500	838	-	
Total Crown Revenue and Receipts	500	838	-	