

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 2008/09 financial year covering the following:

Departmental Appropriations

- a total of nearly \$5.233 million (43% 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 rebates scheme
- \$7.060 million (57% of total departmental appropriations in this Vote) on providing policy advice on, and information relating to, local government issues, including ministerial correspondence and questions.

Non-Departmental Appropriations

- a total of nearly \$76.565 million for assisting low-income residential ratepayers with rates rebates
- a total of nearly \$2.231 million contribution for the cost of Chatham Islands Council for meeting its statutory responsibilities
- a total of nearly \$127,000 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 - Themes/Sub-themes	Government Outcomes
Capital Investment - Lake Taupo Chatham Islands Council Depreciation Grants to Assist in Land Purchases Rates Rebates Scheme Services for Local Government Tuwharetoa Māori Trust Board	Economic transformation - looking after the system of local government that makes a vital contribution to provision of infrastructure; environmental sustainability; and helping Auckland become a world-class city Families - young and old - helping communities to identify and provide for enhanced social outcomes across the entire range of social, health and safety sub-themes National identity - helping local communities and their councils to define and work towards their own visions, promoting participation in civil society and local decision-making	Strong, Sustainable Communities/Hapū/Iwi

Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2003/04	2004/05	2005/06	2006/07	2007/08		2008/09			2009/10	2010/11	2011/12
	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
Appropriations												
Output Expenses	5,838	8,015	9,739	11,987	12,764	12,328	12,293	-	12,293	11,363	10,793	10,793
Benefits and Other Unrequited Expenses	585	498	674	43,517	70,650	48,888	N/A	76,565	76,565	78,860	81,601	83,701
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	6,813	12,641	3,732	2,040	15,700	15,700	-	3,858	3,858	4,691	3,824	3,860
Capital Expenditure	-	34	528	41	179	179	-	34	34	34	34	34
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Total Appropriations	13,236	21,188	14,673	57,585	99,293	77,095	12,293	80,457	92,750	94,948	96,252	98,388
Crown Revenue and Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	N/A	-	-	-	-
Non-Tax Revenue	-	-	-	1,277	-	-	N/A	N/A	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	N/A	-	-	-	-
Total Crown Revenue and Receipts	-	-	-	1,277	-	-	N/A	N/A	-	-	-	-

Budget Policy Initiatives

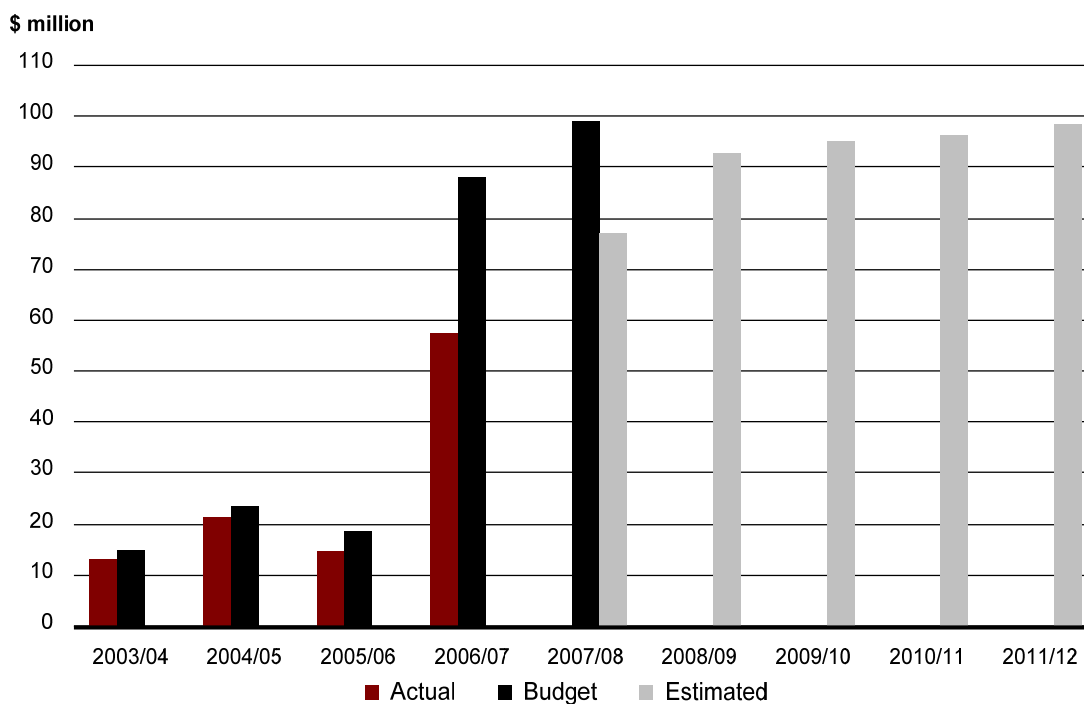
Policy Initiative	Appropriation	2007/08 Budgeted \$000	2008/09 Budget \$000	2009/10 Estimated \$000	2010/11 Estimated \$000	2011/12 Estimated \$000
Optimising central government investment in local government	Services for Local Government	-	1,551	800	230	230
Optimising central government investment in local government	Rates Rebate Scheme	-	5,915	8,210	10,951	13,051
Chatham Islands Council Financial Assistance Programme	Chatham Islands Council	-	1,828	1,613	1,878	1,914
Settlement costs relating to property rights in Lake Taupo	Tuwharetoa Māori Trust Board	12,674	1,331	1,331	1,331	1,331

Analysis of Significant Trends

Total Vote: All Appropriations

Trends in comparative actual and estimated total expenses and capital expenditure are shown in Figure 1 below, including budgeted and estimated actual figures for the preceding year.

Figure 1 - Trends in total actual and estimated expenses and capital expenditure



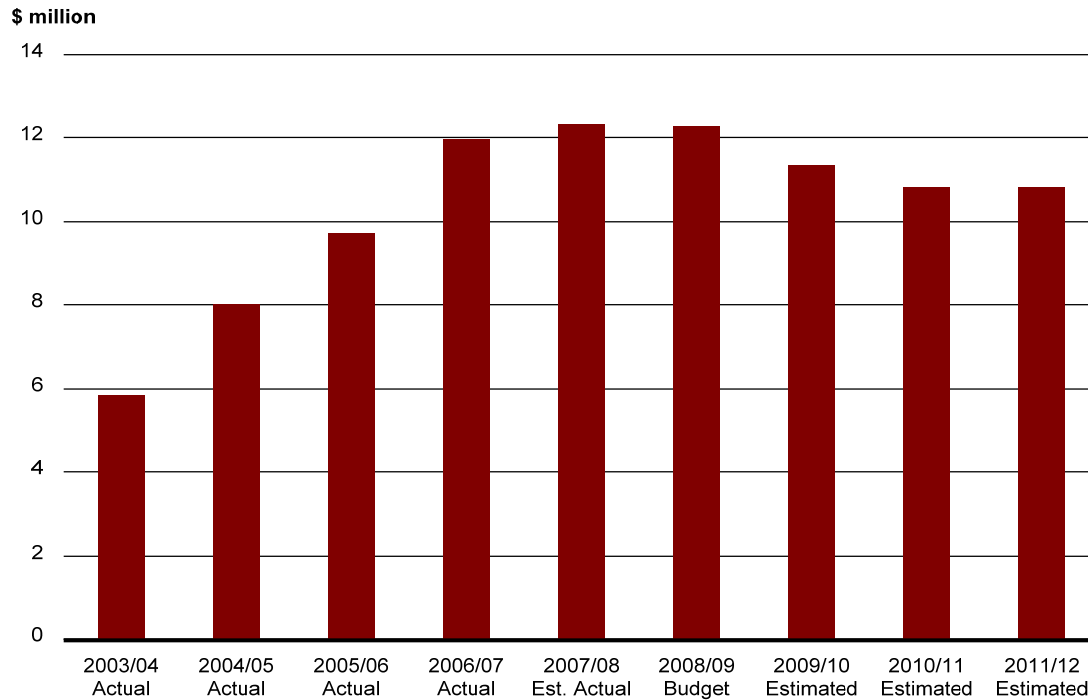
Source: Department of Internal Affairs

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 on-going funding.

Details of significant movements within each appropriation category are detailed below.

Departmental Output Expenses

Figure 2 - Trends in departmental output expenses

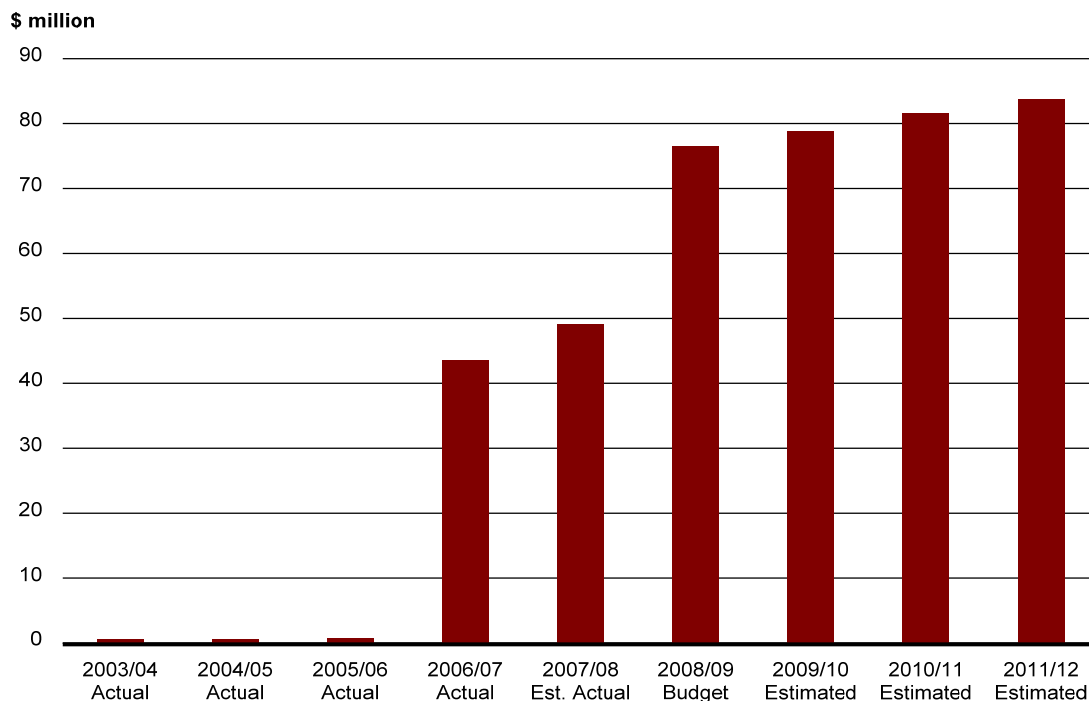


Source: Department of Internal Affairs

The baseline increased in 2004/05 to improve policy capability and capacity of the Department and to enable the Local Government Commission's review of the operation of the Local Government and Local Electoral Acts. 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 decrease in 2010/11 and outyears is largely due to a higher level of funding in 2008/09 and 2009/10 for the professional development of elected members of councils and Auckland governance.

Benefits and Other Unrequited Expenses

Figure 3 - Trends in benefits and other unrequited expenses

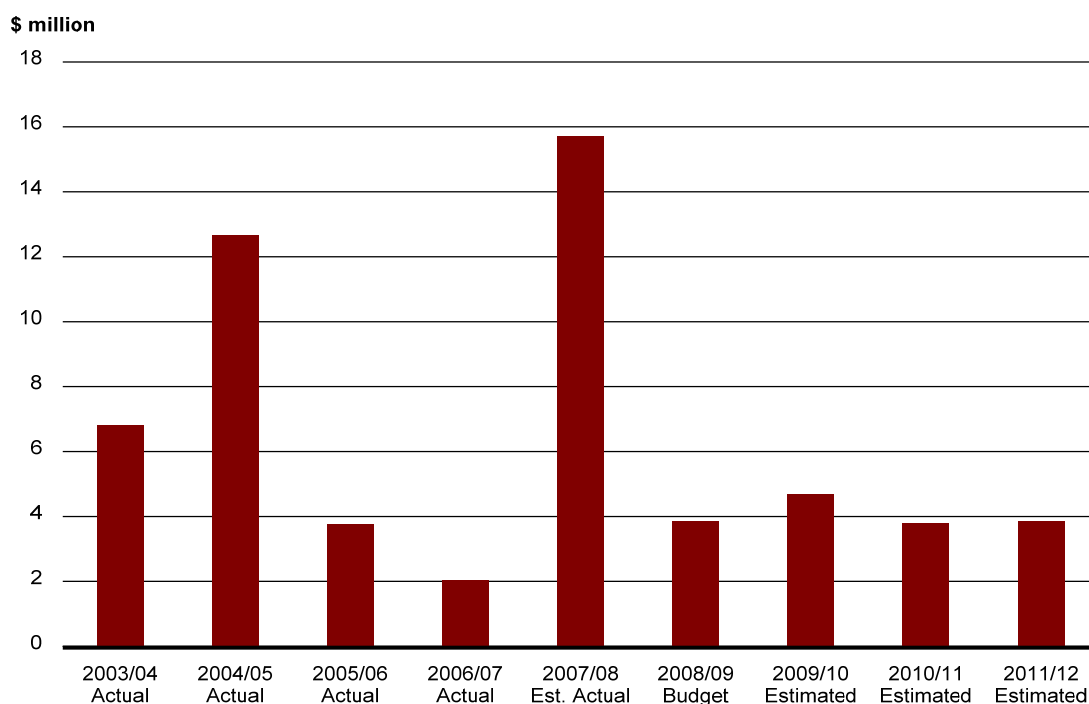


Source: Department of Internal Affairs

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 rates rebates claims.

Non-Departmental Other Expenses

Figure 4 - Trends in non-departmental other expenses

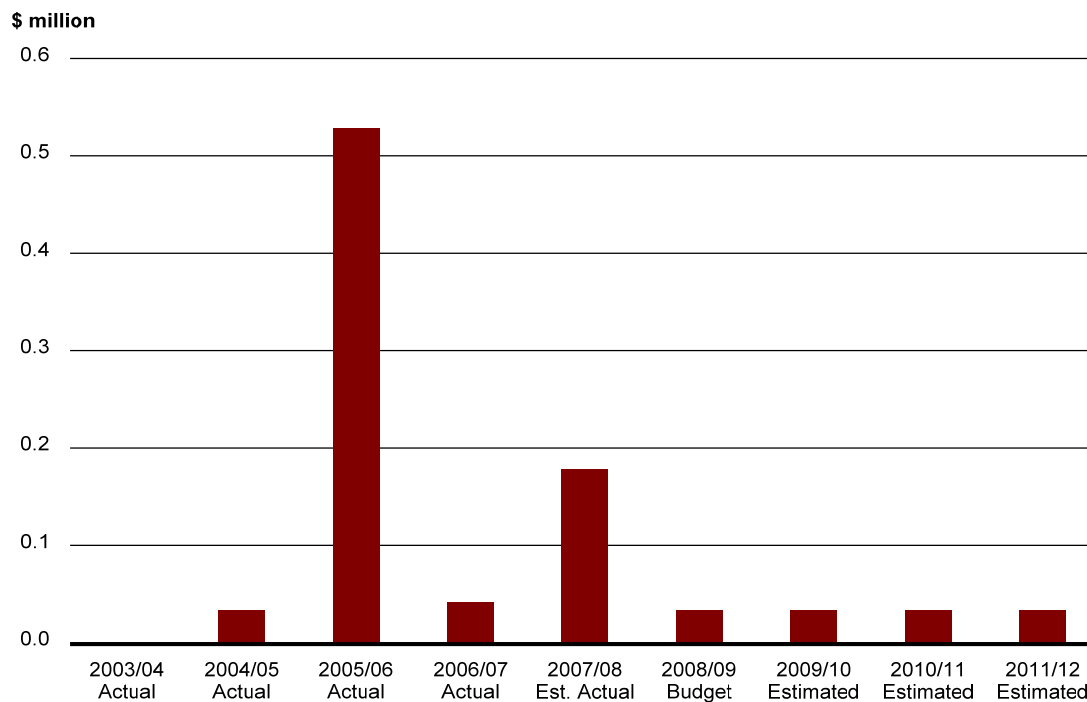


Source: Department of Internal Affairs

Funding was provided in 2004/05 for a contribution to local authorities arising from the Bay of Plenty flooding, and 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. Additional funding was provided in 2008/09 onwards to the Chatham Islands Council to enable it to continue to meet its statutory responsibilities.

Capital Expenditure

Figure 5 - Trends in capital expenditure



Source: Department of Internal Affairs

Expenditure increased in 2005/06 for the reparation of Crown-owned breastworks at Lake Taupo. One-off funding was provided in 2007/08 for the upgrade of boating facilities at Lake Taupo.

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>Outcome: Strong, Sustainable Communities/Hapū/Iwi</p> <ul style="list-style-type: none"> • People engage with and participate in their communities • Communities are supported by fair and responsive local government and other local groups and organisations 	<p>Services for Local Government MCOA -</p> <ul style="list-style-type: none"> • Information, Support and Regulatory Services - Local Government • Policy Advice - Local Government

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 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 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

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	12,764	12,328	12,293
Information, Support and Regulatory Services - Local Government	6,235	5,861	5,233
Policy Advice - Local Government	6,529	6,467	7,060

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Revenue from the Crown	11,783	11,783	11,317
Information, Support and Regulatory Services - Local Government	5,325	5,325	4,327
Policy Advice - Local Government	6,458	6,458	6,990
Revenue from Others	955	954	955
Information, Support and Regulatory Services - Local Government	886	886	886
Policy Advice - Local Government	69	68	69

Output Performance Measures and Standards

Performance Measures	2007/08		2008/09
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Information, Support and Regulatory Services - Local Government			
<i>Local Government Commission Advice and Support</i>			
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%
<i>Local Government Services</i>			
Percentage of rates rebates claims processed accurately is no less than:	99%	99%	99%
Percentage of requests for information from the public about the rates rebates 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:	New measure	New measure	99%
Activity Information²			
Number of responses to requests for information from the public about the rates rebates scheme.	300 - 600	350	300 - 600
Number of rates rebates claims received for processing.	100,000 - 140,000	120,000	100,000 - 140,000
<i>Regulatory and Boating Services for Lake Taupo</i>			
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

Performance Measures	2007/08		2008/09
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<i>Regulatory and Boating Services for Lake Taupo cont'd</i>			
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%	100%	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:	Revised measure	Revised measure	10%
Policy Advice - Local Government			
<i>Local Government Policy Advice</i>			
Policy advice is delivered according to the Output Plan (and any subsequent amendments) as negotiated between the Minister and the Secretary for Local Government.	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 ¹	Satisfied or better ¹	Satisfied or better ¹
Policy advice is delivered according to the timeframes agreed.	100%	100%	100%
<i>Ministerial Correspondence and Questions</i>			
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%	95%
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%
Activity Information²			
Number of replies to ministerial correspondence, Official Information Act 1982 requests and Ombudsman's inquiries, and answers to parliamentary questions.	500 - 750	700	600 - 800

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
Policy Advice Quality Criteria	
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

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Use of facilities and access by Lake Taupo boat users			
Opening Balance at 1 July	52	52	47
Revenue	345	345	345
Expenses	350	350	346
Transfers and Adjustments	-	-	-
Closing Balance at 30 June	47	47	46

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2007/08 Budgeted \$000	2008/09 Budget \$000	2009/10 Estimated \$000	2010/11 Estimated \$000	2011/12 Estimated \$000
Optimising central government investment in local government	2008/09	-	1,551	800	230	230
Departmental Personnel Capability	2005/06	513	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	1,350	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
Additional funding to improve the policy capability and capacity of the Department	2003/04	2,213	2,213	2,213	2,213	2,213

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
Outcome: Strong, sustainable communities/hapū/iwi <ul style="list-style-type: none"> Communities are supported by fair and responsive local government and other local groups and organisations 	Rates Rebate Scheme

Rates Rebate Scheme (M49)

Scope of Appropriation

Assistance with rates for low-income residential ratepayers.

Expenses

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	70,650	48,888	86,565

Reasons for Change in Appropriation

The increase in this appropriation is due to additional funding for consumer price index adjustments for rates rebate claims.

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	2007/08 Budgeted \$000	2008/09 Budget \$000	2009/10 Estimated \$000	2010/11 Estimated \$000	2011/12 Estimated \$000
Optimising central government investment in local government	2008/09	-	5,915	8,210	10,951	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
Outcome: Strong, sustainable communities/hapū/iwi <ul style="list-style-type: none"> Contribution to the cost of the Chatham Islands Council meeting its statutory responsibilities 	Chatham Islands Council
Outcome: Strong, sustainable communities/hapū/iwi <ul style="list-style-type: none"> Communities are supported by fair and responsive local government and other local groups and organisations 	Depreciation
Outcome: Strong, sustainable communities/hapū/iwi <ul style="list-style-type: none"> Communities are supported by fair and responsive local government and other local groups and organisations 	Grants to Assist in Land Purchases
Outcome: Strong, sustainable communities/hapū/iwi <ul style="list-style-type: none"> Communities are supported by fair and responsive local government and other local groups and organisations 	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

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,721	1,721	2,231

Reasons for Change in Appropriation

In 2008/09 additional funding was provided to enable the Chatham Islands Council to meet its statutory responsibilities.

Expected Results

	2007/08		2008/09
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The Chatham Islands Council is well supported and financially solvent	Achieved	Achieved	Achieved

	2007/08		2008/09
	Budgeted Standard	Estimated Actual Standard	Budget Standard
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	2007/08 Budgeted \$000	2008/09 Budget \$000	2009/10 Estimated \$000	2010/11 Estimated \$000	2011/12 Estimated \$000
Chatham Islands Council Financial Assistance Programme	2008/09	-	1,828	1,613	1,878	1,914
Chatham Islands Council Waste Management Assistance	2006/07	558	403	1,451	319	319
Chatham Islands Council Crown Funding Assistance	2004/05	1,020	-	-	-	-

Depreciation (M49)

Scope of Appropriation

Depreciation on Lake Taupo's Crown owned assets.

Expenses

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	136	136	127

Grants to Assist in Land Purchases (M49)

Scope of Appropriation

To provide funding to assist in the purchase of land by local authorities or local organisations.

Expenses

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,000	1,000	-

Reasons for Change in Appropriation

Funding was provided in 2007/08 for the purchase of land from Chelsea Estate Limited.

Conditions on Use of Appropriation

Reference	Conditions
Cabinet decision	Funding is restricted to a contribution to the purchase of land at the Chelsea Sugar Works

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

A payment to ensure public access to Lake Taupo, based upon a 2007 agreement between the Crown and the Tuwharetoa Māori Trust Board.

Expenses

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	12,843	12,843	1,500

Reasons for Change in Appropriation

The decrease in this appropriation is largely due to one-off settlement costs in 2007/08 relating to Lake Taupo property rights.

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	2007/08 Budgeted \$000	2008/09 Budget \$000	2009/10 Estimated \$000	2010/11 Estimated \$000	2011/12 Estimated \$000
Settlement costs relating to property rights in Lake Taupo	2007/08	12,674	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
Outcome: Strong, sustainable communities/hapū/iwi <ul style="list-style-type: none"> Communities are supported by fair and responsive local government and other local groups and organisations 	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

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	179	179	34

Reasons for Change in Appropriation

The decrease in this appropriation is due to additional funding in 2007/08 for breastwork reparation at Lake Taupo.