

Vote Internal Affairs

Baseline Alignment Proposal

Version 1.0

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Submitted by:

Hon Nathan Guy

Section 1: Alignment to Government Priorities

Vote Internal Affairs comprises a diverse range of policy, operational, advisory and regulatory functions. It supports two portfolios: Internal Affairs and Ethnic Affairs. The priorities for these two portfolios are outlined below, together with the contributions they make to the Government's priorities.

Internal Affairs portfolio priorities

Better public services

As the Vote responsible for ownership issues for the Department of Internal Affairs, the key priority over the next few years is to build the capability of the Department to allow it to be the preferred home for selected government functions that require high quality service delivery to citizens, community or government. This will contribute to improving the performance of the wider State sector.

This priority will be achieved by enhancing and leveraging the Department's existing business-as-usual activities and areas of mandate. Several related work streams will support this:

- building common ICT capability, for example by increasing the use of the on-line channel to improve services and reduce costs; improving supplier relationships across government to increase innovation and reduce costs;
- delivering shared services, for example developing shared service capability to deliver cost-effective ICT services to other agencies;
- ensuring the integrity of identity information held by government;
- building capability in operational regulatory and compliance functions within organisations; and
- advising agencies on the efficacy of their own services, for example government agencies' support and services for ethnic communities.

This priority also includes the potential to accommodate functional structural change to improve the effectiveness of government.

A second priority is to improve the efficiency and effectiveness of the fire sector. New Zealand's fire services face a number of fundamental problems. These include issues relating to fire service governance, fragmentation of rural fire services, and fire service levy inequalities. Addressing these problems will deliver a more efficient fire service and more effective emergency fire responses and planning. Activities funded by the Vote will support the National Rural Fire Authority's efforts to encourage voluntary amalgamation of rural fire authorities into regional groups, allowing for improvements in resource allocation and capability.

Better regulation

This priority aims to improve compliance with gambling laws and the integrity of funding practices. The intended impact is that gambling operators will manage their cost structures and grant funding practices more efficiently and effectively. The overall goals are an increase in the percentage return to the community, and that grant funding will be operated with greater integrity. This will be achieved through operational gambling compliance initiatives, including a risk-based audit and work programme, and targeted licensing and investigative action.

Ethnic Affairs portfolio priorities

Increasing New Zealand's productivity growth

A key priority for this portfolio is to harness the underutilised skills, talents and connections of Ethnic communities for New Zealand's economic development. This involves taking a greater focus on engaging with Ethnic communities on New Zealand's off-shore activities, particularly in the Asia-Pacific region. These efforts should benefit New Zealand's export, tourism and education markets.

A second priority is to maintain New Zealand's reputation as a successful model of social harmony, through celebrating New Zealand's multi-ethnic and multi-faith society. This will help maintain New Zealand as a desirable destination for tourism, migration, education and economic investment.

Better public services

Government policy and service delivery should cater for the fact that the New Zealand society is a multi-ethnic one. An ongoing priority for this portfolio is to encourage government departments to be more responsive to the needs of Ethnic communities when developing policy or designing service delivery. The aim is to reduce the need for ad hoc services to be devised due to poor planning by government agencies. The particular focus for 2010 is to ensure equal health outcomes for Ethnic communities and greater access to justice.

Section 2: Reprioritisation

Funding implications

This work will be delivered within existing resources, and will not impact on other activities funded by the Vote.

Through the Baseline Alignment Proposal process for Vote Emergency Management, one-off savings of \$0.500 million were identified in the 2009/10 financial year. These savings were retained by the Department of Internal Affairs for reallocation to any unfunded priorities identified in other Votes administered by the Department.

After consideration of the funding situation across all of the Department's Votes, it has been decided to transfer \$0.200 million of those savings into Vote Internal Affairs for the 2009/10 financial year only. This additional funding will contribute to the key Ministerial priority of building the capability of the Department to allow it to be the preferred home for selected government functions that require high quality service delivery to citizens, community or government

Over the past 18 months the Department of Internal Affairs, which administers this Vote, has been actively seeking ways to work more productively. As a result, it has identified a number of areas in which efficiencies or savings have been realised, or have the potential to be so. Savings in a number of Votes were offered up in Budget 2009, and lower areas of work reprioritised with the agreement of the relevant Vote Ministers.

Areas of potential gain will continue to be explored on an ongoing basis, as part of a structured performance and productivity improvement programme ranging across the Department's functions. This proactive commitment to productivity improvement will ensure that the Department will continue to deliver its core services in an environment of static baselines, and has enabled it to respond to the current set of Ministerial priorities without seeking additional funding in Budget 2010.

Risks

It should be noted that a priority within Vote Ministerial Services may have potential implications for Vote Internal Affairs.

Vote Ministerial Services directly supports the Government's priority for a successful Rugby World Cup (RWC) 2011. The Vote's specific contribution will be to manage an ambitious guest of government and state functions programme on behalf of Ministers that will provide the Government with the opportunity for showcasing New Zealand to a wide range of overseas visitors coming to New Zealand in connection with the event.

The guest of government and state functions programme is part of a wider RWC 2011 initiative that involves a number of other agencies, including the Ministry of Economic Development, Department of Prime Minister and Cabinet, Ministry of Foreign Affairs and Trade, and Ministry of Tourism. The Department is working closely with these agencies to determine the full extent of RWC-related work programmes and associated funding implications. A whole-of-government approach to addressing funding implications for all agencies will be adopted, including consideration of the cost-offsetting effect of economy-wide benefits that will be generated through New Zealand's hosting of RWC 2011.

Should it not prove possible to identify sufficient funding through existing pan-government baselines, it will be necessary to seek additional funding through a joint bid for Budget 2011.

Transfers

In the Vote Emergency Management Baseline Alignment Proposal, the Minister of Civil Defence identified a one-off saving of \$0.500 million in the 2009/10 financial year. Following discussions with Treasury officials, it is proposed that this saving be reallocated to support the key ownership priority of building the capability of the Department to allow it to be the preferred home for selected government functions that require high quality service delivery to citizens, community or government.

It is proposed that the \$0.500 million saving be transferred from Vote Emergency Management to:

Vote Internal Affairs: \$0.200 million

Vote Local Government: \$0.300 million

The expenditure will occur in the 2009/10 financial year.

Section 3: Summary of Financial Movements

Vote Internal Affairs

The baseline figures shown in the following table include departmental and non-departmental operating expenses only.

| | \$000 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 |
|--|-------|---------|---------|---------|---------|---------|
| Baseline (2009/10 FBU) | | 156,646 | 159,850 | 161,947 | 168,977 | 183,757 |
| Share Allocation | | - | - | - | - | - |
| Centralised Saving | | - | - | - | - | - |
| Reprioritisation | | | | | | |
| Total Reprioritisation | | - | - | - | - | - |
| Transfers Outside Vote | | | | | | |
| Departmental Output Expense: Government Technology Services | | 200 | - | - | - | - |
| Total Transfers Outside Vote | | 200 | - | - | - | - |
| Total Changes | | 200 | - | - | - | - |
| Total Proposed Baseline | | 156,846 | 159,850 | 161,947 | 168,977 | 183,757 |