

Vote Local Government

Baseline Alignment Proposal

Version 1.0

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Submitted by:

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Section 1: Alignment to Government Priorities

Local government plays a vital role in advancing the well-being of New Zealanders and New Zealand communities. Effective local government provides communities with a say about their resources, and the decisions that affect their well-being now, and in the future.

The activities within Vote Local Government are primarily concerned with the framework and system of local government and its overall effectiveness. The aim is that the system of local government should optimise economic, social and cultural benefits to key stakeholders, which include ratepayers, residents (including communities), business and central government. Local government should be fiscally responsible, providing citizens with good planning and decision-making on their behalf.

The specific Ministerial priorities for this Vote and their contribution to Government priorities are shown below. These priorities are significant and have far-reaching implications for the Local Government portfolio. They involve longer term, resource-intensive, projects that will span well into the next term of government. Before the end of the current term, it will only be possible to commence initial work on the structure of local government, allocation of functions and constitutional issues.

Increasing New Zealand's productivity growth; Regulatory reform; Better public services

The first priority is the implementation of the Auckland Governance reforms. This will contribute to increasing New Zealand's productivity growth, by introducing significant regulatory reform within the Auckland region and simplify and streamline governance structures. The reforms will also lead to better public services, through the Auckland Council delivering integrated planning and services within the region.

Following on from the Auckland work will be a first-principles review into the local government structure for the rest of New Zealand, to determine what efficiencies could be achieved through reorganisation. An amended structure may have the potential to reduce costs and deliver savings to ratepayers, but needs to consider the appropriateness of present local authority functions and governance arrangements.

A further priority, which will inform the review of the local government structure, is to improve local government transparency, accountability and financial management. This aims to streamline council decision-making and ensure better quality information about council performance is available to ratepayers. This will give ratepayers more opportunity to understand and influence their councils' activities and spending. Councils will be encouraged to focus on frontline and core services.

The last priority for this Vote is to undertake a first-principles review of the Dog Control Act 1996 to investigate whether the present regime is effective, efficient and fair. This aims to determine whether the current regulation around dog control is reasonable and in proportion to the actual risks posed for the public.

Section 2: Reprioritisation

Funding implications

This work will be delivered within existing resources. 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.

Transfer

In the Vote Emergency Management Baseline Alignment Proposal, the Minister of Civil Defence identified a one-off saving in the 2009/10 financial year. Following discussions with Treasury officials, it is proposed that this saving be reallocated to other Departmental Votes 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 therefore proposed that \$0.300 million is transferred into Vote Local Government, to be expended in 2009/10.

Section 3: Summary of Financial Movements

Vote Local Government

The baseline figures shown in the following table include departmental and non-departmental operating expenses only. These figures do not include Benefits and Other Unrequited Expenses operating appropriations.

	\$000	2009/10	2010/11	2011/12	2012/13	2013/14
Baseline (2009/10 FBU)		16,922	14,214	14,073	14,073	14,073
Share Allocation		-	-	-	-	-
Centralised Saving		-	-	-	-	-
Reprioritisation						
Total Reprioritisation		-	-	-	-	-
Transfers Outside Vote						
Services for Local Government MCOA: Information, Support and Regulatory Services – Local Government		300	-	-	-	-
Total Transfers Outside Vote		300	-	-	-	-
Total Changes		300	-	-	-	-
Total Proposed Baseline		17,222	14,214	14,073	14,073	14,073