

Viewpoint

Mention the 3 letters IRD and most people have some felling of emotion towards distain, but simply put they are merely collecting revenue to build and maintain the infrastructure that we all need to support our day to day business and personal lives.

Debate will go on year after year on the spending of that revenue, how best to use it, how it is being frivolously wasted in some areas, whether enough is being invested in other areas.

Year after year that debate doesn't change but at times like now when NZ INC is in or coming out of a recession, it is more prudent than ever to look at all spending especially tax dollars and where justification of spend or consolidation and savings can accrue. Rightly so the collectors of the revenue are not immune themselves and some 200 IRD back room positions are considered expendable and are to go.

As NZ INC gears up and takes advances of technology it stands to reason that more jobs, especially in back offices, throughout the private and perhaps even more so, throughout the public sector, will become fragile and their existence threatened.

One would expect that there is good sound math and reasoning behind the consolidation by the department but indications suggest that while the math is there, the reasoning on where the cutbacks will be made has been judged on some irrational analysis.

The thing about back room positions that utilise technology is that the these can be done anywhere, so the most logical plan would be to relocate these activities to the lowest operational cost center; I'm not suggesting going to India, but surely for government departments this is where Southland comes in.

The city has the infrastructure to and cost base to, not only maintain the existing government jobs that are here, but to encourage more 'back room' administration and call centre operations.

Of the 191 IRD FTE positions that are proposed to be made redundant, a third of these are proposed to come out of the Southland office. A third not only seems disproportionate to the number of regional offices there are, but well disproportionate on any thought of a population criteria, and the effect this will have on the local spend within the economy. While not knowing the specifics of the positions surely the Southland IRD skill base is as professional and as capable as any centralised IRD office.

On the surface it is easy to think that the reason for a reduction in the Southland staff as opposed to other centers where votes may be considered marginal, it is election year, could look as though it snacks of a political decision. However it's more likely that it is driven from bureaucrats of the '*yes minister fame*' looking after the head office power base.

When it comes to accountability by department heads it's about budget and manipulations to meet KPIs which don't include any visible government policy of supporting regions through practical and cost effective positioning of government backroom positions, and no consideration is made to a policy which could be wrapped around decisions that include any thoughts to 'social impact'. Simply put why would a government head office what to move into a smaller wellington office or scale back any other large center office exposing its vulnerability to look important and commanding, even if it could better meet its objectives of cost reduction by utilising or even boosting regional staff in more cost-effective regional premises like Southland. The bureaucrats make the decision, the '*polies*' nod,

they got the budget result they want, and there is no support for the regions; as there is no incentive or policy for the departments to do so.

A policy that could be effective is for Cabinet to say that all government department backroom positions must consider social impact and are to be firstly considered for operations within the cost effective regional office networks, encouraging regional support through government departmental expenditure in these regions, while utilising such tools as cloud technology process, unless a proposal for centralisation can otherwise be proven to the minister on a cost effective and sustainable model that will not detract from the regional economic and employment base, not the other way around.

Over recent history Southland has suffered substantially from government centralisation, the depletion of government offices and workers has left large hard to fill buildings and lowered the population with the consequence of reduced funding support for infrastructural services such as education, health, policing and transport that is required to support a growing or sustainable regional economy. Prior to today's technology, centralisation could be somewhat reluctantly understood but not in today's world of communications.

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