

Performance Information for Appropriations

Vote Treaty Negotiations

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister for Treaty of Waitangi Negotiations (M74)

ADMINISTERING DEPARTMENT: Ministry of Justice

MINISTER RESPONSIBLE FOR MINISTRY OF JUSTICE: Minister of Justice

Part 1 - Summary of the Vote

Part 1.1 - Overview of the Vote

The Minister for Treaty of Waitangi Negotiations is responsible for appropriations in Vote Treaty Negotiations for the 2012/13 financial year including a multi-year appropriation and a range of annual appropriations.

Vote Treaty Negotiations contains a multi-year appropriation of \$1,400 million for the five year period 2012 to 2016. This appropriation is for the settlement of historical Treaty of Waitangi claims and provides for the payment of redress through the transfer of assets (cash and property) from the Crown to claimant groups, and for the payment of interest on settlement redress.

In addition, annual appropriations sought for Vote Treaty Negotiations in 2012/13 total \$169.969 million. This is intended to be spent as follows:

- \$23.911 million (14% of the Vote) for the purchase of negotiation and implementation of historical Treaty claims and administration and implementation of the Marine and Coastal Area (Takutai Moana) Act 2011 from the Ministry of Justice
- \$9.963 million (6% of the Vote) for the purchase of property management services from the Ministry of Justice
- \$2.220 million (1% of the Vote) for the purchase of Crown representation at Waitangi Tribunal and Court hearings of historical claims
- \$695,000 (less than 1% of the Vote) for the purchase of policy advice on historical Treaty claims and administration and implementation of the Marine and Coastal Area (Takutai Moana) Act 2011 from the Ministry of Justice
- \$12.602 million (7% of the Vote) for claimant funding to support the settlement of historical Treaty claims
- \$120,000 (less than 1% of the Vote) for writing off debt associated with rentals owed from Landbank properties
- \$2.400 million (1% of the Vote) for agreed payments for Foreshore and Seabed agreements
- \$13.693 million (8% of the Vote) financial contributions to applicant groups under the Marine and Coastal Area (Takutai Moana) Act 2011
- \$3.600 million (2% of the Vote) for depreciation on assets held in the Landbank
- \$6.405 million (4% of the Vote) for the write down of commercial properties transferred as part of a Treaty settlement
- \$27.980 million (16% of the Vote) for the purchase of property for the Landbank administered by the Ministry of Justice for historical Treaty of Waitangi settlement purposes, and
- \$66.380 million (39% of the Vote) to support lending to implement the Ngāti Whatua o Orakei Deed of Settlement.

The Ministry of Justice expects to collect \$14.183 million of revenue on behalf of the Crown from Landbank property operations.

Details of these appropriations are set out in Parts 2-6 below.

Part 1.2 - High-Level Objectives of the Vote

Government Priorities and Outcomes - Links to Appropriations

Government Priorities	Government Outcomes	Appropriations
Progressing the aspirational goal of settling historical Treaty of Waitangi claims by 2014 through maintaining recent momentum and prioritising settlement legislation currently in the House through all stages.	Maintain the civil and democratic rights of New Zealanders	Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act MCOA (M74) Property Portfolio Management (M74)

Part 2.1 discusses the link between the Ministry's outputs and outcomes in more detail.

The Ministry of Justice Statement of Intent 2012-2015 discusses the Ministry's outputs and outcomes in more detail.

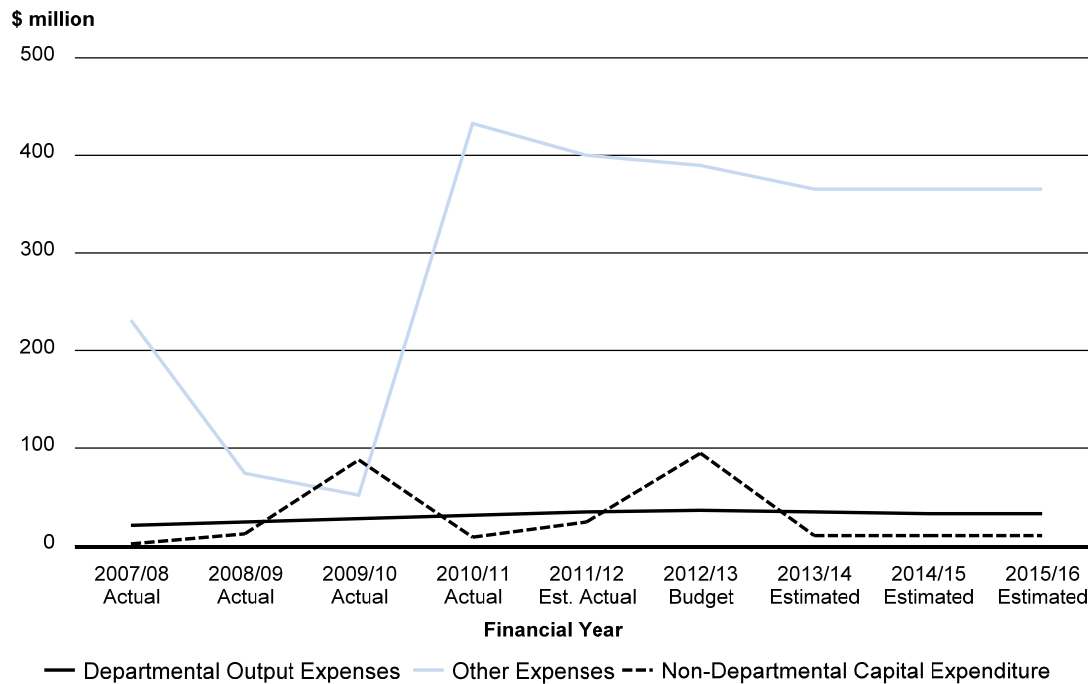
Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2007/08	2008/09	2009/10	2010/11	2011/12		2012/13			2013/14	2014/15	2015/16
	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	20,788	24,642	27,710	30,755	34,252	34,252	36,789	-	36,789	33,950	32,006	32,615
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	231,494	74,252	51,602	432,871	399,400	399,400	-	388,820	388,820	364,722	364,722	364,722
Capital Expenditure	961	11,356	87,348	8,523	24,088	24,088	-	94,360	94,360	10,000	10,000	10,000
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Total Appropriations	253,243	110,250	166,660	472,149	457,740	457,740	36,789	483,180	519,969	408,672	406,728	407,337
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	-	6,467	6,710	8,802	9,270	9,270	N/A	14,183	14,183	14,183	13,253	13,253
Capital Receipts	-	-	-	-	-	-	N/A	-	-	14,000	-	-
Total Crown Revenue and Capital Receipts	-	6,467	6,710	8,802	9,270	9,270	N/A	14,183	14,183	28,183	13,253	13,253

Analysis of Significant Trends

Figure 1 - Vote trends in actual expenses and capital expenditure by appropriation type



Source: Ministry of Justice

Departmental Output Expense Trends

The increase in these appropriations in 2012/13 reflects the transfer of Marine and Coastal Area funding from Vote Justice. The trend in out-years reflects the ceasing of increased funding approved for resourcing the settlement of historical Treaty claims in order to progress the Government's aspirational goal of completing historical Treaty settlements by 2014.

Other Expense Trends

These appropriations are expected to remain relatively constant over the next four years, as Treaty Settlements are reached.

Non-Departmental Capital Expenditure

The increase in 2012/13 is the result of expense transfers due to the delay in the purchase of protection mechanism properties and a new appropriation to facilitate lending to implement the Ngāti Whatua o Orakei Deed of Settlement.

Performance Trends

The Ministry of Justice expects 15 deeds of settlement to be initialled by both parties in 2011/12, continuing a trend of increased settlement momentum over previous years. For 2012/13, eleven deeds are expected to be initialled.

Part 1.4 - Reconciliation of Changes in Appropriation Structure

2011/12 Appropriations in the 2011/12 Structure	2011/12 (Current) \$000	Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2011/12 Appropriations in the 2012/13 Structure	2011/12 (Restated) \$000	2012/13 \$000
Policy Advice - Treaty Negotiations	22,791	Transferred to Policy Advice - Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act MCOA	(695)	Policy Advice - Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act MCOA	695	695
		Transferred to Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act MCOA	(22,096)	Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act MCOA	22,096	23,911
Representation - Waitangi Tribunal	2,056	Transferred to Representation - Waitangi Tribunal and Courts MCOA	(2,056)	Representation - Waitangi Tribunal and Courts MCOA	2,056	2,220
Total	24,847		(24,847)		24,847	26,826

Explanations of the reasons for changing the appropriation structure are noted in the details of each appropriation in Parts 2-6.

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
Outcome: Maintain the civil and democratic rights of New Zealanders Impact: Durable settlement of historical Treaty of Waitangi claims	Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act MCOA (M74) Property Portfolio Management (M74)

The Ministry of Justice Statement of Intent 2012-2015 discusses the Ministry's outputs, impacts and outcomes in more detail.

Property Portfolio Management (M74)

Scope of Appropriation

Management, transfer and disposal of Crown-owned property for Treaty settlement purposes.

Expenses and Revenue

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	9,405	9,405	9,963
Revenue from Crown	9,371	9,371	9,939
Revenue from Other	34	34	24

Reasons for Change in Appropriation

The increase in this appropriation is the result of a realignment of corporate and administrative expenses, and an expense transfer from 2011/12 for deferred maintenance work.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Percentage of property acquisitions where all Cabinet policies, legal and Deed of Settlement requirements are complied with	100%	100%	100%
Percentage of property transfers and disposals where all Cabinet policies, legal and Deed of Settlement requirements are complied with	100%	100%	100%
Percentage of property acquisitions where price agreed is based on criteria approved by Ministers and/or specified in a settlement agreement	100%	100%	100%

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Cost Pressures Associated With Landbank Assets	2011/12	1,850	1,850	1,840	-	-
Landbank Purchases	2009/10	72	-	-	-	-

Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act MCOA (M74)

Scope of Appropriation

Policy Advice - Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act
This output class is limited to the provision of advice to support decision-making by Ministers on government policy matters relating to Treaty Negotiations and the Marine and Coastal Area (Takutai Moana) Act 2011.
Representation - Waitangi Tribunal and Courts
This output class is limited to Crown representation in the Waitangi Tribunal and in the Courts on matters concerning Treaty claims, and associated research into historical Treaty grievances to support representation.
Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act
This output class is limited to the negotiation and implementation of historical Treaty claims, and the administration and implementation of the Marine and Coastal Area (Takutai Moana) Act 2011.

Explanation for Use of Multi-Class Output Expense Appropriation

The output classes relate to the provision of policy advice and related outputs such as negotiation and implementation of Treaty settlements, implementation of the Marine and Coastal Area (Takutai Moana) Act 2011 and representation in tribunals and courts on these matters within Vote Treaty Negotiations.

Expenses and Revenue

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	26,826
Policy Advice - Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act	-	-	695
Representation - Waitangi Tribunal and Courts	-	-	2,220
Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act	-	-	23,911

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Revenue from Crown	-	-	26,791
Policy Advice - Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act	-	-	693
Representation - Waitangi Tribunal and Courts	-	-	2,218
Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act	-	-	23,880
Revenue from Other	-	-	35
Policy Advice - Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act	-	-	2
Representation - Waitangi Tribunal and Courts	-	-	2
Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act	-	-	31

Reasons for Change in Appropriation

The change is a result of the reorganisation of policy advice appropriations.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Policy Advice - Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act			
The quality and nature of advice will be agreed with the Minister for Treaty of Waitangi Negotiations	Achieved	Achieved	Achieved
The Minister will be requested to indicate his/her level of satisfaction with the quality of advice and services provided by the Ministry	Good	Good	Good
Representation - Waitangi Tribunal and Courts			
Participate in district and urgent enquiries of the Waitangi Tribunal	100%	100%	100%
Participation satisfies Waitangi Tribunal timeframes	100%	100%	100%
Evidence is peer reviewed and meets agreed standards	100%	100%	100%
Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act			
Percentage of settlement date obligations met	100%	100%	100%
Deeds of settlement initialled	22	15	11
Legislation introduced	21	9	12
Legislation enacted	2	10	6
The Minister will be requested to indicate his/her level of satisfaction towards negotiation milestones	Good	Good	Good

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Policy Advice - Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act						
Current Government						
Increased Negotiation and Settlement Activity	2010/11	1,800	1,300	-	-	-
Historical Treaty of Waitangi Settlements - Tāmaki Makaurau Negotiations	2009/10	-	-	(500)	-	-
Previous Government						
Resourcing the Settlement of Historical Treaty Claims	2009/10	5,628	5,628	5,628	5,628	5,628
Waikato River Co-management Implementation	2008/09	500	500	500	500	500
Increased Negotiation Activity	2008/09	1,467	1,467	1,467	1,467	1,467

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
Objective: To meet Crown liabilities and manage Crown assets efficiently	Debt Write-offs (M74)
Objective: To meet Crown liabilities and manage Crown assets efficiently	Depreciation (M74)
Outcome: Durable Settlement of Treaty Claims	Claimant Funding (M74) Agreed Payments for Foreshore and Seabed Deeds of Agreement (M74) Contribution toward Determining Customary Interests in the Marine and Coastal Area (M74) Historical Treaty of Waitangi Settlements (M74) Write down of Commercial Properties in Vote Treaty Negotiations (M74)

Agreed Payments for Foreshore and Seabed Deeds of Agreement (M74)

Scope of Appropriation

This appropriation is limited to agreed payments associated with implementing foreshore and seabed Deeds of Agreement.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	0	0	2,400

Reasons for Change in Appropriation

This is a new appropriation in 2012/13. This appropriation is for agreed payments associated with implementing foreshore and seabed Deeds of Agreement. Funding has been transferred from foreshore and seabed appropriations within Vote Justice.

Claimant Funding (M74)

Scope of Appropriation

This appropriation is limited to payment of claimant funding related to the settlement of historical Treaty of Waitangi claims.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	10,082	10,082	12,602

Reasons for Change in Appropriation

The change in funding is represented by a reduction in the base appropriation of \$1.980 million offset by an expense transfer from 2011/12 of \$4.500 million.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Establishing Separate Appropriation for Claimant Funding	2010/11	10,000	5,700	5,700	5,700	5,700

Contribution Toward Determining Customary Interests in the Marine and Coastal Area (M74)

Scope of Appropriation

This appropriation is limited to providing a financial contribution to applicant groups under the Marine and Coastal Area (Takutai Moana) Act 2011.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	300	300	13,693

Reasons for Change in Appropriation

This appropriation is required to provide a financial contribution to applicant groups under the Marine and Coastal Area (Takutai Moana) Act 2011. Once funding requirements for applicants are more certain funding initially phased to 2012/13 will be transferred to future financial years.

Debt Write-offs (M74)*Scope of Appropriation*

Write-off of Bad Debts from Landbank rental properties.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	120	120	120

Depreciation (M74)*Scope of Appropriation*

Depreciation on assets held in the Office of Treaty Settlements Landbank for Treaty settlements.
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Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	3,600	3,600	3,600

Historical Treaty of Waitangi Settlements 2010-2014 (M74)*Scope of Appropriation and Expenses*

Type, Title, Scope and Period of Appropriations	\$000
Non-Departmental Other Expenses	
<i>Historical Treaty of Waitangi Settlements 2011 - 2015 (M74)</i>	1,400,000
This appropriation is limited to the settlement of historical Treaty of Waitangi claims, including redress through the transfer of assets (cash and property) from the Crown to the claimant groups, and any simple interest payable on settlements between the date specified in the Deed of Settlement and the Settlement Date.	
Commences: 30 June 2011	
Expires: 30 June 2015	
<i>Historical Treaty of Waitangi Settlements 2012 - 2016 (M74)</i>	1,400,000
This appropriation is limited to the settlement of historical Treaty of Waitangi claims, including redress through the transfer of assets (cash and property) from the Crown to the claimant groups, and any simple interest payable on settlements between the date specified in the Deed of Settlement and the Settlement Date.	
Commences: 30 June 2012	
Expires: 30 June 2016	

Reasons for Change in Appropriation

A multi-year appropriation for historical Treaty of Waitangi settlements is established each year in the Supplementary Estimates Act, and the balance of the previous multi-year appropriation is cancelled. The amount of the current multi-year appropriation is \$1,400 million over five years. The reason for the change is to ensure there is sufficient legal authority to finalise agreements in principle negotiated in earlier years and to continue the momentum in settling Treaty of Waitangi settlements.

Write down of Commercial Properties in Vote Treaty Negotiations (M74)*Scope of Appropriation*

This appropriation is limited to the difference between the current value of the commercial property to be transferred through a Treaty settlement, and the agreed transfer value of that commercial property transferred as part of a Treaty settlement.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	35,298	35,298	6,405

Reasons for Change in Appropriation

This funding provides for the write down in value of farms to be transferred as part of the various Te Hiku settlements. Most of the write downs are expected in 2011/12 with the remaining transfer expected to occur in 2012/13.

Reporting Mechanisms

Appropriation	Reporting Mechanism
Agreed Payments for Foreshore and Seabed Deeds of Agreement (M74)	Annual Report of the Ministry of Justice
Claimant Funding (M74)	Annual Report of the Ministry of Justice
Contribution toward Determining Customary Interests in the Marine and Coastal Area (M74)	Annual Report of the Ministry of Justice
Debt Write-offs (M74)	Annual Report of the Ministry of Justice
Depreciation (M74)	Annual Report of the Ministry of Justice
Historical Treaty of Waitangi Settlements 2010 - 2014 (M74)	Annual Report of the Ministry of Justice
Write Down of Commercial Properties in Vote Treaty Negotiations (M74)	Annual Report of the Ministry of Justice

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
Objective: To meet Crown liabilities and manage Crown assets efficiently	Land, Stock, Plant Purchases (M74) Lending to Support Implementation of the Ngāti Whatua o Orakei Deed of Settlement (M74)

Land, Stock, Plant Purchases (M74)

Scope of Appropriation

The purchase of surplus Crown property is held in the Office of Treaty Settlements Landbank to protect it for possible use in future Treaty of Waitangi settlements.

Capital Expenditure

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	24,088	24,088	27,980

Reasons for Change in Appropriation

The change reflects funding transferred to 2012/13 because of delays in purchasing approved properties and delays in finalising Treaty settlements where property purchases are required to meet the terms of the Deed of Settlement.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Current Government						
Crown Possession of Kenepuru Land	2011/12	330	330	-	-	-

Lending to Support Implementation of the Ngāti Whatua o Orakei Deed of Settlement (M74)

Scope of Appropriation

This appropriation is limited to lending to implement the Ngāti Whatua o Orakei Deed of Settlement.

Capital Expenditure

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	0	0	66,380

Reasons for Change in Appropriation

This change is to enable Ngāti Whatua o Orakei to purchase Crown Assets as part of their Deed of Settlement.

Reporting Mechanisms

Appropriation	Reporting Mechanism
Land, Stock, Plant Purchases (M74)	Annual Report of the Ministry of Justice
Lending to Support Implementation of the Ngāti Whatua o Orakei Deed of Settlement (M74)	Annual Report of the Ministry of Justice

The above table indicates the mechanisms to be used for reporting actual results for each non-departmental capital expenditure appropriation.