

Performance Information for Appropriations

Vote Treaty Negotiations

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

ADMINISTERING DEPARTMENT: Ministry of Justice - OTS

MINISTER RESPONSIBLE FOR MINISTRY OF JUSTICE - OTS: Minister of Justice

Part 1 - Summary of the Vote

Part 1.1 - Overview of the Vote

Overview

Vote Treaty Negotiations contains a multi-year appropriation of \$400 million for the five-year period 2008/09 to 2012/13. 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, for the payment of interest on settlement redress and for the payment of claimant funding.

In addition, annual appropriations sought for Vote Treaty Negotiations in 2008/09 total \$32.197 million. This is intended to be spent as follows:

- \$11.404 million (35% of the Vote) for the purchase of policy advice, negotiation, settlement and implementation of historical Treaty claims from the Office of Treaty Settlements.
- \$2.961 million (9% of the Vote) for the purchase of Crown representation at Waitangi Tribunal hearings of historical claims.
- \$6.212 million (19% of the Vote) for the purchasing of property management services from the Office of Treaty Settlements.
- \$1.500 million (5% of the Vote) for depreciation on assets held in the Office of Treaty Settlements.
- \$120,000 (less than 1% of the Vote) for debt write-off of rentals owing from Landbank properties.
- \$10.000 million (31% of the Vote) for the purchasing of property by the Office of Treaty Settlements for historical Treaty of Waitangi settlement purposes.

The Office of Treaty Settlements expects to collect \$5.877 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 - Themes/Sub-themes	Government Outcomes	Appropriations
National Identity Justice Sector Outcomes Framework: First Tier Outcome: A Safe and Just Society Second Tier Outcome: Civil and Democratic Rights are Enjoyed	Third Tier Outcome: Justice Sector Outcomes Framework: Durable Settlement of Treaty Claims	Policy advice - Treaty Negotiations (M74)
		Property portfolio management (M74)
		Representation - Waitangi Tribunal (M74)

The Justice Sector Outcomes were approved by Justice Sector Ministers in September 2006, and came into effect on July 1, 2007.

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	13,800	17,898	16,235	17,644	20,160	20,160	20,577	-	20,577	21,133	21,133	21,133
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	35,912	14,039	31,568	49,376	62,633	62,633	-	61,620	61,620	61,620	61,620	61,620
Capital Expenditure	4,533	4,321	2,308	2,613	10,675	10,675	-	10,000	10,000	10,000	10,000	10,000
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Total Appropriations	54,245	36,258	50,111	69,633	93,468	93,468	20,577	71,620	92,197	92,753	92,753	92,753
Crown Revenue and Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	N/A	-	-	-	-
Non-Tax Revenue	7,327	6,625	6,022	6,472	5,736	5,736	N/A	N/A	5,877	5,877	5,877	5,877
Capital Receipts	4,963	31	-	-	-	-	N/A	N/A	-	-	-	-
Total Crown Revenue and Receipts	12,290	6,656	6,022	6,472	5,736	5,736	N/A	N/A	5,877	5,877	5,877	5,877

Budget Policy Initiatives

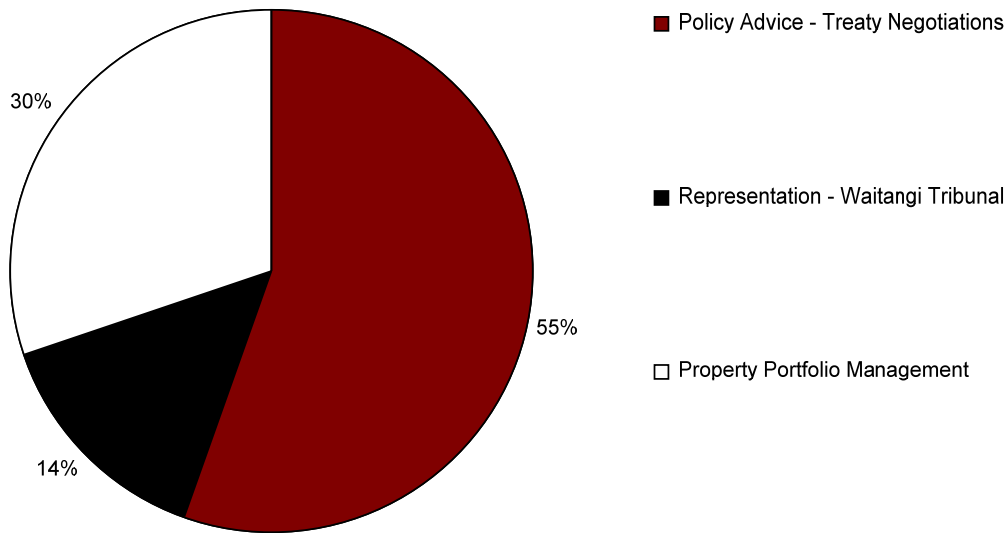
Policy Initiative	Appropriation	2007/08 Budgeted \$000	2008/09 Budget \$000	2009/10 Estimated \$000	2010/11 Estimated \$000	2011/12 Estimated \$000
Increased Negotiation Activity	Departmental Output Expense - Policy Advice Treaty Negotiations	-	911	1,467	1,467	1,467
Waikato River Negotiations: Formation of the Guardians Establishment Committee	Other Expenses to be Incurred by the Crown - Historical Treaty of Waitangi Settlements	(1,635)	-	-	-	-
	Other Expenses to be Incurred by the Crown - Crown Contribution to Guardians Establishment Committee Costs	1,635	-	-	-	-
Support Ministerial Engagement with Central North Island Iwi Collective	Departmental Output Expense - Policy Advice Treaty Negotiations	1,630	-	-	-	-
	Other Expenses to be Incurred by the Crown - Historical Treaty of Waitangi Settlements	(1,630)	-	-	-	-
Ex Gratia Payments incurred by the Port Nicholson Block Claims Team	Other Expenses to be Incurred by the Crown - Crown contribution to Te Taranaki Whanui's (Wellington) Waitangi Tribunal Costs	2,013	-	-	-	-
Crown Resourcing of the Ngāti Manawa and Affiliate Te Arawa Settlements	Other Expenses to be Incurred by the Crown- Crown Contribution to Te Rūnanga o Ngāti Manawa Negotiation Costs	290	-	-	-	-
	Other Expenses to be Incurred by the Crown- Crown Contribution to Affiliate Te Arawa Iwi and Hapū Negotiation Costs	225	-	-	-	-
	Other Expenses to be Incurred by the Crown - Historical Treaty of Waitangi Settlements	(790)	-	-	-	-
	Capital Expenditure - Advance Payment Against Notionally Accrued Interest	275	-	-	-	-

Analysis of Significant Trends

Vote Structure

The chart below displays the composition of Vote Treaty Negotiations in terms of the proportion of each output expense to the total departmental appropriation of \$20.577 million.

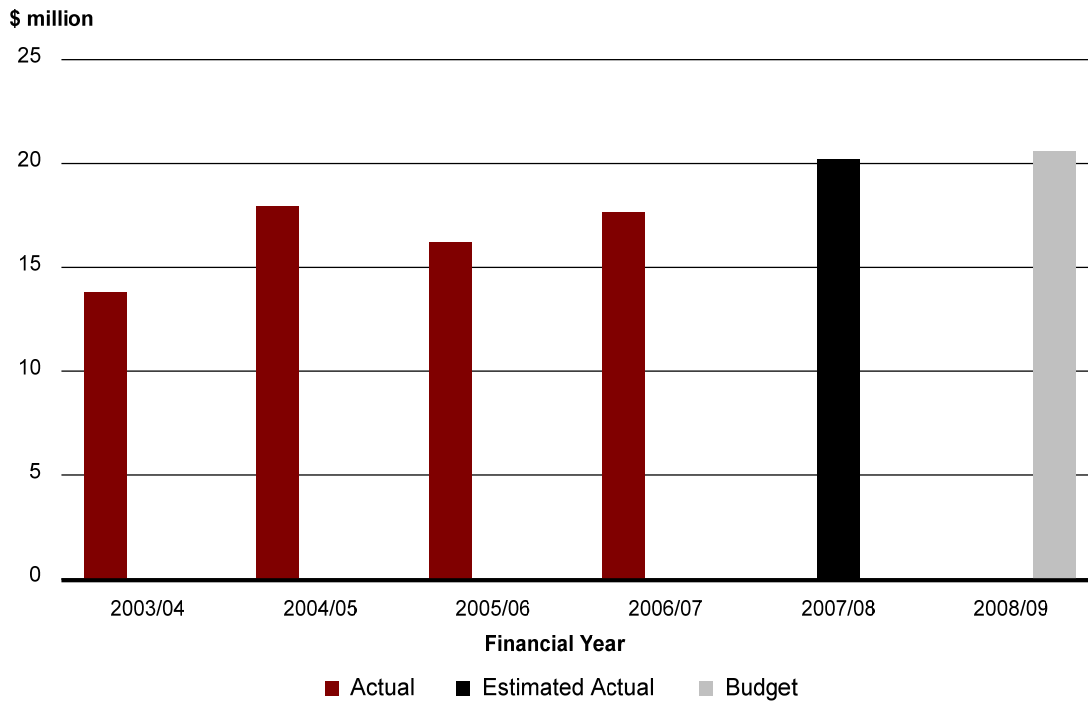
Figure 1 - Composition of Vote Treaty Negotiations



Source: Ministry of Justice

Departmental Output Trends

Figure 2 - Departmental output

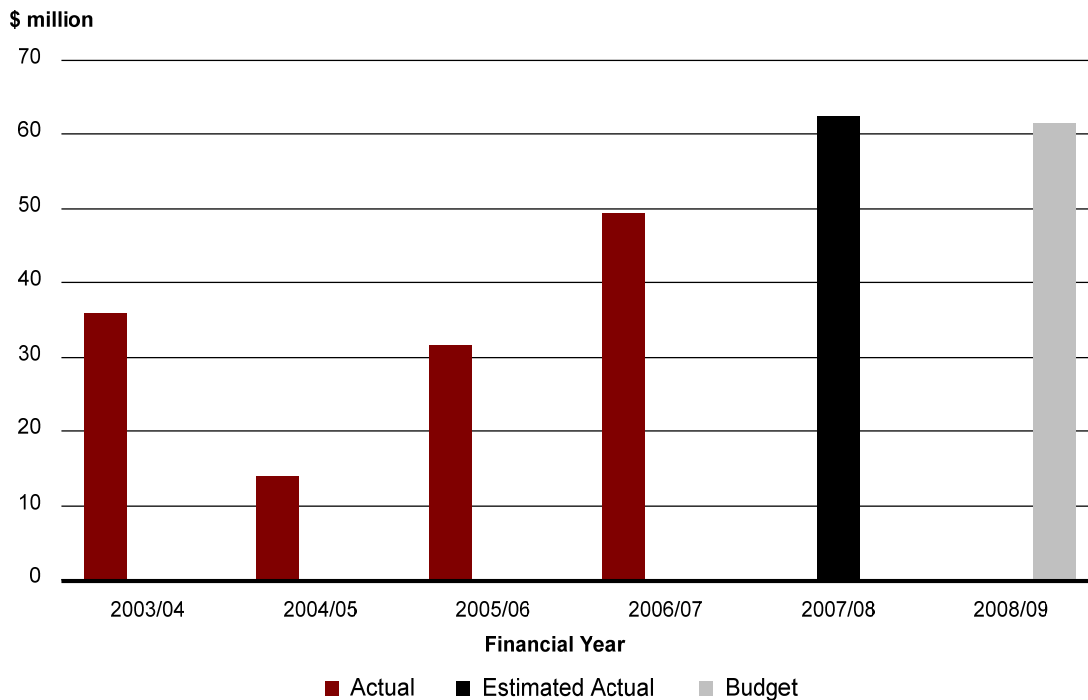


Source: Ministry of Justice

The appropriation trend for Vote Treaty Negotiations generally shows increase in outputs purchased from 2003/04 to 2008/09.

Non-Departmental Other Expense Trends

Figure 3 - Non-departmental other expenses



Source: Ministry of Justice

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: Durable Settlement of Treaty Claims Impact: Ministers are advised appropriately on options for durable settlements	Policy advice - Treaty Negotiations (M74)
Outcome: Durable Settlement of Treaty Claims Impact: Property acquired by the Crown for potential use in Treaty settlements is managed appropriately	Property Portfolio Management (M74)
Outcome: Durable Settlement of Treaty Claims Impact: The Crown is appropriately represented at the Waitangi Tribunal	Representation - Waitangi Tribunal (M74)

Policy Advice - Treaty Negotiations (M74)

Scope of Appropriation

Advice on generic Treaty issues and specific historical Treaty claims. Negotiation of historical Treaty claims. Where appropriate, the preparation of settlement legislation, property valuation, disclosure and preparation and execution of legal documentation required to enable the transfer of settlement assets to claimants.

Expenses and Revenue

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	11,213	11,213	11,404
Revenue from the Crown	11,131	11,131	11,322
Revenue from Others	82	82	82

Output Performance Measures and Standards

Performance Measures	2007/08		2008/09
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The quantity and nature of advice will be agreed with the Minister in Charge of Treaty of Waitangi Negotiations	Achieved	Achieved	Achieved
Percentage of advice and negotiations that meet the Ministry's quality criteria for policy development	100%	100%	100%

Performance Measures	2007/08		2008/09
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The Minister will be requested to indicate his/her level of satisfaction with the quality of advice and services provided by the Ministry	Satisfactory or better	Satisfactory or better	Satisfactory or better
The Minister is asked to indicate his/her level of satisfaction with progress towards negotiation milestones in priority regions*	-	-	Satisfactory or better

*New Measure for 2008/09

Conditions on Use of Appropriation

Reference	Conditions
Ministry's Quality Criteria For Policy Development	<ul style="list-style-type: none"> • includes a clear statement of purpose • is accurate and uses sound information • presents a clear, concise and logical argument, with assumptions made explicit and supported by facts • draws on professional knowledge and appropriate methodologies • examines comparative material • presents options • uses a clear conceptual and well-articulated framework • considers resources, legal and human rights implications and implementation issues/practicability • considers evaluation • considers issues for Māori and Pacific peoples • considers risks, costs and benefits.

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
Increased Negotiation Activity	2008	-	911	1,467	1,467	1,467
Support Ministerial Engagement with Central North Island Iwi Collective	2007	1,630	-	-	-	-
National Office Accommodation	2007	748	748	748	748	748
Increased OTS Negotiation Capacity	2006	1,334	1,334	1,334	1,334	1,334
Negotiation and Policy Activity	2004	1,088	1,088	1,088	1,088	1,088
New team necessary to meet Crown commitments to negotiate	2003	444	444	444	444	444

Property Portfolio Management (M74)

Scope of Appropriation

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

Expenses and Revenue

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	6,798	6,798	6,212
Revenue from the Crown	6,764	6,764	6,178
Revenue from Others	34	34	34

Output Performance Measures and Standards

Performance Measures	2007/08		2008/09
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Percentage of property acquisitions, transfers and disposals where all Cabinet policies, legal and Deed of Settlement requirements are complied with*	100%	100%	100%
Percentage of properties maintained in the same condition as when acquired, and for which property maintenance meets generally accepted property management standards	90%	90%	90%
Financial management records receive an unqualified independent audit	Achieved	Achieved	Achieved
Percentage of properties not selected by claimants, and free from further claims, that are sold within 12 months of the claim settlement date	90%	90%	90%

*Revised Measure for 2008/09

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
National Office Accommodation	2007	314	314	314	314	314

Representation - Waitangi Tribunal (M74)

Scope of Appropriation

Allows the Crown to undertake research into historical Treaty grievances and ensures the Crown is represented with well prepared documentation and evidence at Waitangi Tribunal hearings.

Expenses and Revenue

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,149	2,149	2,961
Revenue from the Crown	2,135	2,135	2,947
Revenue from Others	14	14	14

Output Performance Measures and Standards

Performance Measures	2007/08		2008/09
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Ensure that the funding for Crown representation at the Waitangi Tribunal is utilised consistent with the Memorandum of Understanding between the Office of Treaty Settlements and the Crown Law Office*	-	-	Achieved

*New Measure for 2008/09

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
National Office Accommodation	2007	165	165	165	165	165
Increased volume of work relating to Crown representation at Waitangi Tribunal	2003	444	444	444	444	444

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)
	Depreciation (M74)
Outcome: Durable Settlement of Treaty Claims	Historical Treaty of Waitangi Settlements (M74)
Impact: Settlement of historical Treaty of Waitangi claims	
Objective: To meet Crown liabilities and manage Crown assets efficiently	Interest Payments on Settlements (M74)

Crown Contribution to Affiliate Te Arawa Iwi and Hapū Negotiation Costs (M74)

Scope of Appropriation

This appropriation is limited to one off ex gratia payment to the Te Pumautanga o Te Arawa Trust as a contribution that reflects the delay in the transfer of settlement assets.

Expenses

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	225	225	-

Reasons for Change in Appropriation

Funding was only approved for the 2007/08 year.

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
Crown Resourcing of the Ngāti Manawa and Affiliate Te Arawa Settlements	2007	225	-	-	-	-

Crown Contribution to Guardians Establishment Committee Costs (M74)*Scope of Appropriation*

This appropriation is limited to the establishment, operation and support of the Guardians Establishment Committee.

Expenses

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,635	1,635	-

Reasons for Change in Appropriation

Funding was only approved for the year 2007/08.

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
Crown Resourcing of the Ngāti Manawa and Affiliate Te Arawa Settlements	2007	1,635	-	-	-	-

Crown Contribution to Te Rūnanga o Ngāti Manawa Negotiation Costs (M74)*Scope of Appropriation*

This appropriation is limited to the ex gratia payments to Te Rūnanga o Ngāti Manawa as a contribution to negotiation costs reflecting Crown delays in negotiating an Agreement in Principle.

Expenses

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	290	290	-

Reasons for Change in Appropriation

Funding was only approved for the 2007/08 year.

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
Crown Resourcing of the Ngāti Manawa and Affiliate Te Arawa Settlements	2007	290	-	-	-	-

Crown Contributions to Taranaki Whanui's (Wellington) Waitangi Tribunal Costs and Negotiation Costs (M74)*Scope of Appropriation*

This appropriation is limited the Crown Contributions to Taranaki Whanui's (Wellington) Waitangi Tribunal Costs and Negotiation Costs

Expenses

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,013	2,013	-

Reasons for Change in Appropriation

Funding was only approved for the 2007/08 year.

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
Crown Resourcing of the Ngāti Manawa and Affiliate Te Arawa Settlements	2007	2,013	-	-	-	-

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

Write-off of Bad Debts from Landbank rental properties.

Expenses

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	548	548	120

Reasons for Change in Appropriation

Change reflects latest forecast expenditure.

Depreciation (M74)*Scope of Appropriation*

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

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

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

Title, Scope and Period of Appropriations	Appropriation	\$000
Historical Treaty of Waitangi Settlements (M74) Settlement of historical Treaty of Waitangi claims, including redress through the transfer of assets (cash and property) from the Crown to claimant groups, any simple interest payable on settlements between signing of the Deed of Settlement and the Settlement Date, and payment of claimant funding. Commences: 1 July 2007 Expires: 30 June 2012	Original Appropriation	400,000
	Adjustments to 2006/07	-
	Adjustments for 2007/08	-
	Adjusted Appropriation	400,000
	Actual to 2006/07 Year End	-
	Estimated Actual for 2007/08	56,422
	Estimated Actual for 2008/09	60,000
	Estimated Appropriation Remaining	283,578

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	Advance Payment Against Notionally Accrued Interest (M74)
Objective: To meet Crown liabilities and manage Crown assets efficiently	Land, Stock, Plant Purchases (M74)

Advance Payment Against Notionally Accrued Interest (M74)

Scope of Appropriation

Payment of interest notionally accrued on Treaty Settlements after a Deed of Settlement has been signed and prior to settlement date, as agreed to through negotiations.

Capital Expenditure

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	675	675	-

Reasons for Change in Appropriation

Funding was only approved for the 2007/08 year.

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

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	10,000	10,000	10,000

Reporting Mechanisms

Appropriation	Reporting Mechanism
Advance Payment Against Notionally Accrued Interest (M74)	Annual report of the Ministry of Justice
Land, Stock, Plant Purchases (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 capital expenditure appropriation.