

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

Overview

The Minister for Treaty of Waitangi Negotiations is responsible for appropriations in Vote Treaty Negotiations for the 2009/10 financial year covering the following:

Vote Treaty Negotiations contains a multi-year appropriation of \$800 million for the five-year period 2009 to 2013. 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 2009/10 total \$39.528 million. This is intended to be spent as follows:

- \$17.836 million (45% 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 (7% of the Vote) for the purchase of Crown representation at Waitangi Tribunal hearings of historical claims.
- \$6.511 million (17% of the Vote) for the purchase of property management services from the Office of Treaty Settlements.
- \$2.100 million (5% of the Vote) for depreciation on assets held by the Office of Treaty Settlements.
- \$120,000 (less than 1% of the Vote) for debt write-off of rentals owing from Landbank properties.
- \$10 million (25% 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	Government Outcomes	Appropriations
Treaty of Waitangi Negotiations	Durable Settlement of Treaty Claims	Policy advice - Treaty Negotiations (M74)
		Property portfolio management (M74)
		Representation - Waitangi Tribunal (M74)

Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2004/05	2005/06	2006/07	2007/08	2008/09		2009/10			2010/11	2011/12	2012/13
	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	17,898	16,235	17,644	20,788	25,488	25,488	27,308	-	27,308	27,592	27,301	27,301
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	14,039	31,568	49,376	231,494	73,248	73,248	-	203,720	203,720	202,220	202,220	202,220
Capital Expenditure	4,321	2,308	2,613	961	11,600	11,600	-	10,000	10,000	10,000	10,000	10,000
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Total Appropriations	36,258	50,111	69,633	253,243	110,336	110,336	27,308	213,720	241,028	239,812	239,521	239,521
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	6,625	6,022	6,472	-	5,877	5,877	N/A	5,877	5,877	5,877	5,877	5,877
Capital Receipts	31	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	6,656	6,022	6,472	-	5,877	5,877	N/A	5,877	5,877	5,877	5,877	5,877

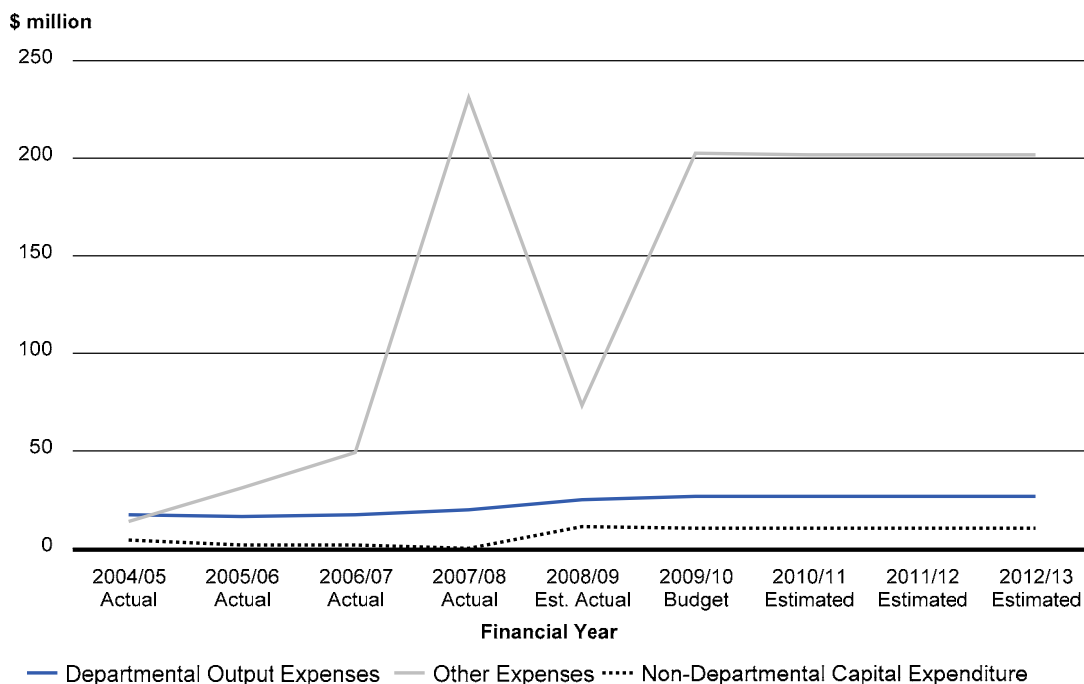
New Policy Initiatives

Policy Initiative	Appropriation	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Resourcing the Settlement of Historical Treaty Claims	Policy Advice Treaty Negotiations Departmental Output Expense	-	5,355	5,628	5,628	5,628
Waitaha Raupata Trust	Waitaha Raupata Trust Other Expenses to be Incurred by the Crown	300	-	-	-	-
Crown Payment to the Ngāti Poneke Māori Association	Crown Payment to the Ngāti Poneke Māori Association Other Expenses to be Incurred by the Crown	1,738	-	-	-	-
Additional Funding for Treaty negotiations for 2008/09	Policy Advice Treaty Negotiations Departmental Output Expense	4,100	-	-	-	-
Identity Verification Services: Adjustments to Departmental Levy Contributions	Policy Advice Treaty Negotiations Departmental Output Expense	-	(1)	-	-	-
Waikato River Co-management Implementation	Policy Advice Treaty Negotiations Departmental Output Expense	500	500	500	500	500
Taranaki Whānui Land banking Properties	Property Portfolio Management Departmental Output Expense	299	299	299	-	-
Te Roroa Deferred Selection Properties	Te Roroa Settlement - Adjustment to Land Value Other Expenses to be Incurred by the Crown	1,490	-	-	-	-
	Historical Treaty of Waitangi Settlements Other Expenses to be Incurred by the Crown	(5,200)	-	-	-	-
Deed for Co-management of the Upper Waikato River	Crown Contribution to Waikato-Tainui River Negotiation Expenses Other Expenses to be Incurred by the Crown	2,800	-	-	-	-
	Historical Treaty of Waitangi Settlements Other Expenses to be Incurred by the Crown	(2,800)	-	-	-	-
Crown Settlement Offers to Ngāti Māhino and Waitaha	Ngāti Māhino Heritage Trust Other Expenses to be Incurred by the Crown	1,500	-	-	-	-
	Waitaha Raupatu Trust Other Expenses to be Incurred by the Crown	1,000	-	-	-	-

Policy Initiative	Appropriation	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Te Tau Ihu and Lower North Island Treaty Claims	On-account payments for Tainui Taranaki ki te Tonga, Ngāti Toa and Kurahaupō ki te Waipounamu Other Expenses to be Incurred by the Crown	6,000	-	-	-	-
	Crown contribution to Tainui Taranaki ki te Tonga's Waitangi Tribunal costs Other Expenses to be Incurred by the Crown	3,000	-	-	-	-
	Notional interest for on-account payments to Te Tau Ihu groups Other Expenses to be Incurred by the Crown	72	-	-	-	-
Funding to meet Settlements in Central North Island Litigation	Māori Authorities (FoMA) Appeal Other Expenses to be Incurred by the Crown	500	-	-	-	-
Taranaki Whānui ki te Upoko o Te Ika: Deed of Settlement	Crown contribution to Te Taranaki Whānui's (Wellington) Waitangi Tribunal Costs Other Expenses to be Incurred by the Crown	1,946	-	-	-	-
Waikato River Statutory Board's Establishment Committees	Crown Contribution to Guardians Establishment Committee Costs Other Expenses to be Incurred by the Crown	1,000	-	-	-	-
	Waikato River Statutory Boards Establishment Committee Other Expenses to be Incurred by the Crown	2,000	-	-	-	-
Contribution to the Ngāti Māhino	Crown Contribution to the Ngāti Māhino Heritage Trust Negotiation Costs Other Expenses to be Incurred by the Crown	140	-	-	-	-
	Historical Treaty of Waitangi Settlements Other Expenses to be Incurred by the Crown	(140)	-	-	-	-
Crown Contribution to Te Roroa	Crown Contribution to Te Roroa to facilitate Te Roroa's purchase of the deferred selection properties Other Expenses to be Incurred by the Crown	6,000	-	-	-	-
Affiliate Te Arawa: Enhanced Redress Package	Advance Payment Against Notionally Accrued Interest Capital Expenditure	1,600	-	-	-	-

Analysis of Significant Trends

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



Source: Ministry of Justice - OTS

Departmental Output Expense Trends

The increase in appropriation in 2008/09 and outyears reflects the new funding approved for resourcing the settlement of historical treaty claims.

Non-Departmental Expense Trends

The increase for 2009/10 and outyears is mainly the result of the approval of an additional \$400 million in the Multi-year appropriation for Historical Treaty Settlements.

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: Commitments honoured	Policy advice - Treaty Negotiations (M74)
	Property Portfolio Management (M74)
	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

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	16,016	16,016	17,836
Revenue from Crown	15,922	15,922	17,732
Revenue from Other	94	94	104

Reasons for Change in Appropriation

Mainly due to new funding in 2009/10 and outyears for Resourcing the Settlement of Historical Treaty Claims.

Output Performance Measures and Standards

Performance Measures	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The quantity and nature of advice will be agreed with the Minister for 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	2008/09		2009/10
	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 will be requested to indicate his/her level of satisfaction with progress towards negotiation milestones in priority regions	Satisfactory or better	Satisfactory or better	Satisfactory or better

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	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Resourcing the Settlement of Historical Treaty Claims	2009	-	5,355	5,628	5,628	5,628
Additional Funding for Treaty negotiations for 2008/09	2008	4,100	-	-	-	-
Identity Verification Service Levy Adjustment	2009	-	(1)	-	-	-
Waikato River Co-management Implementation	2008	500	500	500	500	500
Increased Negotiation Activity	2008	911	1,467	1,467	1,467	1,467
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

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	6,511	6,511	6,511
Revenue from Crown	6,477	6,477	6,477
Revenue from Other	34	34	34

Output Performance Measures and Standards

Performance Measures	2008/09		2009/10
	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%

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Taranaki Whānui Land banking Properties	2008	299	299	299	-	-
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

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,961	2,961	2,961
Revenue from Crown	2,947	2,947	2,947
Revenue from Other	14	14	14

Output Performance Measures and Standards

	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Performance Measures			
Ensure that the funding for Crown representation at the Waitangi Tribunal is utilised in accordance with the Memorandum of Understanding between the Office of Treaty Settlements and the Crown Law Office	Achieved	Achieved	Achieved

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 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 Impact: Commitments Honoured	Historical Treaty of Waitangi Settlements (M74)
Objective: To meet Crown liabilities and manage Crown assets efficiently	Interest Payments on Settlements (M74)

Debt Write-offs (M74)

Scope of Appropriation

Write-off of Bad Debts from Landbank rental properties.

Expenses

	2008/09		2009/10
	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.

Expenses

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,100	2,100	2,100

Historical Treaty of Waitangi Settlements (M74)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Budgeted \$000	Estimated Actual \$000
Non-Departmental Other Expenses	2007-2012	
Historical Treaty of Waitangi Settlements (M74)	400,000	400,000
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		

Historical Treaty of Waitangi Settlements 2009 - 2013 (M74)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Budgeted \$000	Estimated Actual \$000
Non-Departmental Other Expenses	2009-2013	
Historical Treaty of Waitangi Settlements 2009 - 2013 (M74)	800,000	800,000
This appropriation is limited to 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 the date specified in the Deed of Settlement and the Settlement Date, and payment of claimant funding. Commences: 30 June 2009 Expires: 30 June 2013		

Reasons for Change in Appropriation

A new 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 'Historical Treaty of Waitangi Settlements' is \$400 million over five years. The new multi-year appropriation 'Historical Treaty of Waitangi Settlements 2009 - 2013' (which will be in force from 30 June 2009) will have an amount of \$800 million over 5 years. The reason for the change is to ensure there is sufficient legal authority to finalise agreements in principle that were negotiated in 2008/09 and continue the momentum in Treaty settlements achieved in that year.

Waikato River Statutory Board Establishment Committee (M74)

Scope of Appropriation

This appropriation is limited to the establishment, operation and support costs of the Waikato River Statutory Boards Establishment Committees.

Expenses

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,000	2,000	-

Reasons for Change in Appropriation

Funding approved for the 2008/09 year only

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Waikato River Statutory Board's Establishment Committees	2008	2,000	-	-	-	-

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)

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

	2008/09		2009/10
	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 results for each non-departmental capital expenditure appropriation.