

# *Performance Information for Appropriations*

## *Vote Treaty Negotiations*

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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 2010/11 financial year covering the following:

Vote Treaty Negotiations contains a multi-year appropriation of \$1,400 million for the five-year period 2010 to 2014. 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 2010/11 total \$62.796 million. This is intended to be spent as follows:

- \$21.520 million (34% of the Vote) for the purchase of policy advice, negotiation, settlement and implementation of historical Treaty claims from the Office of Treaty Settlements.
- \$7.335 million (12% of the Vote) for the purchase of property management services from the Office of Treaty Settlements.
- \$2.961 million (5% of the Vote) for the purchase of Crown representation at Waitangi Tribunal hearings of historical claims.
- \$10 million (16% of the Vote) for claimant funding to support the settlement of historical Treaty claims.
- \$1 million (less than 2% of the Vote) to support the implementation of the Central North Island Forests land settlement.
- \$120,000 (less than 1% of the Vote) for debt write-off of rentals owing from Landbank properties.
- \$3.600 million (6% of the Vote) for depreciation on assets held in the Office of Treaty Settlements landbank.
- \$16.260 million (26% of the Vote) for the purchasing of property by the Office of Treaty Settlements for historical Treaty of Waitangi settlement purposes.

The Ministry of Justice 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
Increase the momentum for settling historical Treaty of Waitangi claims by 2014	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

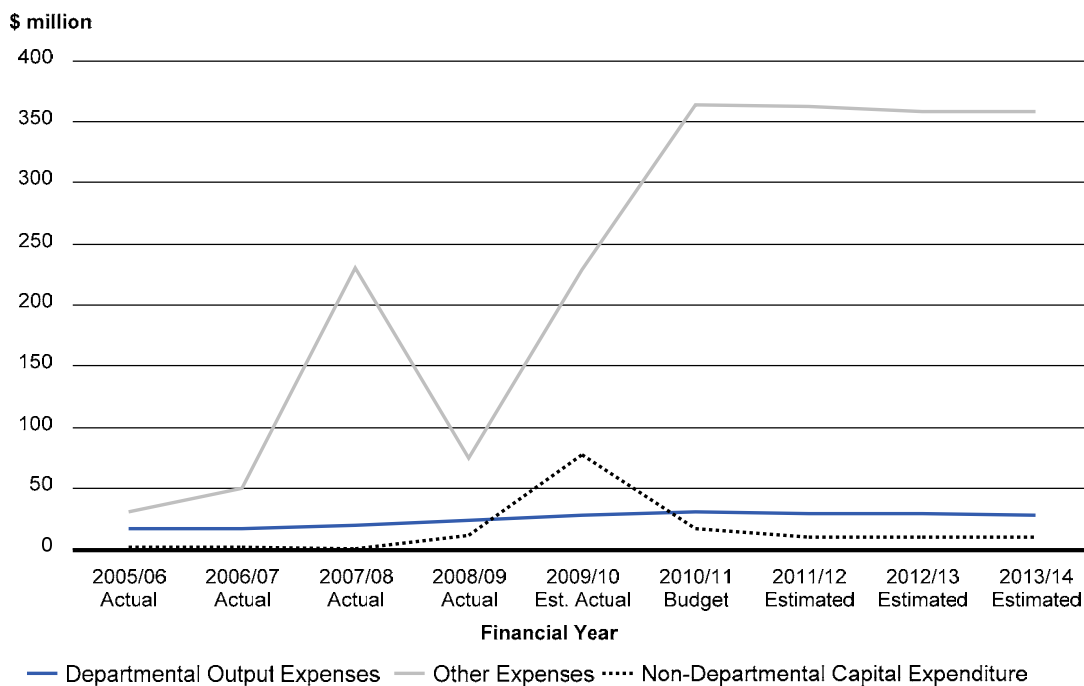
	2005/06	2006/07	2007/08	2008/09	2009/10		2010/11			2011/12	2012/13	2013/14
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
<b>Appropriations</b>												
Output Expenses	16,235	17,644	20,788	24,642	28,180	27,838	31,816	-	31,816	29,925	29,353	27,553
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	31,568	49,376	231,494	74,252	229,323	229,323	-	364,720	364,720	363,720	359,420	359,420
Capital Expenditure	2,308	2,613	961	11,356	77,406	77,406	-	16,260	16,260	10,000	10,000	10,000
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
<b>Total Appropriations</b>	<b>50,111</b>	<b>69,633</b>	<b>253,243</b>	<b>110,250</b>	<b>334,909</b>	<b>334,567</b>	<b>31,816</b>	<b>380,980</b>	<b>412,796</b>	<b>403,645</b>	<b>398,773</b>	<b>396,973</b>
<b>Crown Revenue and Capital Receipts</b>												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	6,022	6,472	-	6,467	5,877	5,877	N/A	5,877	5,877	5,877	5,877	5,877
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	<b>6,022</b>	<b>6,472</b>	<b>-</b>	<b>6,467</b>	<b>5,877</b>	<b>5,877</b>	<b>N/A</b>	<b>5,877</b>	<b>5,877</b>	<b>5,877</b>	<b>5,877</b>	<b>5,877</b>

### New Policy Initiatives

Policy Initiative	Appropriation	2009/10 Budgeted \$000	2010/11 Budget \$000	2011/12 Estimated \$000	2012/13 Estimated \$000	2013/14 Estimated \$000
Increased negotiation and settlement activity	Policy Advice - Treaty Negotiations		3,400	1,800	1,300	
Historical treaty of Waitangi Settlements - Tamaki Makaurau Negotiations	Policy Advice - Treaty Negotiations	500				(500)
Landbank Purchases	Property Portfolio Management	72	72	72		
Waikato River Co-Management Negotiations	Co-Management Negotiations	1,200				
Crown Contribution to Ngāti Apa Waitangi Tribunal Mediation Costs and Negotiation Costs	Crown Contribution to Ngāti Apa Waitangi Tribunal Mediation Costs and Negotiation Costs	112				
Crown's residual interest in Central North Island forest land	Transfer of the Crown's 10 per cent residual interest in Central North Island Crown forest licensed land	22,560				
Funding for Central North Island Mana Whenua Process	Contribution to support implementation of the Central North Island Forests Land Settlement	1,150	1,000			

### 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 appropriation in 2009/10 and outyears reflects the new funding approved for resourcing the settlement of historical treaty claims.

### *Other Expense Trends*

The increase for 2010/11 and outyears is mainly the result of the approval of an additional \$600 million in the multi-year appropriation for Historical Treaty Settlements.

### *Non-Departmental Capital Expenditure*

The increase in funding for 2009/10 represents significant additional funding for the purchase of additional properties for the land bank, partially offset by a transfer of \$4.060 million to operating for increased maintenance and a funding transfer of \$6.260 million to 2010/11 to meet firm purchase commitments which have been delayed.

## 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
<b>Outcome:</b> Durable Settlement of Treaty Claims <b>Impact:</b> Commitments honoured	Policy advice - Treaty Negotiations (M74)
<b>Outcome:</b> Durable Settlement of Treaty Claims <b>Impact:</b> Commitments honoured	Property Portfolio Management (M74)
<b>Outcome:</b> Durable Settlement of Treaty Claims <b>Impact:</b> Commitments honoured	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*

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	18,818	18,770	21,520
Revenue from Crown	18,714	18,714	18,006
Revenue from Other	107	108	3,514

##### *Reasons for Change in Appropriation*

The increase in appropriation is to support the government's aspirational goal of settling historical Treaty of Waitangi settlements by 2014, through additional negotiation and settlement resources.

### *Output Performance Measures and Standards*

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The quality 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%
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	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	2009/10 Budgeted \$000	2010/11 Budget \$000	2011/12 Estimated \$000	2012/13 Estimated \$000	2013/14 Estimated \$000
<b>Current Government</b>						
Increased negotiation and settlement activity	2010/11	-	3,400	1,800	1,300	-
Historical Treaty of Waitangi Settlements - Tāmaki Makaurau Negotiations	2009/10	500	-	-	-	(500)
<b>Previous Government</b>						
Resourcing the Settlement of Historical Treaty Claims	2009/10	5,355	5,628	5,628	5,628	5,628
Identity Verification Service Levy Adjustment	2009/10	(1)	-	-	-	-
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
National Office Accommodation	2007/08	748	748	748	748	748
Increased OTS Negotiation Capacity	2006/07	1,334	1,334	1,334	1,334	1,334

## Property Portfolio Management (M74)

### Scope of Appropriation

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

### Expenses and Revenue

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	6,986	6,979	7,335
Revenue from Crown	6,952	6,952	7,301
Revenue from Other	34	28	34

### Reasons for Change in Appropriation

The increase in this appropriation is to meet the cost of maintaining the increased number of properties that are being held in the Landbank.



### Output Performance Measures and Standards

Performance Measures	2009/10		2010/11
	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%
Financial management records receive an unqualified independent audit	Achieved	Achieved	Achieved
Percentage of property acquisitions where price agreed is based on criteria approved by Ministers and/or specified in a settlement agreement	New Measure	New Measure	100%

### Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2009/10 Budgeted \$000	2010/11 Budget \$000	2011/12 Estimated \$000	2012/13 Estimated \$000	2013/14 Estimated \$000
<b>Current Government</b>						
Landbank Purchases	2009/10	72	72	72	-	-
<b>Previous Government</b>						
Taranaki Whanui Land Banking Properties	2008/09	299	299	-	-	-
National Office Accommodation	2007/08	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

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,376	2,089	2,961
Revenue from Crown	2,362	2,362	2,947
Revenue from Other	15	16	14

### Reasons for Change in Appropriation

The change in appropriation reflects reallocation of expenses between output classes.

*Output Performance Measures and Standards*

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Participate in district and urgent enquiries of the Waitangi Tribunal	New Measure	New Measure	100%
Participation satisfies Waitangi Tribunal timeframes	New Measure	New Measure	100%
Evidence is peer reviewed and meets agreed standards	New Measure	New Measure	100%

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2009/10 Budgeted \$000	2010/11 Budget \$000	2011/12 Estimated \$000	2012/13 Estimated \$000	2013/14 Estimated \$000
<b>Previous Government</b>						
National Office Accommodation	2007/08	165	165	165	165	165
Increased volumes of work relating to Crown representation at Waitangi Tribunal	2003/04	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
<b>Objective:</b> To meet Crown liabilities and manage Crown assets efficiently	Debt Write-offs (M74)
	Depreciation (M74)
<b>Outcome:</b> Durable Settlement of Treaty Claims <b>Impact:</b> Commitments Honoured	Claimant funding (M74)
	Historical Treaty of Waitangi Settlements (M74)

#### 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*

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	10,000

##### *Reasons for Change in Appropriation*

To establish a separate appropriation for claimant funding.

##### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2009/10 Budgeted \$000	2010/11 Budget \$000	2011/12 Estimated \$000	2012/13 Estimated \$000	2013/14 Estimated \$000
<b>Current Government</b>						
Establishing separate appropriation for claimant funding	2010/11	-	10,000	10,000	5,700	5,700

## Co-management Negotiations (M74)

### *Scope of Appropriation*

This appropriation is limited to funding negotiations for Waikato River co-management arrangements that support historical Treaty settlements.

### *Expenses*

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,200	1,200	-

### *Reasons for Change in Appropriation*

The reduction is because this appropriation was only approved for 2009/10.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2009/10 Budgeted \$000	2010/11 Budget \$000	2011/12 Estimated \$000	2012/13 Estimated \$000	2013/14 Estimated \$000
Current Government						
Waikato River Co-Management Negotiations	2009/10	1,200	-	-	-	-

## Contribution to Support Implementation of the Central North Island Forests Land Settlement (M74)

### *Scope of Appropriation*

This appropriation is limited to providing funding for iwi with interests in Central North Island forests land to take steps necessary to resolve allocation of that land.

### *Expenses*

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,150	1,150	1,000

### *Reasons for Change in Appropriation*

The reduction in appropriation is to reflect the partial completion of the negotiations and the lower level of anticipated activity.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2009/10 Budgeted \$000	2010/11 Budget \$000	2011/12 Estimated \$000	2012/13 Estimated \$000	2013/14 Estimated \$000
<b>Current Government</b>						
Funding for Central North Island Mana Whenua Process	2009/10	1,150	1,000	-	-	-

**Crown Contribution to Ngāti Apa Waitangi Tribunal Mediation Costs and Negotiations Costs (M74)***Scope of Appropriation*

This appropriation is limited to a one-off ex gratia payment to Ngāti Apa as a contribution to costs incurred by them to resolve their overlapping claims and participation in Waitangi Tribunal mediation process.

*Expenses*

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	112	112	-

*Reasons for Change in Appropriation*

The reduction is because this appropriation was only approved for 2009/10.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2009/10 Budgeted \$000	2010/11 Budget \$000	2011/12 Estimated \$000	2012/13 Estimated \$000	2013/14 Estimated \$000
<b>Current Government</b>						
Crown Contribution to Ngāti Apa Waitangi Tribunal Mediation Costs and Negotiation Costs	2009/10	112	-	-	-	-

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

Write-off of Bad Debts from Landbank rental properties.
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*Expenses*

	2009/10		2010/11
	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*

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	3,600	3,600	3,600

**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
<b>Historical Treaty of Waitangi Settlements 2009 - 2013 (M74)</b> 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	800,000	800,000

Type, Title, Scope and Period of Appropriations	Budgeted \$000	Estimated Actual \$000
<b>Historical Treaty of Waitangi Settlements 2010 - 2014 (M74)</b> 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 2010  Expires: 30 June 2014	1,400,000	1,400,000

### *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 2009-2013' is \$800 million over five years. The new multi-year appropriation 'Historical Treaty of Waitangi Settlements 2010-2014' (which will be in force from 30 June 2010) will have an amount of \$1,400 million over 5 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 achieving Treaty settlements.

### **Transfer of the Crown's 10 per cent residual interest in Central North Island Crown forest licensed land (M74)**

#### *Scope of Appropriation*

This appropriation is limited to the transfer of the Crown's 10 per cent residual interest in Central North Island Crown forest licensed land to CNI Iwi Holdings Limited.

#### *Expenses*

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	22,560	22,560	-

### *Reasons for Change in Appropriation*

The reduction is because this appropriation was only approved for 2009/10.

#### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2009/10 Budgeted \$000	2010/11 Budget \$000	2011/12 Estimated \$000	2012/13 Estimated \$000	2013/14 Estimated \$000
<b>Current Government</b>						
Crown's residual interest in Central North Island forest land	2009/10	22,560	-	-	-	-

## Reporting Mechanisms

Appropriation	Reporting Mechanism
Claimant Funding (M74)	Annual Report of the Ministry of Justice
Contribution to Support Implementation of the Central North Island Forests Land Settlement (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 2009 - 2013 (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)

#### 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*

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	77,406	77,406	16,260

##### *Reasons for Change in Appropriation*

The decrease in budget reflects the removal of a one-off increase in 2009/10 to purchase a significant number of additional properties for the Landbank. This is also partially reflective of a transfer of \$6.260 million from 2009/10 to 2010/11 to complete committed but delayed purchases.

##### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2009/10 Budgeted \$000	2010/11 Budget \$000	2011/12 Estimated \$000	2012/13 Estimated \$000	2013/14 Estimated \$000
<b>Current Government</b>						
Te Hiku purchases	2009/10	53,000	-	-	-	-
Landbank purchases	2009/10	24,726	-	-	-	-
Capital transfer	2009/10	(6,260)	6,260	-	-	-
Transfer from capital to operating	2009/10	(4,060)	-	-	-	-

## Reporting Mechanisms

Appropriation	Reporting Mechanism
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.