

Vote Treaty Negotiations

Baseline Alignment Proposal

8 March 2010

Submitted by:

Hon Christopher Finlayson

Use this section to set out what the Minister intends to achieve in his or her Vote over 2010/11 and the next two financial years.

Please keep the discussion at a high level (1-2 pages of plain English). The intention of this section is to ensure that the Minister's colleagues can understand and test the priorities of the Minister and why those priorities have been chosen.

The information in this section will be used to assess the merit of the proposed reprioritisation in section 2.

Please discuss:

1. What the Minister intends to achieve.
2. How the Minister's intentions fit with:
 - a. the strategic direction of the Government as agreed at Premier House, and
[Deleted in order to maintain the effective conduct of public affairs through the free and frank expressions of opinions].
3. What are the critical things that have to happen to achieve what the Minister intends? This explains the logic of how the Minister intends to achieve their priorities.
4. What risks (fiscal and policy) are associated with the Minister's intentions? Could the services/outputs be increased or decreased if needed?
5. What has to wait? ie, something that is a priority but that is being deferred until Budget 2011 or later.
6. What is the Minister choosing not to do? Because this section sets out what the Minister is actively choosing to do, it may be useful to set out which current priorities or other opportunities are not part of the Minister's intentions (eg, because they are lower priority or not aligned with government priorities).

Section 1: Alignment with the Government's Priorities

I am responsible for leading the Treaty negotiations process. I do this with support purchased from the Office of Treaty Settlements (OTS) in the Ministry of Justice. This includes services for strategic advice, pre-negotiation and negotiating settlements of historic Treaty claims, implementing Treaty settlements, representing the Crown at Waitangi Tribunal hearings, and management of a property portfolio for potential use in Treaty settlements.

1. What I intend to achieve

Settling historical Treaty of Waitangi claims by 2014 has been agreed by Cabinet and is a priority for the Government. This is my only priority and I have aligned my portfolio priorities accordingly. *[information deleted in order to enable the Crown to negotiate without disadvantage or prejudice]*

2. How my priorities fit with Government priorities

[Deleted – free and frank]

Progress *[deleted – negotiate without prejudice]* will be achieved by maintaining focus on the Government's strategy of:

- a) implementing change to increase the effectiveness of negotiation and work management approach, for example regional negotiations and parallel drafting of the Deed of Settlement Bills
- b) ensuring iwi support for the settlement process and fostering iwi buy-in *[[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]*
- c) demonstrated political leadership through the Prime Minister's chairing of the Cabinet Committee on Treaty of Waitangi Negotiations, and the appointment of Chief Crown Negotiators
- d) flexibility on certain kinds of redress and approach while keeping faith with the agreed financial and policy framework

Increasing momentum and being able to resource the increased pace of negotiations is a high priority. This will involve the Office of Treaty Settlements being focused on and resourced to achieve the earlier settlement deadline (previously 2020).

The outcome will be completion of Agreements in Principle and Deeds of Settlements where the Crown is already in intensive negotiations, and maintaining some negotiation activity across all regions with priority being given to the Tāmaki Makaurau region. I expect to complete 3 Deeds of Mandate, 6 Terms of Negotiation, 5 Agreements in Principle, 16 Deeds of Settlement and to introduce 7 pieces of new settlement legislation during 2010/11. The momentum continues with 17 Agreements in Principle in the first half of 2011/12.

Further policy work is intended to streamline and speed up the negotiation process. For example, I will be reviewing land bank policy in 2010 and working with the Minister of

Finance to achieve the greatest efficiency with OTS and across the public sector to support negotiations.

3. Critical things that need to happen

The critical things that need to be addressed to progress the 2014 goal are establishing negotiation and policy parameters for the successful conclusion of all historical Treaty claims, and allocating sufficient funding.

This process has been started with Cabinet Committee on Treaty of Negotiations' consideration of my paper *Historical Treaty of Waitangi settlements – what is required to progress towards 2014* on 17 February. The paper set out negotiation and policy decisions which need to be made in the short to medium term and sought funding from outside the baseline alignment proposal process.

Cabinet agreed in-principle to a \$6.5m increase in Vote Treaty Negotiations. The funding source for this increase is yet to be identified.

In addition, my focus is completing Agreements in Principle and Deeds of Settlements where the Crown is already in intensive negotiations and maintaining some negotiation activity across all regions with priority being given to the Tāmaki Makaurau region.

[information deleted in order to enable the Crown to negotiate without disadvantage or prejudice and in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]

Note that funding pressures for other agencies arising from [deleted – negotiate without prejudice] have not been addressed in this Baseline Alignment Proposal.

5. Priorities that I have deferred to 2011 or beyond

See 6 below

[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]

Use this section to set out in detail (3-6 pages) what has to change in the Vote to achieve the priorities in section 1, within the total operating funding (baseline plus share of operating allowance) available to the Vote.

What would be new or different?

Please include 1-2 paragraphs for each new, different or increased activity that the Minister is proposing within the Vote.

For each new or different activity, please discuss:

1. What exactly is new or different compared to what is currently being delivered?
2. The contribution of the activity to what the Minister intends to achieve (ie, as set out in section 1).
3. Summary of information supporting the proposed changes (see next paragraph).

For the information referred to in point 3 (above), the analysis that supports a proposed change in activity should be appropriate to the significance of the proposal. This analysis does *not* need to be included in full in this template. Analysis supporting a proposed change should cover the basic questions of intervention logic; options analysis; and how the new activity will be implemented and evaluated. In some cases, a full business case will be appropriate.

What would stop or decrease?

Please include 1-2 paragraphs for each activity that the Minister is proposing to cease or decrease within the Vote.

For each activity, please discuss:

1. The reason why the activity is of lower value or not aligned with priorities (ie, why it does not align with the priorities in section 1).
2. What are the effects of stopping or decreasing the activity? Are there risks and if so, do they need to be mitigated?

Section 2: Reprioritisation

What would be new or different

Increased capacity for negotiations and settlements

The additional \$3.400m sought for 2010/11, which is awaiting the identification of a funding source, will maintain momentum on treaty settlements, *[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]*

[information deleted in order to enable the Crown to negotiate without disadvantage or prejudice and in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]

Claimant Funding

Claimant funding costs are currently met from a Multi-year Appropriation in Vote Treaty Negotiations. An annual appropriation for these non-departmental other expenses would be more transparent and better signal the government's spending intentions. This would involve altering the scope of the Multi-year appropriation by removing the words "and payment of claimant funding". A new non-departmental other expenses: Claimant funding" would be established with a scope of "This appropriation is limited to payment of claimant funding related to the settlement of historical Treaty of Waitangi claims".

A fiscally neutral transfer of \$10.000m would be required in 2010/11 from the Multi-year appropriation to the new non-departmental other expenses: Claimant funding.

What would stop or decrease

As settlement of historic treaty grievances is the only issue in this portfolio nothing will stop. The pace of settlements is entirely driven by the capacity of OTS which is a direct consequence of funding. *[information deleted in order to enable the Crown to negotiate without disadvantage or prejudice] [information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]*

Section 3: Summary of Financial Movements

This section details the changes to appropriations (including new appropriations) which are required to deliver the reprioritisation set out in section 2.

The changes to appropriations resulting from reprioritisation should not have an overall *net* fiscal cost. This is because the purpose of this template is to propose how the Minister's baselines will be used. This template is *not* used to bid for a change in the size of the baseline overall.

Departments should generate this report from CFISnet. See the **Budget 2010 Process and Technical Guide for Departments: Including Overview** document.

Section 3: Summary of Financial Movements

Baseline Alignment Proposal - Financial Summary Report

Vote: Treaty	2009/10	2010/11	2011/12	2012/13	2013/14
	\$,000	\$,000	\$,000	\$,000	\$,000
Baseline (2009/10 FBU)	257,503	233,136	231,845	231,773	231,273
Share Allocation (NEW)	0	0	0	0	0
Centralised Saving	0	0	0	0	0
Reprioritisation	0	0	0	0	0
Total Reprioritisation	0	0	0	0	0
Transfers Outside Vote	0	3,400	1,800	1,300	0
Total Transfers Outside Vote	0	3,400	1,800	1,300	0
Total Changes	0	3,400	1,800	1,300	0
Total Proposed Baseline	<u>257,503</u>	<u>236,536</u>	<u>233,645</u>	<u>233,073</u>	<u>231,273</u>