

Vote Treaty Negotiations

APPROPRIATION MINISTER(S): Minister for Treaty of Waitangi Negotiations (M74)

APPROPRIATION ADMINISTRATOR: Ministry of Justice

RESPONSIBLE MINISTER FOR MINISTRY OF JUSTICE: Minister of Justice

Details of Appropriations and Capital Injections

Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2014/15		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Departmental Output Expenses			
Property Portfolio Management (M74) Management, transfer and disposal of Crown-owned property for Treaty settlement purposes.	11,143	1,983	13,126
Total Departmental Output Expenses	11,143	1,983	13,126
Non-Departmental Other Expenses			
Agreed Payments for Foreshore and Seabed Deeds of Agreement (M74) This appropriation is limited to agreed payments associated with implementing foreshore and seabed Deeds of Agreement.	2,400	(2,400)	-
Claimant Funding (M74) This appropriation is limited to payment of claimant funding related to the settlement of historical Treaty of Waitangi claims.	8,102	898	9,000
Contribution toward Determining Customary Interests in the Marine and Coastal Area (M74) This appropriation is limited to providing financial assistance for the investigation of applicant groups' customary rights under the Marine and Coastal Area (Takutai Moana) Act 2011.	3,450	(2,709)	741
Debt Write-offs (M74) Write-off of Bad Debts from Landbank rental properties.	120	-	120
Depreciation (M74) Depreciation on assets held in the Office of Treaty Settlements Landbank for Treaty settlements.	3,600	-	3,600
Loss on Disposal or Write-off of Landbank Assets (M74) This appropriation is limited to losses incurred on the disposal or write off of landbank assets.	-	160	160
Total Non-Departmental Other Expenses	17,672	(4,051)	13,621
Non-Departmental Capital Expenditure			
Purchase of Assets for Possible Use in Future Treaty of Waitangi Settlements (M74) This appropriation is limited to the purchase of assets for possible use in future Treaty of Waitangi settlements.	10,000	12,494	22,494
Total Non-Departmental Capital Expenditure	10,000	12,494	22,494

	2014/15		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Multi-Category Expenses and Capital Expenditure			
Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act MCA (M74)	31,894	2,233	34,127
The overarching purpose of this appropriation is to support the Crown in the negotiation, administration and implementation of historic Treaty of Waitangi settlement claims and the Marine and Coastal Area (Takutai Moana) Act 2011.			
<i>Departmental Output Expenses</i>			
<i>Policy Advice - Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act</i>	1,397	(167)	1,230
This category 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.			
<i>Representation - Waitangi Tribunal and Courts</i>	2,083	(8)	2,075
This category 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.			
<i>Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act</i>	28,414	2,408	30,822
This category 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.			
Total Multi-Category Expenses and Capital Expenditure	31,894	2,233	34,127
Total Annual and Permanent Appropriations	70,709	12,659	83,368

Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Non-Departmental Other Expenses		
Historical Treaty of Waitangi Settlements 2014 - 2018 (M74)	Original Appropriation	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.	Estimated Actual for 2014/15	229,691
Commences: 30 June 2014		
Expires: 30 June 2018		
Historical Treaty of Waitangi Settlements 2015 - 2019 (M74)	Original Appropriation	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.	Estimated Actual for 2014/15	-
Commences: 30 June 2015		
Expires: 30 June 2019		

Total Annual, Permanent and Multi-Year Appropriations

	2014/15		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Total Annual and Permanent Appropriations	70,709	12,659	83,368
Total MYA Non-Departmental Other Expenses Forecasts	350,000	-	350,000
Total Annual and Permanent Appropriations and Multi-Year Appropriation Forecasts	420,709	12,659	433,368

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2014/15				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	11,143	1,983	-	1,983	13,126
Benefits or Related Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	367,672	-	(4,051)	(4,051)	363,621
Capital Expenditure	10,000	-	12,494	12,494	22,494
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	31,894	2,233	-	2,233	34,127
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
Total Appropriations	420,709	4,216	8,443	12,659	433,368
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	15,836	N/A	-	-	15,836
Capital Receipts	-	N/A	-	-	-
Total Crown Revenue and Capital Receipts	15,836	N/A	-	-	15,836

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

Property Portfolio Management (M74)

Scope of Appropriation

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

Expenses and Revenue

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	11,143	1,983	13,126
Revenue from the Crown	11,112	1,982	13,094
Revenue from Others	31	1	32

Reasons for Change in Appropriation

The appropriation increased by \$1.983 million to \$13.126 million, due to:

- an increase of \$3.500 million to fund the demolition of derelict buildings at the former New Plymouth Hospital site and the on-going management of buildings at the former Kenepuru Hospital
- an increase of \$978,000 owing to a transfer from other appropriations administered by the Ministry of Justice taking into account changes to the allocation of the efficiency dividends, and to allow for movements in the allocation of overheads in the 2014/15 financial year
- an increase of \$499,000 owing to a transfer from 2013/14 to fund the demolition of derelict Landbank buildings
- an increase of \$5,000 to fund additional capital charge on the revaluation of land and buildings as at 30 June 2014, and
- an increase of \$1,000 funded from revenue received for employees seconded to other government agencies.

Offset by:

- a decrease of \$3 million owing to a transfer to 2015/16 for the demolition of derelict Landbank properties, as resource consent processes and discussions with third parties have taken longer than anticipated.

Part 3 - Details of Non-Departmental Appropriations

3.4 - Non-Departmental Other Expenses

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

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	2,400	(2,400)	-

Reasons for Change in Appropriation

The appropriation has decreased by \$2.400 million to nil, due to:

- a decrease of \$1.400 million to reflect the revised commitments within the Ngāti Porou foreshore deed, and
- a decrease of \$1 million owing to a transfer to 2015/16 to align funding with the anticipated signing of a Deed to Amend with Ngāti Porou.

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

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	8,102	898	9,000

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister of Justice in a report appended to the Ministry of Justice's Annual Report.

Reasons for Change in Appropriation

The appropriation has increased by \$898,000 to \$9 million, due to transfers to align funding with expected levels of claimant applications.

Contribution toward Determining Customary Interests in the Marine and Coastal Area (M74)*Scope of Appropriation*

This appropriation is limited to providing financial assistance for the investigation of applicant groups' customary rights under the Marine and Coastal Area (Takutai Moana) Act 2011.

Expenses

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	3,450	(2,709)	741

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister of Justice in a report appended to the Ministry of Justice's Annual Report.

Reasons for Change in Appropriation

The appropriation has decreased by \$2.709 million to \$741,000, due to:

- a decrease of \$2.750 million owing to a transfer to 2016/17 to realign funding with anticipated applications for recognition under the Marine and Coastal Area (Takutai Moana) Act 2011, and
- a decrease of \$450,000 owing to a transfer to the departmental multi-category expenses and capital expenditure for Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act to progress research into legal rights and interests in the common marine and coastal area.

Offset by:

- an increase of \$491,000 owing to a transfer from 2013/14 to fund expected applications under the Marine and Coastal Area (Takutai Moana) Act 2011.

Historical Treaty of Waitangi Settlements 2014 - 2018 (M74)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Historical Treaty of Waitangi Settlements 2014 - 2018 (M74) 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 2014 Expires: 30 June 2018	Original Appropriation	1,400,000
	Estimated Actual for 2014/15	229,691

Note that the Estimated Actual for 2014/15 includes actual and projected settlements from 1 July 2014 to 30 June 2015, based on the Office of Treaty Settlements work programme.

Reasons for Change in Appropriation

A multi-year appropriation for historical Treaty of Waitangi settlements is established each year in the Appropriation (Supplementary Estimates) Act, and the previous multi-year appropriation is revoked. The reason for this change is to ensure there is sufficient legal authority to finalise agreements in principle negotiated in earlier years and to continue the momentum of settling Treaty of Waitangi claims.

Historical Treaty of Waitangi Settlements 2015 - 2019 (M74)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Historical Treaty of Waitangi Settlements 2015 - 2019 (M74) 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 2015 Expires: 30 June 2019	Original Appropriation	1,400,000
	Estimated Actual for 2014/15	-

Loss on Disposal or Write-off of Landbank Assets (M74)

Scope of Appropriation

This appropriation is limited to losses incurred on the disposal or write off of landbank assets.

Expenses

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	160	160

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve efficient management of Crown assets by providing for the expenses incurred on disposal or write-off of Landbank assets.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(ii) of the PFA, as additional performance information is unlikely to be informative because this appropriation is solely for expenses incurred in the disposal or write-off of assets. Performance information relating to what is intended to be achieved with this expenditure is provided under the Property Portfolio Management appropriation.

Reasons for Change in Appropriation

The appropriation has increased by \$160,000 from nil due to a transfer from 2013/14 to cover losses incurred on disposal or write-off of Landbank assets.

3.5 - Non-Departmental Capital Expenditure

Purchase of Assets for Possible Use in Future Treaty of Waitangi Settlements (M74)

Scope of Appropriation

This appropriation is limited to the purchase of assets for possible use in future Treaty of Waitangi settlements.

Capital Expenditure

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	10,000	12,494	22,494

Reasons for Change in Appropriation

The appropriation has increased by \$12.494 million to \$22.494 million due to a transfer from 2013/14 for the acquisition of Protection Mechanism assets.

Part 4 - Details of Multi-Category Expenses and Capital Expenditure

Multi-Category Expenses and Capital Expenditure

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

Overarching Purpose Statement

The overarching purpose of this appropriation is to support the Crown in the negotiation, administration and implementation of historic Treaty of Waitangi settlement claims and the Marine and Coastal Area (Takutai Moana) Act 2011.

Scope of Appropriation

Departmental Output Expenses

Policy Advice - Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act

This category 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 category 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 category 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.

Expenses, Revenue and Capital Expenditure

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	31,894	2,233	34,127
Departmental Output Expenses			
Policy Advice - Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act	1,397	(167)	1,230
Representation - Waitangi Tribunal and Courts	2,083	(8)	2,075
Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act	28,414	2,408	30,822

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Funding for Departmental Output Expenses			
Revenue from the Crown	31,682	2,112	33,794
Policy Advice - Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act	1,386	(167)	1,219
Representation - Waitangi Tribunal and Courts	2,081	(8)	2,073
Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act	28,215	2,287	30,502
Revenue from Others	212	121	333
Policy Advice - Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act	11	-	11
Representation - Waitangi Tribunal and Courts	2	-	2
Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act	199	121	320

What is Intended to be Achieved with each Category and How Performance will be Assessed

	2014/15		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Departmental Output Expenses			
Policy Advice - Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act			
Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act			
Mandates recognised (see Note 1)	11	1	1
Terms of Negotiation agreed (see Note 2)	11	Expired measure	Expired measure
Agreements in Principle signed (see Note 1)	13	5	5
Deeds of Settlement initialled (see Note 1)	8	6	6
Deeds of Settlement signed (see Note 3)	11	Expired measure	Expired measure
Legislation introduced (see Note 1)	16	8	8
Legislation enacted (see Note 3)	15	Expired measure	Expired measure
Proportion of claims settled (see Note 4)	67%	56%	56%

Note 1 - Three issues have required the Office of Treaty Settlements' work programme to be revised. As the work programme sets the performance targets for the Office in this area, these performance measures have been revised in line with the new work programme targets. The three issues are:

- four claimant groups have effectively rejected the Crown's best offer which has paused negotiations with these groups
- seven claimant groups have litigated against the Crown, consequently the Crown has paused these negotiations, and

- a number of large ongoing negotiations have prevented new negotiations from being brought on to the work programme as expected.

Note 2 - This measure has been withdrawn as it is not a significant milestone in the negotiation process.

Note 3 - These measures have been withdrawn as the Office of Treaty Settlements has little control over their achievement and therefore they are inappropriate measures of the Office's performance. For the period of time between a Deed of Settlement being initialled and signed, the onus is on the claimant group to conduct the work required to ratify the Deed in order for it to be signed. The period of time between legislation being introduced and enacted is similarly outside the Office's control.

Note 4 - The reduction in this measure is the result of a technical change. The splitting of Hauraki and Te Aitanga a Māhaki claimant groups has increased the number of Deeds of Settlement to be achieved and therefore decreased the percentage that have been settled. This technical "decrease" in percentage will correct itself as these settlements are achieved.

Reasons for Change in Appropriation

Policy Advice - Treaty Negotiations and Marine and Coastal Area (Takutai Moana) Act

The category has decreased by \$167,000 to \$1.230 million, due to:

- a decrease of \$169,000 owing to a transfer to other appropriations administered by the Ministry of Justice taking into account changes to the allocation of the efficiency dividends, and to allow for movements in the allocation of overheads in the 2014/15 financial year.

Offset by:

- an increase of \$2,000 to fund additional capital charge on the revaluation of land and buildings as at 30 June 2014.

Representation - Waitangi Tribunal and Courts

The category has decreased by \$8,000 to \$2.075 million, due to:

- a decrease of \$259,000 owing to a transfer to other appropriations administered by the Ministry of Justice taking into account changes to the allocation of the efficiency dividends, and to allow for movements in the allocation of overheads in the 2014/15 financial year.

Offset by:

- an increase of \$250,000 owing to a transfer within the multi-category appropriation to Representation - Waitangi Tribunal and Courts to reflect the current work programme, and
- an increase of \$1,000 to fund additional capital charge on the revaluation of land and buildings as at 30 June 2014.

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

The category has increased by \$2.408 million to \$30.822 million, due to:

- an increase of \$1.348 million owing to a transfer from other appropriations administered by the Ministry of Justice taking into account changes to the allocation of the efficiency dividends, and to allow for movements in the allocation of overheads in the 2014/15 financial year

- an increase of \$853,000 owing to a transfer from 2013/14 to fund legal costs relating to Marine and Coastal Area High Court hearings and deed drafting for settlements
- an increase of \$852,000 owing to a transfer from 2013/14 to fund survey costs for Treaty settlements
- an increase of \$450,000 owing to a transfer from the non-departmental other expenses for Contribution toward Determining Customary Interests in the Marine and Coastal Area to progress research into legal rights and interests in the common marine coastal area
- an increase of \$81,000 funded from revenue received for employees seconded to other government agencies
- an increase of \$40,000 funded from recoveries of costs for advertising surplus properties to be disposed, and
- an increase of \$34,000 to fund additional capital charge on the revaluation of land and buildings as at 30 June 2014.

Offset by:

- a decrease of \$1 million owing to a transfer to 2015/16 to fund survey, legal and negotiation expenditure resulting from delays in the work programme, and
- a decrease of \$250,000 owing to a transfer within the multi-category appropriation to Representation - Waitangi Tribunal and Courts to reflect the current work programme.