

# The Treasury

## Budget 2011 Information Release

### Release Document

June 2011

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- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [2] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [3] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [4] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [5] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [6] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [7] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [8] 9(2)(h) - to maintain legal professional privilege
- [9] 6(c) - to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [10] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [11] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice.

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, an [8] appearing where information has been withheld in a release document refers to section 9(2)(h).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.



## Minute of Decision

*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

### Budget 2011: Vote Justice

On 11 April 2011, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2011 Budget package, as listed in the summary below and detailed in the attached initiative documents;

#### Summary of initiatives included in the attached initiative documents:

##### Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
6718	Legal Aid	-	69.394	-	-	-
6719	Community Law Centres	-	3.951	-	-	-
6769	General Election and Electoral Referenda	-	10.848	-	-	-
6771	Constitutional Review	-	1.000	-	-	-
7037	Efficiency Savings Carried Forward	(0.600)	-	-	-	-
<b>Total Operating</b>		<b>(0.600)</b>	<b>85.193</b>	-	-	-

##### Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
6718	Legal Aid	-	3.671	-	-	-
<b>Total Capital</b>		-	<b>3.671</b>	-	-	-

- 2 **approved** the changes to appropriations and/or projected balances of net assets of the administering department (where applicable) to implement the initiatives, as set out in the attached initiative documents;

- 3 **agreed** that the changes to appropriations and/or projected balances of net assets for 2010/11 above be included in the 2010/11 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 4 **authorised** the Minister of Finance and the Vote Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2010/11 Supplementary Estimates, the 2011/12 Estimates and the fiscal forecasts;
- 5 **authorised** the chief executives of departments that monitor Crown entities directly affected by decisions in this minute to inform the chair and/or chief executive of a Crown entity, on a budget-in-confidence-until-budget-day basis, of decisions that directly affect that Crown entity for the purpose of planning and preparation of their Statement of Intent;
- 6 **noted** that all communications relating to the 2011 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office;

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- 8 **noted** that the Legal Services Bill is expected to become law before the start of the 2011/12 financial year and that a number of appropriation changes are required to effect the changes the Bill will require;
- 9 **noted** that the Legal Services Bill vests all assets and liabilities of the Legal Services Agency in the Ministry of Justice;
- 10 **noted** that with the merger of the Legal Services Agency into the Ministry of Justice, the projected net assets of the Ministry of Justice will need to increase;
- 11 **noted** that the estimated projected net asset increase is subject to finalisation after audited financial statements are available;
- 12 **noted** that after the Legal Services Agency's final financial statements have been audited, Joint Ministers (the Minister of Justice and the Minister of Finance) will be requested to approve any changes to projected net assets;
- 13 **agreed** that the assets and liabilities to be vested in the Ministry of Justice should be only those associated with the administration of Legal Services and Public Defence activities, with the debt from legally aided persons, and the accrued legal aid expenses and liabilities remaining as Crown activities;

- 14 **agreed** to change the scope of the existing Non-departmental output expense appropriation Legal Aid to be “This appropriation is limited to the payments of legal aid to approved providers”;
- 15 **approved** the following changes to appropriations to provide for the provision of legal aid services, with no impact on the operating balance and projected balance of net assets:

### New Appropriation Approval

Type	Period	Name	Multi-class Output Appropriation	Scope
Departmental Output Expense	Annual	Administration of Legal Services	N/A	This appropriation is limited to the administration of legal services including legal aid and related schemes; and the management and collection of legal aid debt.
Departmental Output Expense	Annual	Public Defence Service	N/A	This appropriation is limited to the provision of representation for defendants in criminal cases at specified courts.
Non-Departmental Other Expense	Annual	Impairment of Legal Aid Debt	N/A	This appropriation is limited to the impairment of legal aid debt including assessment of future write-offs and other elements in determining fair value.
Non-Departmental Output Expense	Annual	Community Law Centres	N/A	This appropriation is limited to funding programmes to support Community Law Centres.

### Appropriation Changes

Vote Justice	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	36.185	37.311	39.107	40.562
<b>Total</b>	-	36.185	37.311	39.107	40.562

Vote Courts	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	0.668	0.628	0.615	0.615
<b>Total</b>	-	0.668	0.628	0.615	0.615

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
<b>Vote Justice</b>					
<b>Minister of Justice</b>					
<b>Departmental Output Expenses:</b>					
Administration of Legal Services (revenue Crown)	-	18.457	18.473	18.486	18.486
Public Defence Service (revenue Crown)	-	14.388	14.520	14.467	14.467
<b>Non-Departmental Output Expenses:</b>					
Administration of Legal Services Agency	-	(21.411)	(19.368)	(19.368)	(19.368)
Public Defence Service	-	(14.388)	(14.520)	(14.467)	(14.467)
Community Law Centres	-	6.139	5.206	6.989	8.444
Legal Aid	-	10.200	10.200	10.200	10.200
<b>Non-Departmental Output Expenses:</b>					
Impairment of Legal Aid Debt	-	22.800	22.800	22.800	22.800
<b>Ministry of Justice</b>					
Net Asset Schedule of the Ministry of Justice: Capital Injection	-	28.000	-	-	-
<b>Vote Courts</b>					
<b>Minister for Courts</b>					
<b>Departmental Output Expenses:</b>					
Specialist Courts, Tribunals and Other Authorities Services (funded by revenue Crown)	-	0.295	0.274	0.271	0.271
<b>Non-Departmental Other Expenses:</b>					
Tribunal Members Fees and Expenses	-	0.373	0.354	0.344	0.344
<b>Total Operating</b>	-	<b>36.853</b>	<b>37.939</b>	<b>39.722</b>	<b>41.177</b>
<b>Total Capital</b>	-	<b>28.000</b>	-	-	-

16 **noted** the following changes to Non-Departmental revenue and receipts as a result of the changes above, with a corresponding impact on the operating balance and debt:

Vote Justice Minister of Justice	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
<b>Non-Tax Revenue:</b>					
Recoveries from Legally Aided Persons	-	33.000	33.000	33.000	33.000
Community Law Centre Funding from Law Society	-	3.853	4.939	6.722	8.177
Capital Receipts (Legal Services Agency transfer)	-	28.000	-	-	-
<b>Total Operating</b>	-	<b>(36.853)</b>	<b>(37.939)</b>	<b>(39.722)</b>	<b>(41.177)</b>
<b>Total Debt</b>	-	<b>(28.000)</b>	-	-	-

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Secretary of the Cabinet

Reference: CAB (11) 187; CAB (11) 190

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**Vote:** Justice

**Title:** Legal Aid

**Description:** This initiative allocates funding to legal aid to fund the forecast funding gap between expected legal aid demand and existing appropriations.

### Appropriation Changes

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Operating Balance Impact	-	69.394	-	-	-
Debt Impact	-	3.671	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>73.065</b>	-	-	-

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
<b>Non-Departmental Output Expenses:</b>					
Legal Aid	-	69.394	-	-	-
<b>Net Asset Schedule of the Ministry of Justice:</b>					
Capital Investment	-	3.671	-	-	-
<b>Total Operating</b>	-	<b>69.394</b>	-	-	-
<b>Total Capital</b>	-	<b>3.671</b>	-	-	-



## Initiative No: 6719

**Vote:** Justice

**Title:** Community Law Centres

**Description:** This initiative allocates funding to increase the Community Law Centres appropriation to meet a funding shortfall.

### Appropriation Changes

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Operating Balance Impact	-	3.951	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>3.951</b>	-	-	-

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
<b>Non-Departmental Output Expenses:</b>					
Community Law Centres	-	3.951	-	-	-
<b>Total Operating</b>	-	<b>3.951</b>	-	-	-
<b>Total Capital</b>	-	-	-	-	-

## Initiative No: 6769

**Vote:** Justice

**Title:** General Election and Electoral Referenda

**Description:** This initiative allocates funding to fund cost pressures associated with the 2011 general election, 2012 Maori electoral option and Mixed Member Proportional referendum and education campaign.

### Appropriation Changes

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Operating Balance Impact	-	10.848	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>10.848</b>	-	-	-

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
<b>Non-Departmental Output Expenses:</b>					
Producing and Maintaining Electoral Rolls	-	7.189	-	-	-
Provision of Services from the Electoral Commission	-	3.659	-	-	-
<b>Total Operating</b>	-	<b>10.848</b>	-	-	-
<b>Total Capital</b>	-	-	-	-	-

## Initiative No: 6771

**Vote:** Justice

**Title:** Constitutional Review

**Description:** This initiative funds a review of New Zealand's constitutional arrangements, agreed as part of confidence and supply arrangements with the Maori Party.

### Appropriation Changes

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Operating Balance Impact	-	1.000	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>1.000</b>	-	-	-

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
<b>Departmental Output Expenses:</b>					
Policy Advice (funded by revenue Crown)	-	1.000	-	-	-
<b>Total Operating</b>	-	<b>1.000</b>	-	-	-
<b>Total Capital</b>	-	-	-	-	-

## Initiative No: 7037

**Vote:** Justice

**Title:** Efficiency Savings Carried Forward

**Description:** This initiative reflects additional efficiency savings made across the Ministry of Justice which will be carried forward to outyears to offset future cost pressures as approved in the Ministry of Justice's four year budget plans. The savings will be allocated to Vote Courts in 2011/12 and 2012/13 and are reflected in Vote Court's financial recommendations under initiative 6776.

### Appropriation Changes

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Operating Balance Impact	(0.600)	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(0.600)</b>	-	-	-	-

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
<b>Departmental Output Expenses:</b>					
Policy Advice (funded by revenue Crown)	(0.600)	-	-	-	-
<b>Total Operating</b>	<b>(0.600)</b>	-	-	-	-
<b>Total Capital</b>	-	-	-	-	-