

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

Vote Māori Affairs

Four-year Budget Plan

Version 2

[7 February 2011]

Submitted by:

Te Puni Kōkiri

SECTION 1: NEW BASELINE AND SUMMARY OF CHANGES

The Māori Affairs portfolio is critical for the leadership and direction of public policy that uniquely or principally affects Māori, it is the actions and achievements of government as a whole that impacts on Māori wellbeing and participation in all aspects of the economy and society.

The foundations of the Minister of Māori Affairs (the Minister) priorities are anchored in *He Aha te Mea Nui*, the Māori Party policy manifesto, and remain current today. Broadly, these are:

- *Te Tiriti o Waitangi: we want to face our past with courage, so we can build our future together.*
- *Economy: we want to work together to make the nation great again by investing in ourselves to lead us to productivity on a grander scale.*
- *Whanau Ora: we want to invest in our children and their children yet to come. To feed their minds, to nurture their creativity; to appreciate the wonders of their identities, their languages and their cultures.*

The priorities and strategy for the Vote over the next four years is discussed in detail under Section 2: Vote Priorities and Pressures. These are summarised as follows:

Māori Culture and Indigeneity

A continuation of the review and reform of the Māori language sector instigated during 2009/10. Following completion of the Independent Panel's report, a proposed government response to the reviews recommendations will be reported to Cabinet. It is also important to ensure that funding for existing Māori language programmes within Vote Māori Affairs are retained at current levels until review recommendations have been formulated and adopted. [2]

Crown-Māori Relationships

As the face of government in Māori communities, both the Minister and Te Puni Kōkiri will continue to bring significant effort to bear across the spectrum of Crown – Māori relationship management. Some specific areas of focus in the immediate to medium term include: Constitutional Review; Treaty Settlements towards 2014; Natural Resource Sector issues; Post Treaty Settlement environment; and National Identity. In respect to the Constitutional Review and National Identity, the intention to reprioritise funding within Vote Māori Affairs to support these priority areas has been signalled.

Māori Economic Opportunities

Continued work towards building opportunities for stronger and more export oriented Māori participation in the economy. This will include a focus on; primary sector; infrastructure investment; Māori participation in the Rugby World Cup; acceleration of skills acquisition; and unblocking barriers to Māori land development. The Minister has signalled his intention to build on the Māori Economic Taskforce, and convene a further summit in March 2011, from which he expects to establish a Working Group to consider options to grow the Māori economy, and its contribution to GDP. [2]

[2]

There is also a programme of activity in place to build on the very positive outcomes arising from the Māori business delegation participation in the Shanghai Expo, and apply concerted effort to establishing strong Māori-China business relationships, within the context of the NZ Inc China Strategy.

Implementation of Whānau Ora

The continuation of the progress made towards the implementation of Whānau-centred Services with an increased focus on developing Whānau-centred services in those areas where there is currently no provision. It is anticipated that demand will quickly outstrip supply, and in conjunction with the Minister Responsible for Whānau Ora will be seeking its expansion in 2011 with Budget implications for 2011 and out-years.

Whole of Government Effectiveness for Māori

There is concern that Māori do not experience the quality of citizenship that other groups in New Zealand enjoy, and we would like to see a greater level of performance and accountability for Māori outcomes on the part of all state sector agencies. Te Puni Kōkiri (alongside Central Agencies) are intending to develop mechanisms that would drive a greater level of performance and accountability for Māori outcomes on the part of all state sector agencies.

The Vote priorities signalled above do not indicate a fundamental change in direction for Vote Māori Affairs, but a continued sharpened focus on existing priorities as they progress through their life-cycle.

Over the past few years, Te Puni Kōkiri has progressively made re-prioritisation decisions, operational efficiencies and savings to fund priority areas within the existing baseline, including changes to service delivery mix and adjustments to policy work to match the Government and Ministerial priorities. The extent of re-prioritisation within Vote Māori Affairs since Budget 2007 is provided in **Annex A** for your reference.

Moving forward, Te Puni Kōkiri is committed to operating within the current departmental baseline over the forecast period. In order to meet projected budget deficits however, there will be continued measures during 2010/11 and beyond to improve business efficiencies, realign its departmental resources and reprioritise its work programme.

In respect to Non-Departmental funding, the Minister is seeking to fund a limited number of initiatives through the re-prioritisation of the Māori Potential Funds¹. [2]

¹ Māori Potential Funds consist of three Non-Departmental Output Expenses; Rawa, Whakamana and Mātauranga

[2]

Overall Impact

Operating	Impact (\$000s)				
	2010/11	2011/12	2012/13	2013/14	2014/15
Current Baseline	201,696	197,155	195,778	194,278	194,278
Departmental Outputs:					
Inflationary and wage pressures	-	2,162	3,088	5,237	5,237
<u>Priority Alignment Review</u> : Specific measures to improve business efficiencies, realign departmental resources and reprioritise work programme	-	(2,162)	(2,998)	(2,294)	(2,294)
TPK Operational Efficiencies and other reprioritisations	-	-	(90)	(2,943)	(2,943)
Māori Engagement in the Constitutional Review	-	500	1,500	-	-
[2]					
Non-Departmental Outputs:					
<u>Re-prioritised Funding</u>					
[2]					
Mā te Reo Fund (through TTWh)	-	2,000	-	-	-
Iwi Radio Funding	-	600	-	-	-
National Pōwhiri	-	100	-	-	-
[2]					
Māori Potential Funds					
<u>NEW Funding</u>					
Taumarunui Lease Compensation	250	-	-	-	-
Whānau Ora	[2]				

[2]

New baseline	[2]

[2]

Departmental capital expenditure is minimal for Te Puni Kōkiri. With an asset base largely consisting of leasehold improvements, IT hardware/software and motor vehicles, capital expenditure forecasts are based predominately on replacement cycles. Forecasting for capital expenditure is undertaken at the same time as operational budgets/forecasts are developed to ensure on-going affordability.

We do not seek any new capital funding in Budget 2011.

SECTION 2: VOTE PRIORITIES AND PRESSURES

Looking forward to 2011 and the more medium term, Vote priorities remain consistent with those agreed with the Prime Minister during Budget 2010. The priorities are set out below and are consistent with those outlined in the recent priorities letters to the Prime Minister for both Vote Māori Affairs and Whānau Ora.

Māori Culture and Indigeneity

Strong and vibrant culture and indigeneity continue to be defining factors in Māori wellbeing, and in shaping national identity. It is an area of public policy leadership in the Māori Affairs portfolio, and is the foundation for policy and service intervention, and investment in community led initiatives across other sectors, that the Māori Affairs portfolio contributes to.

Within this broad area, the key priority of progressing review and reform of the Māori Language sector remains. As noted above, recommendations will be brought to Cabinet in the latter part of this financial year: it is expected that this will lead to reform of the Māori Language Act, and as such, will be making a bid for this on the 2011 legislative programme. Funding for two Māori language initiatives; *Ma te Reo*, that provides community level support for language revitalisation, and additional two year funding for Iwi Radio broadcasting administrative support, expires at the end of this year. Given the tenor of the WAI 262 report, and the current review of the sector, it is important to maintain, at least in the interim, investment in Māori language revitalisation efforts at least at current levels. Accordingly, reprioritised funding within Vote Māori Affairs to continue these existing initiatives, ensuring that we do not create service gaps while the review proceeds has been signalled. [2]

Crown – Māori Relationships

The quality of relationships that underpin interactions between Māori and the Crown continues to be of utmost importance in the conduct of government. Relationships premised on transparency and good faith support informed decision making, and will do much in moving us towards capitalising on future opportunities rather than managing risk or remedying past wrongs. As the face of government in Māori communities, both the Minister and Te Puni Kōkiri will continue to bring significant effort to bear across the spectrum of Crown – Māori relationship management. Some specific areas of particular focus in the immediate to medium term include:

- Constitutional Review – the Minister is co-leading the Constitutional Review according to decisions recently taken by Cabinet, with a particular focus on ensuring a robust and informed dialogue with Māori. The intention to reprioritise some funding within Vote Māori Affairs to support that engagement process has been signalled;
- Treaty Settlements – continuing to support Government's priority of settling all historical Treaty claims by 2014;
- Natural Resources – advising on, and progressing, Māori rights and interests in natural resources, with an immediate focus on fresh water, and the Resource Management Act reform programme;
- Post Settlement Environment – working towards building a new era of Crown – Māori relationships that are particularly focused on the changing landscape of moving from a remedial to a future focused post settlement environment;

- National Identity – supporting the expression of manaakitanga, by actively extending a hand of welcome to new immigrants to New Zealand, for which the intention to reprioritise funding within Vote Māori Affairs to progress has been signalled.

Māori Economic Opportunities

The Māori asset base and Māori entrepreneurship continue to be valuable, but under performing, contributors to the wider New Zealand economy. The Minister and Te Puni Kōkiri will continue to work towards building opportunities for stronger and more export oriented Māori participation in the economy, with a particular focus on the primary sector (where Māori are significant asset owners), supporting new opportunities in infrastructure investment, facilitating Māori participation in the Rugby World Cup, and supporting initiatives that accelerate skills acquisition among Māori.

The Minister's Māori Economic Taskforce has been operating since shortly after the Jobs Summit, and has achieved impressive results across a range of economic issues, including supporting Māori capacity to participate in public-private partnerships, science and innovation, and international business. The Minister intends to build on this initiative, and convene a further summit in March 2011, to establish a Working Party to consider options to grow the Māori economy, and its contribution to GDP.

[2]

There is also a programme underway to build on the very positive outcomes arising from the Māori business delegation participation in the Shanghai Expo, and apply concerted effort to establishing strong Māori-China business relationships, within the context of the NZ Inc China Strategy.

As a result of long standing challenges with realising the economic potential of Māori land, largely arising from land tenure arrangements, there is an intention to scope a review of Te Ture Whenua Māori, for which we will furnish a bid for the 2012 legislative programme.

Whānau Ora

Although in its first year of implementation, Whānau Ora has been enthusiastically received by Māori communities and government agencies alike. The first wave of Whānau-centred Service transformation is larger than originally expected, more complex and involves a wider range of providers in collaborative approaches to service delivery in their locality. The first wave of provider transformation, along with the Whānau Integration, Innovation and Engagement activities, will utilise all the resources the Minister Responsible for Whānau Ora has obtained in this appropriation over the next two years.

The level of complexity amongst the first wave of providers and collectives involved in the implementation of Whānau-centred Service transformation will require an average of an 18 month programme of action with providers and collectives. In order for this to be undertaken in the most prudent fashion, more resource may be needed in the second year of the programme of action than in the first six months. Officials are currently engaged with providers developing the programmes of action and will not be able to accurately identify the resources required for these until the business cases are largely completed in March 2011. The Minister Responsible for Whānau Ora may, as a result seek an in-principle expense transfer from 2010/11 to 2011/12 from the Service Delivery Capability appropriation in order to support the first wave programmes of action. This will likely be signalled at the time of the March Baseline Update.

In order to undertake a second wave of service delivery change, the Minister Responsible for Whānau Ora intends to task agencies with establishing programmes of development to build the capability and collaboration between providers in areas where there is currently no identified providers arising from the Expression Interest process.

New funding to establish effective programmes of development within these regions is being sought.

Whole of Government Effectiveness for Māori

As signalled earlier, effectiveness for Māori is the responsibility of the whole of government, not just the Māori Affairs portfolio. There is continued concern that Māori do not experience the quality of citizenship that other groups in New Zealand enjoy, and would like to see a greater level of performance and accountability for Māori outcomes on the part of all state sector agencies. We are currently discussing options for achieving this with the Minister, and will be seeking Ministerial support for Treasury to work with Te Puni Kōkiri to more sharply focus the existing public sector accountability framework on considering effectiveness for Māori.

Link to Government's Priorities

The above priorities are entirely linked to agreed Government priorities.

The foundations of the Minister of Māori Affairs (the Minister) priorities are anchored in *He Aha te Mea Nui*, the Māori Party policy manifesto, and remain current today. Broadly, these are:

- *Te Tiriti o Waitangi: we want to face our past with courage, so we can build our future together.*
- *Economy: we want to work together to make the nation great again by investing in ourselves to lead us to productivity on a grander scale.*
- *Whānau Ora: we want to invest in our children and their children yet to come. To feed their minds, to nurture their creativity; to appreciate the wonders of their identities, their languages and their cultures.*

Major Pressures facing the Vote

Departmental Expenditure

On-going prioritisation, together with undertaking a *Priority Alignment Review*, to address functional and structural issues, have ensured that Te Puni Kōkiri is able to meet agreed government priorities within the 2010/11 departmental baseline.

Across the forecast period, the main input cost driver for Te Puni Kōkiri is “Personnel related costs”. These costs represent 51% of forecast expenditure in 2010/11 and are the major determinant of other operating costs.

If inflationary and wage pressures are left unabated, Te Puni Kōkiri forecasts out-year operating deficits of \$2.16m in 2011/12, and rising to \$5.24m by 2013/14. These figures are based on Treasury forecasts that market remuneration will increase by 1% in 2011/12 and a further 3.5% over the following two years; and that the rate of inflation will track from 1.2% next year to 1.9% by 2013/14.

Constitutional Review

However, as noted above, the Minister, along with the Deputy Prime Minister have joint ministerial responsibility to lead the Consideration of Constitutional Issues, according to decisions recently taken by Cabinet, with a particular focus on ensuring a robust and informed dialogue with Māori. The costs associated with the expectations on information, education and engagement are considered to be one-off, exceptional costs to Te Puni Kōkiri and as such reprioritised funding from the Māori Potential Fund to support that engagement process is sought.

Non-Departmental Expenditure

Māori language and broadcasting

The Crown and other statutory entities for which Te Puni Kōkiri has a monitoring and policy development role have all committed to operating within their non-departmental appropriations across the forecast period. This includes funding for Te Tāura Whiri I te Reo Māori (TTWh), Te Māngai Paho (TMP), Māori Television Service (MTS) and the Māori Trustee. For TMP and MTS in particular, this requires a planned approach to utilising prior period retained earnings. All entities are actively making priority decisions focused on efficiency and effectiveness activities to meet this commitment.

However, future arrangements for the Māori language and broadcasting entities (TTWh, TMP and MTS) are potentially impacted by the current review of the Māori Language Sector. Following completion of the Independent Panel’s report, a proposed government response to the reviews recommendations will be reported to Cabinet. Until completion of the report, fiscal implications for the Vote are unknown. [2]

In addition, two Māori language initiatives funded through Vote Māori Affairs; Mā te Reo Fund (\$2m) and the He Kāinga Kōrerorero (\$1.5m), are due to expire on 30 June

2011 and 30 June 2012 respectively. The Minister has signalled his intention to seek re-prioritised funding from the Māori Potential Funds to retain current funding levels for the Mā te Reo fund in 2011/12 whilst the review outcome is pending. However, beyond 2011/12, both initiatives will be unfunded.

Operational funding for Iwi Radio of \$0.6m per annum expires on 30 June 2011; again the intention is to seek re-prioritised funding from the Māori Potential Funds to maintain funding levels in 2011/12.

[2]

Implementation of Whānau Ora

Non-Departmental funding to progress the Whānau Ora programme of \$24.25m per annum (average over 4 years) has led to the identification of 25 providers/collectives which will increase the level of impact achieved from these resources.

The large number of and extent to which providers have collectivised has shown there to be a higher than anticipated level of preparedness and demand for whānau-centred practice. High levels of expectation will require both smart and efficient engagement processes with providers and provider collectives. Resourcing this engagement will continue to require careful management to both the departmental and non-departmental resourcing for Whānau Ora.

In conjunction with the Minister Responsible for Whānau Ora, the Minister is seeking new funding to expand the coverage of Whānau-Centred Services to new localities

[2]

This will

ensure there is nationwide coverage by Whānau Ora providers in the medium term and address the higher than anticipated demand for whānau-centred services.

As identified above, the Minister Responsible for Whānau Ora has signalled her intention to seek an in-principle expense transfer from 2010/11 to 2011/12.

New funding [2] over the forecast period 2011/12 to 2014/15 to meet demand is now being signalled.

Measures to Manage Vote Pressures

Departmental Expenditure

Despite forecast expenditure growth due to inflationary and wage pressures; Te Puni Kōkiri is committed to operating over the remaining forecast period within the current departmental baseline.

Actions committed to during 2010/11 are expected to eliminate projected deficits in 2011/12 and reduce deficits to \$2.94m (5%) by 2013/14. Additional actions will be committed to in 2011/12 and out-years to work within departmental baseline.

Specific measures are required in order to negate these pressures and meet this commitment. During 2010/11 these include:

- a) The continuation of the Priority Alignment Review, focused on ensuring greater efficiency and resource alignment of Te Puni Kōkiri's regional network to the Ministry's programme and Whānau Ora implementation responsibilities, and its wider policy work programme; and on improving the Ministry's contract management capabilities and streamlining its contract management processes. This work is being completed in stages with an overall completion date of March 2011. They are expected to provide the basis for the on-going management of resource constraints;
- b) A programme of work to develop measures of effectiveness and efficiency across Te Puni Kōkiri, incorporating Treasury led Better Administration and Support Services programme (BASS) benchmarking and the Review of Expenditure on Policy Advice; and
- c) Managing operating expenditure through a programme of targeted expenditure reviews and active participation in collaborative procurement arrangements offered across the public sector.

Further actions, beyond 2010/11 are likely to include:

- a) Rationalisation of support service functions through the active consideration of business process improvements, greater use of technology, outsourcing and opportunities for cross-agency collaboration;
- b) Continued implementation of the decisions arising from the Priority Alignment Review currently underway; and
- c) On-going prioritisation of resource, including a reduction or termination of some work output in order to achieve an agreed and rationalised work programme.

The outcome of the Priority Alignment Review discussed above, alongside a revised People Capability Strategy will ensure continued recruitment and retention of high quality staff; critical to Te Puni Kōkiri's performance as a Ministry, alongside our commitment to working within baseline.

In order to provide Te Puni Kōkiri more flexibility in making reprioritisation decisions around policy advice outputs and managing pressures within the Vote, we are also considering the option to re-configure the following Departmental Output Expense appropriations under a single Multi Class Output Appropriation (MCOA).

- Policy – Crown Māori Relationship
- Policy – Economic and Enterprise
- Policy – Social and Cultural

Non-Departmental Expenditure

The Minister also seeks to re-prioritise a portion of funding from the Māori Potential Funds in order to further specific priority initiatives he believes to be important for the

Vote. [2]

Risks Created by Fiscal Pressures

- Not being able to deliver outputs within existing departmental appropriations. Specific actions as detailed above are underway to ensure Te Puni Kōkiri manages within baseline over the forecast period.
- Ability to recruit and retain high quality staff critical to Te Puni Kōkiri's performance as a Ministry. The relatively benign labour market has helped reduce turnover and salary pressures. A return to a tight labour market will represent both cost and performance risk. Specific strategies are in development and will be finalised on the completion of a revised HR Capability Strategy during this financial year.
- Attaining an optimal balance between efficiency/effectiveness and risk assurance and management across departmental activity. Achieving this balance is actively managed by the Executive through our organisational planning and performance management processes.
- Inability to deliver optimal outcomes for Māori development across the priorities set for Vote Māori Affairs over the forecast period if sufficient funding to progress initiatives is not forthcoming.

Section 3: Proposed Changes for Budget 2011 (Reprioritisation)

Proposed Departmental Changes

Operating	Impact (\$000s)				
	2010/11	2011/12	2012/13	2013/14	2014/15
Current Baseline (Departmental)	60,312	59,093	59,816	58,616	58,616
<i>Departmental Outputs:</i>					
Inflationary and wage pressures	-	2,162	3,088	5,237	5,237
<i>Priority Alignment Review:</i> Specific measures to improve business efficiencies, realign departmental resources and reprioritise work programme	-	(2,162)	(2,998)	(2,294)	(2,294)
TPK Operational Efficiencies and other reprioritisations	-	-	(90)	(2,943)	(2,943)
Māori Engagement in the Constitutional Review	-	500	1,500		
[2]					
New Departmental Baseline	[2]				
Non-Departmental: Māori Potential Funds					
Impact on Vote Māori Affairs	-	-	-	-	-

Te Puni Kōkiri has responded well to a new set of government priorities, within an environment of fiscal constraint. In particular, we have progressively re-prioritised our work programme to provide a sharpened focus on; achieving Treaty Settlements by 2014; implementation of Whānau Ora; enhancing Māori economic performance; supporting Māori culture and indigeneity; and advising on and supporting enhanced Crown-Māori relationships.

Achieving alignment with government priorities has required three key actions on our part. Firstly, and consistent with the 2010/11 Baseline Alignment Proposal, active re-prioritisation decisions, including reducing or stopping some areas of work, have been taken. These have included, for example, not undertaking new work to progress 'outside of settlement' components of Treaty negotiations; reducing the level of sector

based social policy advice in favour of leading Whānau Ora; and replacement of existing community based programmes² in favour of two whānau social assistance programmes (Kaitoko Whānau and Oranga Whānau).

On-going re-prioritisation, together with undertaking a *Priority Alignment Review*, to address functional and structural issues associated with delivering on government priorities, have ensured that Te Puni Kōkiri is able to meet agreed government priorities within the 2010/11 departmental baseline.

Further measures being undertaken in 2010/11 and continued into out-years as identified in Section 2 above will determine specific areas for on-going prioritisation and operational efficiencies within Te Puni Kōkiri.

Māori Engagement in the Constitutional Review

As indicated in Section 2 above, to ensure the appropriate levels of Māori engagement in the Constitutional Review; will now require Te Puni Kōkiri to have a more significant role than first envisaged. Through initial discussions with the Ministry of Justice in regards the costs of engagement, Te Puni Kōkiri will agree to bear a portion of these costs provided they can be funded through a re-prioritisation of the Māori Potential Funds and not impact already strained departmental funding.

Multi Class Output Appropriations (MCOA)

MCOAs are used to give the responsible Minister ongoing discretion over the mix of outputs across two or more classes of outputs within the period of the appropriation. Such discretion is most commonly used when the output classes contribute to a common outcome or use a common or closely related set of inputs and processes.

In order to provide more flexibility in making reprioritisation decisions around departmental policy advice outputs, Te Puni Kōkiri are investigating the option to re-configure three Departmental Output Expense appropriations into a single Multi-Class Output Appropriation (MCOA).

- Policy – Crown Māori Relationship
- Policy – Economic and Enterprise
- Policy – Social and Cultural

² Kapohia ngā Rawa and Kaitatake-A-Rohe

Proposed Non-Departmental Changes

Operating	Impact (\$000s)				
	2010/11	2011/12	2012/13	2013/14	2014/15
Current Baseline	141,384	138,062	135,962	135,662	135,662
Non-Departmental Outputs:					
<u>Re-prioritised Funding</u>					
[2]					
Mā te Reo Fund (through TTWh)	-	2,000	-	-	-
Iwi Radio Funding	-	600	-	-	-
National Pōwhiri	-	100	-	-	-
Māori Potential Funds	[2]				
<u>NEW Funding</u>					
Taumarunui Lease Compensation	250	-	-	-	-
Whānau Ora	[2]				
[2]					
New baseline	[2]				
[2]					

[2]

Mā te Reo Fund & Iwi Radio

A contestable fund administered through Te Taura Whiri I Te Reo Māori (TTWh) that addresses whānau and community language development. Funding for the current Māori language initiative, Mā te Reo Fund expires on 30 June 2011. Given the tenor of the WAI 262 report, and the current review of the sector, it is important to maintain, at least in the interim, this programme at current levels. Accordingly, reprioritised funding within the Māori Potential Funds is sought to ensure that we do not leave a service gap during this period of review and reform.

Operational funding for Iwi Radio of \$0.6m per annum expires on 30 June 2011; again, we seek re-prioritised funding from the Māori Potential Funds to maintain the current funding levels in 2011/12.

National Pōwhiri

This involves supporting the expression of manaakitanga, by actively extending a hand of welcome to new immigrants to New Zealand. The expected cost is \$0.1m for which re-prioritised funding from the Māori Potential Funds in 2011/12 to progress is sought.

Taumarunui Lease Compensation

New funding is sought for an ex-gratia payment of up to \$250,000 to the Karanga Te Kere Whānau Trust (the Trust) to address their historical rental losses and omission from the Māori Reserved Land Amendment Act 1997 with respect to reserves in Taumarunui.

The Trust's lands were 'reserved land' subject to the provisions of the Māori Reserved Land Act 1955 by virtue of their being subject to the Māori Townships Act 1910. The Māori Reserved Land Amendment Act 1997, reformed the 1955 Act, and subsequently ex-gratia payments were made to Māori reserved land owners through a 2002 settlement. At the time of the 1997 Act, the Trust's leases had not been identified and therefore were not included in the 1997 Act.

In 1987 via the Māori Land Court the Trust's lands ceased to be subject to the 1955 Act and continued under the provisions of Te Ture Whenua Māori Act applying to Māori

freehold land. However, the 1997 Act was intended to apply to Māori freehold land which was originally reserved land subject to the 1955 Act. We have no information as to why the Trust's lands were omitted from the 1997 Act. Crown Law has advised that the most practical resolution to this omission would be by way of an ex-gratia payment.

[2]

Whānau Ora

Arising from the Expression of Interest process undertaken to select the first wave of providers and collectives to be supported to provide whānau-centred services, there was a number of localities where no service provision was feasible due to a lack of sufficiently developed provision in terms of scale and scope. The Minister Responsible for Whānau Ora has tasked the agencies working to the Whānau Ora Governance Group with establishing programmes of development where provider relationships will be developed over time. These locations include: Kaipara; Hauraki; South Waikato; Taupō/Turangī; Palmerston North; Wairarapa; Levin/Kapiti Coast; and Murihiku.

At this point it is expected that funds appropriated for *Whānau Centred Services and Organisational Transformation* for the 2010/11 and 2011/12 will be fully expended over the two years, with the larger proportion of that expenditure to be expended in 2011/12 once business cases are finalised in 2010/11. This does not leave sufficient resource to develop provider relationships in 2011 to support a more useful transition of provider collectives into the 2012/13 Programmes of Action without undertaking another Expression of Interest process.

The costs associated with building provider relationships and developing proposals for consideration by the Governance Group have been identified as being up to \$0.250 million per location. The Minister Responsible for Whānau Ora has indicated an intention to build provider relationships in up to eight locations in 2011, with some of the resulting collectives progressing to Programme of Action stage in 2012/13. Any new provider collectives that emerge with also require additional resources to undertake Programmes of Action.

New funding [2] is being sought to expand the coverage of Whānau-Centred Services to new localities [2]

This will ensure there is nationwide coverage by Whānau Ora providers in the medium term and address the higher than anticipated demand for whānau-centred services.

Technical Changes

Payments to Housing NZ Corporation

Te Puni Kōkiri have administered a historical non-departmental other expense appropriation for the purposes of forwarding repayments received after the sale of the Māori Housing portfolio to Housing New Zealand Corporation (\$0.036m per annum). It has now been determined that there are no further repayments to be received and therefore the appropriation is no longer required. We seek approval for a fiscally neutral transfer to an existing non-departmental other expense appropriation; Administrative Expenses for Crown Land that has an existing annual appropriation of \$0.013m. The purpose of the latter is to fund the direct costs of Crown owned land administered by Te Puni Kōkiri under Part 2 of the Māori Affairs Restructuring Act 1989. The current appropriation is insufficient to cover modest administrative expenditure Te Puni Kōkiri seek to incur over the medium term in order to progress the eventual sale of Crown land held within the Vote.

SECTION 4: SUMMARY OF FINANCIAL MOVEMENTS

Refer to CFISnet schedules attached

Annex A – Re-prioritisation within Vote Māori Affairs

The table below demonstrates the major reprioritisation of funding within Vote Māori Affairs since Budget 2007:

Reprioritised Funding since Budget 2007	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Māori Wardens Programme (Budget 2008)	3,246	2,334	2,078	1,802	1,802	1,802	1,802
<i>Funded through: Non-Departmental - Maori Potential Funds</i>	(1,450)	(1,450)	(1,450)	(1,664)	(1,664)	(1,664)	(1,664)
Ministerial Economic Task Force (Budget 2009)	200	500	500	-	-	-	-
<i>Funded through: Non-Departmental - Maori Potential Funds</i>	(200)	(500)	(500)	-	-	-	-
Whānau Social Assistance programmes (Budget 2009)							
Kaitoko Whānau	-	2,797	4,000	5,000	5,000	5,000	5,000
Oranga Whānau	-	1,062	1,000	-	-	-	-
<i>Funded through: Departmental KNR/KAR Funding</i>	-	(3,859)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Whānau Ora Administration (Budget 2010)	-	1,076	9,236	8,838	9,441	8,745	8,745
<i>Funded through: A number of Departmental Output Classes</i>	-	(576)	(3,436)	(3,438)	(3,441)	(3,445)	(3,445)
Government & Ministerial Priorities (Budget 2010):							
- Constitutional Review and Reform	-	50	150	-	-	-	-
- Māori Economic Development Capacity	-	-	300	300	300	300	300
- Treaty Settlements towards 2014	-	-	-	1,700	1,700	900	900
- Māori Language Review	-	-	250	-	-	-	-
<i>Funded through: A number of Departmental Output Classes</i>	-	(50)	(700)	(2,000)	(2,000)	(1,200)	(1,200)
Operational Funding for Iwi Radio – TMP (Budget 2010)	-	600	600	-	-	-	-
<i>Funded through: Non-Departmental - Maori Potential Funds</i>	-	(600)	(600)	-	-	-	-