

The Treasury and Office of the Minister of Finance

Budget 2019 Information Release August 2019

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Good reasons for withholding the information exist, as the making available of that information would be likely to:

- | | | |
|------|---|----------|
| [1] | prejudice the security or defence of New Zealand or the international relations of the Government of New Zealand | 6(a) |
| [4] | prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial | 6(c) |
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- | | | |
|------|--|-------------|
| [25] | to protect information where the making available of that information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information | 9(2)(b)(ii) |
| [31] | to maintain the constitutional conventions for the time being which protect collective and individual ministerial responsibility | 9(2)(f)(ii) |
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| [37] | to enable a Minister of the Crown or any department or organisation holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial or industrial negotiations) | 9(2)(i) |
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Cabinet

Minute of Decision

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2019 Budget Package: Vote Internal Affairs

On 15 April 2019, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2019 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)				
		2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
10747	Accelerating a Local Government Reform Programme to Enhance Community Wellbeing and Strengthen Local Governance	-	3.333	3.333	3.334	-
11547	An Effective, Timely Crown Response to the Royal Commission of Inquiry into Historical Abuse in Care	-	1.418	-	-	-
11380	Digital Literacy Training for Seniors	-	0.100	0.250	0.250	-
10754	Ensuring the Ongoing Financial Viability of the Office of Film and Literature Classification	-	0.765	-	-	-
10756	Investing in the Department of Internal Affairs' Policy Advice Function in Order to Deliver Government Priorities	-	1.417	1.349	1.379	1.411
11664	Office of Ethnic Communities Uplift	-	2.221	2.364	2.408	2.451
10751	Operation of the RealMe System Asset	-	16.500	20.200	20.400	-
10742	Funding to Enable the Government Chief Digital Officer to Continue Government's Digital Transformation	-	8.060	8.121	8.184	3.247

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
10750	Enhancing Relationships Between Local Government And Iwi/Māori To Improve Regional Outcomes	-	2.200	2.600	2.600	2.600
11348	Reprioritisation of Funding - Anti-Money Laundering	(0.457)	-	-	-	-
11352	Reprioritisation of Funding - Digital Literacy Grant Concessions	(0.540)	(0.540)	(0.540)	(0.540)	(0.540)
11354	Reprioritisation of Funding - Racing Safety Development Fund	-	(0.010)	(0.010)	(0.010)	(0.010)
10736	Strengthening the Contribution of Archives NZ and National Library of NZ - Preserving the Nation's Memory	-	7.372	8.332	1.738	1.302
11333	Strengthening the Contribution of Archives New Zealand and National Library of New Zealand: Meeting Core Statutory Responsibilities	-	5.669	7.633	8.441	9.336
11477	Improving Government Payroll Systems	-	1.000	1.000	-	-
10743	Supporting the New Zealand Racing Industry	-	3.500	-	-	-
11676	Grants to Ethnic Communities - Updating Appropriations	-	-	-	-	-
Total Operating		(0.997)	53.005	54.632	48.184	19.797

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2018/19	2019/20	2020/21	2021/22	2022/23
10751	Operation of the RealMe System Asset	-	3.000	3.000	3.000	-
10736	Strengthening the Contribution of Archives NZ and National Library of NZ - Preserving the Nation's Memory	-	7.669	8.690	-	-
11333	Strengthening the Contribution of Archives New Zealand and National Library of New Zealand: Meeting Core Statutory Responsibilities	-	6.121	5.860	4.876	5.380
Total Capital		-	16.790	17.550	7.876	5.380

- 2 **agreed** to establish new appropriations where required to implement the initiatives, as described in the attached initiative documents;

- 3 **approved** changes to appropriations and the capital injections to the administering department to implement the initiatives, as set out in the attached initiative documents;
- 4 **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 5 **agreed** that the changes to appropriations for 2018/19 above be included in the 2018/19 Supplementary Estimates;
- 6 **authorised** the Minister of Finance and the Appropriation Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2018/19 Supplementary Estimates, the 2019/20 Estimates and the fiscal forecasts;
- 7 **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;
- 8 **noted** that all communications relating to the 2019 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.

Michael Webster
Secretary of the Cabinet

Hard-copy distribution:

Prime Minister
Deputy Prime Minister
Minister of Finance
Minister for Government Digital Services
Minister of Internal Affairs

Vote: Internal Affairs

Title: Accelerating a Local Government Reform Programme to Enhance Community Wellbeing and Strengthen Local Governance

Description: This initiative provides for a programme of local government reform advancing government priorities in areas such as water, natural hazards and climate change, housing, and regional economic development. The programme includes: “three waters” improvement; central/local government strategies on natural hazards and climate change; enhancing local government’s ability to deliver Treaty settlement redress; and addressing issues of infrastructure financing and local government financial sustainability.

Appropriation Changes

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Operating Balance Impact	-	3.333	3.333	3.334	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	3.333	3.333	3.334	-

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Policy Advice (MCA)					
<i>Departmental Output Expense:</i>					
Policy Advice - Local Government (funded by revenue Crown)	-	3.333	3.333	3.334	-
Total Operating	-	3.333	3.333	3.334	-

Vote: Internal Affairs

Title: An Effective, Timely Crown Response to the Royal Commission of Inquiry into Historical Abuse in Care

Description: This initiative aims to ensure the Crown can engage with the Royal Commission of Inquiry into Historical Abuse in Care in a full, timely and joined-up manner, to help the Royal Commission achieve its vision of “Transforming the way we, as a nation, care for children, young people and vulnerable adults in our communities”. This will be done through providing funding for a cross-agency Secretariat to deliver a coordinated Crown approach, legal support for representation and procedural questions, and specialist support to agencies for researching and compiling records for the Royal Commission and individuals affected by the Royal Commission. It is led by the Minister of State Services, with the Ministers of Health, Justice, Police, Social Development and the Minister for Children.

Appropriation Changes

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Operating Balance Impact	-	1.418	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.418	-	-	-

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Civic Information Services (MCA)					
<i>Departmental Output Expense:</i>					
Managing and Accessing Knowledge Information (funded by revenue Crown)	-	1.418	-	-	-
Total Operating	-	1.418	-	-	-

9 **noted** that there are associated initiatives in Vote Oranga Tamariki (Initiative 11630), Vote State Services (Initiative 11334), Vote Courts (Initiative 11574), Vote Education (Initiative 11548) and Vote Health (Initiative 11575);

Vote: Internal Affairs

Title: Digital Literacy Training for Seniors

Description: This initiative provides for digital literacy training for seniors. It is to support seniors to adapt to changing technology, to assist them to engage fully in the community and the workplace, and to support them to access digital information and services. The outcomes are to:

- provide the opportunity for increased digital inclusion to older New Zealanders, and to enable them to keep pace with technology as it changes;
- support older New Zealanders to interact with government and government agencies via digital platforms;
- help address social isolation issues.

Funding is required as the percentage of older non-users of digital technology has increased markedly, and seniors are consistently among the most digitally disadvantaged.

Appropriation Changes

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Operating Balance Impact	-	0.100	0.250	0.250	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.100	0.250	0.250	-

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Community Funding Schemes (MCA)					
<i>Non-Departmental Other Expense:</i>					
Digital Literacy and Connection	-	0.100	0.250	0.250	-
Total Operating	-	0.100	0.250	0.250	-

Vote: Internal Affairs

Title: Ensuring the Ongoing Financial Viability of the Office of Film and Literature Classification

Description: This initiative helps meet cost pressures that the Office of Film and Literature Classification (Classification Office) faces by updating its baseline appropriation (the first time since being set in 1998). It will support public wellbeing and harm prevention, particularly for children and young people, by maintaining an independent classification system.

Appropriation Changes

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Operating Balance Impact	-	0.765	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.765	-	-	-

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Non-Departmental Output Expense:					
Classification of Films, Videos and Publications	-	0.765	-	-	-
Total Operating	-	0.765	-	-	-

- 10 **noted** that the fees charged by the Classification Office for the classification of a publication have not been amended since 1996;
- 11 **directed** the Department of Internal Affairs to review the fees payable under the Films, Videos and Publications Classification Act 1993, and report back to the Cabinet Social Wellbeing Committee by the end of April 2020, including consideration of whether the current approach to the “fee payer” could be expanded, and whether the method for charging fees is still applicable in the current context;

Vote: Internal Affairs

Title: Investing in the Department of Internal Affairs' Policy Advice Function in Order to Deliver Government Priorities

Description: The purpose of this initiative is to better meet the policy needs of the government and the increased demand for policy advice by increasing the number of policy staff. This will bring the Department's policy capability within the range necessary to deliver Ministerial priorities, regulatory stewardship and associated operational requirements.

Appropriation Changes

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Operating Balance Impact	-	1.417	1.349	1.379	1.411
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.417	1.349	1.379	1.411

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Policy Advice (MCA)					
<i>Departmental Output Expense:</i>					
Policy Advice - Internal Affairs (funded by revenue Crown)	-	1.417	1.349	1.379	1.411
Total Operating	-	1.417	1.349	1.379	1.411

Vote: Internal Affairs

Title: Office of Ethnic Communities Uplift

Description: The primary role of the Office of Ethnic Communities (OEC) is to be the government’s principal advisor on ethnically diverse communities. OEC has also been designated a lead role in the government’s response to the Christchurch terror attacks. This initiative funds an uplift to the OEC to enable it to build its capacity and capability to both immediately support Muslim and other ethnically diverse communities in response to the Christchurch terror attacks, and to increase its nationwide reach.

Appropriation Changes

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Operating Balance Impact	-	2.221	2.364	2.408	2.451
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.221	2.364	2.408	2.451

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Community Information and Advisory Services (MCA)					
<i>Departmental Output Expense:</i>					
Advisory and Information Services to Ethnic Communities (funded by revenue Crown)	-	2.221	2.364	2.408	2.451
Total Operating	-	2.221	2.364	2.408	2.451

Vote: Internal Affairs

Title: Operation of the RealMe System Asset

Description: This initiative provides interim funding for the operation of RealMe while a broader strategic approach to digital identity is considered. RealMe is a secure and privacy protected way for New Zealanders to access online services, prove their identity and assert personal information. RealMe has been operational since 2013 and has had steady growth of services and users.

Appropriation Changes

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Operating Balance Impact	-	16.500	20.200	20.400	-
Debt Impact	-	3.000	3.000	3.000	-
No Impact	-	-	-	-	-
Total	-	19.500	23.200	23.400	-

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Capital Injection:					
Department of Internal Affairs - Capital Injection	-	3.000	3.000	3.000	-
Multi-Category Expenses and Capital Expenditure:					
Civic Information Services (MCA)					
<i>Departmental Output Expense:</i>					
Managing and Accessing Identity Information (funded by revenue Crown)	-	16.500	20.200	20.400	-
Total Operating	-	16.500	20.200	20.400	-
Total Capital	-	3.000	3.000	3.000	-

Vote: Internal Affairs

Title: Funding to Enable the Government Chief Digital Officer to Continue Government's Digital Transformation

Description: This initiative provides funding to enable the Government Chief Digital Officer (GCDO) to achieve its mandated functions of leading and driving digital transformation. It also provides for the continued operation of the Digital Government Partnership Innovation Fund for three years.

Appropriation Changes

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Operating Balance Impact	-	8.060	8.121	8.184	3.247
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	8.060	8.121	8.184	3.247

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Government Digital Services (MCA)					
<i>Departmental Output Expense:</i>					
Government Digital Strategy, System Investment and Leadership (funded by revenue Crown)	-	8.060	8.121	8.184	3.247
Total Operating	-	8.060	8.121	8.184	3.247

- 12 **directed** the GCDO to report to the Minister of Finance and Minister for Government Digital Services on its progress developing its operating and funding model, as directed by the Cabinet Government Administration and Expenditure Review Committee in June 2018 [GOV-18-MIN-0041], and seeking their approval to the next steps;

Vote: Internal Affairs

Title: Enhancing Relationships Between Local Government and Iwi/Māori to Improve Partnerships

Description: The initiative will support improved relationships between local government and iwi/Māori - a pressure point raised in nationwide Crown/Māori engagement hui. Funding will:

- create a knowledge base on redress arrangements, how well they are functioning and the current state of the environment they encompass;
- create tools and a fund to assist local government embrace bilingual towns and cities (part of Maihi Karauna);
- provide facilitators/advisers to work with local government and iwi/Maori where relationship issues are proving a significant barrier.

Better relationships will improve environmental, cultural and economic outcomes, especially in the regions.

Appropriation Changes

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Operating Balance Impact	-	2.200	2.600	2.600	2.600
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.200	2.600	2.600	2.600

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Policy Advice (MCA)					
<i>Departmental Output Expense:</i>					
Policy Advice – Local Government (funded by revenue Crown)	-	1.500	1.500	1.500	1.500
Non-Departmental Other Expense:					
Miscellaneous Grants – Internal Affairs	-	0.700	1.100	1.100	1.100
Total Operating	-	2.200	2.600	2.600	2.600

- 13 **directed** the Department of Internal Affairs to seek approval from the Minister of Finance, Minister of Internal Affairs and Minister of Local Government before any expenditure is incurred under this initiative;

Vote: Internal Affairs

Title: Reprioritisation of Funding - Anti-Money Laundering

Description: Design for the implementation of the Anti-Money Laundering requirements has identified that a targeted approach to international engagement during the early stages of implementation can be adopted to enable reprioritisation of funding in 2018/19. This funding is being reprioritised to other priority areas in Budget 2019 that will improve wellbeing for New Zealanders.

Appropriation Changes

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Operating Balance Impact	(0.457)	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(0.457)	-	-	-	-

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Regulatory Services (MCA)					
<i>Departmental Output Expense:</i>					
Regulatory Services (funded by revenue Crown)	(0.457)	-	-	-	-
Total Operating	(0.457)	-	-	-	-

Vote: Internal Affairs

Title: Reprioritisation of Funding - Digital Literacy Grant Concessions

Description: Digital Literacy Grant concessions have had a low outcome contribution towards the government's priorities. As such, this funding is being reprioritised to other priority areas in Budget 2019 that will improve wellbeing for New Zealanders.

Appropriation Changes

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Operating Balance Impact	(0.540)	(0.540)	(0.540)	(0.540)	(0.540)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(0.540)	(0.540)	(0.540)	(0.540)	(0.540)

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Community Funding Schemes (MCA)					
<i>Non-Departmental Other Expense:</i>					
Digital Literacy and Connection	(0.540)	(0.540)	(0.540)	(0.540)	(0.540)
Total Operating	(0.540)	(0.540)	(0.540)	(0.540)	(0.540)

Vote: Internal Affairs

Title: Reprioritisation of Funding - Racing Safety Development Fund

Description: This funding is being reprioritised as a contribution from the Racing Portfolio towards other priority areas in Budget 2019 that will improve wellbeing for New Zealanders.

Appropriation Changes

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Operating Balance Impact	-	(0.010)	(0.010)	(0.010)	(0.010)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(0.010)	(0.010)	(0.010)	(0.010)

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Non-Departmental Other Expense:					
Racing Safety Development Fund	-	(0.010)	(0.010)	(0.010)	(0.010)
Total Operating	-	(0.010)	(0.010)	(0.010)	(0.010)

Vote: Internal Affairs

Title: Strengthening the Contribution of Archives NZ and National Library of NZ - Preserving the Nation's Memory

Description: This initiative provides for the design, pre-decant activities and core technology infrastructure refresh associated with the proposed upgrade and expansion of the physical infrastructure and storage capacity for Archives New Zealand (Archives) and the National Library of New Zealand (National Library). Over 60 percent of current facilities are at the end of their useful life and are in major need of upgrade.

Appropriation Changes

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Operating Balance Impact	-	7.372	8.332	1.738	1.302
Debt Impact	-	7.669	8.690	-	-
No Impact	-	-	-	-	-
Total	-	15.041	17.022	1.738	1.302

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Capital Injection:					
Department of Internal Affairs - Capital Injection	-	7.669	8.690	-	-
Multi-Category Expenses and Capital Expenditure:					
Civic Information Services (MCA)					
<i>Departmental Output Expense:</i>					
Managing and Accessing Knowledge Information (funded by revenue Crown)	-	7.372	8.332	1.738	1.302
Total Operating	-	7.372	8.332	1.738	1.302
Total Capital	-	7.669	8.690	-	-

14 **noted** that additional operating and capital funding is required to complete the upgrade and expansion of the physical infrastructure and storage capacity of Archives New Zealand and the National Library of New Zealand, and that this additional funding, together with ongoing operating costs of the new facilities, will be sought through Budget 2020;

Vote: Internal Affairs

Title: Strengthening the Contribution of Archives New Zealand and National Library of New Zealand: Meeting Core Statutory Responsibilities

Description: This initiative addresses cost pressures for Archives New Zealand and National Library of New Zealand impacting the delivery of core statutory responsibilities, to enable the government to be held accountable and ensure records documenting New Zealand's history and culture are preserved, protected and made accessible. This includes public access to holdings and collections, provision of digital preservation storage, staffing for the delivery of core services (including monitoring and audit of public offices), and essential preservation of documentary heritage.

Appropriation Changes

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Operating Balance Impact	-	5.669	7.633	8.441	9.336
Debt Impact	-	6.121	5.860	4.876	5.380
No Impact	-	-	-	-	-
Total	-	11.790	13.493	13.317	14.716

	\$m - increase/(decrease)					2023/24 and outyears
	2018/19	2019/20	2020/21	2021/22	2022/23	
Capital Injection:						
Department of Internal Affairs - Capital Injection	-	6.121	5.860	4.876	5.380	-
Multi-Category Expenses and Capital Expenditure:						
Civic Information Services (MCA)						
<i>Departmental Output Expense:</i>						
Managing and Accessing Knowledge Information (funded by revenue Crown)	-	5.669	7.633	8.441	9.336	9.336
Total Operating	-	5.669	7.633	8.441	9.336	9.336
Total Capital	-	6.121	5.860	4.876	5.380	-

Vote: Internal Affairs

Title: Improving Government Payroll Systems

Description: This initiative seeks funding for a programme of work to develop a common approach to remediate government payroll systems, reduce risks and costs of changes to the payroll system, and future-proof these systems ahead of proposed changes to the Holidays Act 2003.

Appropriation Changes

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Operating Balance Impact	-	1.000	1.000	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.000	1.000	-	-

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Government Digital Services (MCA)					
<i>Departmental Output Expense:</i>					
System Capabilities, Services and Platforms (funded by revenue Crown)	-	1.000	1.000	-	-
Total Operating	-	1.000	1.000	-	-

- 15 **invited** the Minister of State Services to report back to the Cabinet Government Administration and Expenditure Review Committee seeking approval to the Government Chief Digital Officer leading a work programme to address government payroll issues generated by the Holidays Act 2003 before any expenditure is incurred under this initiative;

Vote: Internal Affairs

Title: Supporting the New Zealand Racing Industry

Description: This initiative assists the reform of the New Zealand racing industry through a transitional agency set up to implement structural and legislative reform proposals in the Messara report. Intermediate outcomes (e.g. higher stakes, better returns to owners, modern racing infrastructure, improved governance and accountability of the racing codes) will improve the health of the industry and position it to increase its current \$1.6 billion in value-added to the economy.

New Appropriation Approval

Vote	Appropriation Minister	Title	Type	Scope
Internal Affairs	Minister for Racing	New Zealand Racing Industry Reform	Non-Departmental Other Expenses	This appropriation is limited to assisting the implementation of the government's decisions on the reform of the New Zealand racing industry.

Appropriation Changes

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Operating Balance Impact	-	3.500	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	3.500	-	-	-

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Non-Departmental Other Expense:					
New Zealand Racing Industry Reform	-	3.500	-	-	-
Total Operating	-	3.500	-	-	-

16 **noted** that the government will also repeal the totalisator duty to assist in the revitalisation of the racing industry, and that there is an associated initiative in Vote Revenue (Initiative 11625) providing for this.

Vote: Internal Affairs

Title: Grants to Ethnic Communities - Updating Appropriations

Description: This is a fiscally neutral adjustment from the current appropriation, *Settling-In Grants*, to a new appropriation, *Ethnic Communities Grants*, to be established in 2019/20 and outyears.

New Appropriation Approval

Vote	Appropriation Minister	Title	Type	Scope
Internal Affairs	Minister for Ethnic Communities	Ethnic Communities Grants	Non-Departmental Other Expenses	This appropriation is limited to providing grants to assist ethnically diverse communities to participate in New Zealand society.

Appropriation Changes

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Non-Departmental Other Expenses:					
Ethnic Communities Grants	-	0.520	0.520	0.520	0.520
Settling-In Grants	-	(0.520)	(0.520)	(0.520)	(0.520)
Total Operating	-	-	-	-	-