

The Treasury

Budget 2023 Information Release

July 2023

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2023 Budget Package: Vote Internal Affairs (Technical Initiatives)

Appropriation Administrator: Department of Internal Affairs

It is recommended that the relevant Appropriation Minister and the Minister of Finance jointly:

- note** that Cabinet has approved the Budget initiative(s) for the above Vote for inclusion in the 2023 Budget package, as detailed in the summary table(s) below:

Summary of Technical Initiative(s) agreed by Cabinet:

Operating Initiative(s) (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
15050	Current Year Adjustment - Derecognising Intangible Assets (Software as a Service)	0.820	-	-	-	-
15049	Depreciation reduction resulting from Software as a Service accounting changes	-	(0.117)	(0.117)	(0.117)	(0.117)
15046	Future for Local Government - close-down costs	(0.200)	0.200	-	-	-
15044	Ministry for Ethnic Communities - Graduate Programme	(0.100)	0.100	-	-	-
15048	Retrospective Adjustment - Derecognising Intangible Assets (Software as a Service)	-	-	-	-	-
15047	Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions	(1.040)	1.040	-	-	-
15045	Three Waters Reform Programme - Corporate Systems and Operational Technologies business case	-	-	-	-	-
Total Operating		(0.520)	1.223	(0.117)	(0.117)	(0.117)

Capital Initiative(s) (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
15050	Current Year Adjustment - Derecognising Intangible Assets (Software as a Service)	(0.820)	-	-	-	-
15049	Depreciation reduction resulting from Software as a Service accounting changes	-	-	-	-	-
15046	Future for Local Government - close-down costs	-	-	-	-	-

15044	Ministry for Ethnic Communities - Graduate Programme	-	-	-	-	-
15048	Retrospective Adjustment - Derecognising Intangible Assets (Software as a Service)	-	-	-	-	-
15047	Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions	-	-	-	-	-
15045	Three Waters Reform Programme - Corporate Systems and Operational Technologies business case	-	-	-	-	-
Total Capital		(0.820)	-	-	-	-

2 **note** that Cabinet has:

- i. **authorised** the relevant Appropriation Minister and the Minister of Finance (Joint Ministers) jointly to agree to the changes to appropriations (including establishment of new appropriations if necessary) and/or capital injections and related recommendations necessary to give effect to the initiative(s) included in the 2023 Budget package for the above Vote, as detailed in the summary table(s) above;
- ii. **authorised** Joint Ministers jointly to agree that the proposed changes to appropriations and/or capital injections for 2022/23 approved by Joint Ministers as authorised above be included in the 2022/23 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- iii. **agreed** that expenses or capital expenditure against appropriations and capital injection authorisations set out in the 2023/24 Estimates and being sought in the Appropriation (2023/24 Estimates) Bill may be met from Imprest Supply until that Bill is enacted and comes into force;
- iv. **authorised** Joint Ministers to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2022/23 Supplementary Estimates, the 2023/24 Estimates and the fiscal forecasts;
- v. **authorised** the chief executives of departments that monitor Crown entities directly affected by Budget decisions taken by Cabinet or taken by Joint Ministers as authorised by Cabinet 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 and/or Statement of Performance Expectations;
- vi. **noted** that all communications relating to the 2023 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;

3 **agree** to establish new appropriations where required to implement the initiative(s) included in the summary table(s) above, as detailed in the attached initiative document(s);

- 4 **approve** changes to appropriations and/or the capital injections to the administering department (where applicable) to implement the initiative(s) included in the summary table(s) above, as set out in the attached initiative document(s);
- 5 **approve** the additional recommendation(s) to give effect to the initiative(s), as set out in the attached initiative document(s);
- 6 **agree** that the proposed change(s) to appropriations and/or capital injections for 2022/23 detailed in the attached initiative document(s) be included in the 2022/23 Supplementary Estimates and that, in the interim, the increase(s) be met from Imprest Supply;

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Current Year Adjustment - Derecognising Intangible Assets (Software as a Service)

Description: A change in the accounting treatment of Software as a Service (SaaS) arrangements means that certain implementation costs are now recognised as operating expenditure, rather than intangible assets. A one-off capital to operating swap is sought to recognise the impacts of the change in accounting policy.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	0.820	-	-	-	-
Net Debt Impact Only	(0.820)	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Departmental Output Expenses:					
Local Government Policy and Related Services (funded by revenue Crown)	0.034	-	-	-	-
Capital Withdrawals:					
Department of Internal Affairs - Capital Withdrawal	(0.820)	-	-	-	-
Multi-Category Expenses and Capital Expenditure:					
Civic Information Services (MCA)					
<i>Departmental Output Expenses:</i>					
Managing and Accessing Identity Information (funded by revenue Crown)	0.035	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Civic Information Services (MCA)	0.035	-	-	-	-
Community Development and Funding Schemes (MCA)					
<i>Departmental Output Expenses:</i>					
Administration of Grants (funded by revenue Crown)	0.028	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Community Development and Funding Schemes (MCA)	0.028	-	-	-	-
Government Digital Services (MCA)					
<i>Departmental Output Expenses:</i>					
Government Chief Privacy Officer (funded by revenue Crown)	0.003	-	-	-	-
Government Digital Strategy, System Investment and Leadership (funded by revenue Crown)	0.036	-	-	-	-
System Capabilities, Services and Platforms (funded by revenue Crown)	0.031	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Government Digital Services (MCA)	0.070	-	-	-	-
Local Government Administration (MCA)					
<i>Departmental Output Expenses:</i>					
Local Government Services (funded by revenue Crown)	0.006	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Local Government Administration (MCA)	0.006	-	-	-	-
National Archival and Library Services (MCA)					
<i>Departmental Output Expenses:</i>					

Knowledge and Information Services (funded by revenue Crown)	0.304	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: National Archival and Library Services (MCA)	0.304	-	-	-	-
Policy and Related Services (MCA) <i>Departmental Output Expenses:</i>					
Crown Entity Monitoring (funded by revenue Crown)	0.002	-	-	-	-
Policy and Related Services - Community and Voluntary Sector (funded by revenue Crown)	0.006	-	-	-	-
Policy and Related Services – Digital Economy and Communications (funded by revenue Crown)	0.009	-	-	-	-
Policy and Related Services – Internal Affairs (funded by revenue Crown)	0.031	-	-	-	-
Policy and Related Services – Ministerial Services (funded by revenue Crown)	0.002	-	-	-	-
Policy and Related Services – Racing (funded by revenue Crown)	0.003	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Policy and Related Services (MCA)	0.053	-	-	-	-
Regulatory Services (MCA) <i>Departmental Output Expenses:</i>					
Charities Regulation (funded by revenue Crown)	0.024	-	-	-	-
Regulatory Services (funded by revenue Crown)	0.081	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Regulatory Services (MCA)	0.105	-	-	-	-
Services Supporting the Executive (MCA) <i>Departmental Output Expenses:</i>					
Coordination of Official Visits and Events (funded by revenue Crown)	0.011	-	-	-	-
Support Services to Members of the Executive (funded by revenue Crown)	0.126	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Services Supporting the Executive (MCA)	0.137	-	-	-	-
Support for Statutory and Other Bodies (MCA) <i>Departmental Output Expenses:</i>					

Commissions of Inquiry and Similar Bodies (funded by revenue Crown)	0.004	-	-	-	-
Statutory Body Support - Local Government Commission (funded by revenue Crown)	0.004	-	-	-	-
Support for Grant Funding Bodies – Community and Voluntary Sector (funded by revenue Crown)	0.001	-	-	-	-
Support for Grant Funding Bodies – Internal Affairs (funded by revenue Crown)	0.001	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Support for Statutory and Other Bodies (MCA)	0.010	-	-	-	-
Supporting Ethnic Communities (MCA) <i>Departmental Output Expenses:</i>					
Advisory and Information Services to assist Ethnic Communities (funded by revenue Crown)	0.015	-	-	-	-
Policy and Related Services - Diversity, Inclusion and Ethnic Communities (funded by revenue Crown)	0.023	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Supporting Ethnic Communities (MCA)	0.038	-	-	-	-
Total Operating	0.820	-	-	-	-
Total Capital	(0.820)	-	-	-	-

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Depreciation Reduction Resulting from Software as a Service Accounting Changes

Description: A reduction in depreciation expenses due to the change in accounting treatment of Software as a Service arrangements and a corresponding reduction in revenue Crown funding.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	-	(0.117)	(0.117)	(0.117)	(0.117)
Net Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(0.117)	(0.117)	(0.117)	(0.117)

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Departmental Output Expenses:					
Local Government Policy and Related Services (funded by revenue Crown)	-	(0.005)	(0.005)	(0.005)	(0.005)
Multi-Category Expenses and Capital Expenditure:					
Civic Information Services (MCA)					
<i>Departmental Output Expenses:</i>					
Managing and Accessing Identity Information (funded by revenue Crown)	-	(0.005)	(0.005)	(0.005)	(0.005)
Total Multi-Category Expenses and Capital Expenditure: Civic Information Services (MCA)	-	(0.005)	(0.005)	(0.005)	(0.005)
Community Development and Funding Schemes (MCA)					
<i>Departmental Output Expenses:</i>					
Administration of Grants (funded by revenue Crown)	-	(0.004)	(0.004)	(0.004)	(0.004)
Total Multi-Category Expenses and Capital Expenditure: Community Development and Funding Schemes (MCA)	-	(0.004)	(0.004)	(0.004)	(0.004)

Government Digital Services (MCA) <i>Departmental Output Expenses:</i>					
Government Digital Strategy, System Investment and Leadership (funded by revenue Crown)	-	(0.005)	(0.005)	(0.005)	(0.005)
System Capabilities, Services and Platforms (funded by revenue Crown)	-	(0.004)	(0.004)	(0.004)	(0.004)
Total Multi-Category Expenses and Capital Expenditure: Government Digital Services (MCA)	-	(0.009)	(0.009)	(0.009)	(0.009)
Local Government Administration (MCA) <i>Departmental Output Expenses:</i>					
Local Government Services (funded by revenue Crown)	-	(0.001)	(0.001)	(0.001)	(0.001)
Total Multi-Category Expenses and Capital Expenditure: Local Government Administration (MCA)	-	(0.001)	(0.001)	(0.001)	(0.001)
National Archival and Library Services (MCA) <i>Departmental Output Expenses:</i>					
Knowledge and Information Services (funded by revenue Crown)	-	(0.045)	(0.045)	(0.045)	(0.045)
Total Multi-Category Expenses and Capital Expenditure: National Archival and Library Services (MCA)	-	(0.045)	(0.045)	(0.045)	(0.045)
Policy and Related Services (MCA) <i>Departmental Output Expenses:</i>					
Policy and Related Services - Community and Voluntary Sector (funded by revenue Crown)	-	(0.001)	(0.001)	(0.001)	(0.001)
Policy and Related Services – Digital Economy and Communications (funded by revenue Crown)	-	(0.001)	(0.001)	(0.001)	(0.001)
Policy and Related Services – Internal Affairs (funded by revenue Crown)	-	(0.004)	(0.004)	(0.004)	(0.004)
Total Multi-Category Expenses and Capital Expenditure: Policy and Related Services (MCA)	-	(0.006)	(0.006)	(0.006)	(0.006)
Regulatory Services (MCA) <i>Departmental Output Expenses:</i>					
Charities Regulation (funded by revenue Crown)	-	(0.003)	(0.003)	(0.003)	(0.003)
Regulatory Services (funded by revenue Crown)	-	(0.012)	(0.012)	(0.012)	(0.012)
Total Multi-Category Expenses and Capital Expenditure: Regulatory Services (MCA)	-	(0.015)	(0.015)	(0.015)	(0.015)
Services Supporting the Executive (MCA) <i>Departmental Output Expenses:</i>					

Coordination of Official Visits and Events (funded by revenue Crown)	-	(0.002)	(0.002)	(0.002)	(0.002)
Support Services to Members of the Executive (funded by revenue Crown)	-	(0.019)	(0.019)	(0.019)	(0.019)
Total Multi-Category Expenses and Capital Expenditure: Services Supporting the Executive (MCA)	-	(0.021)	(0.021)	(0.021)	(0.021)
Support for Statutory and Other Bodies (MCA) <i>Departmental Output Expenses:</i>					
Statutory Body Support - Local Government Commission (funded by revenue Crown)	-	(0.001)	(0.001)	(0.001)	(0.001)
Total Multi-Category Expenses and Capital Expenditure: Support for Statutory and Other Bodies (MCA)	-	(0.001)	(0.001)	(0.001)	(0.001)
Supporting Ethnic Communities (MCA) <i>Departmental Output Expenses:</i>					
Advisory and Information Services to assist Ethnic Communities (funded by revenue Crown)	-	(0.002)	(0.002)	(0.002)	(0.002)
Policy and Related Services - Diversity, Inclusion and Ethnic Communities (funded by revenue Crown)	-	(0.003)	(0.003)	(0.003)	(0.003)
Total Multi-Category Expenses and Capital Expenditure: Supporting Ethnic Communities (MCA)	-	(0.005)	(0.005)	(0.005)	(0.005)
Total Operating	-	(0.117)	(0.117)	(0.117)	(0.117)
Total Capital	-	-	-	-	-

Additional Recommendation

- 7 **note** that the reduction in the depreciation and the corresponding reduction in revenue Crown funding is time limited and the final year of impact is 2029/30;

Vote:	Internal Affairs
Appropriation Administrator:	Department of Internal Affairs
Title:	Future for Local Government - Close-down Costs
Description:	This initiative seeks an expense transfer of \$0.200 million from 2022/23 to 2023/24 and an in-principle expense transfer up to a maximum of \$0.250 million from 2022/23 to 2023/24 to provide funding for the close down activities associated with the Future for Local Government review.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	(0.200)	0.200	-	-	-
Net Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(0.200)	0.200	-	-	-

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Departmental Output Expenses:					
Local Government Policy and Related Services (funded by revenue Crown)	(0.200)	0.200	-	-	-
Total Operating	(0.200)	0.200	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendations

- 8 **note** that the Future for Local Government review will be completed by 30 June 2023;
- 9 **note** that the close-down activities associated with the review will be completed in 2023/24;
- 10 **agree** to an in-principle expense transfer up to a maximum of \$0.250 million from 2022/23 to 2023/24 to provide funding for close-down activities in 2023/24;
- 11 **authorise** joint Ministers to determine the final amount to be transferred, following completion of the Department of Internal Affairs 2022/23 audited financial statements, with no impact on the operating balance and net debt across the forecast period.

Vote:	Internal Affairs
Appropriation Administrator:	Department of Internal Affairs
Title:	Ministry for Ethnic Communities - Graduate Programme
Description:	This initiative seeks an expense transfer of \$0.100 million from 2022/23 to 2023/24 and an in-principle expense transfer up to a maximum of \$0.100 million from 2022/23 to 2023/24 to provide funding for the third intake of graduates participating in the Ministry for Ethnic Communities' graduate programme.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	(0.100)	0.100	-	-	-
Net Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(0.100)	0.100	-	-	-

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Supporting Ethnic Communities (MCA)					
<i>Departmental Output Expenses:</i>					
Policy and Related Services - Diversity, Inclusion and Ethnic Communities (funded by revenue Crown)	(0.100)	0.100	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Supporting Ethnic Communities (MCA)	(0.100)	0.100	-	-	-
Total Operating	(0.100)	0.100	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendations

- agree** to an in-principle Expense Transfer up to a maximum of \$0.100 million from 2022/23 to 2023/24 to provide funding for the Ministry for Ethnic Communities Graduate Programme in 2023/24;
- authorise** joint Ministers to determine the final amount to be transferred, following completion of the Department of Internal Affairs 2022/23 audited financial statements, with no impact on the operating balance and net debt across the forecast period.

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Retrospective Adjustment - Derecognising Intangible Assets (Software as a Service)

Description: A change in accounting treatment of Software as a Service (SaaS) arrangements, means that certain implementation costs that were previously recognised as intangible assets, must be written-off and recognised as operating expenditure.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Debt Impact Only	-	-	-	-	-
No Impact	2.641	-	-	-	-
Total	2.641	-	-	-	-

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Departmental Other Expenses:					
Asset Write-Offs	2.641	-	-	-	-
Total Operating	2.641	-	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendations

- 14 **agree** that the increase in Departmental Other Expenses: Asset Write-Offs be funded by a decrease in Departmental Net Assets Departmental Other Movement;
- 15 **note** that the change in accounting treatment for SaaS arrangements required a retrospective adjustment to prior year financial information;
- 16 **note** that the Departmental of Internal Affairs adopted the accounting policy change in 2021/22 and that an appropriation is required for a retrospective adjustment that results in the write-off of an intangible asset from a department's balance sheet;
- 17 **note** that the retrospective adjustment is a non-cash expense and does not impact on new crown revenue funding;

Vote:	Internal Affairs
Appropriation Administrator:	Department of Internal Affairs
Title:	Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions
Description:	The Royal Commission of Inquiry into Abuse in State Care and in the Care of Faith-based Institutions (the Royal Commission) requires funding in 2023/24. All funding for the Royal Commission currently expires on 30 June 2023. Accordingly, a fiscally neutral transfer of funding between appropriations and an expense transfer of this funding from 2022/23 to 2023/24 is needed.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	(1.040)	1.040	-	-	-
Net Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(1.040)	1.040	-	-	-

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Non-Departmental Other Expenses:					
Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions - Legal Assistance Costs (MYA)	(1.040)	-	-	-	-
Multi-Category Expenses and Capital Expenditure:					
Support for Statutory and Other Bodies (MCA)					
<i>Departmental Output Expenses:</i>					
Commissions of Inquiry and Similar Bodies (funded by revenue Crown)	-	1.040	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Support for Statutory and Other Bodies (MCA)	-	1.040	-	-	-
Total Operating	(1.040)	1.040	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendations

- 18 **note** that in December 2022, Joint Ministers agreed that Cabinet approval would be sought for the reprioritisation of funding to meet the departmental close-down costs associated with the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions [IA202201273 refers];
- 19 **note** that the multi-year appropriation, Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions - Operating Expenses expires on the 30 June 2023 and cannot be extended;
- 20 **agree** the Multi Year Appropriation: "Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions - Legal Assistance Costs" is adjusted by \$(1.040) million;
- 21 **note** that the amounts shown in the Appropriation Changes table for the Multi Year Appropriation: "Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions - Legal Assistance Costs" reflect the change to the indicative annual spending profile;

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Three Waters Reform Programme - Corporate Systems and Operational Technologies Business Case

Description: In November 2022, Cabinet approved the implementation business case for the Systems of Records for the four new Water Services Entities [CAB-22-MIN-0511 and DEV-22-MIN-0271 refers]. The business case included funding for the development of a business case for the corporate services and operational technologies integration with the Systems of Record. Funding from within already appropriated amounts is needed to support the corporate services and operational technologies workstream, due to changes in the timing of business case submission. For the avoidance of doubt, clarification of Cabinet authorisation to use existing funding for this purpose and associated fiscally neutral adjustment is sought.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Establishment of Water Services Entities (MCA)					
<i>Departmental Output Expenses:</i>					
Managing the Establishment of Water Services Entities (funded by revenue Crown)	1.300	-	-	-	-
<i>Non-Departmental Output Expenses:</i>					
Establishing Water Services Entities	(1.300)	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Establishment of Water Services Entities (MCA)	-	-	-	-	-
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendations

- 22 **note** that in November 2022, Cabinet approved funding for the Systems of Record business case, as part of the Three Waters Reforms [CAB-22-MIN-0511 and DEV-22-MIN-0271 refers];
- 23 **note** that the funding approved for the business case included an amount for corporate services and operational technologies business case development and integration with Systems of Record;
- 24 **note** that events outside of the Three Waters Programme’s control have changed the timing of business case submission, meaning further funding is needed to support activities related to “all other systems” including the corporate systems and operational technologies;
- 25 **note** that Cabinet agreed that any under-expenditure associated with the Systems of Record implementation costs approved for August to October 2022 [DEV-22-MIN-0181 and CAB-22-MIN-0315 refers] be used for the implementation of the Systems of Record project over the period November 2022 to June 2024 [DEV-22-MIN-0271 and CAB-22-MIN-0511 refers];
- 26 **agree** that the use of the underspend referred to in recommendation 26 can also include costs associated with “all other systems” referred to in the Systems of Record implementation business case, including corporate systems and operational technologies; and
- 27 **note** that additional costs expected to be incurred prior to the submission of the corporate systems and operational technology business case is expected to be approximately \$1.300 million and that sufficient funding and scope exists in the Establishment of Water Services Entities MCA to meet these costs.