

VOTE Treaty Negotiations

VOTE Treaty Negotiations

OVERVIEW

Vote Treaty Negotiations contains a multi-year appropriation of \$546.767 million for the five-year period 1998/99 to 2002/03. This appropriation is for the settlement of historical Treaty of Waitangi claims and provides for the transfer of assets (cash and property) from the Crown to claimants.

Annual appropriations sought for Vote Treaty Negotiations in 1999/2000 total \$43.692 million. Expenses are forecasted to be incurred as follows:

- \$5.691 million (13.0% of the annual appropriations) for the purchase of policy advice, negotiation and settlement of historical Treaty claims from the Office of Treaty Settlements.
- \$2.007 million (4.6% of the annual appropriations) for the purchase of implementation of Treaty settlements from the Office of Treaty Settlements.
- \$4.153 million (9.5% of the annual appropriations) for purchasing of property management services from the Office of Treaty Settlements.
- \$2.841 million (6.5% of the annual appropriations) on the payment of interest on the outstanding settlement redress to Waikato-Tainui and Ngati Turangitukua.
- \$29.0 million (66.4% of the annual appropriations) for purchasing of land by the Crown for historical Treaty of Waitangi claim purposes.

The Office of Treaty Settlements expects to receive on behalf of the Crown \$4.0 million from landbank property operations, \$157,000 from Waitomo loan interest and capital repayments and \$5.0 million in capital receipts, from the sale of property. Details of how the appropriations are to be spent appear in Parts B1, B2, C, D and E of this Vote. Details of Crown revenue appear in Part F.

Terms and Definitions Used

Crown Negotiating Brief	<i>A Crown Negotiating Brief is a document approved by authorised Ministers before direct negotiations between the Crown and the claimants begin. This Crown Negotiating Brief establishes the Crown's position on the nature and extent of the Treaty breaches. It also sets out the parameters within which redress options may be negotiated.</i>
Deed of Mandate	<i>A Deed of Mandate defines the claimant group and the tribal rohe which is the subject of the claim. It specifies the names of the mandated representatives and explains how that authority was attained from the beneficiaries. It provides assurances for the Crown that it is dealing with the appropriate representatives of the claimant group and informs those claimants and beneficiaries of the claimant group who are not directly involved in the negotiations process of what is happening.</i>
Deed of Settlement	<i>A Deed of Settlement is a document specifying the terms and conditions of settlement of the Treaty claims. Where required to give effect to those terms and conditions, legislation to enact will follow once a Deed of Settlement is ratified and signed by both the Crown and the claimants.</i>
Protection Mechanism	<p><i>There are three ways the Crown purchases surplus Crown land to protect it for possible use in future Treaty of Waitangi settlements. These are:</i></p> <ul style="list-style-type: none"> • <i>Crown Settlement Portfolio (CSP)</i> <p><i>The CSP holds all surplus Crown properties within confiscation (raupatu) boundaries. "Confiscation boundaries" refers to areas of land confiscated under the New Zealand Settlements Act 1863</i></p> <ul style="list-style-type: none"> • <i>claim-specific landbanks</i> <p><i>These hold land for a specific claimant group which falls within their claim boundary. The claimant group chooses which properties it wishes to include in the landbank up to the value of the landbank cap</i></p> <ul style="list-style-type: none"> • <i>regional landbanks</i> <p><i>Regional landbanks hold land outside CSP and claim-specific areas. This enables the Crown to protect land where a claim-specific landbank has not been established, and the land falls outside the CSP.</i></p>
Terms of Negotiation	<i>Terms of Negotiation establish the ground rules for the formal talks between the Government and claimant, setting out the agreed terms by which they will negotiate with each other.</i>

Footnotes

Note 1	<i>In addition to the amounts shown in this table, actual Other Expenses under the multi-year appropriation for historical Treaty of Waitangi settlements were \$165.577 million in 1994/95, \$11.318 million in 1995/96, \$45.488 million in 1996/97, \$123.322 million in 1997/98 and \$8.205 million in the period 1 July 1998 to 28 February 1999. The amount remaining under the multi-year appropriation for the five-year period 1998/99 to 2002/03 is \$538.562 million.</i>
Note 2	<i>Not applicable as Crown revenue is not appropriated.</i>
Note 3	<i>Appropriations are stated GST inclusive (where applicable).</i>

VOTE Treaty Negotiations

VOTE MINISTER: MINISTER IN CHARGE OF TREATY OF WAITANGI NEGOTIATIONS

ADMINISTERING DEPARTMENT: MINISTRY OF JUSTICE

The Minister of Justice is the Responsible Minister for the Ministry of Justice

Part A - Statement of Objectives and Trends

Part A1 - Objectives for Vote Treaty Negotiations

Related Government Outcomes

The appropriations sought for Vote Treaty Negotiations will make a significant contribution to the Government's objective of settling Treaty claims. These will fund activities aimed at making significant progress towards the negotiation of fair, durable and affordable settlements to well-founded historical grievances arising under the Treaty of Waitangi.

Output Classes

The appropriations will fund activities including the following:

- Policy Advice: Treaty Negotiations - advice on generic Treaty issues, advice on specific historical Treaty claims, advice on the Protection Mechanism, negotiation of historical Treaty claims
- Implementation: Treaty Settlements - advising on, and coordinating, the full implementation of the terms and conditions of Treaty Settlements, including the preparation of settlement legislation where appropriate
- Land Portfolio Management - acquisition, management, transfer and disposal of Crown-owned land for Treaty claim purposes.

Links Between the Output Classes and the Government's Outcomes

The links between the classes of outputs being purchased and Government's desired outcome of achieving the fair, durable and affordable settlement of historical Treaty of Waitangi claims are shown below:

Departmental Output Class	These Outputs are Provided with the Specific Goal of:
Policy Advice: Treaty Negotiations	<p>advising on, and ensuring, the adequacy of the Crown's policy and operational framework for the direct negotiation and durable settlement of well founded historical Treaty claims outstanding</p> <p>developing, and advising on, a Crown position on the nature and extent of Treaty breaches established by claims research for direct negotiations purposes</p> <p>for specific claims, advising on claimant representation to directly negotiate the settlement of well-founded claims</p> <p>negotiating the settlement of specific Treaty claims, in accordance with the Crown's settlement priorities and within approved parameters.</p>
Implementation: Treaty Settlements	<p>coordinating, and advising on, the Crown's compliance with, and the full implementation of, the terms and conditions of all ratified Deeds of Settlement, including:</p> <ul style="list-style-type: none"> • property transfers and capital payments • agreed non-commercial redress and other arrangements • where appropriate, overseeing the preparation of settlement legislation and advising the select committee and Minister during its passage through the House.
Land Portfolio Management	<p>ensuring that the Crown operates as a "good landlord" in respect of the lands and properties acquired and held for potential use in Treaty settlements</p> <p>ensuring that the lands and properties held are maintained in at least the same condition as when acquired for the land portfolio</p> <p>ensuring that the annual revenue forecast for the land portfolio is met and expenditure is within budget.</p>

In addition, appropriations in Vote Treaty Negotiations will fund the settlement of historical Treaty claims and the purchase of land for Treaty claims and related purposes. These appropriations will also contribute to the Government's strategy for fair, durable and affordable settlement of well-founded Treaty claims.

Part A2 - Trends in Vote Treaty Negotiations

Output Trends

Vote Treaty Negotiations came into existence on 1 July 1994. Output class appropriations are divided between three output classes; Policy Advice: Treaty Negotiations; Implementation: Treaty Settlements; and Land Portfolio Management. Appropriations for output classes have increased by \$2.319 million (or 24%) overall from 1994/95 to 1999/2000.

The appropriation for output class D1 Policy Advice: Treaty Negotiations was increased by \$321,000 (or 6%) in 1998/99 from the 1997/98 actual of \$5.313 million. This reflects the progression of the comprehensive Ngai Tahu settlement from negotiation to active implementation, the negotiation of a Deed of Settlement between the Crown and Ngati Turangitukua, and the negotiation of Heads of Agreement with Ngati Awa. In summary, during 1998/99:

Pre-negotiations 1998/99

- acceptance of claimant mandates for the Te Arawa Lakes, Te Ariki claims and Ngati Ruanui
- agreement of Terms of Negotiation with the Te Arawa Trust Board, Te Ariki claimants, Ngati Makino, Rangitaane o Manawatu and Ngati Ruanui.

Negotiations 1998/99

- negotiating and signing a Heads of Agreement with Ngati Awa
- negotiating and signing a comprehensive Deed of Settlement between the Crown and Ngati Turangitukua
- Cabinet approval of Crown settlement offer to Te Roroa is expected by 30 June 1999
- negotiating and signing of Te Ariki Deed of Settlement is expected by 30 June 1999.

The comparative funding for D1 Policy Advice: Treaty Negotiations will increase by \$57,000 (or 1%) in 1999/2000 to provide for negotiations, or pre-negotiations, with Ngati Awa, Tuwharetoa ki Kawarau, Pouakani, Te Arawa Lakes, Ngati Makino, Rangitaane o Manawatu, Taranaki Northern Alliance and Ngati Ruanui claims.

Pre-negotiations 1999/2000

- claimant mandates for Wellington claims (Port Nicholson block), Rangitaane ki Whanganui-a-Tara, outstanding Waikato claims, Moriori, Ngati Maniapoto, Te Uri o Hau, Mohaka ki Ahuriri, Whakatohea, Nga Rauru, Taranaki Iwi, and Whanganui may be presented to the Crown for assessment
- Terms of Negotiation are expected with all the above plus Nga Ruahine.

Negotiations 1999/2000

- Heads of Agreement are expected to be signed with the Taranaki Northern Alliance, Ngati Ruanui, Tuwharetoa ki Kawerau, Pouakani, Te Arawa Lakes, Ngati Makino, and Rangitaane o Manawatu
- Deeds of Settlement are expected to be finalised for Cabinet approval and claimant ratification for Ngati Awa.

The appropriation for output class D2 Implementation: Treaty Settlements was decreased by \$1.078 million (or 22%) in 1998/99 from the 1997/98 actual of \$4.993 million. This reflects the progress made on the implementation of the Ngai Tahu Deed of Settlement, and the Waikato-Tainui Deed of Settlement. Also in this financial year, legislation based on the Ngati Turangitukua Deed of Settlement was drafted. These processes involved in 1998/99:

- providing advice to the Minister and Select Committee on the Ngai Tahu settlement legislation
- implementation of the Ngai Tahu Deed of Settlement including fulfilment of all settlement date obligations (cash, property transfers and documentation) on 22 October 1998
- overseeing the drafting of settlement legislation based on the Ngati Turangitukua Deed of Settlement
- implementation of other aspects of the Ngati Turangitukua Deed of Settlement according to Deed timelines
- the continued implementation of the Deed of Settlement between the Crown and Waikato-Tainui involving:
 - transfer of approximately \$21 million of property to Waikato-Tainui
 - payment of interest on the balance of the unpaid settlement redress
 - capital payment of part of the settlement redress.

The comparative funding for D2 Implementation: Treaty Negotiations will decrease by \$1.908 million (or 49%) in 1999/2000 to reflect the further progress made on the implementation of the Ngai Tahu Deed of Settlement. In 1999/2000 funding is provided for the enactment of the Ngati Turangitukua legislation and the implementation of the settlement in accordance with the Deed. In 1999/2000:

- the Waikato-Tainui and Ngai Tahu settlements will continue to be implemented in accordance with the respective Deeds of Settlement
- the Ngati Turangitukua settlement legislation is expected to be enacted, and the settlement implementation substantively progressed in accordance with the Deed of Settlement
- where required settlement legislation will be requested for the 2000 legislative programme.

The appropriation for output class D3 Land Portfolio Management was increased by \$911,000 (or 21%) in 1998/99 from the 1997/98 actual of \$4.295 million. As landbanks were established, and surplus Crown properties purchased, the cost of managing the portfolio increased. This increased cost reflects the higher number of surplus Crown properties able to be purchased since the Government in 1996 reviewed the Protection Mechanism and widened the parameters under which surplus Crown land could be protected. Properties are also held for longer average periods.

In 1999/2000 the appropriation for the output class will decrease by \$1.053 million (or 20%). The landbanks have been stabilised and over the next year disposals should begin to exceed acquisitions, particularly in the latter half of 1999/2000. This trend will continue in future years.

Crown Expenditure and Revenue Trends

The Office of Treaty Settlements administers Crown expenditure and revenue associated with the settlement of historical Treaty of Waitangi claims.

Crown expenditure consists of:

- annual appropriations for Waikato-Tainui and Ngai Tahu interest, and Ngati Turangitukua interest and rent
- a multi-year appropriation for historical Treaty of Waitangi settlements
- an annual appropriation to purchase surplus Crown land for landbanking and for direct transfer to a claimant group.

The Deed of Settlement between the Crown and Waikato-Tainui was signed on 22 May 1995. Interest on the outstanding settlement amount is paid to Waikato-Tainui. This will decrease each year as the redress is paid (either in land or in cash) and is set off against the settlement.

The Deed of Settlement between the Crown and Ngai Tahu was signed on 21 November 1997. Interest on the outstanding settlement amount was paid on settlement date, 22 October 1998. There is no further liability for interest as the redress amount was paid in full on that date.

The Deed of Settlement between the Crown and Ngati Turangitukua was signed on 26 September 1998. Interest on the outstanding settlement amount is to be paid to Ngati Turangitukua on settlement date. Rent is paid to Ngati Turangitukua on three Crown properties each month until the properties transfer on settlement date.

The multi-year appropriation for the settlement of historical Treaty of Waitangi claims has been recalculated from \$699.299 million over 1997/98 to 2001/02 to \$546.767 million over 1998/99 to 2002/03. The multi-year appropriation is updated every year to cover a new five-year period. The Ngai Tahu Ancillary Claims Trust was established in 1998/99 with a budget of \$0.119 million for 1998/99 and \$0.420 million for 1999/2000. This Trust is funded from the multi-year appropriation.

The appropriation for the Purchase or Development of Capital Assets meets the costs of purchasing properties for landbanking. Surplus Crown land is purchased for potential use in the future settlement of historical Treaty of Waitangi claims. Since 1994/95 landbank acquisitions have increased under the broadened parameters for protecting surplus Crown land but have now been stabilised. This appropriation is also used to purchase property for direct transfer to claimants (eg, Waikato-Tainui).

Non-tax revenue is derived from the commercial operation of properties held in the landbanks.

Capital receipts for sale of property are wholly dependent on the land held in the landbank relative to each claim and the timing of the relevant claim settlement. Neither the amount of land actually held at a future point nor the timing of future settlements can be forecast with any precision.

Trends in Vote Treaty Negotiations - Summary of Appropriations and Crown Revenue (see note 1)

	1994/95	1995/96	1996/97	1997/98	1998/99		1999/00 Appropriations to be Used				
							By the Department Administering the Vote		For Non-Departmental Transactions		
Types of Appropriation	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budget \$000	Estimated Actual \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	Total \$000
Operating Flows											
Classes of Outputs to be Supplied	9,532	11,479	13,337	14,601	14,755	13,259	11,851	-	-	-	11,851
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-
Other Expenses	7,950	17,019	11,296	28,806	9,468	9,468	-	-	2,841	-	2,841
Capital Flows											
Capital Contributions	-	-	11,972	-	-	-	-	-	-	-	-
Purchase or Development of Capital Assets	24,684	25,022	73,483	58,382	42,891	42,891	N/A	N/A	29,000	-	29,000
Repayment of Debt	-	-	-	-	-	-	N/A	N/A	-	-	-
Total Appropriations	42,166	53,520	110,088	101,789	67,114	65,618	11,851	-	31,841	-	43,692
Total Crown Revenue and Receipts (see note 2)	8,030	13,457	11,442	11,516	25,290	25,290	N/A	N/A	N/A	N/A	9,157

Part B - Statement of Appropriations

Part B1 - Details of 1999/2000 Appropriations (see note 3)

	1998/99				1999/00		
	Vote		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	Description of 1999/00 Appropriations
Departmental Output Classes (Mode B Gross)							
D1 Policy Advice: Treaty Negotiations	5,634	-	5,634	-	5,691	-	Advice on generic Treaty issues, specific historical Treaty claims and the Protection Mechanism. Negotiation of historical Treaty claims.
D2 Implementation: Treaty Settlements	3,915	-	3,195	-	2,007	-	Where appropriate, the preparation of settlement legislation, and the valuation, disclosure and preparation and execution of legal documentation required to enable the transfer of settlement assets to claimants.
D3 Land Portfolio Management	5,206	-	4,430	-	4,153	-	Acquisition, management, transfer and disposal of Crown-owned land for Treaty claim purposes.
Total Appropriations for Departmental Output Classes (Mode B Gross)	14,755	-	13,259	-	11,851	-	Refer to Part C1 for a full description.
Other Expenses to be Incurred by the Crown							
Ngai Tahu Interest	3,706	-	3,706	-	-	-	Interest payable (as part of both the Ngai Tahu Heads of Agreement and Deed of Settlement) on the outstanding value of the redress.
Ngati Turangitukua Interest and Rent	294	-	294	-	115	-	Interest payable on the diminishing balance of the value of the redress and rent payable on leaseback properties as part of Ngati Turangitukua Settlement.

Waikato-Tainui Interest	5,468	-	5,468	-	2,726	-	Interest payable as part of the Waikato-Tainui settlement on the diminishing balance of the value of the redress.
Total Appropriations for Other Expenses to be Incurred by the Crown	9,468	-	9,468	-	2,841	-	
Purchase or Development of Capital Assets by the Crown							
Land Purchases	42,891	-	42,891	-	29,000	-	Surplus Crown land is purchased for Treaty claim purposes from Crown agencies and departments, for claim-specific and regional landbanks, the Crown Settlement Portfolio, and the Waikato-Tainui and Ngai Tahu Settlements.
Total Appropriations for Purchase or Development of Capital Assets by the Crown	42,891	-	42,891	-	29,000	-	
Total Appropriations	67,114	-	65,618	-	43,692	-	

Part B2 - Details of Multi-Year Appropriation (see note 3)

Appropriation	1997/98-2001/02			Description of Appropriations
	Vote \$000	Actual to 28 February 1998 \$000	Remaining Appropriation \$000	
Other Expenses to be Incurred on Behalf of the Crown				
Historical Treaty of Waitangi Settlements	546,767	8,205	538,562	The multi-year appropriation reflects the Crown's commitment to settling historical Treaty of Waitangi claims and reflects the uncertain timing of achieving settlement of each claim. The appropriation is to be used for the settlement of historical Treaty claims.
Total Multi-Year Appropriation	546,767	8,205	538,562	

Part C - Explanation of Appropriations for Output Classes

Part C1 - Departmental Output Classes

Output Class D1 - Policy Advice: Treaty Negotiations

Description

Under this output class the Minister in Charge of Treaty of Waitangi Negotiations will purchase the following services:

- Ministerial services, which includes replies to ministerial correspondence, Official Information Act requests and parliamentary questions on issues that impact on the Treaty of Waitangi Negotiations Settlement Portfolio.
- Advice to the Minister on issues that impact on historical claims arising under the Treaty of Waitangi, including overall strategies for settling historical Treaty claims and the development of generic approaches to policy issues which affect the settlement of more than one claim.
- Advice to the Minister on specific historical Treaty claims, up to and including advice on the Crown Negotiating Brief.
- Advice to the Minister on Māori interests in land subject to the Protection Mechanism.
- Negotiation of Treaty claim settlements proceeding from approved Crown Negotiating Briefs up to the ratification by both parties of Deeds of Settlement.

Quantity

Ministerial services

The Minister in Charge of Treaty of Waitangi Negotiations will expect to process an estimate of:

- 400 to 450 items of ministerial correspondence for draft reply
- 25 to 50 Official Information Act requests
- 25 to 50 parliamentary questions.

Policy advice - generic Treaty issues, Protection Mechanism, specific Treaty claims

The quantity and nature of advice will be explicitly agreed with the Minister in Charge of Treaty Negotiations.

Negotiation of Treaty claims

The Minister will expect:

- to provide Ministers with advice and recommendations on all Deeds of Mandate
- to provide Cabinet with advice and recommendations on all Deeds of Settlement submitted
- to be advised of options for responding to any Waitangi Tribunal remedies hearings.

Quality

The Minister will expect this output class to be delivered in accordance with the following quality measures:

Ministerial services

- At least 95% of the substantive policy content of first drafts of ministerial correspondence, Official Information Act responses and parliamentary questions submitted to the Minister are accepted.

Policy advice - generic Treaty issues, Protection Mechanism, specific Treaty claims

The Minister will expect policy advice to be delivered in accordance with the following quality criteria agreed with the Minister:

The advice will:

- take account of the Government's overarching goals and strategic priorities
- provide excellent analysis:
 - Include a clear statement of purpose.
 - Be accurate and based on sound information.
 - Present a clear and logical argument, with any assumptions made explicit and supported by facts.
 - Draw on professional knowledge and appropriate methodologies.
 - Examine comparative material and present options.
 - Be based on a clear conceptual and articulated framework.
- consider the following:
 - Resource implications.
 - Legal and human rights implications.
 - Human rights implications.

- Implementation issues/practicability.
- Risks, costs and benefits.
- Provision for evaluation.
- where relevant, be based on review and consultation with other agencies
- be well presented:
 - The advice is clearly and concisely presented and is written in plain and correct English appropriate to the recipient.
 - Cabinet Office requirements are met when applicable.
- satisfy the Minister in Charge of Treaty of Waitangi Negotiations:
 - The Minister in Charge of Treaty of Waitangi Negotiations surveyed six-monthly to ascertain satisfaction with the advice provided by the Office.
 - Informal feedback is received at regular meetings with the Minister.

Negotiation of Treaty claims

- Negotiators follow the Crown Negotiating Brief, and advise the Minister of required changes.
- Key documents of agreement are approved by the Crown Law Office as part of the negotiation process.
- Settlement documents include workable implementation plans and address questions of timing and allocation of costs for, and compliance with, those plans.

Timeliness

The Minister will expect:

Ministerial services

- Replies to ministerial correspondence to be completed within 15 working days of receipt in 80% of cases and within 20 working days of receipt in 95% of cases, unless prior arrangements are made.

Policy advice - generic Treaty issues, Protection Mechanism, specific Treaty claims

- Deadlines specified in accountability documents approved by the Minister will be met, otherwise the Minister will be advised.

Negotiation of Treaty claims

- Deadlines (if any) specified in the Crown Negotiating Brief will be met, otherwise the Minister will be advised of the reasons where this is not possible.
- Reports back to Cabinet arising out of Crown Negotiating Briefs or other submissions concerning active negotiations are achieved by their deadline.

Cost

This output class will be provided within the appropriated sum of \$5.691 million (inclusive of GST).

Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crown GST excl \$000	Revenue Other GST excl \$000
1999/00	5,691	5,059	5,059	5,059	0
1998/99	5,634	5,008	5,008	5,008	0

Output Class D2 - Implementation: Treaty Settlements*Description*

Under this output class the Minister in Charge of Treaty of Waitangi Negotiations will purchase the following services:

- Preparation of settlement legislation where appropriate.
- Property valuation, disclosure and preparation and execution of associated legal documentation.
- Coordination of, and reporting on, Crown implementation of agreed settlements.

Quantity

The Minister will expect all Deeds of Settlement ratified by both the Crown and claimant groups to be implemented.

Quality

The Minister will expect this output class to be delivered in accordance with the following quality measures:

- Settlements are implemented in accordance with the terms specified in the ratified Deed of Settlement or variations to those terms as may be agreed by the parties to the Deed.
- Significant difficulties in implementation of a discrete or specific nature are drawn to the attention of the Minister and/or the claimants, with options for resolution, within 20 working days.

Timeliness

The Minister will expect all deadlines specified in the ratified Deeds of Settlement (or varied with agreement of the parties) to be met, or otherwise the Minister will be advised. Compliance with this timeliness measure is also contributed to by the timely acquisition and transfer of settlement properties under output class D3 Land Portfolio Management.

Cost

This output class will be provided within the appropriated sum of \$2.007 million (inclusive of GST).

Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crown GST excl \$000	Revenue Other GST excl \$000
1999/00	2,007	1,784	1,784	1,784	0
1998/99	3,915	3,480	3,480	3,480	0

Output Class D3 - Land Portfolio Management

Description

Under this output class the Minister in Charge of Treaty of Waitangi Negotiations will purchase services relating to the acquisition, management, transfer and disposal of Crown-owned land for Treaty claim purposes.

The acquisition of land involves claimant groups, vendors and the Crown, and includes acquisition or resumption of land for claim-specific landbanks, regional landbanks, or the Crown Settlement Portfolio and subsequent transfer to a relevant claimant group as part of a Treaty settlement.

The management of land on the Crown balance sheet that has been acquired or resumed for potential use in Treaty settlements includes managing tenancies, collecting revenues, paying outgoing, maintaining properties to agreed standards and complying with legislative requirements on the Crown as landowner.

The transfer and disposal of land includes:

- transferring land to claimants as part of a settlement, or as part of the return of Category A sites (Waahi Tapu) landbanked under the previous Protection Mechanism policy
- disposing of landbanked property that claimants no longer wish retained or which is no longer required for settlement purposes.

Quantity

The Minister will expect that:

Acquisition of land

- An estimated 60 properties (at an estimated value of \$12 million) will be acquired for landbanking.
- An estimated eight properties (at an estimated value of \$17 million) as defined in the Waikato-Tainui Deed of Settlement will be acquired for transfer to Waikato-Tainui.

Management of land

- An estimated average of 570 landbanked properties will be managed.

Transfer and disposal of land

- An estimated sixty landbank properties that claimants no longer wish retained, or which are no longer required for settlement, will be disposed of.
- Fifteen properties will be sold to Ngai Tahu pursuant to the Deed of Settlement.
- An estimated seven properties will be transferred to Ngati Turangitukua.
- An estimated eight properties pursuant to the Waikato-Tainui Deed of Settlement or approved by Cabinet will be transferred.

Quality

The Minister will expect this output class to be delivered in accordance with the following quality measures:

Acquisition of land

- All property will be acquired as approved by Ministers and/or agreed by claimants and/or specified in a Deed of Settlement (when appropriate).
- Price agreed is within criteria approved by Ministers and/or specified in a settlement agreement.
- Payments will be made at the agreed price.
- Payments will be made to the correct party.
- Cabinet-approved policies and procedures for acquisition of property and/or as defined in a Deed of Settlement will be complied with.
- All legal requirements with respect to the acquisition of property will be complied with.

Management of land

- Office of Treaty Settlements land portfolio financial and management records (and those of its property managers) will receive an unqualified independent audit during the financial year.
- At least 95% of property will be maintained in the same condition as when acquired.

Transfer and disposal of land

- Land transferred is defined in a ratified Deed of Settlement, or approved by Cabinet.
- Land is transferred to approved parties.

- Properties disposed of are no longer required for Treaty purposes.
- Where property is disposed of, its valuation is established by an independent valuer.
- Disposal is on terms approved by Ministers, and/or Land Information New Zealand (as appropriate).
- All legal requirements with respect to the transfer and disposal of land are complied with.

Timeliness

The Minister will expect that:

Acquisition of land

- Deadlines, where specified, in a settlement agreement are met, or otherwise the Minister will be advised.
- Settlements are effected on dates agreed between the vendor, the Office of Treaty Settlements and/or claimants (as appropriate).

Management of land

- Landbanked property will be managed by the Office of Treaty Settlements, or its agents, from the date of acquisition of the property.
- Reports from property managers will be completed in compliance with property management contract requirements.

Transfer and disposal of land

- For transfers of land, the deadlines specified in the Deed of Settlement or by Ministers will be met, or otherwise the Minister will be advised.
- For disposals of land, the deadlines specified in the sale agreement will be met.

Cost

This output class will be provided within the appropriated sum of \$4.153 million (inclusive of GST).

Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crown GST excl \$000	Revenue Other GST excl \$000
1999/00	4,153	3,691	3,691	3,691	0
1998/99	5,206	4,627	4,627	4,627	0

Part C2 - Non-Departmental Output Classes

No output classes will be purchased from other parties for this Vote.

Part D - Explanation of Appropriations for Other Operating Flows

Part D1 - Benefits and Other Unrequited Expenses

There are no appropriations in respect of benefits and other unrequited expenses.

Part D2 - Borrowing Expenses

There are no appropriations in respect of borrowing expenses.

Part D3 - Other Expenses

Information regarding these appropriations is provided in Parts B1 and B2.

Historical Treaty of Waitangi Settlements

A brief description of this appropriation is provided in Part B2.

The multi-year appropriation is used for the settling of historical Treaty of Waitangi claims. The appropriation allows the Government to commit expenditure up to five years in advance and was first used in the 1994/95 financial year. The multi-year appropriation is revised each year in the *Supplementary Estimates* to incorporate actual settlements incurred in the previous year.

Part E - Explanation of Appropriations for Capital Flows

Part E1 - Capital Contributions

There are no appropriations in respect of capital contributions.

Net Worth of Entities Owned

The taxpayers' funds of the Office of Treaty Settlements are included in the Statement of Financial Position of the Ministry of Justice.

Part E2 - Purchase or Development of Capital Assets by the Crown

Landbank Purchases

A brief description of this appropriation is provided in Part B1.

Further detail is provided in the Terms and Definitions section under Protection Mechanism.

This appropriation also covers properties purchased under the Deeds of Settlement for Waikato-Tainui, Ngai Tahu and Ngati Turangitukua.

Part E3 - Repayment of Debt

There are no appropriations in respect of repayment of debt.

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Receipts

	1998/99		1999/00	Description of 1999/00 Crown Revenue
	Budgeted \$000	Estimated Actual \$000	Budget \$000	
Current Revenue				
Non-Tax Revenue				
Landbank Properties	5,134	5,134	4,000	Expected revenue arising from landbanked properties.
Waitomo Loan Interest	61	61	53	Interest received from a loan for the Treaty of Waitangi Waitomo Settlement in 1990.
Total Non-Tax Revenue	5,195	5,195	4,053	
Total Current Revenue	5,195	5,195	4,053	
Capital Receipts				
Property Sales	20,000	20,000	5,000	Sales of properties from claim landbanks. Claim-specific landbanks have a predetermined expenditure cap. Once a landbank reaches its cap, new surplus Crown property can only be added if property in the landbank of an equivalent value is sold. In other cases, landbank properties not required in settlement are sold.
Waitomo Loan Repayments	95	95	104	Repayments of the principal of a loan for the Treaty of Waitangi Waitomo Settlement in 1990.
Total Capital Receipts	20,095	20,095	5,104	
Total Crown Revenue and Receipts	25,290	25,290	9,157	