

The Treasury

Budget 2021 Information Release

August 2021

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Cabinet Document Details

Title: **Cabinet Minute: CAB-21-MIN-0116.16: 2021 Budget Package: Vote Internal Affairs**

Date: **16 April 2021**

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- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
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Cabinet

Minute of Decision

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2021 Budget Package: Vote Internal Affairs

On 12 April 2021, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2021 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)				
		2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
13040	Addressing findings of the Francis Review	-	1.377	1.377	1.377	1.377
13507	Building Community Trust and Confidence in Response to the Royal Commission of Inquiry into March 2019 Terrorist Attack	-	0.413	0.413	0.414	-
13042	Maintaining SmartStart and Life Events	-	2.500	2.500	2.500	2.500
13508	Crown Response to the Abuse in Care Inquiry	-	3.368	-	-	-
13517	Delivering New Zealand's low-carbon future and adapting to climate change	-	0.495	0.495	-	-
13041	Continuing the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of faith-based Institutions	10.000	50.000	40.000	-	-
13036	Ministry for Ethnic Communities: Maintaining Engagement Capacity and Establishment of System Leadership Capability	-	1.200	1.200	1.200	1.200
Total Operating		10.000	59.353	45.985	5.491	5.077

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)					
		2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears	2030/31 Only
13044	Continuing the issuance of Passports to New Zealand Citizens	-	31.000	-	-	-	(31.000)
13508	Crown Response to the Abuse in Care Inquiry	-	0.090	-	-	-	-
13041	Continuing the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of faith-based Institutions	-	0.260	0.130	-	-	-
13036	Ministry for Ethnic Communities: Maintaining Engagement Capacity and Establishment of System Leadership Capability	-	0.500	-	-	-	-
Total Capital		-	31.850	0.130	-	-	(31.000)

- 2 **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
- 3 **approved** changes to appropriations and 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 proposed changes to appropriations for 2020/21 above be included in the 2020/21 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 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 2020/21 Supplementary Estimates, the 2021/22 Estimates and the fiscal forecasts;
- 7 **noted** that all communications relating to the 2021 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;
- 8 **agreed** that initiatives in the following table and as detailed in the attached initiative documents be contingency items and that, except as otherwise indicated in an initiative document, the corresponding funding for each operating initiative contingency be a charge against the Operating Allowance:

Summary of contingency initiatives included in the attached initiative documents:**Operating Contingency**

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2020/21	2021/22	2022/23	2023/24	2024/25
13538	[33,38]					
13039	Transforming Three Waters Service Delivery for New Zealanders: Transition and Implementation	-	114.000	182.000	-	-
Total Operating		[33,38]				

- 9 **approved** the additional recommendations relating to the operating contingency initiatives, as set out in the attached initiative documents;

Michael Webster
Secretary of the Cabinet

Initiative No: 13040

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Addressing the findings of the Francis Review

Description: This initiative will maintain the existing expansion of support and resources in Ministerial offices in order to address the findings of the Francis Review and in response to increased demand on Ministers and staff in their offices driven by the impact of COVID-19.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	1.377	1.377	1.377	1.377
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.377	1.377	1.377	1.377

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Services Supporting the Executive (MCA)					
<i>Departmental Output Expenses:</i>					
Support Services to Members of the Executive (funded by revenue Crown)	-	1.377	1.377	1.377	1.377
Total Operating	-	1.377	1.377	1.377	1.377

Initiative No: 13507

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Building Community Trust and Confidence in Response to the Royal Commission of Inquiry into March 2019 Terrorist Attack

Description: This initiative provides funding to respond to recommendation 44 of Ko tō tātou kāinga tēnei: Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain on 15 March 2019, to establish and operate an Implementation Oversight Advisory Group, intended to operate for three years until June 2024. The Department of Prime Minister and Cabinet is leading the response.

Multi-category appropriation – new category approval

Name	Type	Category Name	Scope
Community Development and Funding Schemes	Non-Departmental Other Expenses	Building Community Capability	This category is limited to supporting community groups and non-government organisations to build their capability and undertake engagement in response to the recommendations of the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Mosques on 15 March 2019.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	0.413	0.413	0.414	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.413	0.413	0.414	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Community Development and Funding Schemes (MCA)					
<i>Departmental Output Expenses:</i>					
Administration of Grants (funded by revenue Crown)	-	0.080	0.080	0.080	-
<i>Non-Departmental Other Expenses:</i>					
Building Community Capability	-	0.333	0.333	0.334	-
Total Multi-Category Expenses and Capital Expenditure: Community Development and Funding Schemes (MCA)	-	0.413	0.413	0.414	-
Total Operating	-	0.413	0.413	0.414	-

Additional recommendation

- 10 **noted** that there is associated operating and capital funding in Vote Prime Minister and Cabinet (Initiative 13381);

Initiative No: 13044

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Continuing the Issuance of Passports to New Zealand Citizens

Description: This initiative provides a repayable capital injection to ensure that the Passports Memorandum Account does not enter into a deficit position in 2021/22 as a result of reduced demand for passports due to COVID-19 travel restrictions. This will ensure that there is adequate funding for passports issuance to continue without disruption and ensure the department's overall working capital position remains within prudent levels.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23 to 2029/30	2030/31	2031/32 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	31.000	-	(31.000)	-
No Impact	-	-	-	-	-
Total	-	31.000	-	(31.000)	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25
Capital Injections:					
Department of Internal Affairs - Capital Injection	-	31.000	-	-	-
	2025/26	2026/27	2027/28	2028/29	2029/30
	-	-	-	-	-
	2030/31	2031/32 & Outyears			
	(31.000)	-			

Additional recommendation

11 **agreed** that this initiative be charged against the COVID-19 Response and Recovery Fund;

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Maintaining SmartStart and Life Events

Description: This initiative provides funding to maintain SmartStart and associated Life Events services, to ensure the services remain accessible to users. SmartStart is an online tool for parents and caregivers providing a central location to access trusted government information and support related to pregnancy and the early stages of childhood development and streamlining the delivery of government services and processes when applying for birth related services.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	2.500	2.500	2.500	2.500
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.500	2.500	2.500	2.500

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Civic Information Services (MCA)					
<i>Departmental Output Expenses:</i>					
Managing and Accessing Identity Information (funded by revenue Crown)	-	2.500	2.500	2.500	2.500
Total Operating	-	2.500	2.500	2.500	2.500

Initiative No: 13508

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Crown Response to the Abuse in Care Inquiry

Description: This initiative provides funding to ensure the Crown can continue to engage with the Royal Commission of Inquiry into Historical Abuse in Care in a timely, collaborative and coordinated manner. This will be achieved through continued funding for a Secretariat to drive the coordinated Crown approach, legal support for representation, specialist records support, training and support to non-governmental organisations and Crown entities, and support for affected staff. The funding will ensure the Crown's response is proportionate to the Inquiry's scale.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	3.368	-	-	-
Debt Impact	-	0.090	-	-	-
No Impact	-	-	-	-	-
Total	-	3.458	-	-	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Capital Injections:					
Department of Internal Affairs - Capital Injection	-	0.090	-	-	-
Multi-Category Expenses and Capital Expenditure:					
National Archival and Library Services (MCA)					
<i>Departmental Output Expenses:</i>					
Knowledge and Information Services (funded by revenue Crown)	-	3.368	-	-	-
Total Operating	-	3.368	-	-	-
Total Capital	-	0.090	-	-	-

Additional recommendation

12 **noted** that related funding has also been provided through each of Vote Education (Initiative 13546), Vote Health (Initiative 13525), Vote Courts (Initiative 13509), Vote Justice (Initiative 13510), Vote Oranga Tamariki (Initiative 13069) and Vote Maori Development (Initiative 13547);

Initiative No: 13517

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Delivering New Zealand's low-carbon future and adapting to climate change

Description: This initiative provides funding to contribute to the development of the National Adaptation Plan and support the resource management reforms in areas such as management of natural hazards and the effects of climate change.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	0.495	0.495	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.495	0.495	-	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Departmental Output Expenses:					
Local Government Policy and Related Services (funded by revenue Crown)	-	0.495	0.495	-	-
Total Operating	-	0.495	0.495	-	-

Additional recommendation

13 **noted** that there is associated operating funding in Vote Environment (Initiative 13343);

Initiative No: 13041

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Continuing the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions

Description: This initiative provides funding to ensure the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions (the Inquiry) can continue operations. This will allow the Inquiry to continue its work initiated in 2019 to examine the nature and extent of the abuse in State and faith-based care; the impacts of it; the factors that caused or contributed to it; and the steps that should be taken to prevent abuse in the future.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	10.000	50.000	40.000	-	-
Debt Impact	-	0.260	0.130	-	-
No Impact	-	-	-	-	-
Total	10.000	50.260	40.130	-	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Departmental Output Expenses:					
Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions - Operating Expenses (MYA) (funded by revenue Crown)	10.000	42.783	34.175	-	-
Capital Injections:					
Department of Internal Affairs - Capital Injection	-	0.260	0.130	-	-
Non-Departmental Other Expenses:					
Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions - Commissioners' Fees (MYA)	-	1.187	1.061	-	-
Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions - Counselling Costs (MYA)	-	2.345	1.793	-	-
Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions - Legal Assistance Costs (MYA)	-	3.685	2.971	-	-
Total Operating	10.000	50.000	40.000	-	-
Total Capital	-	0.260	0.130	-	-

Additional recommendations

- 14 **noted** that the Minister of Internal Affairs intends to submit a paper to the Cabinet Social Wellbeing Committee seeking in-principle agreement to the Government's next steps for the Royal Commission following receipt of the interim reports in December 2020;
- 15 **agreed** that 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 \$6.656 million;
- 16 **agreed** that the Multi Year Appropriation: "Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions - Counselling Costs" is adjusted by \$4.138 million;
- 17 **agreed** that the Multi Year Appropriation: "Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions - Commissioners' Fees" is adjusted by \$2.248 million;
- 18 **agreed** that the Multi Year Appropriation: "Royal Commission into Historical Abuse in State Care and in the Care of Faith-based Institutions - Operating Expenses" is adjusted by \$86.958 million;
- 19 **noted** that amounts shown in the appropriations changes table for each of the Multi Year Appropriations are the changes to the corresponding indicative annual spending profiles;

Initiative No: 13036

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Ministry for Ethnic Communities: Maintaining Engagement Capacity and Establishment of System Leadership Capability

Description: This initiative provides funding to enable the new Ministry for Ethnic Communities to maintain current engagement capacity in the southern region and begin developing system leadership capability.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	1.200	1.200	1.200	1.200
Debt Impact	-	0.500	-	-	-
No Impact	-	-	-	-	-
Total	-	1.700	1.200	1.200	1.200

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Capital Injections:					
Department of Internal Affairs - Capital Injection	-	0.500	-	-	-
Multi-Category Expenses and Capital Expenditure:					
Supporting Ethnic Communities (MCA)					
<i>Departmental Output Expenses:</i>					
Advisory and Information Services to assist Ethnic Communities (funded by revenue Crown)	-	0.630	0.630	0.630	0.630
Policy and Related Services - Diversity, Inclusion and Ethnic Communities (funded by revenue Crown)	-	0.570	0.570	0.570	0.570
Total Operating	-	1.200	1.200	1.200	1.200
Total Capital	-	0.500	-	-	-

Additional recommendation

20 noted [33]

[33,38]

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Transforming Three Waters Service Delivery for New Zealanders: Transition and Implementation

Description: This initiative provides funding for the establishment of multi-regional water services entities and the transfer of assets, liabilities, staff, and services from local authorities to those entities as part of the Three Waters Service Delivery Reform programme. This will support the implementation of the reform programme and contribute to addressing the significant challenges facing New Zealand’s three waters system.

Tagged contingency

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Contingency	-	114.000	182.000	-	-

Additional recommendations

26 **agreed** that the Transforming Three Waters Service Delivery for New Zealanders: Transition and Implementation tagged operating contingency may be drawn down after Cabinet has made decisions regarding:

26.1 the final number, boundaries and structure of water services entities;

26.2 the government’s preferred high-level approach to managing the transition to the new water services entities;

27 **directed** the Department of Internal Affairs to develop a detailed transition and implementation plan, including a work programme with specific milestones and an appropriate governance structure, for agreement by the Minister of Local Government and Minister of Finance;

28 **authorised** the Minister of Local Government and the Minister of Finance to jointly draw down funding from the tagged contingency once they are satisfied that the work programme for the relevant stage of the transition and implementation programme requiring funding to be drawn down has been sufficiently developed with detailed timeframes, milestones and costs;

[33,38]

30 **agreed** that the Transforming Three Waters Service Delivery for New Zealanders: Transition and Implementation tagged operating contingency expires on 1 February 2023.