

The Treasury

Budget 2022 Information Release

August 2022

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- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
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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
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;
- [36] 9(2)(h) - to maintain legal professional privilege
- [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
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [40] Out of Scope
- [41] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment
- [42] 18(d) - information is already publicly available or will be publicly available soon

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2022 Budget Package: Vote Internal Affairs

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 2022 Budget package, as detailed in the summary table(s) below:

Summary of funded initiative(s) agreed by Cabinet:

Operating Initiative(s) (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
13654	Central-Local Government Partnerships Function	-	1.800	1.800	1.800	1.800
14110	Charities Act 2005 - Implementation of Changes	-	-	0.290	0.365	0.365
13647	Continuing the Operation of the RealMe System	-	20.915	20.839	21.232	21.020
14448	Crown Response to Abuse in Care Inquiry	-	3.340	-	-	-
13637	Department of Internal Affairs – Policy Capability	-	1.000	-	-	-
13643	Film and Video Labelling Body - Sustainability Funding	-	0.150	0.150	0.150	-
13716	Ministry for Ethnic Communities - Additional Engagement Capability	-	1.351	1.293	1.308	1.318
13719	Ministry for Ethnic Communities - Ensuring Government Services Respond to the Diversifying Needs of Ethnic Communities	-	1.122	1.122	1.122	1.122
14470	RCOI – Preventing and Countering Violent Extremism Strategic Framework	-	0.750	1.750	1.750	-
14471	RCOI – Safer Communities Fund	-	1.100	1.100	1.100	-
Total Operating		-	31.528	28.344	28.827	25.625

Capital Initiative(s) (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2021/22	2022/23	2023/24	2024/25	2025/26 – 2031/32
13641	Continuing the Issuance of Passports to New Zealand Citizens	-	38.500	55.500	60.000	(154.000)
13647	Continuing the Operation of the RealMe System	-	2.676	2.683	3.156	-
Total Capital		-	41.176	58.183	63.156	(154.000)

- 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 2022 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 2021/22 approved by Joint Ministers as authorised above be included in the 2021/22 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 2022/23 Estimates and being sought in the Appropriation (2022/23 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 2021/22 Supplementary Estimates, the 2022/23 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 2022 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 2021/22 detailed in the attached initiative document(s) be included in the 2021/22 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: Central-Local Government Partnerships Function

Description: This initiative provides ongoing funding for regionally focused partnership directors to maintain a coordinated and constructive relationship between local and central government.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	1.800	1.800	1.800	1.800
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.800	1.800	1.800	1.800

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

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Departmental Output Expenses:					
Local Government Policy and Related Services (funded by revenue Crown)	-	1.800	1.800	1.800	1.800
Total Operating	-	1.800	1.800	1.800	1.800
Total Capital	-	-	-	-	-

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Charities Act 2005 - Implementation of Changes

Description: This initiative provides funding for an expansion of the Taxation Review Authority's remit to hear appeals under the Charities Act 2005. The expansion will improve access to justice through a less expensive appeals mechanism for charities. It also provides funding for two additional Charities Registration Board members.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	-	0.290	0.365	0.365
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	0.290	0.365	0.365

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

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Regulatory Services (MCA)					
<i>Departmental Output Expenses:</i>					
Charities Regulation (funded by revenue Crown)	-	-	0.290	0.365	0.365
Total Multi-Category Expenses and Capital Expenditure: Regulatory Services (MCA)	-	-	0.290	0.365	0.365
Total Operating	-	-	0.290	0.365	0.365
Total Capital	-	-	-	-	-

Additional Recommendation

7 **note** that related funding has also been provided through Vote Courts (Initiative 14138);

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Continuing the Issuance of Passports to New Zealand Citizens

Description: This initiative provides funding to meet the ongoing costs of issuing passports. It responds to reduced demand for passports due to COVID-19 restrictions and historic decisions to subsidise production costs.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 – 2031/32
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	38.500	55.500	60.000	(154.000)
No Impact	-	-	-	-	-
Total	-	38.500	55.500	60.000	(154.000)

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

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Capital Injections:					
Department of Internal Affairs - Capital Injection	-	38.500	55.500	60.000	-
Total Operating	-	-	-	-	-
Total Capital	-	38.500	55.500	60.000	-

Additional Recommendations

- 8 **note** that Cabinet has considered a proposal to increase passport and travel document fees to ensure the ongoing financial sustainability of the passport service;
- 9 **agree** that the Department of Internal Affairs will repay the capital injections to the centre within the ten-year capital forecast period, and the capital injections will be fiscally neutral;
- 10 **agree** the Minister of Finance and the Minister of Internal Affairs may jointly establish a departmental appropriation for any finance cost implications from the repayable capital injections;
- 11 **note** that the indicative repayment profile for the capital injections will be as follows:

	\$m - increase/(decrease)					
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Capital Withdrawals:						
Department of Internal Affairs - Capital Withdrawal	(21.900)	(32.000)	(39.500)	(33.000)	(11.600)	(16.000)
Total Capital	(21.900)	(32.000)	(39.500)	(33.000)	(11.600)	(16.000)

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Continuing the Operation of the RealMe System

Description: This initiative provides ongoing funding for the RealMe system to ensure the RealMe platform remains fit-for-purpose. RealMe is a secure and privacy protected way for New Zealanders to access online services, prove their identity and assert personal information.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	20.915	20.839	21.232	21.020
Net Core Crown Debt Impact Only	-	2.676	2.683	3.156	-
No Impact	-	-	-	-	-
Total	-	23.591	23.522	24.388	21.020

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

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Capital Injections:					
Department of Internal Affairs - Capital Injection	-	2.676	2.683	3.156	-
Multi-Category Expenses and Capital Expenditure:					
Civic Information Services (MCA)					
<i>Departmental Output Expenses:</i>					
Managing and Accessing Identity Information (funded by revenue Crown)	-	20.915	20.839	21.232	21.020
Total Multi-Category Expenses and Capital Expenditure: Civic Information Services (MCA)	-	20.915	20.839	21.232	21.020
Total Operating	-	20.915	20.839	21.232	21.020
Total Capital	-	2.676	2.683	3.156	-

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Crown Response to Abuse in Care Inquiry

Description: This initiative will provide funding to ensure the Crown can continue to engage with the Royal Commission of Inquiry into Historical Abuse in State Care and Faith-Based Institutions 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, support for affected staff, and responding to Inquiry recommendations. The funding will ensure the Crown's response is proportionate to the Inquiry's scale ahead of its scheduled completion by June 2023.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	3.340	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	3.340	-	-	-

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

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
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)	-	3.340	-	-	-
Total Multi-Category Expenses and Capital Expenditure: National Archival and Library Services (MCA)	-	3.340	-	-	-
Total Operating	-	3.340	-	-	-
Total Capital	-	-	-	-	-

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Department of Internal Affairs – Policy Capability

Description: This initiative provides funding to progress Ministerial policy priorities in 2022/23.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	1.000	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.000	-	-	-

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

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Policy and Related Services (MCA)					
<i>Departmental Output Expenses:</i>					
Policy and Related Services - Community and Voluntary Sector (funded by revenue Crown)	-	0.350	-	-	-
Policy and Related Services – Internal Affairs (funded by revenue Crown)	-	0.475	-	-	-
Policy and Related Services – Racing (funded by revenue Crown)	-	0.175	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Policy and Related Services (MCA)	-	1.000	-	-	-
Total Operating	-	1.000	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendation

12 **direct** the Department of Internal Affairs to report to its portfolio Ministers with an ongoing policy work programme and approach to resourcing to ensure that it continues to operate

within existing baselines;

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Film and Video Labelling Body - Sustainability Funding

Description: This initiative will provide funding to ensure the Film and Video Labelling Body is able to carry out its statutory functions of rating and labelling DVDs and cinematic release movies under the Films, Videos and Publications Classification Act 1993.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	0.150	0.150	0.150	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.150	0.150	0.150	-

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

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Other Expenses:					
Miscellaneous Grants - Internal Affairs	-	0.150	0.150	0.150	-
Total Operating	-	0.150	0.150	0.150	-
Total Capital	-	-	-	-	-

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Ministry for Ethnic Communities - Additional Engagement Capability

Description: This initiative provides funding for additional Community and Partnership Advisors and for the Multilingual Information Network. This will help improve social cohesion and contribute to promoting the value of diversity and inclusion.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	1.351	1.293	1.308	1.318
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.351	1.293	1.308	1.318

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

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
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)	-	1.351	1.293	1.308	1.318
Total Multi-Category Expenses and Capital Expenditure: Supporting Ethnic Communities (MCA)	-	1.351	1.293	1.308	1.318
Total Operating	-	1.351	1.293	1.308	1.318
Total Capital	-	-	-	-	-

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Ministry for Ethnic Communities - Ensuring Government Services Respond to the Diversifying Needs of Ethnic Communities

Description: This initiative provides additional funding to support the Ministry for Ethnic Communities' policy and data capability. This broadly responds to the recommendations of the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Mosques.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	1.122	1.122	1.122	1.122
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.122	1.122	1.122	1.122

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

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & 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)	-	1.122	1.122	1.122	1.122
Total Multi-Category Expenses and Capital Expenditure: Supporting Ethnic Communities (MCA)	-	1.122	1.122	1.122	1.122
Total Operating	-	1.122	1.122	1.122	1.122
Total Capital	-	-	-	-	-

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: RCOI – Preventing and Countering Violent Extremism Strategic Framework

Description: This initiative provides a fund to support projects in line with the strategic framework for preventing and countering violent extremism.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	0.750	1.750	1.750	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.750	1.750	1.750	-

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

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & 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)	-	0.075	0.175	0.175	-
<i>Non-Departmental Other Expenses:</i>					
Preventing and Countering Violent Extremism	-	0.675	1.575	1.575	-
Total Multi-Category Expenses and Capital Expenditure: Community Development and Funding Schemes (MCA)	-	0.750	1.750	1.750	-
Total Operating	-	0.750	1.750	1.750	-
Total Capital	-	-	-	-	-

Additional Recommendations

13 **approve** the establishment of a new category within the existing multi-category appropriation “Community Development and Funding Schemes MCA”, as set out in the table below:

Title	Type	Scope
Preventing and Countering Violent Extremism	Non-Departmental Other Expenses	This category is limited to providing grants for community groups and non-government organisations to deliver programmes that directly contribute to preventing and countering violent extremism in Aotearoa New Zealand.

14 **note** that related funding has also been provided through Vote Prime Minister and Cabinet (Initiative 13750);

15 **agree in-principle**, up until 30 June 2025, to transfer to the following financial year any annual underspend relating to this initiative, with the final amounts to be confirmed as part of the October Baseline Update once audited accounts for the relevant financial year are available; and

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: RCOI – Safer Communities Fund

Description: This initiative widens the Safer Communities Fund to support at-risk communities to implement security projects to protect against hate crime and terrorism.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	1.100	1.100	1.100	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.100	1.100	1.100	-

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

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & 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)	-	0.100	0.100	0.100	-
<i>Non-Departmental Other Expenses:</i>					
Safer Communities Fund	-	1.000	1.000	1.000	-
Total Multi-Category Expenses and Capital Expenditure: Community Development and Funding Schemes (MCA)	-	1.100	1.100	1.100	-
Total Operating	-	1.100	1.100	1.100	-
Total Capital	-	-	-	-	-

Additional Recommendation

16 **agree in-principle**, up until 30 June 2025, to transfer to the following financial year any annual underspend relating to this initiative, with the final amounts to be confirmed as part of the October Baseline Update once audited accounts for the relevant financial year are available.