

The Treasury

Budget 2022 Information Release

August 2022

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Key to sections of the Act under which information has been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [27] 9(2)(ba)(ii) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest
- [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 Justice (Technical Initiatives)

Appropriation Administrator: Ministry of Justice

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

- 1 **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 technical 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
14388	Agency Contribution Towards Behavioural Insights Work Programme	-	-	-	-	-
14436	Independent Police Conduct Authority – Independent Review of Policing on and around Parliament Grounds	(0.750)	2.750	-	-	-
14389	Software as a Service intangible asset derecognition (write-off)	-	-	-	-	-
14390	Victims' Entitlements Carry Forward of Underspend	(0.900)	0.900	-	-	-
Total Operating		(1.650)	3.650	-	-	-

- 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: Justice

Appropriation Administrator: Ministry of Justice

Title: Agency Contribution Towards Behavioural Insights Work Programme

Description: This initiative will provide additional funding for the Ministry’s Behavioural Science Aotearoa team. The funding will be provided by Ara Poutama Aotearoa – Department of Corrections so is a fiscally neutral adjustment. The Behavioural Science Aotearoa team applies behavioural insights across justice sector agencies to improve the design of services and policy for the wider justice sector.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	0.900	-	-	-	-
Total	0.900	-	-	-	-

* 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:					
Sector Leadership and Support (funded by revenue Dept)	0.900	-	-	-	-
Total Operating	0.900	-	-	-	-

Vote: Justice

Appropriation Administrator: Ministry of Justice

Title: Independent Police Conduct Authority – Independent Review of Policing on and around Parliament Grounds

Description: This initiative provides funding for the independent review of the policing of the occupation on and around Parliament grounds during February and March 2022.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	(0.750)	2.750	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(0.750)	2.750	-	-	-

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

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Output Expenses:					
Services from the Independent Police Conduct Authority	0.750	2.750	-	-	-
Multi-Category Expenses and Capital Expenditure:					
Community Justice Support and Assistance (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Community Harm Reduction	(1.500)	-	-	-	-
Total Operating	(0.750)	2.750	-	-	-

Additional Recommendation

7 **note** that there is a corresponding adjustment to Vote Courts (Initiative 14441) and that these initiatives are collectively fiscally neutral across Votes;

Vote: Justice

Appropriation Administrator: Ministry of Justice

Title: Software as a Service intangible asset derecognition (write-off)

Description: A change in the accounting treatment means certain implementation costs associated with Software as a Service arrangements that have been capitalised or planned to be capitalised and reported as an intangible asset now need to be written-off the balance sheet as an operating expense.

New Appropriation Approval

Name	Appropriation Minister	Period	Type	Scope
Software as a Service intangible asset derecognition (write-off)	Minister of Justice	Annual	Departmental Other Expenses	This appropriation is limited to the derecognition (write-off) of a previously capitalised or planned to be capitalised intangible asset, due to the accounting policy change regarding Software as a Service.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	20.000	-	-	-	-
Total	20.000	-	-	-	-

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

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Departmental Other Expenses:					
Software as a Service intangible asset derecognition (write-off)	20.000	-	-	-	-
Total Operating	20.000	-	-	-	-

Additional Recommendations

- 8 **note** that there has been a recent change in the accounting treatment for Software as a Service (SaaS) arrangements which will be applicable for financial reporting in the 2021/22 fiscal year;
- 9 **note** that the change in the accounting treatment for SaaS arrangements will require a

retrospective adjustment to prior year financial information;

- 10 **note** that to adopt the accounting policy change is a current year decision 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 at 30 June 2021;
- 11 **note** that the retrospective adjustment is a non-cash expense and does not impact on funding;

Vote: Justice

Appropriation Administrator: Ministry of Justice

Title: Victims' Entitlements Carry Forward of Underspend

Description: The provision of support to victims of crime is primarily funded through the cash collected from the offender levy. The Sentencing (Offender Levy) Amendment Act 2009 states that offender levy revenue can only be spent on victims of crime. Any underspend must be carried forward and be spent on victims' entitlements. This initiative transfers the current year underspend to ensure existing grants and services can be maintained in the 2022/23 financial year.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	(0.900)	0.900	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(0.900)	0.900	-	-	-

* 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 Justice Support and Assistance (MCA)					
<i>Non-Departmental Other Expenses:</i>					
Victim Entitlements	(0.900)	0.900	-	-	-
Total Operating	(0.900)	0.900	-	-	-

Additional Recommendations

- 12 **note** that a portion of the Community Justice Support and Assistance MCA – Victim Entitlements category relates to demand-driven services (including home safety, funeral grants for families bereaved by homicide, travel assistance grants and additional grants for victims of the Christchurch mosque attack) for which the final spend is difficult to forecast;
- 13 **note** that, due to the difficulty associated with forecasting the final spend in the Community Justice Support and Assistance MCA – Victim Entitlements category, an additional transfer of up to \$0.500 million from 2021/22 to 2022/23 may be required;
- 14 **agree** in principle to transfer of up to an additional \$0.500 million from 2021/22 to 2022/23 if required, as per paragraph 13; and

- 15 **authorise** the Minister of Finance and the Minister of Justice jointly to agree the final amount to be transferred, following completion of the 2021/22 audited financial statements, with no impact on the operating balance or net core Crown debt across the forecast period.