



18 OCT 2018

File Ref: OIA 37951

[Redacted]

Tēnā koe [Redacted]

Official Information Act request

Thank you for your information request dated 10 Mahuru 2018. You asked for the following information:

- *“Any and all reports and advice (written or otherwise) relating to Vote Māori Development in Budget 2018; and*
- *Any and all responses (written or otherwise) from the Chief Executive Officer Michelle Hippolite or any of her staff to the e-mail from Kerri Kilner (TSY) on behalf of Struan Little (TSY) on Wednesday 28 February 2018 at 4.54PM.”*

Your request has been considered in accordance with the Official Information Act 1982 (the Act).

In answer to the first point of your request, four documents have been identified in scope of your request. The documents and my decisions with regard to the release of the information is set out in the table below.

Table: OIA request from [Redacted] dated 10 Mahuru 2018 – Documents for release

Item #	Date	Document Type	Description	Decision
1	24 November 2017	Briefing	Budget 2018: Removal of Departmental Contingencies: Māori Land Service	Released in full
2	23 January 2018	Briefing	Budget 2018: Reprioritisation exercise	Released in full
3	7 March 2018	Briefing	Budget 2018 Reprioritisation – Vote Māori Development	Released in full
4	28 March 2018	Briefing with attached table of information	Māori Development Budget Package	Withheld in full

The fourth briefing is withheld in full under sections 9(2)(f)(iv) and 9(2)(g)(i) of the Official Information Act 1982 which relates to the confidentiality of advice tendered by Ministers of



the Crown and officials and the maintaining of the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any department or organisation in the course of their duty.

With regards to the second part of your request, please note that no response was sent to the email of 28 February 2018 to the Treasury. It may help to clarify that the email of 28 February 2018 from the Treasury was received by me but did not actually require a specific response. This is because the email itself contained a request to reply to Minister Clark. I refer you to the briefing dated 7 March 2018 which was the response to this email.

I trust my response satisfies your request.

You have the right to seek an investigation and review by the Ombudsman of this response. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Please note that Te Puni Kōkiri publishes some of its OIA responses on its website, after the response is sent to the requester. The responses published are those that are considered to have a high level of public interest. We will not publish your name, address or contact details.

If you wish to discuss any aspect of your request with us, including this decision, please feel free to contact Tia Choi, Senior Ministerial Advisor, Ministerial and Business Support via choit@tpk.govt.nz.

Ngā mihi



Michelle Hippolite
Toihautū | Chief Executive





24 November 2017

Te Minita Whanaketanga Māori

Budget 2018: Māori land Service Contingency

Purpose

1. This paper recommends that you sign the attached letter to the Minister of Finance, Hon Grant Robertson, requesting the maintenance of the existing contingency for the Māori Land Service.

Background

2. Following recent Cabinet decisions regarding Budget 2018 Treasury has prepared a Cabinet paper for the Minister of Finance on areas in which cost savings can be made across Government in order to meet new government priorities. This paper is due to be considered on Monday 27 November (but may be deferred a week).
3. As part of this exercise the Treasury has identified contingency funds in the order of \$2 Billion across all portfolios. Treasury's advice to the Minister of Finance is to cancel all contingencies which do not directly relate to government priorities.
4. The Treasury approach captures a \$20.5 Million contingency for the establishment and operation of the Māori Land Service. This contingency currently expires on 30 June 2018. The contingency is intended to provide for the establishment and operation of the Māori Land Service in 2018/19. The contingency is intended to be drawn down once the detailed business case for the Māori land services is approved by Cabinet (due in March 2018).
5. Treasury tendered advice to the Minister of Finance to remove the Māori land Service:
 - a. without consulting first with Te Puni Kōkiri; and
 - b. on the basis that the Te Ture Whenua Māori Bill was being terminated, and that therefore the Māori land Service was no longer required.
6. Te Puni Kōkiri met with Treasury yesterday to confirm that while Te Ture Whenua Māori Bill may not advance, Māori land services are still being actively considered for establishment in 2018/19 (i.e. Māori land services are not dependent on the Bill) and that these services are considered an integral part of the government's priorities around regional development and housing.
7. Treasury have advised that their advice has already been accepted by the Minister of Finance, but that the Minister of Finance may be open to amending the approach.
8. If the contingency is removed there will effectively be no funding available in 2018/19 for the Māori Land Service unless funding is re-prioritised within Vote Māori Development (i.e. sacrificing other initiatives in favour of Māori land services).

Options

9. Te Puni Kōkiri has identified four options with respect to how you proceed, including:
 - a. Option A: agreeing to the removal of the Māori Land Service contingency and slowing down the establishment of the Māori land Service; OR
 - b. Option B: agreeing to the removal of the Māori Land Service contingency and finding funding for Māori land services from within Vote Māori Development baselines; OR

- c. Option C: requesting that the Māori Land Service contingency be retained, awaiting delivery of the detailed business case for the Māori Land Service (due March 2018); OR
- d. Option D: agreeing to the removal of the Māori Land Service contingency in return for agreement to put up a concrete submission for funding as part of Budget 2018 (as part of the detailed business case for the Māori Land Service due to be submitted to Cabinet in March 2018).

Letter to Minister of Finance

- 10. The attached letter requests that the Minister of Finance retains the Māori Land Service contingency, awaiting delivery of the detailed business case for the Māori Land Service (due March 2018) (Option C).
- 11. This approach is designed to provide time to better align the Māori land service to the government's regional and economic development priorities and assess the likely costs of providing Māori land services.

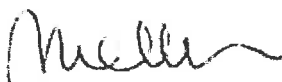
Consultation

- 12. In the course of preparing this advice Te Puni Kōkiri consulted with the Treasury, State Services Commission and the Department of the Prime Minister and Cabinet.

Recommended Action

- 13. It is recommended that you:
 - a. Note that a contingency of \$20.5 Million exists for establishment and operation of the Māori Land Service (contingency due to expire 30 June 2018);
 - b. Note that Māori Land Service Contingency is due to be drawn-down upon the delivery of a detailed business case for Māori land services, due in March 2018;
 - c. Note that following a recent Cabinet decision Treasury has identified contingency funds across all portfolios for potential removal, as a means to provide funding for new government initiatives;
 - d. Note that Treasury has advised that the Māori Land Service contingency (\$20.5 Million) is included in the contingency funds that Treasury is advising be removed; and
 - e. Sign, if you agree, the attached letter to the Minister of Finance, requesting that the Māori Land Service contingency be retained, awaiting delivery of the detailed business case for the Māori Land Service (due March 2018).

Yes / No



Michelle Hippolite
Toihautū, Chief Executive

<p>Hon Nanaia Mahuta Te Minita Whanaketanga Māori</p> <p>Date: ____ / ____ / 2017</p>

Hon Grant Robertson
Minister of Finance
Parliament Buildings

Tēnā koe Grant,

Māori Land Service Contingency

Following recent Cabinet decisions related to Budget 2018 I am aware that the Treasury have identified contingency funding across government portfolios for re-prioritisation to new government initiatives.

Unfortunately this exercise appears to have captured a \$20.5 Million contingency for the establishment and operation of the Māori Land Service.

While I do not intend to advance Te Ture Whenua Māori Land Bill I want to assure you that work is progressing on the establishment of Māori land services. I intend submitting a detailed business case for Cabinet consideration in March 2018.

Work on the detailed business case has identified significant opportunities for Māori land development and regional differences in how we approach the provision of Māori land services. It is pointing to real opportunities for Māori land services to assist in making Māori land a significant part of regional development initiatives, the billion trees initiative and KiwiBuild. I anticipate bringing a paper to Cabinet Business Committee in December 2017 setting out a new approach to the provision of Māori land services.

As a consequence I ask that you defer removal of the Māori Land Service contingency until such time that Cabinet have considered the detailed business case of the Māori Land Service.

Heoi ano

Hon Nanaia Mahuta
Te Minita Whanaketanga Māori

23 January 2018

Te Minita Whanaketanga Māori

Budget 2018: Reprioritisation exercise

Purpose

1. The purpose of this briefing is to provide advice and options regarding the reprioritisation of existing Vote Māori Development funding. Your decision is required to be outlined in a letter to the Associate Minister of Finance, Hon Dr David Clark, by Friday 26 January 2018.

Background

2. In December 2017, the Minister of Finance wrote to all Ministers outlining a "reprioritisation" exercise. This is intended to ensure all expenditure aligns with Government priorities and to identify any low value spending, which is to be handed back.
3. Ministers have been asked to write to the Associate Minister of Finance by Friday 26 January 2018 with the results of their reprioritisation review.
4. Initial advice received from the Office of the Associate Minister of Finance was for Ministers to identify 5-10% of their votes for reprioritisation. Treasury have since revised this range to 2-5%, noting that the original figures were intended to drive a "meaningful exercise" rather than be viewed as "specific thresholds".
5. Vote Māori Development represents only 0.3% of total Government expenditure. Therefore, the opportunity to find significant savings and apply it to other areas is actually very limited.

Review process

Guiding our approach

6. We have taken a principled approach to the review of Vote Māori Development appropriations. We are mindful of the aspirations outlined in your letter of priorities to the Prime Minister under the banner of *Te Ohu Whanake*, supporting: cultural pride, language and identity; youth leadership; and, whānau enterprise and community development.
7. We wish to support these goals and to ensure there are sufficient resources and flexibility to do so.

Scope of our consideration

8. While we started by considering the entire Vote, ultimately we concluded it was appropriate to focus on contestable funding. We therefore excluded a number of appropriations from consideration. These cover funding for: statutory bodies and Crown Entities (such as those responsible for te reo Māori and broadcasting); entity-specific funds; the Māori Land Service; and Whānau Ora.
9. Proposing cuts in funding to the entities would have required direct consultation and working through individual consequences. Such consultation was not possible in the time available and which would come with considerable risk of negative publicity. Also, in a number of some

cases, specific funds are backed by legislation and/or were the result of Treaty-related negotiations where we have no direct discretion.

10. You are currently considering implications around support for owners of whenua Māori and we do not wish to pre-empt future funding decisions around any possible forms of this support by proposing changes to the one-off funding for the Māori Land Service.
11. Whānau Ora is strongly aligned with the Government's priorities to support families, reducing child poverty and reducing homelessness. There were also earlier signals that funding to Whānau Ora would be increased and an independent review of the programme is scheduled for 2018. In light of all these factors, it seems counter intuitive to suggest savings from Whānau Ora.
12. As a result, we have focused on identifying options across the remaining appropriations totalling approximately \$120 million covering both departmental and non-departmental funding, with the 2-5% parameters this equates to reprioritisation of \$2,400 - \$6,000 million per annum.

Overall alignment

13. We have reviewed the appropriations based on the approach and considerations outlined above. Overall, we consider there to be strong linkages between the funding in Vote Māori Development, the goals of this Government and you as Minister (see Attachment Two).
14. The Government has outlined a strong focus on delivering improvement in the livelihoods, health and opportunities for families and youth, which has particular relevance for whānau and rangatahi/tamariki Māori. Regional development with a focus on creating stimulating economic growth and innovation and creating sustainable employment is also a strong focus of this Government.
15. These areas of focus align well with the scope of our appropriations and our investment approach. We are well positioned to partner with whānau, hapū, iwi and Māori communities and entities, and invest in initiatives that are responsive to their needs and aspirations, while complementary to other Government funding.
16. There is also a range of funding tightly associated with Treaty responsibilities, including for te reo Māori and that supports the overall Crown-Māori relationship.

Options

17. Considering the information above, we see four possible responses to the Associate Minister of Finance for you to consider.

Option 1: No funding changes

18. Under this option you would advise the Associate Minister of Finance that all funding within your Vote is well aligned to the current Government's priorities. Further, that you propose to work closely with Te Puni Kōkiri and the other agencies funded through the Vote to improve the impact and targeting of the funding.
19. While accurate and justified on the basis of the need to maintain, if not increase, funding to achieve improved outcomes for Māori, this option would not be in keeping with the request. There is also the possibility that the Minister of Finance and his associate Ministers will take alternative advice (provided by Treasury) on reprioritisation.

Option 2: Savings to be internally reprioritised

20. Under this option, you identify some areas of potential savings, but outline your intention that these be reprioritised internally in line with the Government's and your priorities for Māori.
21. This option is in keeping with the request for a review of funding, but preserves an avenue to retain existing funding levels, including to support your priorities. It is justified on the basis of the need to maintain, if not increase, funding to achieve improved outcomes for whānau, hapū and iwi Māori.
22. With no funding returned, there is again the possibility that the Minister of Finance and his associate Ministers will take alternative advice (provided by Treasury) on reprioritisation.

Option 3: Savings – some internally reprioritised, some returned

23. Under this option, the majority of any potential savings are internally reprioritised in line with Government and your priorities, and some funding is returned.
24. This option complies with the overall request, including the return of funding, while preserving a greater level of funding and flexibility to support your aims for whānau Māori.
25. The return of funding carries a risk of criticism that the Government is decreasing support for Māori, especially from stakeholders who may have reduced access to funding.

Option 4: Returning all savings

26. Under this option all potential savings would be returned.
27. This option meets the request, but also carries the greatest risk of negative reaction and will decrease funding and flexibility to support your aims.

Potential savings

28. In the spirit of the review and in order to ensure each option is a realistic possibility, we have identified a small amount of potential savings, principally on the basis of:
 - (a) previous Budget decisions that lack the scale of funding to move beyond a trial initiative,
 - (b) the justification for the funding has ceased,
 - (c) where transfers from previous years have created a funding bulge (or bow wave) that could be addressed without impacting on future funding.

Funding focus	17/18 \$m	18/19 \$m	19/20 \$m	20/21 \$m	21/22 \$m	Total \$m	Rationale
Non Departmental							
Mobile Health Clinic	1.000	-	-	-	-	1.000	One-off funding from Budget 17, yet to be implemented. Trial only.
Te Pūtahi Paoho	-	0.131	0.131	0.131	0.131	0.524	Entity was replaced by establishment of Te Mātāwai.

Funding focus	17/18 \$m	18/19 \$m	19/20 \$m	20/21 \$m	21/22 \$m	Total \$m	Rationale
Micro-financing	1.187	-	-	-	-	1.187	Funding bulge. This would not affect the ongoing funding of \$1.0m p.a.
Whenua Fund	2.000	-	-	-	-	2.000	Funding bulge. This would not affect the ongoing funding of \$3.2m p.a.
Departmental							
Constitutional Review	0.800	-	-	-	-	0.800	Expense transferred from previous years pending agreed approach.
Māori Land War Commemorations	0.860	-	-	-	-	0.860	Funding bulge. This would not affect the ongoing funding of \$1.0m p.a.
Te Ture Whenua Post Enactment Education	0.800	1.000	0.200	-	-	2.000	Act not proceeding.
Total	6.647	1.131	0.331	0.131	0.131	8.371	

29. These potential savings, total \$8.371 million. Spread across four years, this equates to approximately \$2.090 million or 1.7% of the 2017/18 financial year funding in scope (i.e. excluding the funding allocated for entities, specific entity funds, Whānau Ora and Māori Land Service).

Preferred option

30. Following your conversations with the Chief Executive, we understand your preference is to pursue option 2 – savings to be internally reprioritised.

31. In terms of the specific reprioritisation of funding, we provide the following advice for your consideration.

Funding focus	Total \$m	Reprioritised
Non Departmental		
Mobile Health Clinic	1.000	Spread over 2 financial years within the Māori Development Fund where there is flexibility to support a range of sectors
Te Pūtahi Paoho	0.524	Spread over 2-3 financial years within appropriations focusing on te reo Māori
Micro-financing	1.187	Spread over 2-3 financial years potentially to increase support for housing initiatives or to retain for micro-financing

Whenua Fund	2.000	Transfer to 2018/19 or out years, focusing on Te Ohu Whanake, extending the fund to include other land categories, supporting regional development projects and supporting landowners' with the development of proposals
Departmental		
Constitutional Review	0.800	Spread over this and next financial year, to respond to immediate departmental priorities in the Crown/Māori relationship work programme
Māori Land War Commemorations	0.860	Spread over 2-3 financial years, including to support the development and implementation of proposals and events.
Te Ture Whenua Post Enactment Education	2.000	Spread over 2-3 financial years, focusing on general land owner support and education as part of Te Ohu Whanake

Treasury advice

32. As is standard practice, Treasury will be supporting their Ministers with advice on budget proposals and approaches, including reprioritisation.
33. Initial signals from Treasury suggest they have observed the significant increases in the Vote across recent Budgets and the number of initiatives directly managed by Te Puni Kōkiri, and see an opportunity for rationalisation. The main justifications appear to be:
- (a) scale - that the amounts of some funds are too small to make a realistic difference to a significant number of Māori;
 - (b) span - that the focus for Te Puni Kōkiri is too broad and would be better narrowed to a few things done better.
34. In Treasury's view, there are other agencies which could absorb our funding which offer better specialisation and/or scale opportunities. Areas mentioned include housing (MBIE, Housing NZ), support for marae (DIA), Whānau Ora (MSD and Health).
35. While there would be benefits to focussing on a narrower set of objectives, our main responses to such views is that our approaches are innovative and we are targeting people and issues not being adequately addressed by other larger and better funded agencies. We are also partnering with a number of agencies to coordinate and leverage our activities, such as with MBIE on housing and DIA on support for marae.
36. We will provide Treasury with further information and insights to update their understanding of our activities.

Next steps

37. A draft letter to the Associate Minister of Finance, based on your preferred option, is attached for your consideration (see Attachment One). Subject to your decision and guidance on the letter, we will finalise it for your signature and provision to the Associate Minister of Finance by 26 January 2018.
38. So that this is a single consolidated letter, you may wish to discuss the approach and contents with the Minister for Whānau Ora. Subject to your advice, we could also provide him with a separate briefing.


39. Te Puni Kōkiri will also prepare talking points for your conversations with the Minister of Finance and his associate Ministers.
40. Depending on the nature and timing of these decisions, we will provide further advice on the mechanisms to implement any changes. One option for spreading funding across future years is the 2018 March Baseline Update, with information due to the Minister of Finance by 26 February 2018.
41. Where the scope of funding is to be expanded or changed, this will most likely need to be managed through the main Budget 2018 processes and Cabinet papers.

Recommended Action

42. Te Puni Kōkiri recommends that you:

1. Note your decision on any reprioritisation of funding from within Vote Māori Development is required to be outlined in a letter to the Associate Minister of Finance, Hon Dr David Clark, by Friday 26 January 2018.	Yes / No
2. Confirm your preferred approach is to internally reprioritise any savings.	Yes / No
3. Agree to the specific areas of potential savings and the focus for future reprioritisation.	Yes / No
4. Consider the attached letter to the Associate Minister of Finance and provide feedback by 25 January 2018.	Yes / No
5. Engage with the Minister for Whānau Ora, particularly regarding the intention to exclude the Whānau Ora appropriations from the reprioritisation exercise.	Yes / No

Michelle Hippolite
Toihautū | Chief Executive


Hon Nanaia Mahuta
Te Minita Whanaketanga Māori

Date: 22 / 1 / 2018

Note I would like to increase the microfinancing fund and discuss whānau fund with you as this may help align to Te AuWh.

7 March 2018

Te Minita Whanaketanga Māori

Budget 2018 Reprioritisation – Vote Māori Development

Purpose

1. This briefing seeks your approval to offset the funding, identified as part of the reprioritisation exercise being led by Minister Clark, against the *Te Ohu Whanake (Whenua)* budget bid that has been lodged as part of Budget 2018.

Background

2. In response to a request made by Minister Clark in December 2017 for additional funding to support Budget 2018, approximately \$7.5m was identified within Vote Māori Development for possible reprioritisation. Due to the strong alignment between Government priorities and Māori Development initiatives, it was proposed that this funding be retained within the Vote to support emerging priorities.
3. Treasury have indicated that they do not support the reprioritised funding being retained within Vote Māori Development and believe these funds should be returned to the centre. In addition to this, they have identified three further funding allocations that they believe should be returned to the centre. These are:
 - a. Micro-financing outyear funding - \$4m over four years
 - b. Passport to Life additional funding (agreed by Cabinet in January 2018) - \$8m over four years
 - c. A Te Ture Whenua Network in-principle expense transfer that has been requested as part of your 2018 March Baseline Update submission - \$2.98m.
4. A letter responding to Treasury's request that all the funding outlined above be returned to the centre is due with Minister Clark on Friday 9 March 2018. I have attached a draft response that outlines the reasons for retaining this funding within Vote Māori Development.

Comment

5. The attached letter states that:
 - a. the original \$7.5m of funding identified as being available for reprioritisation should be retained and used to offset the *Te Ohu Whanake (Whenua)* bid that you have lodged as part of Budget 2018. This will help to reduce the amount of new funding that will be required for this programme.
 - b. the further three allocations of funding identified by Treasury should not be returned to the centre because these initiatives strongly align to Government priorities.
6. Should you agree with this approach, we will seek to reallocate the following funds to ensure they are available for *Te Ohu Whanake (Whenua)*. This can be done as part of the Budget 2018 process.

Funding will be reallocated from the following initiatives for Te Ohu Whanake (Whenua):

Initiative	17/18	18/19	19/20	20/21	21/22	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Non Departmental						
Mobile Health Clinic	1.000	-	-	-	-	1.000
Te Pūtahi Paoho	-	0.131	0.131	0.131	0.131	0.524
Micro-financing - bow wave	1.187	-	-	-	-	1.187
Whenua Fund - bow wave	2.000	-	-	-	-	2.000
Departmental						
Māori Land War Commemorations	0.860	-	-	-	-	0.860
Te Ture Whenua Post Enactment Education	0.800	1.000	0.200	-	-	2.000
Total - what we identified	5.847	1.131	0.331	0.131	0.131	7.571

Funding will be added to the appropriation that will fund Te Ohu Whanake (Whenua):

Appropriation	17/18	18/19	19/20	20/21	21/22	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Non Departmental						
Māori Land Service*	-	7.571	-	-	-	7.571

* Te Puni Kōkiri will seek to rename this appropriation

Next Steps

7. If you agree with:
 - a. the retention of the reprioritisation funding (\$7.571 million) to offset the *Te Ohu Whanake (Whenua)* Budget bid, and
 - b. that the three additional allocations of funding identified by Treasury should be retained within Vote Māori Development

please sign and forward the attached letter to Minister Clark by Friday 9 March 2018.

Recommended Action

8. It is recommended that you:

1. Agree to reprioritise the following funds to offset the Te Ohu Whanake (Whenua) bid that has been lodged as part of Budget 2018:

a. Mobile Health Clinic	\$1.000 million	Yes	<input checked="" type="radio"/> No
b. Te Pūtahi Paoho	\$0.524 million	Yes	<input checked="" type="radio"/> No
c. Micro-financing	\$1.187 million	<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> No
d. Whenua Fund	\$2.000 million	<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> No
e. Māori Land War Commemorations	\$0.860 million	<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> No
f. Te Ture Whenua Post Enactment Education	\$2.000 million	<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> No
Total	\$7.571 million		

2. Agree to retain the following funds, identified by Treasury as being available for reprioritisation, within vote Māori Development:

a. Micro-financing (outyear funding)	\$4.000 million	<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> No
b. Passport to Life	\$8.000 million	<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> No
c. Te Ture Whenua Network (in-principle expense transfer)	\$2.980 million	<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> No
Total	\$14.980 million		

3. Sign the attached letter and forward to Minister Clark by Friday 9 March 2018.

Yes / No

Greg Hanlen
Chief Financial Officer | Āpiha Tumu Arumoni


<p>Hon Nanaia Mahuta Te Minita Whanaketanga Māori</p>
<p>Date: <u>7</u> / <u>3</u> / 2018</p>

Hon Dr David Clark
Associate Minister of Finance
Parliament Buildings
WELLINGTON

Tēnā koe Minister

Thank you, once again, for the opportunity to discuss reprioritisation options within Vote Māori Development.

Since writing to you on 26 January 2018 I have been refining my vision for Māori Development under the banner *Te Ohu Whanake* (Sowing Seeds of Development). A key component of this vision is the critical role that whenua plays in the aspirations of Māori.

Māori freehold land has significant untapped potential, but its unique governance characteristics can frustrate owners. To address these and other issues, I plan to bring three papers to Cabinet over the coming months. These papers will outline a series of reforms that will better enable Māori landowners to realise the economic, social and cultural potential of their land. I have also submitted a Budget bid to support this work.

Due to the prominence of whenua within my vision for Māori Development I intend to retain the savings identified in my earlier letter and redirect them toward this work programme. I can confirm that the following savings (totalling \$7.571 million) are available and will be offset against the *Te Ohu Whanake (Whenua) Programme – Tranche One Budget Bid* that I have lodged:

- The Mobile Health Clinic - \$1.000 million
- Te Pūtahi Paoho - \$0.524 million
- Te Ture Whenua Network - \$2.000 million
- Māori Land War Commemoration - \$0.860 million
- Micro-financing - \$1.187 million, and
- Te Ture Whenua Post Enactment Education - \$2.000 million.

The retention of these funds will ultimately reduce the amount of new funding required for the *Te Ohu Whanake (Whenua)* programme. I will ask Te Puni Kōkiri officials to submit a technical budget initiative that will realign this funding to ensure that it is available to support this programme.

In addition to the reprioritisation options outlined above, I understand that Treasury have identified further funding that they believe should be considered as part of this reprioritisation exercise. Their grounds for questioning this funding is that the related initiatives do not represent value for money, are not effective, or do not align with Government policy. Based on this criteria, I do not believe that it is possible to reprioritise this funding for the following reasons:

- **Passport to Life (funding recently drawn down from the NEETs contingency) - \$8.000 million.** This funding was allocated by Cabinet in January 2018 which demonstrates that the Passport to Life work programme is a clear Government priority. Further to this, the portion of the NEETs contingency allocated to Vote Māori Development targets a uniquely difficult to reach cohort. Therefore, the withdrawal of this funding would compromise the overall reach and success of this initiative.
- **Micro-financing - \$4.000 million.** I see improved financial literacy, access to emergency loans, and the availability of seed funding for whānau based business enterprise as a key component to addressing some of financial hardship that exists in certain Māori communities. A micro-financing initiative that helps to address these concerns clearly aligns with the Government's priority to reduce poverty and improve the distribution of wealth. Te Puni Kōkiri and Te Pou Matakana are currently working on a series of options that will target this funding to those most in need. The strong alignment between this initiative and Government's priorities, combined with the extent of work already underway, means that I am unable to support the re-prioritisation of this funding.
- **Te Ture Whenua Network (in-principle expense transfer) - \$2.980 million.** The nature of the Te Ture Whenua fund means that funding can be committed in one financial year but actual cash payments relating to these commitments may not occur until the following financial year. To manage this timing issue, in-principle expense transfers are sought to ensure alignment between the commitment of funding and cash being paid. Therefore, this in-principle transfer request does not represent available savings. It represents the amount required to manage the timing risk that will exist when we transition between the 2017/18 and 2018/19 financial years.

Nga mihi nui ki a koe.

Heoi ano

Hon Nanaia Mahuta
Te Minita Whanaketanga Māori