



# Cabinet

CAB Min (08) 14/1(12)

## Minute of Decision

Copy No:

*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

### 2008 Budget Package: Vote Corrections

On 14 April 2008, Cabinet:

1. **approved** the Budget initiatives for the above Vote for inclusion in the 2008 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)					
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13 & Outyears
5080	Capacity Management Programme	3.244	29.005	26.571	28.001	27.017	27.017
5082	Mt Eden Replacement	-	3.450	2.800	4.267	3.067	22.765
5226	Prison Chaplaincy Services	<i>[information deleted in order to enable the Crown to negotiate without disadvantage or prejudice]</i>					
<b>Total Operating</b>		<i>[deleted – negotiate without prejudice]</i>					

##### *Capital Initiatives (Impact on Debt)*

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2007/08	2008/09	2009/10	2010/11	2011/12
5080	Capacity Management Programme	-	23.847	-	-	-
5082	Mt Eden Replacement	-	-	139.360	(18.140)	(10.920)
<b>Total Capital</b>		-	<b>23.847</b>	<b>139.360</b>	<b>(18.140)</b>	<b>(10.920)</b>

2. **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
3. **approved** the changes to appropriations and/or projected balances of net assets of the administering department (where applicable) 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 and/or projected balances of net assets for 2007/08 above be included in the 2007/08 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
6. **authorised** the Minister of Finance and the Vote Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2007/08 Supplementary Estimates, the 2008/09 Estimates and the fiscal forecasts;
7. **noted** that all communications relating to the 2008 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 the initiatives in the following table be set aside as contingency items, that corresponding funding for them be set aside in the between-Budget spending contingency, and that they be submitted to Cabinet for consideration at a later stage;
9. *[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]*

*[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]*

Secretary of the Cabinet

Reference: 2008 Budget package tabled  
by the Minister of Finance

---

**Distribution:**

Prime Minister  
  Chief Executive, DPMC  
  Director PAG, DPMC  
Minister of Finance  
  Secretary to the Treasury  
Hon Jim Anderton  
Minister of Corrections  
  Chief Executive, Department of Corrections  
Associate Minister of Finance (Hon Trevor Mallard)  
Controller and Auditor-General

## Initiative No: 5080

**Vote:** Corrections

**Title:** Capacity Management Programme

**Description:** This initiative is aimed at providing sufficient capacity by recruiting an additional 89 Probation Officers as a result of increased offender volumes and addressing the financial implications of the 2007 Asset Revaluation.

**Theme:** Families - Young and Old

**Theme Objective:** Key Business and Service Delivery Failures

## Performance Information

### Performance Text

- Recruit an additional 89 Probation Officers as a result of increased offender volumes;
- Purchase of infrastructure to support the additional Probation Officers.

## Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Operating Balance Impact	3.244	29.005	26.571	28.001	27.017
Debt Impact	-	23.847	-	-	-
No Impact	14.334	15.228	16.123	16.123	16.123
<b>Total</b>	<b>17.578</b>	<b>68.080</b>	<b>42.694</b>	<b>44.124</b>	<b>43.140</b>

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Departmental Output Expenses (General):					
Community-Based Sentences and Orders (funded by Revenue Crown)	0.709	14.861	13.432	13.490	13.450
Custodial Services (funded by Revenue Crown)	13.502	19.823	20.120	21.219	20.464
Custody of Remand Prisoners (funded by Revenue Crown)	2.534	3.719	3.775	3.981	3.839
Escort and Custodial Supervision (funded by Revenue Crown)	0.368	0.541	0.549	0.579	0.558
Information Services (funded by Revenue Crown)	0.232	4.948	4.471	4.490	4.477
Prisoner Employment (funded by Revenue Crown)	0.104	0.153	0.155	0.163	0.157
Rehabilitative Programmes and Reintegrative Services (funded by Revenue Crown)	0.129	0.188	0.192	0.202	0.195
Net Asset Schedule:					
Capital Investment	-	23.847	-	-	-
<b>Total Operating</b>	<b>17.578</b>	<b>44.233</b>	<b>42.694</b>	<b>44.124</b>	<b>43.140</b>
<b>Total Capital</b>	<b>-</b>	<b>23.847</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Vote:** Corrections

**Title:** Mt Eden Replacement

**Description:** This initiative is for the decommissioning of the obsolete Mt Eden Prison and construction of replacement beds on the existing site, as agreed by Cabinet in 2004.

**Theme:** Families - Young and Old

**Theme Objective:** Key Business and Service Delivery Failures

## Performance Information

### Performance Text

- Two new accommodation buildings;
- secure single site entrance, prisoner services building, and satellite health unit;
- four floors of the car park building;
- minor alterations to the existing Auckland Central Remand Prison including basement access connection to new underground walkways;
- decommissioning of Mt Eden Prison as an operating prison;
- preservation and conversion of the Mt Eden Prison heritage building for ongoing staff and administration use.

## Appropriation Changes

	\$m - increase/(decrease)					
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13 & Outyears
Operating Balance Impact	-	3.450	2.800	4.267	3.067	22.765
Debt Impact	-	-	139.360	(18.140)	(10.920)	-
No Impact	-	-	5.226	9.772	8.682	8.273
<b>Total</b>	-	<b>3.450</b>	<b>147.386</b>	<b>(4.101)</b>	<b>0.829</b>	<b>31.038</b>

	\$m - increase/(decrease)					
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13 & Outyears
Departmental Output Expenses (General):						
Community-Based Sentences and Orders (funded by Revenue Crown)	-	0.139	0.324	0.566	0.474	1.251
Custodial Services (funded by Revenue Crown)	-	2.650	6.165	10.786	9.027	23.843
Custody of Remand Prisoners (funded by Revenue Crown)	-	0.498	1.156	2.023	1.693	4.473
Escort and Custodial Supervision (funded by Revenue Crown)	-	0.072	0.169	0.294	0.246	0.651
Information Services (funded by Revenue Crown)	-	0.046	0.106	0.185	0.155	0.409
Prisoner Employment (funded by Revenue Crown)	-	0.020	0.048	0.083	0.069	0.184
Rehabilitative Programmes and Reintegrative Services (funded by Revenue Crown)	-	0.025	0.058	0.102	0.085	0.227
Net Asset Schedule:						
Capital Investment	-	-	139.360	(18.140)	(10.920)	-
<b>Total Operating</b>	-	<b>3.450</b>	<b>8.026</b>	<b>14.039</b>	<b>11.749</b>	<b>31.038</b>
<b>Total Capital</b>	-	-	<b>139.360</b>	<b>(18.140)</b>	<b>(10.920)</b>	-

### Additional Recommendations

**noted** that the operating balance impact increases to \$22.765 million per annum in 2012/13 and outyears;

**noted** that the net capital impact in 2012/13 and the outyears reduces to zero;

**noted** that *[deleted – confidentiality of advice]* and that the Department of Corrections is meeting \$106 million of this capital funding requirement from its balance sheet;

**noted** that the Department of Corrections is meeting, within existing baselines, \$11 million per annum of the Mt Eden replacement operating costs in 2010/11 and 2011/12 only.

Initiative No: 5226

**Vote:** Corrections**Title:** Prison Chaplaincy Services**Description:** This initiative is for the re-negotiation of the contract the Department of Corrections has with the Prison Chaplaincy Service of Aotearoa New Zealand (PCSANZ) to deliver chaplaincy services in prisons through to 2011.**Theme:** Other**Theme Objective:** Other**Performance Information****Performance Text**

Re-negotiate the contract with PCSANZ through to 2011 in order to reflect the increase in costs.

**Appropriation Changes**

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Operating Balance Impact	<i>[deleted – negotiate without prejudice]</i>				
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<i>[deleted – negotiate without prejudice]</i>				

	\$m – increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Departmental Output Expenses (General): Rehabilitative Programmes and Reintegrative Services (funded by Revenue Crown)	<i>[information deleted in order to enable the Crown to negotiate without disadvantage or prejudice]</i>				
<b>Total Operating</b>	<i>[deleted – negotiate without prejudice]</i>				
<b>Total Capital</b>	-	-	-	-	-