



Cabinet

Minute of Decision

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Minister of Corrections

Copies to:

- Prime Minister
- Deputy Prime Minister
- Minister of Finance
- Hon Jim Anderton
- Associate Minister of Finance
(Hon Trevor Mallard)
- Controller and Auditor-General
- Secretary, POL
- Secretary, EXG

2007 Budget Package: Vote Corrections

On 19 April 2007, Cabinet:

1. **approved** the Budget initiatives for the above Vote for inclusion in the 2007 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)				
		2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Total Operating		-	-	-	-	-

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
4543	Extension of Mt Eden Prison/Auckland Central Remand Prison Extension	-	0.500	-	-	-
Total Capital		-	0.500	-	-	-

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 (where applicable) 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 2006/07 above be included in the 2006/07 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 2006/07 Supplementary Estimates, the 2007/08 Estimates and the fiscal forecasts;
7. **noted** that all communications relating to the 2007 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. *[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]*

Disaster Recovery Funding

9. **noted** that any unutilised disaster recovery funding, agreed to through the Effective Interventions package, will be returned in the year-end surplus;

Technical Changes

10. **agreed** that the Department apply a portion of estimated surplus depreciation relating to Spring Hill Corrections Facility and Otago to the depreciation implications of the June 2007 asset revaluation for 2007/08 only, and that the remainder be returned through the March Baseline Update;
11. **noted** that the Department has estimated surplus depreciation in 2008/09 and outyears relating to Springhill and Otago which will be finalised in September 2007, that any surplus will be utilised to fund the depreciation implications of the June 2007 asset revaluation for 2008/09 and outyears, and that any remaining funding will be applied to the depreciation implications of the Mt Eden Prison replacement for consideration in Budget 2008, or returned to the Crown;

Prisoner Transportation Services

12. **directed** the Department to report to the Cabinet Policy Committee in late 2007 on the outcome of the Prisoner Transportation Services review and the Ombudsman's Inquiry;
13. **noted** that the financial implications will be considered, if necessary, prior to or in Budget 2008.

Secretary of the Cabinet

References: CAB (07) 135, CAB (07) 135A

Vote: Corrections

Title: Extension of Mt Eden Prison/Auckland Central Remand Prison Extension

Description: Progression of the preferred master planning option for the optimisation of the future development potential of the Mt Eden Prison/Auckland Central Remand site and preservation of historical buildings.

Theme: Families - Young and Old

Theme Objective: Non-specific

Performance Information

Performance Text

N/A

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	0.500	-	-	-
No Impact	-	0.019	0.038	0.038	0.038
Total	-	0.519	0.038	0.038	0.038

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Departmental Output Expenses (General):					
Community-Based Sentences and Orders (funded by Revenue Crown)	-	-	0.001	0.001	0.001
Custodial Services (funded by Revenue Crown)	-	0.015	0.028	0.028	0.028
Custody of Remand Prisoners (funded by Revenue Crown)	-	0.004	0.008	0.008	0.008
Rehabilitative Programmes and Reintegrative Services (funded by Revenue Crown)	-	-	0.001	0.001	0.001
Net Asset Schedule:					
Capital Investment	-	0.500	-	-	-
Total Operating	-	0.019	0.038	0.038	0.038
Total Capital	-	0.500	-	-	-

Additional Recommendations

Initiative No: 4543

noted that of the implementation options considered, Ministers have approved \$3.5 million capital for documentation and tendering of the Mt Eden replacement project (\$3 million of this to be funded from the Department of Correction's balance sheet) and have deferred consideration of the construction costs of replacing Mt Eden to Budget 2008;

directed the Department of Corrections to report to the Cabinet Committee on Government Expenditure and Administration in May 2007 on the Department's preferred option for the replacement of Mt Eden, prior to proceeding to tender;

noted that on 24 July 2006, the Cabinet Policy Committee directed the Department of Corrections, in consultation with the Ministry of Justice and Treasury, to report in Budget 2007 on the appropriate number of beds to be contained in the disaster recovery standard, alongside the replacement of Mt Eden [CAB Min (06) 27/3A];

noted that, given the deferral of consideration of Mt Eden until next Budget, the Department of Corrections will now report to the Cabinet Policy Committee on the disaster recovery standard prior to, or in, Budget 2008.