

The Treasury

Budget 2013 Information Release

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- [1] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(c) - to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [3] 9(2)(a) - to protect the privacy of natural persons, including deceased people
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In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.



Ministry of Health Aide Memoire

From: Don Gray, Deputy Director-General Policy, Ministry of Health
To: Hon Tony Ryall
Date: 18 March 2013

Social sector: funding matters, including draft report-back on beneficiary drug-testing

Purpose

This aide memoire gives you background on funding issues in a number of cross-MSD-MoH work programmes, including pre-employment drug-testing. A draft report-back on beneficiary drug-testing is attached, for discussion with the Minister for Social Development.

Funding issues for discussion with the Minister for Social Development

Background

The Ministry and MSD have jointly developed initiatives and proposals for the following areas:

- screening and brief interventions for beneficiaries who will have to comply with the new pre-employment drug test obligation (subject to Ministers' decisions)
- the Children's Action Plan
- the Social Sector Trials.

Funding implications

These three initiatives have a total cost of ^{10} over the period 2013/14 to 2016/17 (see attached Table 1 for our current understanding of the service costs).

[6]

The Social Sector Trials initiative was considered by Cabinet on 11 March 2013 and funding from Vote Health was agreed. Sources of funding relating to pre-employment drug testing and the Children's Action Plan have not been agreed.

Next steps

We recommend you discuss the funding of these initiatives with the Minister for Social Development. Please note that any decisions you make regarding Health funding will be made in Budget 2013 recommendations.

Pre-employment drug-testing

Background

Cabinet directed¹ the Ministry and the Ministry of Social Development (MSD) to provide a report-back about implementation of the new beneficiary drug test obligation to you, the Minister of Finance and the Minister of Social Development (joint Ministers).

The report-back is to provide advice to enable joint Ministers to make decisions on: the assessment process to distinguish between “recreational” and dependent drug users; and access to drug treatment services for drug dependent beneficiaries.

The attached draft report-back has been developed with MSD. It includes an option to provide no additional funding, [6]

Next steps

Officials will finalise the report-back based on instructions from you and the Minister for Social Development. Your instructions are sought by approximately midday 20 March, as Treasury is closing off entry of Budget initiatives into CFISNet that day.

Treasury will then collate this information and provide to Budget Ministers on 21 March. Budget Ministers are scheduled to decide on funding for welfare reform initiatives at their meeting on 26 March.

Contacts:

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¹ CAB Min (12) 26/11.4

Table 1: Health services jointly planned by Health and Social Development

Pre-Employment Drug Testing	2012/13	2013/14	2014/15	2015/16	2016/17	Total	Comments
[10]	-					[10]	
Additional treatment services	-	0.523	0.523	0.523	0.523	2.092	
						[10]	

Children's Action Plan	2012/13	2013/14	2014/15	2015/16	2016/17	Total	Comments
Research/promotion	-	0.650	1.095	-	-	1.745	
Media campaign	-	0.150	1.750	-	-	1.900	
Children's teams	-	0.200	0.700	0.700	0.700	2.300	Estimated on two sites and 60 kids in first year/1200 in the second.
Training	-	0.340	0.410	-	-	0.750	Scaled back
Total Action Plan	-	1.340	3.955	0.700	0.700	6.695	MSD is not funding after two years / however pilots included for four years

Social Sector Trials	-	1.258	1.258	-	-	2.516	Cabinet agreed on 11 March that these costs would be met from within Vote Health.
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Total current costings	-	-	-	-	-	[10]	
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[6]