

# The Treasury

## Budget 2017 Information Release

### Release Document July 2017

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[1]	to prevent prejudice to the security or defence of New Zealand or the international relations of the government	6(a)
[4]	to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial	6(c)
[11]	to damage seriously the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the entering into of overseas trade agreements.	6(e)(vi)
[23]	to protect the privacy of natural persons, including deceased people	9(2)(a)
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[31]	to maintain the current constitutional conventions protecting collective and individual ministerial responsibility	9(2)(f)(ii)
[33]	to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials	9(2)(f)(iv)
[34]	to maintain the effective conduct of public affairs through the free and frank expression of opinions	9(2)(g)(i)
[36]	to maintain legal professional privilege	9(2)(h)
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[38]	to enable the Crown to negotiate without disadvantage or prejudice	9(2)(j)
[39]	to prevent the disclosure of official information for improper gain or improper advantage	9(2)(k)
[40]	Not in scope	

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) and section 18 of the Official Information Act.

Reference: T2016/1116

DH-0-3-3

Date: 15 June 2016

To: Minister of Finance (Hon Bill English)

Deadline: 16 June 2016

## **Aide Memoire: Updated Family Violence Proposals**

Since we briefed you on the package of family violence proposals under development [T2016/974 refers], the Minister of Justice has circulated updated draft Cabinet papers for Ministerial consultation. This aide memoire updates you on key changes and summarises outstanding issues which you may wish to discuss with the Minister of Justice at your meeting on Thursday, 16th June at 5.00pm.

The total estimated operating cost of the package has come down from <sup>[33]</sup> over the next five years, although estimates of both costs and benefits are still being worked through.

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	<b>Current estimate – subject to further change</b>	[33]
Net Present Value (NPV)	\$188 million over 15 years	
Benefit to Cost Ratio (BCR)	1.33	
Return on Investment (ROI)	1.40 (Government) 1.33 (Society)	

The papers ask Ministers to note that a cost-benefit analysis of the package suggests there is ‘reasonably strong evidence’ that the quantifiable benefits of proposed changes outweigh their costs, [33]

It is also not clear whether the fiscal cost estimates fully reflect potential flow-on costs from the proposed legislative change over time. A further investment case is foreseen for the range of additional supporting services for victims and perpetrators that will be required as a result of package implementation. However, it is unclear to what extent Ministers will have a genuine choice about whether to fund these pressures once legislative changes have been made.

We understand another investment case being developed by the Ministries of Justice and Social Development under the auspices of the Ministerial Group may recommend further measures to deal with family violence and sexual violence, focussing on improving data collection to better target investment and to intervene earlier to stop violence.

You may wish to raise the following points with the Minister of Justice.

*Family violence package*

- Acknowledge that there is a good case for doing more to address family violence, given its significant costs<sup>1</sup>, and note the opportunity afforded by the legislative review to make the current legislation more fit for purpose.
- Note the package is likely to have a significant impact on required prison capacity, and the capital cost of these beds is not included in the fiscal implications or overall cost-benefit analysis. If this is included, the proposals present a negative return on investment.

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<sup>1</sup> The total social, economic and fiscal cost of family violence is estimated by the Ministry of Justice at between \$4-7 billion per annum.

- Request that complete analysis be provided in the Cabinet papers and RIS on the full costs and benefits of each of the proposals, the impact on prison capacity, and other options for addressing family violence, before any decisions are taken.
- Note that while the timing of these proposals is driven by the legislative calendar, there is also a need for some mechanism to ensure relative prioritisation against other calls on Budget 17.
- Suggest the following further options for the Minister's consideration:
  - delay the package as a whole until next year, to allow prioritisation against other initiatives in Budget 2017, or until such time as Ministers can consider overall Budget strategy
  - develop some options for smaller or different packages (informed by further advice on which proposals are likely to provide the highest return on investment), or
  - proceed with the full package of legislative proposals, but incorporate staged commencement of some provisions in order to smooth the impact on the Justice pipeline.

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