

The Treasury

Budget 2017 Information Release

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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)
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[33]	to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials	9(2)(f)(iv)
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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.

REFORM OF FAMILY VIOLENCE LAW

Paper One: Context and supporting integrated responses

Paper Two: Family violence civil law

Paper Three: Prosecuting family violence

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Purpose

These three papers propose a package of reforms to civil and criminal legislation and agency practice to strengthen the system response to family violence.

Comment

As outlined in our earlier advice [T2016/974 and T2016/1116 refer] these papers continue to contain incomplete data and analysis on the costs and benefits of the proposals. In some cases this is understandable because of the lack of evidence available on impacts. However, the analysis does not fully account for the capital costs of new prison beds, or the likely flow-on impacts on social sector costs such as an increased demand for supporting services for victims and perpetrators.

The following Treasury comment has been included in Paper One:

[34]

Fiscal impacts

The total cost of the package as presented is now estimated at [33] over five years. This funding is being sought as a pre-commitment against the Budget 2017 operating allowance. As we understand this total includes some capital expenditure we anticipate some funding from the Budget 17 capital allowance may be required.

[33]

[33]

The costs now include a revised estimate of additional police numbers required to support implementation. Police advise they will need 66 additional sworn staff at an estimated cost of \$2.7 million in 2017/18 and \$8.3 million p.a. from 2018/19.

Economic impacts

The CBA analysis for the overall package indicates the following:

	Net Present Value	Benefit Cost Ratio	ROI Societal	ROI Governmental
Total package (excluding capital costs of new prison)	\$658 million (over 15 years)	1.18	1.18	1.29

The Ministry of Justice estimates that the proposals would produce a return on investment 'slightly below' 1.0 if the above prison capital costs were built in.

The supporting analysis suggests the quantifiable benefits represent [33] (on an NPV basis) in averted costs to victims of family violence over 15 years, and a further [33] in averted costs for the justice sector to respond to family violence. The papers note that the CBA has focussed only on measurable benefits, and that a number of benefits which are unquantified/unquantifiable at this point may mean the actual return on investment is higher over time. These include an assumed reduced demand for social services (including ACC, housing, health).

You are due to discuss these proposals with the Ministry of Justice officials responsible for preparing the CBA analysis on Monday 27 June at 3.00pm. We will provide additional material for this meeting.

Other comments

Your options are to:

1. Accept the proposals as presented.
2. Explore options to reduce the fiscal impact of the package by selecting between individual elements. The papers note that while the package has been 'subject to a thorough and comprehensive costings exercise', there are choices that could be made within it which would reduce its costs. The elements with the most significant effect on prison capacity and overall cost of the package are:
 - introducing non-fatal strangulation as a criminal offence (noting the cost effect of the associated decision sought on maximum sentence length)
 - Improvements to police protection orders (expected to result in an overall increase in protection orders and a corresponding rise in convictions for breach of a protection order, as well as increased demand for support services for victims and perpetrators)
 - [33]
3. Request that the proposals be resubmitted with fuller information on their assessed costs and benefits.

Treasury Recommendation

- We recommend that you **request** that the proposals be resubmitted with fuller information on their assessed costs and benefits.

Title	Pg	Recommend	Fiscal Implications (\$m GST excl.)					Treasury Comment
			15/16	16/17	17/18	18/19	Out years	
Suite of three papers on Reform of Family Violence Law: Paper One: Context and Supporting Integrated Responses Paper Two: Civil Law Paper Three: Prosecuting Family Violence	4	Do not support	<i>Operating (likely to include a small amount of capital)</i>					Treasury considers the proposals and analysis do not reflect full costs and benefits. Ministers may wish to request they be resubmitted with full information.
			-	-	[33]			
			<i>Capital</i>					
			Likely to be significant capital costs, the total of which is currently not confirmed.					