

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)
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[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: T2016/2062 DH-42

Date: 1 November 2016

To: Minister of Finance (Hon Bill English)

Deadline: 10:30 a.m. Thursday 3 November 2016

Aide Memoire: Briefing for Budget 2017 Meeting with Hon Amy Adams and Hon Judith Collins

You are scheduled to meet with Hon Amy Adams and Hon Judith Collins at 10:30 a.m. on Thursday 3 November to discuss budget priorities for the Ministry of Justice, the Department of Corrections and the New Zealand Police. The purpose of this meeting is to discuss:

- what is being achieved within baseline resources
- options to manage cost pressures, and
- potential budget initiatives.

This meeting follows an earlier discussion with these Ministers about justice sector pressures on 19 September (T2016/1762 refers), and your subsequent meeting with Treasury on 26 October.

This aide memoire briefly recaps the strategic issues facing the justice sector and likely budget bids, and suggests some points you may wish to raise at the meeting.

Strategic Issues in the Justice Sector

The upcoming requests for funding present a good opportunity to seek commitments from Justice Sector Ministers to progress a sector-wide response to current challenges. As you are aware, some of the main challenges facing the sector are:

- [33]
- how justice sector agencies will work with social sector agencies to reduce harm from crime, and
- successful implementation of a disciplined approach to investment across the justice sector in order to reduce harm from crime.

We would like to see the justice sector use its improving analytical capability to provide more specific advice on:

- opportunities to work more collaboratively across the state sector to address the underlying drivers of crime
- the relative priority of investment proposals from a sector-wide perspective, and
- policy options to manage the rising prison population, while maintaining public safety outcomes and achieving Better Public Services results.

We consider that the long term objective should be to get the justice sector to a point where it can prioritise investment options based on the analytical tools and models developed as part of the Investment Approach to Justice.

Building on the intent of this work, the next step is for the sector to provide a sector view on future investment decisions. While the Investment Approach is not fully developed, the Ministry of Justice should nevertheless be well placed to work with other agencies to provide advice on investment priorities. However, this is unlikely to happen if agencies are successful in increasing their funding without a sector view being required.

Agency Intentions and Potential Initiatives

In August, Cabinet agreed to a \$132 million pre-commitment (over four years) against the Budget 2017 operating allowance for the reform of family violence law. Further to this, we are aware of the following broad intentions for budget initiatives.

Corrections

We understand that Corrections intends to submit Track 2 social sector cost pressure bids to fund the prison population growth [33], as well as a Track 1 initiative for its Enhancing Industry Learning and Training programme which involves Corrections investing in its most successful rehabilitation programmes [33]

This is in addition to the funding to be sought in mid-November for the addition of 1,472 beds at Waikeria through a Public Private Partnership. The non-staged approach (Corrections' preferred approach) would require a pre-commitment against Budget 2017 of [33] in capital costs and [33] in operating costs over four years. We will provide you advice on the associated Cabinet paper shortly.

Justice

Justice have signalled that two Track 1 bids will likely be submitted. These bids build on the findings of the Investment Approach to Justice and seek funding for packages of evidence-based services designed to prevent reoffending for two high risk cohorts – 14-16 year old serious offenders and 20-24 year old property offenders.

We understand likely Track 2 initiatives include:

- legal aid cost pressures
- health, safety and security measures for courts
- impairment of fines and debt
- [33]
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Several justice sector Crown entities are likely to seek funding for business as usual pressures.

Police

The major initiative likely to be submitted by Police through Budget 2017 would be to fund additional police officers to address rising demand. While we are aware that Police has been developing a proposal, we are yet to see any detail. You may wish to take the opportunity to test the Minister of Police's thinking on this issue, including the expected direct costs to Police and the flow on costs to the rest of the justice sector.

Potential Talking Points

This meeting is an opportunity to reinforce the need for the justice sector to provide a coherent response to the issues it is facing. With this in mind, you could:

- request that the justice sector prioritise and rank its initiatives with a view to better managing those entering the justice system, and
- support efforts to develop the Investment Approach to Justice by seeking an agreed sector view on investment priorities for Budget 2017: where would additional funding be most effectively spent?

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