

# The Treasury

## Budget 2017 Information Release

### Release Document July 2017

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Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

|      |  |              |
|------|--|--------------|
| [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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| [29] | to avoid prejudice to the substantial economic interests of New Zealand  | 9(2)(d)      |
| [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)      |
| [37] | to enable the Crown to carry out commercial activities without disadvantages or prejudice  | 9(2)(i)      |
| [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.



# Cabinet

## Minute of Decision

*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

### Budget 2017: Vote Corrections

On 18 April 2017, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2017 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) |               |               |               |                    |
|------------------------|---|---------------------------|---------------|---------------|---------------|--------------------|
|                        |   | 2016/17                   | 2017/18       | 2018/19       | 2019/20       | 2020/21 & Outyears |
| 9869                   | Industry, Treatment, and Learning Interventions –Increasing Access  | -                         | 2.780         | 4.520         | 5.650         | 5.650              |
| 9673                   | Prisoner Volumes  | -                         | 74.131        | 64.763        | 55.740        | 43.857             |
| 9868                   | Prisoners at Risk of Self-Harm and Suicide – Pilot                  | -                         | 1.883         | 3.223         | 3.230         | 3.265              |
| 9675                   | Sentences and Orders Served in the Community – Increased Investment | -                         | 10.575        | 12.075        | 13.650        | 15.300             |
| <b>Total Operating</b> |   | -                         | <b>89.369</b> | <b>84.581</b> | <b>78.270</b> | <b>68.072</b>      |

- 2 **approved** changes to appropriations to implement the initiatives, as set out in the attached initiative documents;
- 3 **authorised** the Minister of Finance and the Appropriation Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2016/17 Supplementary Estimates, the 2017/18 Estimates and the fiscal forecasts;

- 5 **noted** that all communications relating to the 2017 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.

Michael Webster  
Secretary of the Cabinet

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**Hard-copy distribution:**

Prime Minister  
Minister of Finance  
Minister of Corrections

## Initiative No: 9869

**Vote:** Corrections

**Title:** Industry, Treatment, and Learning Interventions - Increasing Access

**Description:** This funding will increase prisoners' access to Industry, Treatment and Learning Interventions thereby reducing their risk of re-offending and improving broader social outcomes.

### Appropriation Changes

|                          | Sm - increase/(decrease) |              |              |              |                    |
|--------------------------|--------------------------|--------------|--------------|--------------|--------------------|
|                          | 2016/17                  | 2017/18      | 2018/19      | 2019/20      | 2020/21 & Outyears |
| Operating Balance Impact | -                        | 2.780        | 4.520        | 5.650        | 5.650              |
| Debt Impact              | -                        | -            | -            | -            | -                  |
| No Impact                | -                        | -            | -            | -            | -                  |
| <b>Total</b>             | -                        | <b>2.780</b> | <b>4.520</b> | <b>5.650</b> | <b>5.650</b>       |

|  | Sm - increase/(decrease) |              |              |              |                    |
|--|--------------------------|--------------|--------------|--------------|--------------------|
|  | 2016/17                  | 2017/18      | 2018/19      | 2019/20      | 2020/21 & Outyears |
| <b>Departmental Output Expense:</b>                  |                          |              |              |              |                    |
| Re-offending is Reduced<br>(funded by revenue Crown) | -                        | 2.780        | 4.520        | 5.650        | 5.650              |
| <b>Total Operating</b>                               | -                        | <b>2.780</b> | <b>4.520</b> | <b>5.650</b> | <b>5.650</b>       |

### Additional Recommendation

- 6 **noted** that this initiative was agreed through the Track 1 process and is subject to conditions around evaluation and reporting as outlined in the recommendations of the significant Budget Cabinet paper [CAB-17-MIN-0185];

**Vote:** Corrections

**Title:** Prisoner Volumes

**Description:** This funding will enable the Department of Corrections to meet the costs of managing a growing prison population including ongoing funding for additional capacity in the prison network.

### Appropriation Changes

|                          | Sm - increase/(decrease) |               |               |               |                    |
|--------------------------|--------------------------|---------------|---------------|---------------|--------------------|
|                          | 2016/17                  | 2017/18       | 2018/19       | 2019/20       | 2020/21 & Outyears |
| Operating Balance Impact | -                        | 74.131        | 64.763        | 55.740        | 43.857             |
| Debt Impact              | -                        | -             | -             | -             | -                  |
| No Impact                | -                        | -             | -             | -             | -                  |
| <b>Total</b>             | -                        | <b>74.131</b> | <b>64.763</b> | <b>55.740</b> | <b>43.857</b>      |

|  | Sm - increase/(decrease) |               |               |               |                    |
|--|--------------------------|---------------|---------------|---------------|--------------------|
|  | 2016/17                  | 2017/18       | 2018/19       | 2019/20       | 2020/21 & Outyears |
| <b>Departmental Output Expense:</b>                          |                          |               |               |               |                    |
| Re-offending is Reduced<br>(funded by revenue Crown)         | -                        | 4.920         | 7.469         | 10.340        | 12.714             |
| <b>Multi-Category Expenses and Capital Expenditure</b>       |                          |               |               |               |                    |
| Public Safety is Improved                                    |                          |               |               |               |                    |
| <b>Departmental Output Expense:</b>                          |                          |               |               |               |                    |
| Prison-based Custodial Services<br>(funded by revenue Crown) | -                        | 69.211        | 57.294        | 45.400        | 31.143             |
| <b>Total Operating</b>                                       | -                        | <b>74.131</b> | <b>64.763</b> | <b>55.740</b> | <b>43.857</b>      |

### Additional Recommendation

7 **noted** that this initiative is based on projected prison population growth and if future growth significantly exceeds projections the Minister of Corrections will likely seek between-Budget or Budget 2018 funding to cover the costs associated with managing the additional volumes;

**Vote:** Corrections

**Title:** Prisoners at Risk of Self-Harm and Suicide – Pilot

**Description:** This funding will enable the Department of Corrections to pilot improvements to the way prisoners at risk of self-harm and suicide are managed in the prison environment.

### Appropriation Changes

|                          | Sm - increase/(decrease) |              |              |              |                    |
|--------------------------|--------------------------|--------------|--------------|--------------|--------------------|
|                          | 2016/17                  | 2017/18      | 2018/19      | 2019/20      | 2020/21 & Outyears |
| Operating Balance Impact | -                        | 1.883        | 3.223        | 3.230        | 3.265              |
| Debt Impact              | -                        | -            | -            | -            | -                  |
| No Impact                | -                        | -            | -            | -            | -                  |
| <b>Total</b>             | -                        | <b>1.883</b> | <b>3.223</b> | <b>3.230</b> | <b>3.265</b>       |

|  | Sm - increase/(decrease) |              |              |              |                    |
|--|--------------------------|--------------|--------------|--------------|--------------------|
|  | 2016/17                  | 2017/18      | 2018/19      | 2019/20      | 2020/21 & Outyears |
| <b>Departmental Output Expenses:</b>                         |                          |              |              |              |                    |
| Prison-based Custodial Services<br>(funded by revenue Crown) | -                        | 0.425        | 0.850        | 0.850        | 0.850              |
| Re-offending is Reduced<br>(funded by revenue Crown)         | -                        | 1.458        | 2.373        | 2.380        | 2.415              |
| <b>Total Operating</b>                                       | -                        | <b>1.883</b> | <b>3.223</b> | <b>3.230</b> | <b>3.265</b>       |

### Additional Recommendation

- 8 **noted** that this initiative was agreed through the Track 1 process and is subject to conditions around evaluation and reporting as outlined in the recommendations of the significant Budget Cabinet paper [CAB-17-MIN-0185].

**Vote:** Corrections

**Title:** Sentences and Orders Served in the Community – Increased Investment

**Description:** This funding will enable the Department of Corrections to increase the level of resourcing available to safely manage the growing volume and complexity of offenders serving sentences and orders in the community, and to support the Judiciary and New Zealand Parole Board to make informed risk-based sentencing and parole decisions.

### Appropriation Changes

|                          | \$m - increase/(decrease) |               |               |               |                    |
|--------------------------|---------------------------|---------------|---------------|---------------|--------------------|
|                          | 2016/17                   | 2017/18       | 2018/19       | 2019/20       | 2020/21 & Outyears |
| Operating Balance Impact | -                         | 10.575        | 12.075        | 13.650        | 15.300             |
| Debt Impact              | -                         | -             | -             | -             | -                  |
| No Impact                | -                         | -             | -             | -             | -                  |
| <b>Total</b>             | -                         | <b>10.575</b> | <b>12.075</b> | <b>13.650</b> | <b>15.300</b>      |

|  | \$m - increase/(decrease) |               |               |               |                    |
|--|---------------------------|---------------|---------------|---------------|--------------------|
|  | 2016/17                   | 2017/18       | 2018/19       | 2019/20       | 2020/21 & Outyears |
| <b>Departmental Output Expense:</b>  |                           |               |               |               |                    |
| Re-offending is Reduced<br>(funded by revenue Crown)   | -                         | 0.442         | 0.536         | 0.634         | 0.738              |
| <b>Multi-Category Expenses and Capital Expenditure</b>   |                           |               |               |               |                    |
| Public Safety is Improved  |                           |               |               |               |                    |
| <b>Departmental Output Expenses:</b>   |                           |               |               |               |                    |
| Information and Administrative Services to the Judiciary and New Zealand Parole Board<br>(funded by revenue Crown) | -                         | 2.533         | 2.885         | 3.254         | 3.641              |
| Sentences and Orders Served in the Community<br>(funded by revenue Crown)  | -                         | 7.600         | 8.654         | 9.762         | 10.921             |
| <b>Total Operating</b>   | -                         | <b>10.575</b> | <b>12.075</b> | <b>13.650</b> | <b>15.300</b>      |