

The Treasury

Budget 2011 Information Release

Release Document

June 2011

www.treasury.govt.nz/publications/informationreleases/budget/2011

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] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [2] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [3] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [4] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [5] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [6] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [7] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [8] 9(2)(h) - to maintain legal professional privilege
- [9] 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
- [10] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [11] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice.

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, an [8] appearing where information has been withheld in a release document refers to section 9(2)(h).

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



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 2011: Vote Corrections

On 11 April 2011, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2011 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)				
		2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
6620	Value Creation – The Way Forward Performance Improvement Programme	(22.704)	(15.839)	(17.923)	(18.759)	(19.171)
6621	2009 Bargaining Round and Remuneration Review	2.766	5.963	5.963	5.963	5.963
6622	Christchurch Earthquake Recovery Costs	5.000	-	-	-	-
6623	Contract Management of Prisons	14.000	-	-	-	-
6624	Literacy and Numeracy	-	3.200	3.200	3.200	3.200
6625	Rehabilitation and Reintegration Services	-	3.433	4.922	5.858	6.270
6626	Prisoner Skills and Employment Strategy	-	0.900	1.500	1.400	1.400
6627	Corrections Mothers and Babies Amendment Act	0.938	2.008	2.008	2.008	2.008
6628	Criminal Procedure Simplification Project	-	0.335	0.330	0.330	0.330
7072	Four Year Budget Plan Appropriation Changes	-	-	-	-	-
Total Operating		-	-	-	-	-

- 2 **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;

- 3 **approved** the changes to appropriations and/or projected balances of net assets of the administering department (where applicable) to implement the initiatives, as set out in the attached initiative documents;
- 4 **agreed** that the changes to appropriations and/or projected balances of net assets for 2010/11 above be included in the 2010/11 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 5 **authorised** the Minister of Finance and the Vote Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2010/11 Supplementary Estimates, the 2011/12 Estimates and the fiscal forecasts;
- 6 **noted** that all communications relating to the 2011 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.

Secretary of the Cabinet

Reference: CAB (11) 187; CAB (11) 190

Initiative No: 6620

Vote: Corrections

Title: Value Creation – The Way Forward Performance Improvement Programme

Description: The Way Forward focuses on achieving greater efficiency and effectiveness. The Department faces unfunded cost pressures in the future and intends to absorb these with internal efficiency savings.

Appropriation Changes

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Operating Balance Impact	(22.704)	(15.839)	(17.923)	(18.759)	(19.171)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(22.704)	(15.839)	(17.923)	(18.759)	(19.171)

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Departmental Output Expenses:					
Prison-based Custodial Services (Multi-class Output Appropriation (MCOA))					
Custody of Remand Prisoners (funded by revenue Crown)	(4.066)	(2.451)	(5.321)	(3.259)	(3.381)
Custody of Sentenced Prisoners (funded by revenue Crown)	(8.756)	(3.132)	(6.559)	(4.127)	(4.278)
Information and Administrative Services to the Judiciary and New Zealand Parole Board (funded by revenue Crown)	(1.211)	(1.835)	(1.080)	(1.999)	(2.024)
Management of Third Party Custodial Services (funded by revenue Crown)	1.400	0.200	-	-	-
Policy Advice and Ministerial Services (funded by revenue Crown)	(0.010)	(0.008)	(0.016)	(0.011)	(0.013)
Rehabilitation and Reintegration (funded by revenue Crown)	(5.522)	(1.920)	(4.172)	(2.553)	(2.649)
Sentences and Orders Served in the Community (funded by revenue Crown)	(4.539)	(6.693)	(0.775)	(6.810)	(6.826)
Total Operating	(22.704)	(15.839)	(17.923)	(18.759)	(19.171)
Total Capital	-	-	-	-	-

Initiative No: 6621

Vote: Corrections

Title: 2009 Bargaining Round and Remuneration Review

Description: The Department of Corrections will self-fund the impact of 2008/09 collective bargaining and the remuneration review with internal efficiency savings realised in 2010/11 and outyears.

Appropriation Changes

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Operating Balance Impact	2.766	5.963	5.963	5.963	5.963
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	2.766	5.963	5.963	5.963	5.963

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Departmental Output Expenses:					
Prison-based Custodial Services (MCOA)					
Custody of Remand Prisoners (funded by revenue Crown)	0.420	0.905	0.905	0.905	0.905
Custody of Sentenced Prisoners (funded by revenue Crown)	1.353	2.918	2.918	2.918	2.918
Information and Administrative Services to the Judiciary and New Zealand Parole Board (funded by revenue Crown)	0.135	0.291	0.291	0.291	0.291
Policy Advice and Ministerial Services (funded by revenue Crown)	0.012	0.025	0.025	0.025	0.025
Rehabilitation and Reintegration (funded by revenue Crown)	0.375	0.809	0.809	0.809	0.809
Sentences and Orders Served in the Community (funded by revenue Crown)	0.471	1.015	1.015	1.015	1.015
Total Operating	2.766	5.963	5.963	5.963	5.963
Total Capital	-	-	-	-	-

Initiative No: 6622

Vote: Corrections

Title: Christchurch Earthquake Recovery Costs

Description: The Department of Corrections will self-fund the insurance excess of the Christchurch earthquake with internal efficiency savings realised in 2010/11.

Appropriation Changes

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Operating Balance Impact	5.000	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	5.000	-	-	-	-

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Departmental Output Expenses:					
Prison-based Custodial Services (MCOA)					
Custody of Remand Prisoners (funded by revenue Crown)	1.140	-	-	-	-
Custody of Sentenced Prisoners (funded by revenue Crown)	3.860	-	-	-	-
Total Operating	5.000	-	-	-	-
Total Capital	-	-	-	-	-

Initiative No: 6623

Vote: Corrections

Title: Contract Management of Prisons

Description: The Department of Corrections will self-fund the additional cost of any changes in staffing associated with the contract management process in 2010/11.

Appropriation Changes

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Operating Balance Impact	14.000	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	14.000	-	-	-	-

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Departmental Output Expenses:					
Prison-based Custodial Services (MCOA)					
Custody of Remand Prisoners (funded by revenue Crown)	11.073	-	-	-	-
Custody of Sentenced Prisoners (funded by revenue Crown)	2.927	-	-	-	-
Total Operating	14.000	-	-	-	-
Total Capital	-	-	-	-	-

Initiative No: 6624

Vote: Corrections

Title: Literacy and Numeracy

Description: The Department of Corrections will self-fund the operating costs required to increase the number of prisoners learning industry-based skills, including literacy and numeracy, with internal efficiency savings realised in 2011/12 and outyears.

Appropriation Changes

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Operating Balance Impact	-	3.200	3.200	3.200	3.200
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	3.200	3.200	3.200	3.200

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Departmental Output Expenses:					
Rehabilitation and Reintegration (funded by revenue Crown)	-	3.200	3.200	3.200	3.200
Total Operating	-	3.200	3.200	3.200	3.200
Total Capital	-	-	-	-	-

Initiative No: 6625

Vote: Corrections

Title: Rehabilitation and Reintegration Services

Description: The Department of Corrections will self-fund the review and redesign of service delivery to develop rehabilitation programmes and meet demand pressure in 2011/12. In outyears, the funding will be used to implement the programmes.

Appropriation Changes

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Operating Balance Impact	-	3.433	4.922	5.858	6.270
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	3.433	4.922	5.858	6.270

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Departmental Output Expenses:					
Rehabilitation and Reintegration (funded by revenue Crown)	-	3.433	4.922	5.858	6.270
Total Operating	-	3.433	4.922	5.858	6.270
Total Capital	-	-	-	-	-

Initiative No: 6626

Vote: Corrections

Title: Prisoner Skills and Employment Strategy

Description: The Department of Corrections will self-fund the operating and capital costs required to increase prisoner skills and employment with internal efficiency savings realised in 2010/11 and outyears.

Appropriation Changes

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Operating Balance Impact	-	0.900	1.500	1.400	1.400
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.900	1.500	1.400	1.400

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Departmental Output Expenses:					
Rehabilitation and Reintegration (funded by revenue Crown)	-	0.900	1.500	1.400	1.400
Total Operating	-	0.900	1.500	1.400	1.400
Total Capital	-	-	-	-	-

Initiative No: 6627

Vote: Corrections

Title: Corrections Mothers and Babies Amendment Act

Description: The Department of Corrections will self-fund the capital and operating costs of the Mothers and Babies initiative with internal efficiency savings realised in 2010/11 and outyears.

Appropriation Changes

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Operating Balance Impact	0.938	2.008	2.008	2.008	2.008
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	0.938	2.008	2.008	2.008	2.008

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Departmental Output Expenses:					
Prison-based Custodial Services (MCOA)					
Custody of Remand Prisoners (funded by revenue Crown)	0.214	0.458	0.458	0.458	0.458
Custody of Sentenced Prisoners (funded by revenue Crown)	0.724	1.350	1.350	1.350	1.350
Rehabilitation and Reintegration (funded by revenue Crown)	-	0.200	0.200	0.200	0.200
Total Operating	0.938	2.008	2.008	2.008	2.008
Total Capital	-	-	-	-	-

Initiative No: 6628

Vote: Corrections

Title: Criminal Procedure Simplification Project

Description: The Department of Corrections will self-fund capital and operating costs associated with the Criminal Procedure Simplification Project with internal efficiency savings realised in 2010/11 and outyears.

Appropriation Changes

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Operating Balance Impact	-	0.335	0.330	0.330	0.330
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.335	0.330	0.330	0.330

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Departmental Output Expenses:					
Information and Administrative Services to the Judiciary and New Zealand Parole Board (funded by revenue Crown)	-	0.335	0.330	0.330	0.330
Total Operating	-	0.335	0.330	0.330	0.330
Total Capital	-	-	-	-	-

Initiative No: 7072

Vote: Corrections

Title: Four Year Budget Plan Appropriation Changes

Description: Fiscally neutral changes to appropriations to realign outputs across the organisation.

Appropriation Changes

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Departmental Output Expenses:					
Prison-based Custodial Services (MCOA)					
Custody of Remand Prisoners (funded by revenue Crown)	(3.172)	(9.464)	3.268	3.424	3.424
Custody of Sentenced Prisoners (funded by revenue Crown)	14.741	18.200	8.348	8.856	8.856
Information and Administrative Services to the Judiciary and New Zealand Parole Board (funded by revenue Crown)	0.630	1.072	0.534	0.576	0.576
Management of Third Party Custodial Services (funded by revenue Crown)	(1.400)	(0.200)	-	-	-
Policy Advice and Ministerial Services (funded by revenue Crown)	0.037	0.089	0.072	0.077	0.077
Rehabilitation and Reintegration (funded by revenue Crown)	(13.077)	(13.538)	(14.163)	(15.037)	(15.037)
Sentences and Orders Served in the Community (funded by revenue Crown)	2.241	3.841	1.941	2.104	2.104
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-