

The Treasury

Budget 2018 Information Release

Release Document August 2018

<https://treasury.govt.nz/publications/information-release/budget-2018-information-release>

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)
[2]	to avoid prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by the Government of any other country or any agency of such a Government	6(b)(i)
[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)
[25]	to protect the commercial position of the person who supplied the information or who is the subject of the information	9(2)(b)(ii)
[26]	to prevent prejudice to the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied	9(2)(ba)(i)
[27]	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information - would be likely otherwise to damage the public interest	9(2)(ba)(ii)
[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	
[41]	that the making available of the information requested would be contrary to the provisions of a specified enactment	18(c)(i)
[42]	information is already publicly available or will be publicly available soon	18(d)

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.



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.

2018 Budget Package: Vote Corrections

On 9 April 2018, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2018 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)				
		2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
10222	Offenders in the Community - Maintaining Public Safety	-	26.970	30.750	34.100	36.100
10221	Prisoner Volumes - Responding to Growth	-	85.700	79.021	77.602	73.762
10251	Holidays Act Compliance	16.000	-	-	-	-
Total Operating		16.000	112.670	109.771	111.702	109.862

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
10221	Prisoner Volumes - Responding to Growth	-	193.500	4.900	-	-
Total Capital		-	193.500	4.900	-	-

- 2 **approved** changes to appropriations and the capital injection to the administering department to implement the initiatives, as set out in the attached initiative documents;
- 3 **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;

- 4 **agreed** that the proposed changes to appropriations and/or capital injections for 2017/18 above be included in the 2017/18 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 5 **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 2017/18 Supplementary Estimates, the 2018/19 Estimates and the fiscal forecasts;
- 6 **noted** that all communications relating to the 2018 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;
- 7 **agreed** that the initiatives in the following tables be set aside as contingency items, and that they be submitted to Cabinet for consideration at a later stage;

Operating Contingency

Initiative Name	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
[38]					
Corrections Housing and Support Services	-	11.058	13.088	16.760	16.700
Total Operating		[38]			

Capital Contingency

Initiative Name	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
[38]			-	-	-
Total Capital	-	[38]	-	-	-

Additional recommendations

- 8 **agreed** that any a finalised proposal, implementation plan and procurement plan be developed in coordination with the Treasury and other relevant agencies before funding can be drawn down from the Corrections Housing and Support Services contingency;
- 9 **authorised** the Minister of Finance, the Minister of Corrections and the Minister of Housing and Urban Development to draw down from the Corrections Housing and Support Services contingency following the delivery of a satisfactory proposal, implementation plan and procurement plan;

10 **agreed** that the Corrections Housing and Support Services contingency will expire on 30 June 2019.

Michael Webster
Secretary of the Cabinet

Hard-copy distribution:

Prime Minister
Deputy Prime Minister
Minister of Corrections
Minister of Finance
Minister of Housing and Urban Development

Vote: Corrections

Title: Offenders in the Community - Maintaining Public Safety

Description: This funding will enable the Department of Corrections to continue to maintain public safety by increasing the level of resources available to safely manage and improve outcomes for a growing numbers of offenders serving sentences and orders in the community.

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	26.970	30.750	34.100	36.100
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	26.970	30.750	34.100	36.100

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Departmental Output Expense:					
Re-offending is Reduced (funded by revenue Crown)	-	4.505	4.883	5.015	3.019
Multi-Category Expenses and Capital Expenditure:					
Public Safety is Improved (MCA)					
<i>Departmental Output Expenses:</i>					
Information and Administrative Services to the Judiciary and New Zealand Parole Board (funded by revenue Crown)	-	4.213	4.898	5.526	6.323
Sentences and Orders Served in the Community (funded by revenue Crown)	-	18.252	20.969	23.559	26.758
Total Multi-Category Expenses and Capital Expenditure: Public Safety is Improved (MCA)	-	22.465	25.867	29.085	33.081
Total Operating	-	26.970	30.750	34.100	36.100

Initiative No: 10221

Vote: Corrections

Title: Prisoner Volumes - Responding to Growth

Description: This funding will enable the Department of Corrections to meet the costs of managing a growing prison population and to maintain the safety and security of the prison network.

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	85.700	79.021	77.602	73.762
Debt Impact	-	193.500	4.900	-	-
No Impact	-	-	-	-	-
Total	-	279.200	83.921	77.602	73.762

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Departmental Output Expense:					
Re-offending is Reduced (funded by revenue Crown)	-	13.937	15.707	15.732	15.747
Capital Injection:					
Department of Corrections - Capital Injection	-	193.500	4.900	-	-
Multi-Category Expenses and Capital Expenditure:					
Public Safety is Improved (MCA)					
<i>Departmental Output Expense:</i>					
Prison-based Custodial Services (funded by revenue Crown)	-	71.763	63.314	61.870	58.015
Total Multi-Category Expenses and Capital Expenditure: Public Safety is Improved (MCA)	-	71.763	63.314	61.870	58.015
Total Operating	-	85.700	79.021	77.602	73.762
Total Capital	-	193.500	4.900	-	-

Additional recommendations

- 11 **noted** that the staffing costs for 600 additional beds have been deferred and will need to be sought at a future Budget or from the between-Budget contingency;
- 12 **noted** that the tagged operating and capital contingencies, “Prison Capacity Build Programme – Waikeria Prison Development”, established in 2016 have expired;
- 13 **agreed** to reinstate the contingencies referred to in paragraph 12 above;
- 14 **agreed** that the drawdown date for these contingencies be extended to 1 February 2019;

Initiative No: 10251

Vote: Corrections

Title: Holidays Act Compliance

Description: This funding will enable the Department of Corrections to remediate the impact of previous inconsistencies in compliance with the Holidays Act 2003.

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	16.000	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	16.000	-	-	-	-

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Public Safety is Improved (MCA)					
<i>Departmental Output Expenses:</i>					
Prison-based Custodial Services (funded by revenue Crown)	13.000	-	-	-	-
Sentences and Orders Served in the Community (funded by revenue Crown)	3.000	-	-	-	-
Total Operating	16.000	-	-	-	-

Additional recommendations

- 15 **noted** that the timing of the Holidays Act compliance payment is uncertain and may fall in 2018/19;
- 16 **agreed** in-principle that any of the above \$16 million that remains unspent at 30 June 2018 be transferred from 2017/18 to 2018/19, should the payment need to be incurred in 2018/19;
- 17 **agreed** that if the final payment is less than \$16 million, any underspend be returned to the centre.