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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.

Cost Benefit Analysis Template

Section A Descriptive Information

Vote	Ministry of Justice
Responsible Minister	Minister of Justice, Hon Amy Adams, and Minister for Social Development, Hon Anne Tolley, Co-Chairs of the Ministerial Group on Family Violence and Sexual Violence
Initiative title	Extending the Pilot of the Integrated Safety Response to Family Violence

Funding Sought (\$m)	2016/17	2017/18	2018/19	2019/20	2020/21 & out years	TOTAL
Operating	-	11.203	11.196	-	-	22.399
Capital	-	-	-	-	-	-

Problem Definition

The Family Violence Interagency Response System (FVIARS) is the current national approach to cross-agency triaging, risk assessment and referral to services for incidents of family violence that come to the attention of NZ Police. This model has been in operation for 10 years, and reviews¹ have found a number of shortcomings. The main issues have been characterised as: fragmentation, ineffective practices, insufficient capability, gaps in services, and lack of clarity about delivery of services. The Integrated Safety Response (ISR) is Government's response to the issues identified with FVIARS and is currently being piloted in Christchurch and Waikato through to July 2017.

The central aim of ISR is more effective safety responses to families, achieved by relevant agencies and social service providers literally working together in the same room. At its core are collaborative meetings of personnel who identify risks and issues, problem-solve and plan a coordinated response to victims, children and perpetrators. Central to these efforts is keeping families safe, reducing re-victimisation, and reducing recidivism. This joined-up response is delivered as soon as possible after a family violence episode has been reported to Police, or on receipt of a referral from the Department of Corrections. The new operating model is thus an end-to-end process involving timely decision making, focused actions, and on-going reviews. The model is drawn from international evidence of effective cross-agency approaches to responding to family violence in the UK, US and Australia adapted to incorporate reviews of existing practice in NZ.

The ISR pilot has been operating in Christchurch since July 2016, and Waikato since October 2016 and is providing richer, deeper knowledge of the inter-agency triage, risk assessment and response/referral approach and referred services. Early experience and an independent interim evaluation² findings of the pilot are positive but have also identified significant challenges including capacity constraints and workload issues for ISR related personnel, and insufficient specialist victim, perpetrator services, and other referred services. The interim evaluation noted that *After the first three months of operation in Christchurch (the period of analysis this report is based on), it is evident that the model and its components have largely been successfully implemented. However, some significant challenges have emerged. Whilst there is strong support for the ISR model and its intended aims, it will be important to address these challenges, particularly to ensure sustainability, and to ensure efficiency and effectiveness....*

The pilot sites in their current state do not provide sufficient confidence to commence a national approach. However, there is a clear sense that the pilot approach is delivering more or better (than previous practice – FVIARS), and should be pursued and supported to establish a more effective and cost-effective approach for national roll-out.³ The existing one year

¹ Carswell et al, Evaluation of the Family Violence Interagency Response System (FVIARS) 2010

² Mossman, Paulin & Wehiipeihana, Evaluation of the Family Violence Integrated Safety Response pilot, Final Interim Report, 2016

³ Mossman et.al, Final Interim Evaluation Report

timeframe does not provide enough time to further develop ISR and conduct a robust analysis of the outcomes it can produce. As a consequence, any decision on a national roll-out will be based on limited information about the cost efficiency and efficacy of ISR. This may result in either a missed opportunity to make an impact on the prevalence of Family Violence in New Zealand or a substantial investment in an unproven model.

Initiative Description

This proposal seeks funding to extend the ISR pilot for an additional two years, from July 2017. Extending the pilot will provide enough time to make the necessary refinements to the model, and obtain data on the outcomes ISR can produce. This information will provide a better understanding of ISR's costs and benefits which can be important for informing a more robust decision on a possible national roll-out. As the interim evaluation noted; *The ISR model constitutes significant change in the ways family harm is responded to in New Zealand. It is important therefore to identify and remedy problems before possible wider roll-out of the model takes place.*

The funds being sought in this proposal mainly reflect the additional resources required to overcome some of the challenges identified 'on-site' and in the interim evaluation which noted; *'The most urgent area for improvement that emerged from the evaluation was workload pressures. Unless addressed these could impact on the viability not only of the pilot, but any future roll-out.'*⁴

The budget items included in this proposal seek funding for local staff, local family violence services for victims, families, and perpetrators, and a national support team.

Local staff and operating costs [38]

The local staff and operating costs are based on early experience gained from the Christchurch pilot site. The pressures on existing staff were raised in the interim evaluation which noted; *The ISR team face particular challenges in completing daily CMS data entry which includes four hours a day of manual entry of FVIR POLs into CMS and data entry and update of safety plans. There is also considerable time required to run and attend the SAM and ICM tables. No backfill was planned for to cover extra hours or absences. As a result, 11-12 hours working days are common, often followed by work through the weekend (particularly in the early weeks).*

As a result staffing levels at the local sites are being increased with each ISR site allocated a Director and staff required to manage and operate the ISR including SAM and ICM meetings/process, plans and task allocation, and coordination of services. This amounts to 10 FTE for Christchurch and 12 FTE for Waikato.

Local family violence services [38]

The availability of local services is crucial to the effectiveness of ISR and makes up the largest portion of the ISR budget bid. The interim evaluation of the ISR pilot in Christchurch the '*insufficient capacity in the NGO sector to cope with the volume of family harm cases being referred*'. The under-supply of services makes it difficult to refer families to appropriate services for a timely follow up. The effects of strain on perpetrator service providers have recently been reinforced through research by Victoria University.⁵

The funds being sought for local family violence services will be split across two components; specialist victim and perpetrator services and a direct purchases fund.

IVS and POS services (\$6.4m): The under-supply of services includes Independent Victim Support (IVS) and Perpetrator

⁴ Mossman, et.al, Final Interim Evaluation Report

⁵ Polaschek D., Davies S., & Waapu A. (2016) Draft Report Review and Engagement Research with Community Providers of Non-Violence programmes for Perpetrators, Family/Whanau Violence Perpetrator Workstream of Ministerial Group

Outreach (POS) which are integral parts of the model for addressing those at the highest risk of being either subject to or causing serious harm or death. The interim evaluation noted; *By day 27 of the pilot (August 9th), three key ISR services - IVS, perpetrator outreach services, Te Whare Hauora (primary referral service for Māori victims) - had all reached capacity. This severely impacted the ability to meet key objectives of ISR.* Based on information from the ISR pilot in Christchurch the [38] being sought should address the under-supply of these services.

Direct purchases fund (\$7.9m): The direct purchases fund includes allocations for a service contingency and testing the use of proximity alarms.

Service contingency \$6.4m: In Christchurch there is more need/ demand for services to meet the wider needs of families experiencing family violence than there is availability. The interim evaluation of ISR found that:

- gaps exist with other services to meet the wider and associated needs of families experiencing family violence. The services include: community-based mental health services, alcohol and drug services, and supported accommodation.⁶

In response to these findings this budget proposal includes the provision of a service contingency to meet the increasing need for these services. The fund would meet specific immediate safety needs of perpetrators and victims that would not be covered by the Independent Victim Specialist and Perpetrator Outreach Services. It would include evidence-based programmes for perpetrators, and group programmes or individual sessions addressing family members' drug problems that are a trigger for family violence, as well as community-based mental health services, alcohol and other drug services, and supported accommodation. The fund will be used for the direct purchasing of services contingent on the individual identified needs of families rather than a set mix of services. Family Violence Navigators are also included in the service contingency to help ensure that families with complex needs get access to the services they need.

Proximity alarms \$1.5m: These funds will be used to test the effectiveness of a new initiative which involves the use of 50 pairs of proximity alarms where the family violence perpetrator is released on bail and the victim consents to its use as part of a comprehensive safety plan.

National support team [38]

A national team is proposed to continue to govern and manage the pilot, provide operational guidance and training, and support the CMS system. Personnel make up the bulk of the national team costs but this output also includes an electronic case management system and an independent two year evaluation to help better understand ISR's costs and benefits to inform a future investment decisions on a potential national roll-out.

Improved Claims Management System and IT systems: Funding is being sought to improve the current CMS/IT systems which maintain a record of Family Safety Plans, tracks progress of tasks and actions, facilitates follow-up and accountability, and track outcomes for families. The need for improvement was noted in the interim evaluation; *- the data stored in the CMS system and the ability to monitor progress on tasks were seen as valuable, however, the system needs to be made more user friendly and additional IT solutions need to be developed or be provided to improve the efficiency of work and reduce administration time.* This budget proposal includes provision of \$0.86m for staff to support systems development.

Evaluation: Outcomes from the ISR pilot will be a key consideration in the decision to roll-out ISR nationwide. There are clear limitations to what the current evaluation of the existing pilot can provide on outcomes due to issues of timing. At best there will be only be 7-8 months for data collection under this contract which will allow 3-4 months of pre-post data to be analysed. Included in the budget proposal is \$0.4m for an impact evaluation for the extended 2 year period.

This would include a review of costs and benefits against the estimated CBA, continued review of the process evolution (continuous improvement) and data analysis on outcomes from the project and administrative data. It is also proposed to include a longitudinal analysis which would follow 100 families /incidents (ie victim, perpetrator and any other family involved) over time giving a longer term picture of the impact on their outcomes.

6 Mossman, et.al, Final Interim Evaluation Report

Total cost of the pilot and reprioritised funding

The total cost of the pilot in the two sites over two years is \$38.8 million. About half (42%) of this cost is being met from agencies' baselines or reprioritisation. Agencies are generally meeting the direct costs of their participation at the local pilot sites from their baselines. In addition the Ministry of Social Development will identify social services funding in Canterbury and Waikato that can be reprioritised. Together this comprises approximately \$16.4 million. The bid therefore seeks funding for the remaining costs of \$22.4 million over two years. If this funding is not agreed, the pilots will cease on 30 June 2017.

Counterfactual

Without funding, the pilot sites will close and there will be no opportunity to further develop the ISR model and conduct robust analysis of the outcomes it can produce. As a consequence, any decision on a national roll-out will be based on limited information about the cost efficiency and efficacy of ISR. This may result in either a missed opportunity to make an impact on the prevalence of Family Violence in New Zealand or a substantial investment in an unproven model.

If the status quo is retained, the current model, Family Violence Interagency Response System (FVIARS) would continue to operate and evolve. FVIARS has been in operation for 10 years, and reviews have found a number of shortcomings which the ISR model addresses.

Strategically, ISR also provides a rich source of information about the nature of FV in NZ and an opportunity to test new components of the Government's response to Family Violence in locations which have systems in place to aid evaluation. For example, we will continue our review of current activities, programmes and services for victims and perpetrators to determine what is effective, what is not and where there are any duplication and gaps in services. [33]

Alternative Options Considered

Initially, consideration was given to extending the pilot for 2 more years and increasing the number of pilot sites to 4. However, it was considered preferable to put more resources into the existing sites, with a focus on getting the model operating as intended to get a better understanding of the outcomes it can produce, rather than spreading them across more sites. As such, the only options being considered are to either extend the pilot for two more years in the existing sites or to let ISR run through until the end of its current funding in June 2017.

Scaling options

Extending the pilot for only one more year was also considered but the timeframe was considered insufficient to make the necessary refinements to the model and evaluate the medium-term outcomes ISR can produce.

Alternatively, the two current pilot sites could be scaled back to one but this is not recommended as a better understanding of the impacts can be gained from operating the pilot in sites with different demographic characteristics. This will provide richer information on a broader basis to inform a possible national roll-out.

Section B Impact Analysis

Impact Analysis

Strategic benefits

The key benefit of extending the ISR pilot is in reducing the risks involved with progressing to a national roll-out with limited information about the likelihood of success and risks of implementation. The pilot provides an opportunity to test the model on a smaller scale where the cost of failure is limited. It also allows for a better understanding of the costs and benefits in a more practical sense and the chance to improve and refine the model prior to roll out. This knowledge also means future investment decisions can be made with greater confidence. It is difficult to quantify these benefits as it requires subjective

assumptions about the probability of a successful national roll-out with and without the knowledge gleaned from the pilot. These benefits are not monetised for this CBA exercise.

ISR also has strategic value. It provides previously unavailable information about the nature of family violence in New Zealand as well as a platform for testing new family violence initiatives in a controlled manner. Although these benefits are of value to the family violence sector they are difficult to price. These benefits are not monetised for this CBA exercise.

Quantifiable benefits

ISR provides a response to family violence incidents that have already occurred, its focus is on making victims and their families safe. ISR achieves its effectiveness through its multi-agency approach to risk assessment (the likelihood of repeat or escalated violence), identifying the needs of victims to make them safe, providing them with a response and services that is appropriate for their needs and level of risk, and providing services for perpetrators that support them to desist from further violence.

It is expected that ISR will reduce re-victimisation and re-offending and therefore the quantifiable benefits of extending the pilot are the costs that can be averted (social and Government) through a reduction in repeat incidents of Family Violence.

In quantifying these benefits only those supported by evidence are used in this analysis. The evidence relied upon is the effectiveness of an integrated response and the provision of specialist victim and perpetrator services, a brief summary of some of the evidence is provided below.

The ICM component of ISR is closely modelled on the intensive case management approach of UK's Multi-Agency Risk Assessment Conferences (MARAC) which provides an integrated response to high risk victims. An assessment of MARAC found that 60% of victims had no additional police complaints since the MARAC, and 70% had no further domestic violence call-outs. Further analysis of administrative data suggests that mature MARACs can achieve a 43% reduction in violence⁷. The ability for ISR to achieve similar outcomes is supported by the use of independent victim support services and preliminary analysis found in the interim evaluation of ISR in Christchurch⁸ which found that there had been no reported repeat episodes of violence for 69% of high risk victims and 78.7% of all victims. However it is too early to be confident in the sustainability of these results.

In respect of perpetrator services, an evaluation of the men's ReachOut service (the same service ISR is seeking funding for) pilot in North Canterbury in 2014 found that the programme led to increased safety experienced by women and children, and reduced repeat incidences of family violence⁹. Of the men who received the service none of them had recorded repeat family violence incidents during the period that they were receiving the ReachOut service or during follow-up periods. While these results are very encouraging, only 18.3% of the men referred by the Police actually took up the opportunity to engage with the service.

Based on this evidence, there is a reasonable expectation that ISR can achieve a 10-15% reduction in re-victimisation and reoffending. However, for the purpose of the cost benefit analysis a more conservative estimate of 5% is used.

In order to monetize this benefit an average cost per victim has been derived from Kahui and Snively's 2014¹⁰ report (conservative scenario). However, because ISR is expected to reduce incidents of repeat violence the average cost has been reduced by 50%. The estimated number of ISR victims is based on existing ISR data for Christchurch, is assumed to increase 6% per annum (following recent national trends), while Waikato is expected to have 15% more victims than Christchurch (based on existing administrative data).

Wider impacts

To date, ISR has not resulted in increased reporting of Family Violence incidents and preliminary analysis has not identified an increase in cost pressures for Justice sector agencies, outside of their participation in ISR. This is largely due to ISR is a response initiative rather than a primary prevention approach.

⁷ Robson, 2006

⁸ Evaluation of the family violence Integrated Safety Response pilot Final Interim Report, 2016

⁹ Campbell, 2014

¹⁰ The economic costs of intimate partner violence and child abuse to New Zealand, 2014

Impact Summary Table

Impacts - Identify and list	Option/scenario		Assumptions and evidence	Certainty
	1	2		
Estimated impact on key outcomes				
Decrease in re-victimisation and re-offending	5%	-	International evidence supports at least a 5% decrease in re-victimisation and re-offending. This will result in reduced costs associated with these victims and perpetrators. The costs have been reduced by 50% to reflect that ISR reduces repeat episodes of violence rather than the first incidence.	Medium
Cost of the Initiative				
Fiscal operating and capital costs of the initiative ¹¹	(21.1)	-	The ISR pilot is expected to respond to around 15,940 victims of Family Violence and approximately 200 perpetrators per year over the 2 years. Only funding for operating expenditure is being sought for the extending the pilot.	High
Government Benefits/(Costs)				
Reduction in perpetrator costs for the Justice sector	3.6	-	Assumes a 50% reduction in Justice sector costs for the 5% of perpetrators expected not to re-offend.	Medium
Reduction in administrative and transfer costs	9.0	-	Assumes a 50% reduction in administrative and transfer costs for the 5% of victims expected not to be re-victimised.	Medium
Reduction in health related costs	0.1	-	Assumes a 50% reduction in health costs for treating the additional 5% of victims expected not to be re-victimised.	Medium
Total Quantified Government Impact	12.7	-	The main assumptions relate to the 5% reduction in re-offending and re-victimisation.	Medium
Wider Societal Benefits/(Costs)				
Increase in consumption and productivity	10.5	-	Findings from international studies show that family violence affects victim's consumption patterns and their productivity in the workplace, for instance through increased absenteeism.	Medium
Reduction in pain suffering and mortality costs	17.7	-	International evidence finds that the effects of violence have lasting impacts on victims and can result in death. The costs extend beyond physical harm to include longer term mental harm.	Medium
Improved outcomes for children and families	Modest	-	ISR provide services for children that witness Family Violence and their families. This will help reduce the psychological impacts and inter-generational spread of violence.	Medium
Total Quantified Wider Societal Impact	28.2	-	Wider societal impacts arise mainly from the costs borne by victims and the impact violence has on their consumption and productivity. The costs are drawn from Kahui and Snively's report on the economic costs of Family Violence and Sexual Violence in New Zealand.	Medium
Net Present Value of Total Quantified Societal Impacts	19.8	-		Medium

Section C Conclusions

Conclusions

It is recommended that the ISR pilot in two existing sites is continued for a further two years with the following three components:

- two sites for a further two years; local leadership and support;
- more local services for families; including victim and perpetrator support for some individuals and increased capacity and changed services to better meet families' needs; and
- a national team to support the pilots, share the emerging knowledge to inform the wider family violence system, and provide platform for trialling other developing components of the system.

The current national multi-agency response approach is the FVIARS. This model has been in operation for 10 years, and reviews have found a number of shortcomings.

Drawing on emerging good practice internationally, reviews and local innovations, a new approach has been developed and is being piloted in two sites. This approach should reduce episodes of repeat violence which will reduce costs to Government and the broader society. Early signs from the pilots are promising however there are significant challenges that need addressing before decisions can be made on a national model.

To have confidence in the cost efficiency and efficacy of the model it is desirable to develop it further and have more analysis and evidence to inform the decision on whether to roll-out ISR nationwide.

Overall Ratings	
Value for Money	Strategic Alignment
Rating 4: The quantifiable impacts of extending the ISR pilot produce a positive NPV which the evidence suggests has a medium/high likelihood of being achieved. In addition the outcomes from the pilot will be used to inform a more significant investment decision, i.e. whether to role the model out nationwide, this increases its value for money and therefore receives a rating of 4 out of 5.	Rating 5: ISR forms a core element of the Government's response to the high prevalence of Family Violence in New Zealand. ISR is one of four key inter-related projects of the Ministerial Work Programme on Family Violence and Sexual Violence (MGFVS). ¹² ISR's central position within the FV system and emphasis on evaluation also provides a valuable platform for testing other components of the FV system being developed by the MGFVS. With ISR's emphasis on reducing repeat incidents of Family Violence through reducing re-offending and re-victimisation this proposal is strongly aligned with BPS targets 8 (reducing re-offending) and 9 (Reducing the rates of total crime, violent crime and youth crime).

¹² Cabinet Paper, Ministerial Group on Family Violence and Sexual Violence on the Progress of the Work Programme, 2015 p 9

Summary of monetised results		
Use ranges for values where appropriate	Discount Rate	
	6% real (default)	3% real (sensitivity)
Net Present Value (NPV) ¹³	\$19.8	\$20.4
Benefit Cost Ratio (BCR) ¹⁴	1.9	1.9
Return on Investment (ROI) – Societal Total ¹⁵	1.9	1.9
Return on Investment (ROI) – Government ¹⁶	0.6	0.6

Supporting Evidence
<ul style="list-style-type: none"> The economic costs of intimate partner violence and child abuse to New Zealand, Kahui and Snively, 2014 Evaluation of the family violence Integrated Safety Response pilot Final Interim Report, 2016 Reducing Repeat Victimization Among High-Risk Victims of Domestic Violence, Robson 2006 Reachout, men's community outreach service, connections and conversations with a purpose, an evaluation of the pilot, Campbell 2014

Ex-post Impact Evaluation Plan
<p>Outcomes from the ISR pilot will be a key consideration in the decision to roll-out ISR nationwide. Included in the budget proposal is \$0.4m for an impact evaluation for the further 2 year period. This would include a review of costs and benefits against the estimated CBA, continued review of the process evolution (continuous improvement) and data analysis on outcomes from the project and administrative data.</p> <p>The key outcome measure will be the number of repeat incidents of Family Violence which will include analysis of the rates of re-victimisation and re-offending. Data will be drawn from the CMS system which is being upgraded as part of this budget proposal. It is also proposed to undertake a longitudinal analysis which would follow 100 families /incidents (ie victim, perpetrator and any other family involved) over time giving a longer term and more in-depth picture of the impact on their outcomes.</p>

¹³ **Net Present Value (NPV)** - The NPV is the sum of the discounted benefits, less the sum of the discounted costs (relative to the counterfactual). This gives a dollar value representing the marginal impact on the collective living standards of all New Zealanders of the initiative, in today's dollar terms.

¹⁴ **Benefit Cost Ratio (BCR)** - The BCR is the ratio of total discounted benefits to the total discounted costs. A proposal with a BCR greater than 1.0 has a positive impact, because the benefits exceed the costs. The BCR is the same as the Return on Investment Societal Total, unless there are negative impacts in addition to the fiscal cost of the initiative. All negative impacts are included in the denominator for the BCR measure.

¹⁵ **Return on Investment (ROI) - Societal Total** - Calculate the ROI by dividing the discounted net change in wider societal impact, including benefits to government, by the discounted cost of the initiative. This can be interpreted as the impact for New Zealanders per dollar the government spends on the initiative, eg, for every \$1 the government spends on this programme, New Zealanders receive benefits of \$3.

¹⁶ **Return on Investment (ROI) – Government** – Calculate the ROI by dividing the discounted net change in impact for the government by the discounted cost of the initiative. This measures the discounted net marginal (fiscal) benefits to the government.

