

The Treasury

Budget 2020 Information Release

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Cabinet Document Details

Title: **Cabinet Minute CAB-20-MIN-0155.08: 2020 Budget Package: Vote Corrections**

Date: **6 April 2020**

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Information Withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

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Key to sections of the Act under which information may have been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(b)(i) - 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
- [4] 6(c) - to avoid prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [11] 6(e)(vi) - to prevent serious damage to 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
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [26] 9(2)(ba)(i) - 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 to prejudice 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
- [27] 9(2)(ba)(ii) - 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
- [29] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand

- [31] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting collective and individual ministerial responsibility
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [36] 9(2)(h) - to maintain legal professional privilege
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [40] not in scope
- [41] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment
- [42] 18(d) - information is already publicly available or will be publicly available soon.

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

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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.

2020 Budget Package: Vote Corrections

On 6 April 2020, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2020 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)				
		2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
12341	High Impact Innovation Programme – Continued Innovation Across the Justice Sector	-	5.300	-	-	-
12339	Hōkai Rangi – Pre-Trial Service – Providing Early Support to Reduce the Number of People Entering (or Remaining in) Custody	-	7.700	11.300	13.400	15.100
11924	Infrastructure Resilience	1.800	46.800	8.800	8.800	8.800
11920	Maintaining a Safe Prison Network	-	27.000	27.800	27.800	27.800
11923	Maintaining Safe Community Services	-	3.500	4.500	4.500	4.500
Total Operating		1.800	90.300	52.400	54.500	56.200

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
12339	Hōkai Rangi – Pre-Trial Service – Providing Early Support to Reduce the Number of People Entering (or Remaining in) Custody	-	0.500	0.300	0.800	0.500
Total Capital		-	0.500	0.300	0.800	0.500

- 2 **approved** changes to appropriations and the capital injections to the administering department to implement the initiatives, as set out in the attached initiative documents;
- 3 **agreed** that the changes to appropriations for 2019/20 above be included in the 2019/20 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 4 **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 2019/20 Supplementary Estimates, the 2020/21 Estimates and the fiscal forecasts;
- 5 **noted** that all communications relating to the 2020 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement must have the written approval of the Minister of Finance and the Office of the Prime Minister;
- 6 **agreed** that the initiative in the following table be set aside as a contingency item and that corresponding funding be charged against the Budget 2020 operating allowance:

Operating Contingency

Initiative Name	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Maintaining Safe Community Services - Wage and Salary Bargaining Contingency	-	[33]			
Total Operating	-				

- 7 **authorised** the Minister of Finance and the Minister of Corrections jointly to draw down from the above tagged contingency, at the conclusion of collective bargaining.

Michael Webster
Secretary of the Cabinet

Initiative No: 12341

Vote: Corrections

Title: High Impact Innovation Programme – Continued Innovation Across the Justice Sector

Description: This initiative continues to fund the High Impact Innovation Programme for a further 12 months. The Programme provides solutions with alternative pathways through the justice sector that enhance wellbeing by improving public safety, and enhancing civic engagement and confidence in a safe and effective justice system. It improves social connections and strengthens cultural identity through addressing the over-representation of Māori and Pacific peoples in the justice system.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	5.300	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	5.300	-	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Departmental Output Expense:					
Re-offending is Reduced (funded by revenue Crown)	-	1.590	-	-	-
Multi-Category Expenses and Capital Expenditure:					
Public Safety is Improved (MCA)					
<i>Departmental Output Expense:</i>					
Prison-based Custodial Services (funded by revenue Crown)	-	3.710	-	-	-
Total Operating	-	5.300	-	-	-

Vote: Corrections

Title: Hōkai Rangi – Pre-Trial Service – Providing Early Support to Reduce the Number of People Entering (or Remaining in) Custody

Description: This initiative will provide people remanded in custody (or at risk of being remanded) greater opportunities to achieve positive change earlier in their justice system journey, reducing additional harm and return to custody. This initiative aims to provide a reduction in the use of remand in custody, improving public safety, justice and social results for those moving through the system.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	7.700	11.300	13.400	15.100
Debt Impact	-	0.500	0.300	0.800	0.500
No Impact	-	-	-	-	-
Total	-	8.200	11.600	14.200	15.600

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Departmental Output Expense:					
Re-offending is Reduced (funded by revenue Crown)	-	2.310	3.390	4.020	4.530
Capital Injections:					
Department of Corrections - Capital Injection	-	0.500	0.300	0.800	0.500
Multi-Category Expenses and Capital Expenditure:					
Public Safety is Improved (MCA)					
<i>Departmental Output Expense:</i>					
Prison-based Custodial Services (funded by revenue Crown)	-	5.390	7.910	9.380	10.570
Total Operating	-	7.700	11.300	13.400	15.100
Total Capital	-	0.500	0.300	0.800	0.500

Vote: Corrections

Title: Infrastructure Resilience

Description: This initiative will ensure Corrections has a sustainable infrastructure base to maintain safety and effectiveness, and to ensure the reliability and business continuity of core services. It supports core non-discretionary cost pressures in facility maintenance, utilities and digital infrastructure, as well as addressing depreciation impacts of asset revaluations.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	1.800	46.800	8.800	8.800	8.800
Debt Impact	-	-	-	-	-
No Impact	(7.600)	(7.600)	(7.600)	(7.600)	(7.600)
Total	(5.800)	39.200	1.200	1.200	1.200

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Departmental Output Expense:					
Re-offending is Reduced (funded by revenue Crown)	0.360	5.160	1.360	1.360	1.360
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)	0.144	0.264	0.264	0.264	0.264
Prison-based Custodial Services (funded by revenue Crown)	0.936	40.656	6.456	6.456	6.456
Sentences and Orders Served in the Community (funded by revenue Crown)	0.360	0.720	0.720	0.720	0.720
Total Multi-Category Expenses and Capital Expenditure: Public Safety is Improved (MCA)	1.440	41.640	7.440	7.440	7.440
Total Operating	1.800	46.800	8.800	8.800	8.800

Initiative No: 11924

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Departmental Output Expense:					
Re-offending is Reduced (funded off departmental balance sheet)	(0.226)	(0.226)	(0.226)	(0.226)	(0.226)
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 off departmental balance sheet)	(0.050)	(0.050)	(0.050)	(0.050)	(0.050)
Prison-based Custodial Services (funded off departmental balance sheet)	(7.174)	(7.174)	(7.174)	(7.174)	(7.174)
Sentences and Orders Served in the Community (funded off departmental balance sheet)	(0.150)	(0.150)	(0.150)	(0.150)	(0.150)
Total Multi-Category Expenses and Capital Expenditure: Public Safety is Improved (MCA)	(7.374)	(7.374)	(7.374)	(7.374)	(7.374)
Total Operating	(7.600)	(7.600)	(7.600)	(7.600)	(7.600)

- 8 **noted** that, at the 2019/20 October Baseline Update, a technical change was agreed to increase appropriations in Vote Corrections without a corresponding adjustment to revenue Crown, in order to avoid a breach of appropriations owing to higher depreciation costs following a revaluation of assets;
- 9 **noted** that, with the approval of the above Initiative 11924 providing additional Crown revenue for higher depreciation costs, the technical change referred to in paragraph 8 is no longer required and can be reversed;

Vote: Corrections

Title: Maintaining a Safe Prison Network

Description: Led by the Minister of Corrections. This initiative aims to maintain the core safety and effectiveness settings of the prison network to deliver a base level of reliability and business continuity. This includes ongoing operational and personnel cost pressures and training for frontline staff.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	27.000	27.800	27.800	27.800
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	27.000	27.800	27.800	27.800

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Departmental Output Expense:					
Re-offending is Reduced (funded by revenue Crown)	-	2.700	2.597	2.597	2.597
Re-offending is Reduced Additional revenue Crown	-	-	-	-	-
	-	2.749	2.749	2.749	2.749
Multi-Category Expenses and Capital Expenditure:					
Public Safety is Improved (MCA)					
<i>Departmental Output Expense:</i>					
Prison-based Custodial Services (funded by revenue Crown)	-	21.551	22.454	22.454	22.454
Total Operating	-	27.000	27.800	27.800	27.800

- 10 **noted** that the above changes to appropriations include an increase in revenue Crown in order to offset an enduring reduction in third party revenue, which was implemented through the 2017/18 March Baseline Update owing to reduced activities under the Department of Corrections' Offender Employment Scheme.

Vote: Corrections

Title: Maintaining Safe Community Services

Description: This initiative provides safe and effective alternatives to imprisonment through community-based sentences and orders by funding cost pressures, including increased use of electronic monitoring, and responding to rent increases for Community Corrections sites.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	3.500	4.500	4.500	4.500
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	3.500	4.500	4.500	4.500

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Departmental Output Expense:					
Re-offending is Reduced (funded by revenue Crown)	-	0.120	0.120	0.120	0.120
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)	-	0.531	0.681	0.681	0.681
Sentences and Orders Served in the Community (funded by revenue Crown)	-	2.849	3.699	3.699	3.699
Total Multi-Category Expenses and Capital Expenditure: Public Safety is Improved (MCA)	-	3.380	4.380	4.380	4.380
Total Operating	-	3.500	4.500	4.500	4.500