

The Treasury

Budget 2024 Information Release

September 2024

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

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [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
- [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
- [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
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;
- [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] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment

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Cabinet

Minute of Decision

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Budget 2024 Package: Vote Corrections

On 29 April 2024, Cabinet:

Appropriation Administrator: Department of Corrections

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2024 Budget package, as listed in the summary tables below and detailed in the attached initiative document:

Summary of funded initiatives:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
15478	Reduction in Asset Stewardship and Management Expenditure – Department of Corrections	-	(17.100)	(17.100)	(17.100)	(17.100)
15476	Reduction in Back-office Support Functions – Department of Corrections	-	(43.100)	(43.100)	(43.100)	(43.100)
15474	Corrections Critical Frontline Remuneration Cost Pressure	6.530	43.340	51.790	51.800	51.800
15479	Reduction in Corrections' Operations Expenditure (Optimisation) – Department of Corrections	-	(5.355)	(5.189)	(5.189)	(5.189)
15477	Reduction in Service Delivery Expenditure – Department of Corrections	-	(41.100)	(41.100)	(41.100)	(41.100)
15447	Return of Funding for High Impact Innovation Programme – Department of Corrections	-	(3.590)	(4.070)	(4.070)	(4.070)
15473	Prisoner Population – Responding to Increasing Prisoner Numbers	19.806	199.321	204.758	193.034	186.249
Total Operating		26.336	132.416	145.989	134.275	127.490

Capital Initiative (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
15473	Prisoner Population – Responding to Increasing Prisoner Numbers	-	9.600	-	-	-
Total Capital		-	9.600	-	-	-

Summary of contingency initiatives:**Operating Contingency**

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
[38]						
15475	Corrections Rehabilitation Programmes – Extending to Remand Prisoners – Tagged Contingency	-	-	12.000	16.000	20.000
[37]						
Total Operating		[37] and [38]				

^Denotes irregular outyears funding profile.

Capital Contingency

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2023/24	2024/25	2025/26	2026/27	2027/28
15475	Corrections Rehabilitation Programmes – Extending to Remand Prisoners – Tagged Contingency	-	-	10.000	10.000	10.000*
16166	Prisoner Population – Responding to Increasing Prisoner Numbers – Tagged Contingency	[37]				
Total Capital						

*Denotes no outyears funding.

Note: Throughout the document, “total operating” refers to funding over five years (2023/24 to 2027/28) and “total capital” refers to funding over 10 years (2023/24 to 2032/33).

Vote: Corrections

Appropriation Administrator: Department of Corrections

Title: Reduction in Asset Stewardship and Management Expenditure
- Department of Corrections

Description: This savings initiative returns \$68.400 million total operating funding from the optimisation and scaling of asset stewardship and management activities at the Department of Corrections.

Appropriation Changes

	\$m – increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	(17.100)	(17.100)	(17.100)	(17.100)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(17.100)	(17.100)	(17.100)	(17.100)

* Unless non-cash, will also impact net core Crown debt.

	\$m – increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Departmental Output Expenses:					
Re-offending is Reduced (funded by revenue Crown)	-	(8.549)	(8.549)	(8.549)	(8.549)
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)	-	(0.513)	(0.513)	(0.513)	(0.513)
Prison-based Custodial Services (funded by revenue Crown)	-	(6.242)	(6.242)	(6.242)	(6.242)
Sentences and Orders Served in the Community (funded by revenue Crown)	-	(1.796)	(1.796)	(1.796)	(1.796)
Total Multi-Category Expenses and Capital Expenditure: Public Safety is Improved (MCA)	-	(8.551)	(8.551)	(8.551)	(8.551)
Total Operating	-	(17.100)	(17.100)	(17.100)	(17.100)

Vote: Corrections

Appropriation Administrator: Department of Corrections

Title: Reduction in Back-office Support Functions - Department of Corrections

Description: This savings initiative returns \$172.400 million total operating funding from the optimisation and scaling of back-office support services at the Department of Corrections.

Appropriation Changes

	\$m – increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	(43.100)	(43.100)	(43.100)	(43.100)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(43.100)	(43.100)	(43.100)	(43.100)

* Unless non-cash, will also impact net core Crown debt.

	\$m – increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Departmental Output Expenses:					
Re-offending is Reduced (funded by revenue Crown)	-	(7.327)	(7.327)	(7.327)	(7.327)
Multi-Category Expenses and Capital Expenditure:					
Policy Advice and Ministerial Services (MCA)					
<i>Departmental Output Expenses:</i>					
Ministerial Services (funded by revenue Crown)	-	(0.223)	(0.223)	(0.223)	(0.223)
Policy Advice (funded by revenue Crown)	-	(0.273)	(0.273)	(0.273)	(0.273)
Total Multi-Category Expenses and Capital Expenditure: Policy Advice and Ministerial Services (MCA)	-	(0.496)	(0.496)	(0.496)	(0.496)

	\$m – increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
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)	-	(2.117)	(2.117)	(2.117)	(2.117)
Prison-based Custodial Services (funded by revenue Crown)	-	(25.752)	(25.752)	(25.752)	(25.752)
Sentences and Orders Served in the Community (funded by revenue Crown)	-	(7.408)	(7.408)	(7.408)	(7.408)
Total Multi-Category Expenses and Capital Expenditure: Public Safety is Improved (MCA)	-	(35.277)	(35.277)	(35.277)	(35.277)
Total Operating	-	(43.100)	(43.100)	(43.100)	(43.100)

Vote:	Corrections
Appropriation Administrator:	Department of Corrections
Title:	Corrections Critical Frontline Remuneration Cost Pressure
Description:	This initiative provides funding for critical frontline remuneration pressures, including remuneration increases for staff and contracted service partnerships, to maintain safe and effective Corrections services.

Appropriation Changes

	\$m – increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	6.530	43.340	51.790	51.800	51.800
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	6.530	43.340	51.790	51.800	51.800

* Unless non-cash, will also impact net core Crown debt.

	\$m – increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Departmental Output Expenses:					
Re-offending is Reduced (funded by revenue Crown)	1.110	7.368	8.804	8.806	8.806
Multi-Category Expenses and Capital Expenditure:					
Public Safety is Improved (MCA)					
<i>Departmental Output Expenses:</i>					
Prison-based Custodial Services (funded by revenue Crown)	3.957	26.260	31.380	31.385	31.385
Information and Administrative Services to the Judiciary and New Zealand Parole Board (funded by revenue Crown)	0.325	2.158	2.579	2.580	2.580
Sentences and Orders Served in the Community (funded by revenue Crown)	1.138	7.554	9.027	9.029	9.029
Total Multi-Category Expenses and Capital Expenditure: Public Safety is Improved (MCA)	5.420	35.972	42.986	42.994	42.994
Total Operating	6.530	43.340	51.790	51.800	51.800

Additional Recommendation

2 **noted** that this initiative includes funding for collective agreements settled to date, ^[38]

[38]

Vote: Corrections

Appropriation Administrator: Department of Corrections

Title: Reduction in Corrections Operations Expenditure (Optimisation) – Department of Corrections

Description: This savings initiative returns \$20.922 million total operating funding from finding efficiencies in the Department of Corrections’ custodial and community-based operating models.

Appropriation Changes

	\$m – increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	(5.355)	(5.189)	(5.189)	(5.189)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(5.355)	(5.189)	(5.189)	(5.189)

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Departmental Output Expenses:					
Re-offending is Reduced (funded by revenue Crown)	-	(0.910)	(0.882)	(0.882)	(0.882)
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)	-	(0.267)	(0.258)	(0.258)	(0.258)
Prison-based Custodial Services (funded by revenue Crown)	-	(3.245)	(3.145)	(3.145)	(3.145)
Sentences and Orders Served in the Community (funded by revenue Crown)	-	(0.933)	(0.904)	(0.904)	(0.904)
Total Multi-Category Expenses and Capital Expenditure: Public Safety is Improved (MCA)	-	(4.445)	(4.307)	(4.307)	(4.307)
Total Operating	-	(5.355)	(5.189)	(5.189)	(5.189)

Vote: Corrections

Appropriation Administrator: Department of Corrections

Title: Corrections Rehabilitation Programmes – Extending to Remand Prisoners – Tagged Contingency

Description: This initiative establishes tagged operating and capital contingencies to deliver rehabilitative and reintegration services to people on remand.

Tagged Contingency

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Contingency	-	-	12.000	16.000	20.000
Capital Contingency*	-	-	10.000	10.000	10.000
Total	-	-	22.000	26.000	30.000

*Denotes no outyears funding.

Additional Recommendations

- 5 **agreed** to the extension of rehabilitation and reintegration services to people on remand, subject to the completion of a comprehensive review of service delivery and implementation plan;
- 6 **authorised** the Minister of Finance and the Minister of Corrections jointly to draw down from the tagged operating and capital contingencies above, subject to their satisfaction with the implementation plan;
- 7 **agreed** that the expiry date for the above tagged contingency be 31 March 2026;

Vote: Corrections

Appropriation Administrator: Department of Corrections

Title: Reduction in Service Delivery Expenditure – Department of Corrections

Description: This savings initiative returns \$164.400 million total operating funding from the optimisation and scaling of health, education, rehabilitation, employment, housing and reintegration services provided by the Department of Corrections.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	(41.100)	(41.100)	(41.100)	(41.100)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(41.100)	(41.100)	(41.100)	(41.100)

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Departmental Output Expenses:					
Re-offending is Reduced (funded by revenue Crown)	-	(20.549)	(20.549)	(20.549)	(20.549)
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)	-	(1.233)	(1.233)	(1.233)	(1.233)
Prison-based Custodial Services (funded by revenue Crown)	-	(15.002)	(15.002)	(15.002)	(15.002)
Sentences and Orders Served in the Community (funded by revenue Crown)	-	(4.316)	(4.316)	(4.316)	(4.316)
Total Multi-Category Expenses and Capital Expenditure: Public Safety is Improved (MCA)	-	(20.551)	(20.551)	(20.551)	(20.551)
Total Operating	-	(41.100)	(41.100)	(41.100)	(41.100)

Vote: Corrections

Appropriation Administrator: Department of Corrections

Title: Return of Funding for High Impact Innovation Programme – Department of Corrections

Description: This savings initiative returns \$15.800 million total operating funding from scaling down the High Impact Innovation Programme, which provides project management, change, design and advisory services for the justice sector.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	(3.590)	(4.070)	(4.070)	(4.070)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(3.590)	(4.070)	(4.070)	(4.070)

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Departmental Output Expenses:					
Re-offending is Reduced (funded by revenue Crown)	-	(0.610)	(0.692)	(0.692)	(0.692)
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)	-	(0.179)	(0.203)	(0.203)	(0.203)
Prison-based Custodial Services (funded by revenue Crown)	-	(2.175)	(2.466)	(2.466)	(2.466)
Sentences and Orders Served in the Community (funded by revenue Crown)	-	(0.626)	(0.709)	(0.709)	(0.709)
Total Multi-Category Expenses and Capital Expenditure: Public Safety is Improved (MCA)	-	(2.980)	(3.378)	(3.378)	(3.378)
Total Operating	-	(3.590)	(4.070)	(4.070)	(4.070)

Vote: Corrections

Appropriation Administrator: Department of Corrections

Title: Prisoner Population – Responding to Increasing Prisoner Numbers

Description: This initiative provides operating and capital funding for the additional costs associated with the increasing number of people in prison.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	19.806	199.321	204.758	193.034	186.249
Net Core Crown Debt Impact Only	-	9.600	-	-	-
No Impact	-	-	-	-	-
Total	19.806	208.921	204.758	193.034	186.249

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Departmental Output Expenses:					
Re-offending is Reduced (funded by revenue Crown)	3.268	32.888	33.785	31.851	30.731
Capital Injections:					
Department of Corrections - Capital Injection	-	9.600	-	-	-
Multi-Category Expenses and Capital Expenditure:					
Policy Advice and Ministerial Services (MCA)					
<i>Departmental Output Expenses:</i>					
Ministerial Services (funded by revenue Crown)	0.067	0.673	0.691	0.651	0.629
Policy Advice (funded by revenue Crown)	0.082	0.822	0.845	0.796	0.768
Total Multi-Category Expenses and Capital Expenditure: Policy Advice and Ministerial Services (MCA)	0.149	1.495	1.536	1.447	1.397

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
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)	1.147	11.546	11.861	11.182	10.789
Prison-based Custodial Services (funded by revenue Crown)	14.259	143.496	147.410	138.970	134.085
Sentences and Orders Served in the Community (funded by revenue Crown)	0.983	9.896	10.166	9.584	9.247
Total Multi-Category Expenses and Capital Expenditure: Public Safety is Improved (MCA)	16.389	164.938	169.437	159.736	154.121
Total Operating	19.806	199.321	204.758	193.034	186.249
Total Capital	-	9.600	-	-	-

Additional Recommendation

- 8 **agreed**, if the costs of the increase in the prison population through to mid-2025 are lower than forecast, to:
- 8.1 reprioritise any funding provided in excess of requirements from this initiative towards the Waikeria Expansion project; and
 - 8.2 reduce the Prisoner Population – Responding to Increasing Prisoner Numbers – Tagged Contingency established through a related initiative in this Vote (Initiative 16166) by an equivalent amount;

Vote: Corrections

Appropriation Administrator: Department of Corrections

Title: Prisoner Population – Responding to Increasing Prisoner Numbers – Tagged Contingency

Description: This initiative establishes tagged operating and capital contingencies for investment in additional capacity in the prison network by expanding Waikeria Prison by three accommodation units, to contribute towards managing a growing prisoner population.

Note this initiative is commercially sensitive.

[37]