



Cabinet Business Committee

Minute of Decision

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Making the Prison Network More Safe, Humane and Effective: Paper One: Prison Capacity

Portfolio Corrections

On 20 December 2017, the Cabinet Business Committee, having been authorised by Cabinet to have Power to Act [CAB-17-MIN-0565]:

Reducing the prisoner population

- 1 **noted** that:
 - 1.1 based on the latest projections, there will be insufficient beds to hold prisoners by February 2018;
 - 1.2 it is not possible to safely avoid additional investment in prison accommodation in the immediate term;
- 2 **noted** that the Ministry of Justice will lead a programme of the criminal justice system to achieve the government's targets and improve public safety, and will submit a paper to the relevant Cabinet committee in March 2018 which will include options to reduce the need for investment in prisons, and a longer term programme to achieve larger more sustained reductions of the prisoner population and create a more humane and effective criminal justice system;

Response to immediate capacity pressures

- 3 **agreed** to the Department of Corrections adding an additional 422 beds of short term emergency capacity to respond to immediate pressures;

Temporary rapid build beds

- 4 **noted** that the current Justice Sector Projections requires the Department of Corrections to begin planning for additional capacity of 600 beds to be operational by the end of 2019;
- 5 **approved** the Department of Corrections commencing site feasibility investigations and procurement processes for the implementation of the additional capacity in paragraph 4 above;

Financial Implications

Response to immediate capacity pressures

- 6 **noted** that the Department of Corrections requires additional operating funding of \$30.0 million in 2017/18, \$39.7 million in 2018/19 and \$34.0 million in 2019/20 and outyears to respond to immediate capacity pressures, including the costs associated with the additional capacity in paragraph 3 above;
- 7 **approved** the following changes to appropriations to enable the Department of Corrections to respond to immediate capacity pressures, with a corresponding impact on the operating balance and debt:

	\$m – increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Vote Corrections Minister of Corrections Multi-Category Expenses and Capital Expenditure: Public Safety is Improved MCA Departmental Output Expense: Prison-based Custodial Services (funded by revenue Crown)	30.000	-	-	-	-
Total Operating	30.000	-	-	-	-
Total Capital	-	-	-	-	-

- 8 **noted** that the funding implications in paragraph 6 above for 2018/19 and outyears will be considered as part of Budget 2018.

Baseline operating pressures

- 9 **noted** that the Department of Corrections has baseline operating cost pressures in respect of managing the existing prison network and has signalled a cost pressure of \$35.5 million in 2018/19, \$40.4 million in 2019/20, \$41.8 million in 2020/21 and \$38.6 million in 2021/22 and outyears that will require consideration as part of Budget 2018;

Temporary rapid build beds

- 10 **approved** the following changes to appropriations to give effect to the decision in paragraph 5 above, with a corresponding impact on the operating balance:

	\$m – increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Vote Corrections Minister of Corrections Multi-Category Expenses and Capital Expenditure: Public Safety is Improved MCA Departmental Output Expense: Prison-based Custodial Services (funded by revenue Crown)	3.000	-	-	-	-
Total Operating	3.000	-	-	-	-
Total Capital	-	-	-	-	-

- 11 **agreed** that the changes to appropriations for 2017/18 in paragraphs 7 and 10 above be included in the 2017/18 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 12 **agreed** that the expenses incurred under paragraphs 7 and 10 above be charges against the between-Budget operating contingency, established as part of Budget 2017;
- 13 **noted** that the additional capacity in paragraph 4 above has the following cost implications:
- 13.1 up to \$250 million capital, with the Department of Corrections funding up to \$70 million from capital reserves; and operating costs of \$8.3 million in 2018/19, \$57.9 million in 2019/20 and \$54.0 million in 2020/21 and outyears;
- 14 **noted** that the Department of Corrections will report back to Cabinet in March 2018 seeking:
- 14.1 appropriation decisions in respect of the proposed additional capacity noted in paragraph 4;
- 14.2 approval to enter into the associated construction contracts.

Rachel Clarke
Committee Secretary

Present:

Rt Hon Jacinda Ardern (Chair)
Rt Hon Winston Peters
Hon Kelvin Davis
Hon Grant Robertson
Hon Phil Twyford
Hon Dr Megan Woods
Hon Chris Hipkins
Hon Andrew Little
Hon Carmel Sepuloni
Hon David Clark
Hon David Parker
Hon Iain Lees-Galloway
Hon Jenny Salesa
Hon Damien O'Connor
Hon Tracey Martin
Hon Kris Faafoi
Hon Eugenie Sage

Hard-copy distribution:

Minister of Corrections
Minister of Justice

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet