

Reference: 20180314

30 August 2018

BAW Russell
fyi-request-8427-dabc7042@requests.fyi.org.nz

Dear BAW Russell

Thank you for your Official Information Act request, received on 3 August 2018. You requested the following:

- *“any information you have on the full cost to the government of sending a person to prison. A figure of around \$100,000 per prisoner per annum is sometimes cited, but this is simply the Corrections prison budget divided by the number of prisoners. It does not take into account, for instance, Police or Courts costs, or savings from, for instance, reductions in crime, ceasing benefit payments or reduced future superannuation payments due to the reduction in life expectancy associated with imprisonment. I am interested in the average net cost to government of a year of imprisonment.*
- *As well as a total I would like the total broken down to indicate which parts of government bear these costs.*
- *Please also provide any similar information covering the cost to society more broadly (i.e. including costs not borne by the government).*
- *If you do not have this information I also request any information on how adequate cost-benefit analyses have been undertaken on proposed changes to the prison system, and any proposals or plans to address this gap”.*

Information Being Released

No documents are being released in response to your request.

The Treasury has not undertaken, nor does it hold, analysis of the costs of prison per person, including broader government and societal costs. Neither do we hold any specific information on the last part of your request *“how adequate cost-benefit analyses have been undertaken on proposed changes to the prison system ...”*.

Information Publicly Available

You may be interested in the information listed below which is publicly available on the Treasury website.

Date	Document Description	Website Address
1 July 2006	Working paper: Estimating the costs of crime in New Zealand in 2003/04	https://treasury.govt.nz/publications/wp/estimating-costs-crime-new-zealand-2003-04-html
Last updated 24 March 2016	Cost Benefit Analysis including Public Sector Discount Rates	https://treasury.govt.nz/information-and-services/state-sector-leadership/investment-management/plan-investment-choices/cost-benefit-analysis-including-public-sector-discount-rates

While it is not specifically related to your questions, the Treasury working paper summarises the results of, and methodology employed in, a project to estimate the costs of crime in New Zealand in 2003/04. These include the costs to society as a whole and the fiscal costs to the New Zealand Government.

Information on the Treasury website regarding Cost Benefit Analysis (CBA) may also be useful. This includes information on the Treasury's CBAX tool. CBAX is a spreadsheet model that contains a common database to help agencies monetise impacts and calculate return on investment. The CBAX spreadsheet includes an impacts database containing values, for example, "Marginal cost of keeping a sentenced inmate in prison (estimated)", based on 2015 Department of Corrections data.

This reply addresses the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely



Colin Hall
Manager, Justice, Security and Government Services