

# *Vote Corrections*

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APPROPRIATION MINISTER(S): Minister of Corrections (M18)

DEPARTMENT ADMINISTERING THE VOTE: Department of Corrections (A5)

RESPONSIBLE MINISTER FOR DEPARTMENT OF CORRECTIONS: Minister of Corrections

# Overview of the Vote

The Minister of Corrections is responsible for appropriations in Vote Corrections for the 2023/24 financial year covering:

## Operating Expenditure:

- a total of just over \$1,371 million for the provision of custodial services including long-term service contracts and Public Private Partnerships for offenders lawfully required to be detained in custody. This includes remand prisoners (people awaiting trial and offenders convicted but not yet sentenced), those offenders sentenced to imprisonment, and any other offenders required to be lawfully detained in custody
- a total of nearly \$395 million for the provision of case management and interventions designed to achieve a reduction in re-offending by focusing on the wellbeing of those completing sentences and their whānau
- a total of just over \$289 million for the management and delivery of sentences and orders served in the community, and electronic monitoring of people on bail
- a total of nearly \$89 million for the provision of information about offenders to victims of crime, the Judiciary and the New Zealand Parole Board, and the provision of administrative, financial and secretariat services to the New Zealand Parole Board
- a total of nearly \$8 million for the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters
- a total of just over \$2 million for Corrections responses to ministerial correspondence and parliamentary questions, and
- a total of \$50,000 for non-departmental infrastructure improvements to enable the development of the Waikeria Corrections and Treatment Facility hereafter referred to as the Waikeria Prison Development including the Waikeria Mental Health and Addiction Service Facility.

## Capital Expenditure:

- a total just over \$432 million on the purchase or development of assets by and for the use of Corrections.

The Minister of Corrections is also responsible for capital injections to Corrections of nearly \$86 million, the majority relating to the Waikeria Prison Development.

Details of these appropriations are set out in Parts 2-4.

# Details of Appropriations and Capital Injections

## Annual Appropriations and Forecast Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Departmental Output Expenses</b>			
<b>Re-offending is Reduced (M18) (A5)</b> This appropriation is limited to the provision of rehabilitation interventions, reintegration and support services to people in Corrections' management, defendants on bail, and their whānau, to address the underlying causes of criminal offending and reduce re-offending.	371,771	371,486	<b>394,770</b>
<b>Total Departmental Output Expenses</b>	371,771	371,486	394,770
<b>Departmental Other Expenses</b>			
<b>Transfer of Three Waters Assets (M18) (A5)</b> This appropriation is limited to expenses incurred in Corrections transferring Three Waters Assets to water service providers.	6,200	-	-
<b>Total Departmental Other Expenses</b>	6,200	-	-
<b>Departmental Capital Expenditure</b>			
<b>Department of Corrections - Capital Expenditure PLA (M18) (A5)</b> This appropriation is limited to the purchase or development of assets by and for the use of the Department of Corrections, as authorised by section 24(1) of the Public Finance Act 1989.	338,316	338,316	432,400
<b>Total Departmental Capital Expenditure</b>	338,316	338,316	432,400
<b>Non-Departmental Other Expenses</b>			
<b>Waikeria Corrections and Treatment Facility (M18) (A5)</b> This appropriation is limited to infrastructure improvements that are either a condition of the designation or otherwise necessary to enable the development of the Waikeria Corrections and Treatment Facility.	735	14	<b>50</b>
<b>Total Non-Departmental Other Expenses</b>	735	14	50
<b>Multi-Category Expenses and Capital Expenditure</b>			
<b>Policy Advice and Ministerial Services MCA (M18) (A5)</b> The single overarching purpose of this appropriation is to provide policy advice and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities.	8,291	8,291	<b>10,261</b>
<i>Departmental Output Expenses</i>			
<i>Ministerial Services</i> This category is limited to Department responses to ministerial correspondence and parliamentary questions.	3,805	3,805	2,305
<i>Policy Advice</i> This category is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters, and to assist Pacific Nations.	4,486	4,486	7,956
<b>Public Safety is Improved MCA (M18) (A5)</b> The single overarching purpose of this appropriation is to manage offenders serving custodial and community-based sentences and orders, and people on remand (either awaiting trial or convicted but not yet sentenced) in a manner so as to improve the safety of offenders, staff, victims and the public.	1,692,408	1,691,693	<b>1,749,437</b>

Titles and Scopes of Appropriations by Appropriation Type	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Departmental Output Expenses</b>			
<i>Information and Administrative Services to the Judiciary and New Zealand Parole Board</i> This category is limited to the provision of information about offenders to victims of crime, the Judiciary and the New Zealand Parole Board and the provision of administrative, financial and secretariat services to the New Zealand Parole Board.	92,853	92,853	88,789
<i>Prison-based Custodial Services</i> This category is limited to the provision of custodial services, including under long-term service contracts and Public Private Partnerships, for offenders lawfully required to be detained in custody and remand prisoners.	1,298,144	1,297,429	1,371,210
<i>Sentences and Orders Served in the Community</i> This category is limited to the management and delivery of sentences and orders served in the community, and electronic monitoring of people on bail.	301,411	301,411	289,438
<b>Total Multi-Category Expenses and Capital Expenditure</b>	1,700,699	1,699,984	1,759,698
<b>Total Annual Appropriations and Forecast Permanent Appropriations</b>	2,417,721	2,409,800	2,586,918

## Capital Injection Authorisations

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Department of Corrections - Capital Injection (M18) (A5)	278,156	278,156	85,767

# Supporting Information

## Part 1 - Vote as a Whole

### 1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Waikeria Corrections and Treatment Facility	<b>Public Safety is Improved MCA</b>					
	Prison-based Custodial Services Departmental Output Expense	-	-	-	18,242	18,242
	<b>Re-offending is Reduced</b>					
	Departmental Output Expense	-	-	-	4,561	4,561
	<b>Departmental Capital Injections</b>	96,580	79,767	5,128	-	-
Maintaining Momentum Across Te Aorerekura - Improved Access to Family Violence Programmes in Court and the Community	<b>Public Safety is Improved MCA</b>					
	Prison-based Custodial Services Departmental Output Expense	-	227	227	227	227
Victims of Crime: Improving Outcomes	<b>Policy Advice MCA</b>					
	Policy Advice Departmental Output Expense	500	4,200	-	-	-
Implementing the reset and redesign of the emergency housing system	<b>Re-offending is Reduced</b>	1,000	5,100	-	-	-
	Departmental Output Expense					
Purchase of electric vehicles and installation of charging infrastructure	<b>Departmental Capital Injections</b>	581	-	-	-	-
Health and Disability Sector Support Worker Wage Rate	<b>Re-offending is Reduced</b>	29	29	29	29	29
	Departmental Output Expense					
Total initiatives		98,690	89,323	5,384	23,059	23,059

## 1.2 - Trends in the Vote

### Summary of Financial Activity

	2018/19	2019/20	2020/21	2021/22	2022/23		2023/24			2024/25	2025/26	2026/27
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Final Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
<b>Appropriations</b>												
Output Expenses	243,102	266,293	296,800	322,229	371,771	371,486	394,770	-	394,770	392,784	397,416	397,416
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	7,411	27,712	14,488	215	6,935	14	-	50	50	-	-	-
Capital Expenditure	560,397	352,462	503,416	315,055	338,316	338,316	432,400	-	432,400	260,858	235,057	253,627
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	1,366,034	1,460,316	1,513,550	1,543,329	1,700,699	1,699,984	1,759,698	-	1,759,698	1,772,007	1,797,052	1,797,262
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Appropriations</b>	2,176,944	2,106,783	2,328,254	2,180,828	2,417,721	2,409,800	2,586,868	50	2,586,918	2,425,649	2,429,525	2,448,305
<b>Crown Revenue and Capital Receipts</b>												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	-	-	-	-	-	-	N/A	-	-	-	-	-

Note - where restructuring of the vote has occurred then, to the extent practicable, prior years information has been restated as if the restructuring had occurred before the beginning of the period covered. In this instance Total Appropriations for the Budgeted and Estimated Actual year may not equal Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations in the Details of Appropriations and Capital Injections.

## Adjustments to the Summary of Financial Activity Table Due to Vote Restructuring

There have been no restructuring adjustments to prior year information in the Summary of Financial Activity table.

### 1.3 - Analysis of Significant Trends

#### *Departmental Output Expense Trends*

##### **The shift in direction under Hōkai Rangi**

Hōkai Rangi, Corrections' Strategy 2019-2024, focuses on the wellbeing of communities, victims, staff, and people on sentences and orders, to improve outcomes for Māori and make communities safer through reduced re-offending. Public and workforce safety is a key aspect of wellbeing and underpins Corrections' work in prisons and in the community.

##### **Meeting complex needs**

While the number of people in prison has fallen since 2018, the proportion of the prison population with complex needs has increased. This presents operational challenges through increased mental health and addictions treatment needs. The proportion of the prison population that is on remand has also increased, which also poses challenges to delivery of programmes and interventions. Over time, Corrections has increased its investment in mental health, and alcohol and other drug programmes and services to meet these needs and support people to reintegrate into the community.

Corrections manages some of Aotearoa New Zealand's most complex people in an environment that can be challenging, and over 80% of people have convictions for violence in their offending histories. Managing these risks effectively requires continued investment in frontline workforce safety, wellbeing, capability, capacity, and a dedicated approach to persons of extreme risk.

The reduced prison population has allowed Corrections to commence reconfiguration of the prison network to provide better environments for people in prison, that better meet their needs while responding to complex risks.

##### **Improving outcomes in partnership with Māori and other justice sector agencies**

The Māori Pathways programme provides Kaupapa Māori approaches to improve outcomes for Māori in the corrections system and their whānau, support reintegration into communities, and contribute to reduced Māori overrepresentation in the justice system.

The High Impact Innovation Programme, led by Corrections in partnership with the justice sector, continues to deliver tactical initiatives to contribute to a safer and more effective justice system through improved outcomes for victims, communities, and people on sentences and orders.

##### **Responding to other trends and pressures**

The use of electronic monitoring has grown over time, driving greater investment in this area to support people to be managed safely in the community. Contractual and inflationary uplifts continue to drive expenditure increases including remuneration outcomes from unionised workforce bargaining and supply chain price increases.

### *Departmental Capital Expenditure*

Corrections continues to improve the quality of its existing asset footprint and modernise prison infrastructure to support the safety and wellbeing of Corrections' staff and people in prison.

Corrections has started removing poor quality infrastructure and introducing new capacity, to provide greater resilience to meet changes in demand over time and respond to changing service needs. A key example is the construction of the Waikeria Prison Development, through a Public Private Partnership. When complete, the Waikeria Prison Development will provide 500 high security beds and 100 mental health and addiction beds through 'Hikitia' - the Waikeria Mental Health and Addiction Service. Construction and other infrastructure expenditure is sensitive to market capacity and inflationary cost pressures.

The asset base has also changed with proportionately greater investment in areas such as digital technology which is increasing Corrections' depreciation and capital charge profile.



## Part 2 - Details of Departmental Appropriations

### 2.1 - Departmental Output Expenses

#### Re-offending is Reduced (M18) (A5)

##### *Scope of Appropriation*

This appropriation is limited to the provision of rehabilitation interventions, reintegration and support services to people in Corrections' management, defendants on bail, and their whānau, to address the underlying causes of criminal offending and reduce re-offending.

##### *Expenses and Revenue*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	371,771	371,486	394,770
Revenue from the Crown	340,784	340,499	363,800
Revenue from Others	30,987	30,987	30,970

##### *Components of the Appropriation*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Case Management	50,863	50,823	53,874
Interventions - Training and Education	6,521	6,515	7,162
Interventions - Offender Employment	85,912	85,847	90,035
Interventions - Rehabilitation	164,735	164,610	173,827
Interventions - Reintegration	63,740	63,691	69,872
Total	371,771	371,486	394,770

##### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve a reduction in re-offending rates by focusing on the wellbeing of those lawfully required to be detained in custody and their whānau. It provides for the timely assessment of the rehabilitative and reintegrative needs of people in the management of Corrections and their whānau as well as end-to-end bail support for defendants. This appropriation ensures identified offender and defendant needs are addressed through culturally appropriate and whānau-centred wellbeing interventions.

### *How Performance will be Assessed and End of Year Reporting Requirements*

	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of offenders entitled to receive an offender plan that received one within Standards of Practice timeframes	Greater than or equal to 85%	Greater than or equal to 85%	Greater than or equal to 85%
Percentage of prisoners who demonstrate statistically significant gains through an intensive literacy and numeracy programme	Greater than or equal to 35%	Greater than or equal to 35%	Greater than or equal to 35%
Percentage of rehabilitation programmes completed in prisons	Greater than or equal to 85%	Greater than or equal to 85%	Greater than or equal to 85%
Percentage of rehabilitation programmes completed in the community	Greater than or equal to 65%	Greater than or equal to 65%	Greater than or equal to 65%
Number of referrals made to reintegration services that resulted in a start	4,000	2,200 - 2,700	4,000
The percentage of target hours prisoners are engaged in industry, treatment and learning activities	Greater than or equal to 80%	65% - 75%	Removed for 2023/24 (see Note 1)

Note 1 - The decision to remove this performance indicator is reflective of a qualitative shift in our interventions focus - ensuring people in our care and management receive the right services, at the right time, that address their needs and therefore contribute to the achievement of our re-offending is reduced outcome. Other performance indicators in this appropriation, such as the percentage of rehabilitation programmes completed, and the percentage of prisoners who demonstrate statistically significant gains through an intensive literacy and numeracy programme, are better indicators of the impact of our services.

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by Corrections in its Annual Report.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Waikeria Corrections and Treatment Facility	2025/26	-	-	-	4,561	4,561
Implementing the Reset and Redesign of the Emergency Housing System	2022/23	1,000	5,100	-	-	-
Strengthening Corrections' Frontline Safety and Improvement Programme (see Note 1)	2022/23	5,853	10,053	12,869	12,869	12,869
Maintaining Corrections' Critical Infrastructure	2022/23	1,599	2,018	2,258	2,423	2,423
Maintaining Corrections' Critical Digital Technology	2022/23	1,397	1,822	2,017	2,181	2,181
Criminal Process Improvement Programme - Make Every Event in the Criminal District Court System Meaningful	2022/23	1,625	1,389	1,389	1,389	1,389
Waikeria Prison Development - enabling the operating of the Waikeria mental health and addiction service	2022/23	2,510	4,912	4,912	4,912	4,912
Transfer of funding from Vote Arts, Culture and Heritage to Vote Corrections to fund Art in Prisons initiatives	2022/23	1,000	1,000	1,000	-	-
Health and Disability Sector Support Worker Wage Rate	2022/23	29	29	29	29	29

Policy Initiative	Year of First Impact	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Waikeria Critical Infrastructure	2021/22	237	279	279	279	279
Waters Infrastructure Programme (previously Three Waters Programme)	2021/22	467	-	-	-	-
Waikeria Prison Development - enabling the operating of the new prison	2021/22	2,241	3,024	3,024	3,024	3,024
High Impact Innovation Programme - delivering continued transformation of the criminal justice system	2021/22	2,239	-	-	-	-
Maintaining safe, effective housing, Support Services and Community-based Reintegration Pathways	2021/22	4,050	4,050	4,050	4,050	4,050
Māori Pathways - Kaupapa Māori services for wāhine	2021/22	1,520	1,693	703	703	703
Asset Revaluation Depreciation Impacts	2020/21	1,390	190	710	710	710
Mayfair House COVID-19 impact	2020/21	10	10	10	10	10
Rapid Build Prison Places: Programme Update	2020/21	1,260	1,260	1,260	1,260	1,260
Waikeria Public Private Partnership (PPP) - Outcome of COVID-19 Negotiations	2020/21	1,530	1,230	1,230	1,230	1,230
Maintaining Connectivity Between our Staff, and Between People in our Care and their Whānau During COVID-19	2020/21	461	461	461	461	461
Te Maihi O Te Whare Māori - Māori And Iwi Housing Innovation (Maihi) - Northland Regional Corrections Facility	2020/21	1,500	1,500	1,500	-	-
Maintaining a Safe Prison Network	2020/21	2,597	2,597	2,597	2,597	2,597
Maintaining Safe Community Services	2020/21	120	120	120	120	120
Hōkai Rangī - Bail Support Services - providing early support to lower number of people entering (or remaining in) custody (previously Pre-Trial Services)	2020/21	4,020	4,530	4,530	4,530	4,530
Te Ira Tangata under the framework of Te Ira Oranga	2020/21	649	-	-	-	-
Infrastructure Resilience	2019/20	1,360	1,360	1,360	1,360	1,360
Preventing and Reducing Homelessness	2019/20	870	260	260	260	260
Wellington Accommodation Project (WAP2) Reconfiguration Programme	2019/20	44	44	44	44	44
Increasing Access to Mental Health and Addiction Support	2019/20	41,387	41,387	41,387	41,387	41,387
Māori Pathway - Improving Outcomes for Māori and their Whānau in the Corrections System and Supporting their Reintegration Back into Communities - Part A	2019/20	3,100	3,100	3,100	3,100	3,100
Māori Pathway - Improving Outcomes for Māori and their Whānau in the Corrections System and Supporting their Reintegration Back into Communities - Part B	2019/20	19,102	19,102	19,102	19,102	19,102
Enhancing Specialist Alcohol and Other Drug Services	2019/20	500	500	500	500	500

Note 1 - This is a Justice Cluster significant initiative. Significant initiatives will deliver improved outcomes over the medium to long term against the four Cluster priorities (refer to the Cluster overview for more information). Performance information for this significant initiative will be reported by Corrections in its Annual Report.

### *Reasons for Change in Appropriation*

The increase in appropriation for 2023/24 is mainly due to:

- an increase of \$12 million due to a transfer from the Public Safety is Improved multi-category appropriation including \$10 million relating to a rise in expenditure requirements associated with inflation, costs associated with the continued delivery of a safe and effective custodial environment in light of workforce constraints and \$2 million to assist Corrections to manage operating costs related to the clean up and interruption to Corrections business as usual activities caused by the North Island weather events
- an increase of \$11.535 million relating to the Waikeria Prison Development, including the Waikeria Mental Health and Addiction Service Facility
- new funding of \$4.100 million for responding to the emergency housing needs of Māori
- an increase of \$2.238 million to enable sustainable depreciation funding following asset revaluations
- an increase of \$1.632 million to develop workforce capability and capacity through the Frontline Safety and Improvement Programme
- an increase of \$1.500 million which was transferred out of this appropriation in 2022/23 to fund an increase in Ministerial Services work
- an increase of \$844,000 to maintain critical infrastructure and digital technology to ensure the delivery of Corrections services, and
- an increase of \$510,000 in pre-trial services that provides early support to lower the number of people entering (or remaining) in custody.

Partially offset by:

- a decrease of \$2.340 million relating to the pending approval for a contingency drawdown for remuneration and other cost pressures for staff to maintain a safe and effective justice system
- a decrease of \$2.298 million for Māori Pathways services in line with the original budget phasing
- a decrease of \$2.105 million in proceeds of crime funds which included \$649,000 relating to the Te Ira Tangata Treatment Programme and supporting accommodation for women, and parenting programmes of \$575,000 and the reintegration of services for women of \$881,000
- a decrease of \$1.707 million in the expenditure phasing for preventing and reducing homelessness in line with the planned delivery of the programme of work
- a decrease of \$1.470 million in the expenditure phasing for bail support services in line with the planned delivery of the programme of work, and
- a decrease of \$1.226 million for completed projects in the first tranche of the Waters Infrastructure Programme.

## 2.3 - Departmental Capital Expenditure and Capital Injections

### Department of Corrections - Capital Expenditure PLA (M18) (A5)

#### *Scope of Appropriation*

This appropriation is limited to the purchase or development of assets by and for the use of the Department of Corrections, as authorised by section 24(1) of the Public Finance Act 1989.

#### *Capital Expenditure*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	313,017	313,017	350,783
Intangibles	25,299	25,299	81,617
Other	-	-	-
<b>Total Appropriation</b>	<b>338,316</b>	<b>338,316</b>	<b>432,400</b>

#### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve renewal and replacement of assets in support of the provision of Corrections outputs. Corrections has a capital programme of work that is focused on upgrading its assets, providing resilience to respond to changing demand and service needs, and establishing a safe and more humanising and healing environment.

#### *How Performance will be Assessed and End of Year Reporting Requirements*

	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Number of new Community Corrections Sites and existing site refurbishments completed	3	1	Removed for 2023/24 (see Note 1)
Prison Capacity Programme - permanent beds added	Nil	Nil	Removed for 2023/24 (see Note 1)
Percentage of prison buildings with an excellent/good condition	Greater than or equal to 85%	Greater than or equal to 85%	Greater than or equal to 85%
Percentage of prison buildings with a poor/very poor condition	Less than or equal to 4%	8%	Less than or equal to 4%
Percentage of community corrections buildings with an excellent/good condition	Greater than or equal to 85%	Greater than or equal to 85%	Greater than or equal to 85%
Percentage of community corrections buildings with a poor/very poor condition	Less than or equal to 4%	Less than or equal to 4%	Less than or equal to 4%

Note 1 - These performance indicators have been removed reflecting a change in the Departments' focus to continue improving the quality of its existing asset footprint and modernising prison infrastructure to support the safety and wellbeing of Corrections' staff and people in prison.

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by Corrections in its Annual Report.

### *Reasons for Change in Appropriation*

The increase in this appropriation for 2023/24 is mainly due to:

- an increase of \$47.861 million for infrastructure replacements and improvements related to exercise yards, gate houses, sally ports, staff facilities, health services facilities and Community Corrections sites
- an increase of \$36.986 million in relation to electronic security hardware, digital radio upgrades and internal software upgrades to medication administration and other information management systems, and
- an increase of \$33.624 million to enable digital connectivity across the Prison network.

This is partially offset by a decrease of \$32.688 million in the capital expenditure profile of the Waikeria Prison Development.

### *Capital Injections and Movements in Departmental Net Assets*

#### **Department of Corrections**

Details of Net Asset Schedule	2022/23 Estimated Actual \$000	2023/24 Projected \$000	Explanation of Projected Movements in 2023/24
Opening Balance	3,689,801	3,988,788	
Capital Injections	278,156	85,767	\$79.767 million of the 2023/24 capital injection relates to Waikeria Prison Development cost escalation, \$4 million is for the maintenance of critical digital technology, \$1 million for the Frontline Safety and Improvement Programme, \$500,000 for pre-trial services and \$500,000 for Māori Pathways.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	20,831	10,716	The 2023/24 forecasted gain relates to the unrealised year to date movement on the interest rate swaps entered into with New Zealand Debt Management Office to manage the risk relating to public private partnership transactions.
Other Movements	-	-	
<b>Closing Balance</b>	<b>3,988,788</b>	<b>4,085,271</b>	

## Part 3 - Details of Non-Departmental Appropriations

### 3.4 - Non-Departmental Other Expenses

#### Waikeria Corrections and Treatment Facility (M18) (A5)

##### *Scope of Appropriation*

This appropriation is limited to infrastructure improvements that are either a condition of the designation or otherwise necessary to enable the development of the Waikeria Corrections and Treatment Facility.

##### *Expenses*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	735	14	50

##### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve infrastructure improvements necessary to enable the Waikeria Prison Development including the Waikeria Mental Health and Addiction Service Facility.

##### *How Performance will be Assessed and End of Year Reporting Requirements*

Completion of infrastructure improvements required to enable the development of the Waikeria Prison Development including the Waikeria Mental Health and Addiction Service Facility, and the continued implementation of designation conditions.

##### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Minister of Corrections in a report appended to Corrections' Annual Report.

##### *Service Providers*

Provider	2022/23 Final Budgeted \$000	2022/23 Estimated Actual \$000	2023/24 Budget \$000	Expiry of Resourcing Commitment
Roading	698	-	50	June 2025
Consultants	22	6	-	June 2025
Electricity	15	8	-	June 2025
Total	735	14	50	

##### *Reasons for Change in Appropriation*

The decrease in this appropriation for 2023/24 is due to the planned programme of works for the Waikeria Prison Development, including the Waikeria Mental Health and Addiction Service Facility.

# Part 4 - Details of Multi-Category Expenses and Capital Expenditure

## 4 - Multi-Category Expenses and Capital Expenditure

### Policy Advice and Ministerial Services (M18) (A5)

#### *Overarching Purpose Statement*

The single overarching purpose of this appropriation is to provide policy advice and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities.

#### *Scope of Appropriation*

##### **Departmental Output Expenses**

##### *Ministerial Services*

This category is limited to Department responses to ministerial correspondence and parliamentary questions.

##### *Policy Advice*

This category is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters, and to assist Pacific Nations.

#### *Expenses, Revenue and Capital Expenditure*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	<b>8,291</b>	<b>8,291</b>	<b>10,261</b>
<b>Departmental Output Expenses</b>			
Ministerial Services	3,805	3,805	2,305
Policy Advice	4,486	4,486	7,956
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	<b>8,061</b>	<b>8,061</b>	<b>10,261</b>
Ministerial Services	3,805	3,805	2,305
Policy Advice	4,256	4,256	7,956
<b>Revenue from Others</b>	<b>230</b>	<b>230</b>	<b>-</b>
Policy Advice	230	230	-

#### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to enable Corrections to respond to ministerial requests and parliamentary questions with a high standard of service. It also allows Corrections to provide policy advice to support decision-making by Ministers on Government policy matters.



This Multi-Category Appropriation provides core services to co-ordinate information provided to government and the public as well as developing policy that improves wellbeing and safety outcomes for New Zealand communities.

### *How Performance will be Assessed for this Appropriation*

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Policy Advice and Ministerial Services</b>			
Satisfaction of the Minister of Corrections with the quality of policy advice, and draft Ministerial correspondence provided	Greater than or equal to 85%	Greater than or equal to 85%	Greater than or equal to 85%

### *What is Intended to be Achieved with each Category and How Performance will be Assessed*

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Departmental Output Expenses</b>			
<b>Ministerial Services</b>			
This category is intended to ensure timely, accurate and relevant responses are provided to ministerial correspondence, parliamentary questions and requests for information made under the Official Information Act 1982.			
Percentage of Ministerial draft correspondence signed without changes	Greater than or equal to 95%	Greater than or equal to 95%	Greater than or equal to 95%
Percentage of responses to parliamentary questions completed within agreed timeframes	Greater than or equal to 98%	Greater than or equal to 98%	Greater than or equal to 98%
Percentage of responses to Ministerial draft correspondence completed within agreed timeframes	Greater than or equal to 98%	Greater than or equal to 98%	Greater than or equal to 98%
<b>Policy Advice</b>			
This category is intended to provide meaningful advice and the development of robust policy that enhances service delivery and to contribute to the development of effective criminal justice legislation. This category also ensures that service activities intended to reduce re-offending are effectively evaluated and that information regarding those evaluations is available to inform decision-making.			
Technical quality of policy advice papers assessed in line with the Policy Quality Framework	At least an average of 70%	At least an average of 70%	At least an average of 70%
Satisfaction of the Minister of Corrections with the quality of policy advice provided	Greater than or equal to 80%	Greater than or equal to 80%	Greater than or equal to 80%

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by Corrections in its Annual Report.

## Public Safety is Improved (M18) (A5)

### *Overarching Purpose Statement*

The single overarching purpose of this appropriation is to manage offenders serving custodial and community-based sentences and orders, and people on remand (either awaiting trial or convicted but not yet sentenced) in a manner so as to improve the safety of offenders, staff, victims and the public.

### *Scope of Appropriation*

#### **Departmental Output Expenses**

##### *Information and Administrative Services to the Judiciary and New Zealand Parole Board*

This category is limited to the provision of information about offenders to victims of crime, the Judiciary and the New Zealand Parole Board and the provision of administrative, financial and secretariat services to the New Zealand Parole Board.

##### *Prison-based Custodial Services*

This category is limited to the provision of custodial services, including under long-term service contracts and Public Private Partnerships, for offenders lawfully required to be detained in custody and remand prisoners.

##### *Sentences and Orders Served in the Community*

This category is limited to the management and delivery of sentences and orders served in the community, and electronic monitoring of people on bail.

### *Expenses, Revenue and Capital Expenditure*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	<b>1,692,408</b>	<b>1,691,693</b>	<b>1,749,437</b>
<b>Departmental Output Expenses</b>			
Information and Administrative Services to the Judiciary and New Zealand Parole Board	92,853	92,853	88,789
Prison-based Custodial Services	1,298,144	1,297,429	1,371,210
Sentences and Orders Served in the Community	301,411	301,411	289,438
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	<b>1,687,171</b>	<b>1,684,106</b>	<b>1,746,218</b>
Information and Administrative Services to the Judiciary and New Zealand Parole Board	92,853	92,853	88,789
Prison-based Custodial Services	1,292,907	1,289,842	1,367,991
Sentences and Orders Served in the Community	301,411	301,411	289,438
<b>Revenue from Others</b>	<b>7,587</b>	<b>7,587</b>	<b>3,219</b>
Prison-based Custodial Services	7,587	7,587	3,219

### *Components of the Appropriation*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Information and Administrative Services to the Judiciary and New Zealand Parole Board</b>			
Information Services to the Judiciary	71,530	70,606	68,387
Information Services to the New Zealand Parole Board	11,271	11,127	10,814
Information and Administrative Services to Victims	487	481	465
Administrative Services to the New Zealand Parole Board	9,565	9,440	9,123
<b>Prison-based Custodial Services</b>			
Asset Management	474,780	474,539	515,284
Sentenced	408,061	407,826	424,359
Remand	300,835	300,661	312,683
Third Party	68,888	68,850	71,509
Health	45,580	45,553	47,375
<b>Sentences and Orders Served in the Community</b>			
Community Based Sentences	167,336	165,212	160,708
Post-Release Orders	72,789	71,846	69,774
Home Detention Sentences	52,870	52,178	50,663
Electronic Monitoring Bail	8,416	8,378	8,293
<b>Total</b>	<b>1,692,408</b>	<b>1,686,697</b>	<b>1,749,437</b>

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to:

- enable Corrections to manage people in custody in a way that enhances their wellbeing and supports them upon release to not return to the justice system, protects the public and maintains the safety of all involved
- achieve safe management of people serving sentences and orders in the community and the ability to hold them to account for failing to complete their sentence or order, and
- provide core services to the Judiciary and New Zealand Parole Board to enable informed sentencing and parole decisions to be made in a timely manner including notification to people in Corrections' management, and victims regarding the outcomes of the processes, to enhance rehabilitative outcomes.

### *How Performance will be Assessed for this Appropriation*

The performance for this appropriation will be assessed by the following measures specified in each category below.

*What is Intended to be Achieved with each Category and How Performance will be Assessed*

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Departmental Output Expenses</b>			
<b>Information and Administrative Services to the Judiciary and New Zealand Parole Board</b>			
This category is intended to provide core services to the Judiciary and New Zealand Parole Board to enable informed sentencing and parole decisions to be made in a timely manner including notification to people in our management, and victims regarding the outcomes of the judicial process, to enhance rehabilitative outcomes.			
Percentage of pre-sentence reports provided to court within agreed timeframes before sentencing	Greater than or equal to 95%	Greater than or equal to 95%	Greater than or equal to 95%
Percentage of parole reports provided to agreed timeframes pursuant to New Zealand Parole Board requirements	Greater than or equal to 95%	Greater than or equal to 95%	Greater than or equal to 95%
Percentage of offenders who are notified as per New Zealand Parole Board requirements	Greater than or equal to 98%	60% - 70%	Greater than or equal to 98%
Percentage of victims who are notified as per New Zealand Parole Board requirements	Greater than or equal to 98%	65% - 75%	Greater than or equal to 98%
Percentage of cases heard by the New Zealand Parole Board that are scheduled within the timeframes specified by the Parole Act 2002	Greater than or equal to 98%	Greater than or equal to 98%	Greater than or equal to 98%
Number of justified complaints about notification services received from registered victims	Nil	3	Nil
<b>Prison-based Custodial Services</b>			
This category is intended to enable Corrections to manage people in custody in a way that enhances their wellbeing and supports them upon release to not return to the justice system, protects the public and maintains the safety of all involved.			
Number of breakout escapes	Nil	1	Nil
Number of non-breakout escapes	Less than or equal to 5	Less than or equal to 5	Less than or equal to 5
Number of unnatural deaths	Nil	4	Nil
Number of prisoner on prisoner assaults that are serious, as a rate per 100 prisoners	Less than or equal to 0.50	Less than or equal to 0.50	Less than or equal to 0.50
Number of prisoner on staff assaults that are serious, as a rate per 100 prisoners	Less than or equal to 0.20	0.30	Less than or equal to 0.20
Percentage of general random drug tests undertaken by prisoners that have a positive result	Less than or equal to 5%	Less than or equal to 5%	Less than or equal to 5%
Percentage of Health Centres in prisons that retained their Cornerstone accreditation status following completion of an annual review	100%	100%	100%
Percentage of Death in Custody reports for unnatural deaths, that are completed by the Office of the Inspectorate within six months of the death occurring	Greater than or equal to 80%	47% - 67%	Greater than or equal to 80%
Percentage of complaints received by the Office of the Inspectorate that are acknowledged within 10 working days of receipt	100%	100%	100%
Percentage of complaint investigations completed by the Office of the Inspectorate within three months of being received	Greater than or equal to 80%	Greater than or equal to 80%	Greater than or equal to 80%

	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
<b>Sentences and Orders Served in the Community</b>			
This category is intended to achieve safe management of sentences served in the community and the ability for offenders to be held to account for successfully completing their sentence or order			
Percentage of community-based offenders who successfully complete their sentence or order	Greater than or equal to 75%	Greater than or equal to 75%	Greater than or equal to 75%
Percentage of community-based offenders being held to account by probation staff for non-compliance	Greater than or equal to 90%	Greater than or equal to 90%	Greater than or equal to 90%

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by Corrections in its Annual Report.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Waikeria Corrections and Treatment Facility	2025/26	-	-	-	18,242	18,242
Maintaining Momentum Across Te Aorerekura - Improved Access to Family Violence Programmes in Court and the Community	2023/24	-	227	227	227	227
Justice Sector Resourcing - Addressing the Impacts of the Delta COVID-19 Restrictions	2023/24	-	195	195	-	-
Maintaining a Safe Prison Network	2022/23	27,472	31,731	31,731	31,731	31,731
Strengthening Corrections' Frontline Safety and Improvement Programme (see Note 1)	2022/23	22,017	37,817	48,411	48,411	48,411
Maintaining Corrections' Critical Infrastructure	2022/23	8,151	10,292	11,512	12,347	12,347
Maintaining Corrections' Critical Digital Technology	2022/23	7,123	9,288	10,283	11,119	11,119
Continuing the Alcohol and Other Drug Treatment Courts: Waikato, Auckland and Waitakere	2022/23	360	360	360	360	360
Preventing Community Harm from Organised Crime: Cross Agency Approach	2022/23	800	1,900	1,900	1,900	1,900
Preventing Family Violence and Sexual Violence: Support and Expand Integrated Community-led responses	2022/23	500	500	500	500	500
Waikeria Prison Development - enabling the operating of the Waikeria mental health and addiction service	2022/23	10,040	19,648	19,648	19,648	19,648
Custodial Wage Pressure	2021/22	14,350	14,350	14,350	14,350	14,350
Waikeria Critical Infrastructure	2021/22	7,663	9,021	9,021	9,021	9,021
Waters Infrastructure Programme (previously Three Waters Programme)	2021/22	4,205	-	-	-	-
Waikeria Prison Development - enabling the operating of the new prison	2021/22	8,969	12,096	12,096	12,096	12,096
Electronic Monitoring Demand and Price Pressure	2021/22	2,490	2,490	2,490	2,490	2,490

Policy Initiative	Year of First Impact	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
High Impact Innovation Programme - delivering continued transformation of the criminal justice system	2021/22	5,223	-	-	-	-
Maintaining safe, effective housing, Support Services and Community-based Reintegration Pathways	2021/22	4,050	4,050	4,050	4,050	4,050
Management of People of Extreme Risk	2021/22	1,661	1,661	1,661	1,661	1,661
Māori Pathways - Kaupapa Māori services for wāhine	2021/22	1,519	1,692	702	702	702
Improving the Justice Response to Sexual Violence Victims	2021/22	643	864	1,085	1,307	1,517
Maintaining Safe Community Services - Wage and Salary Bargaining Contingency	2020/21	10,090	10,090	10,090	10,090	10,090
Mayfair House COVID-19 impact	2020/21	86	86	86	86	86
Rapid Build Prison Places: Programme Update	2020/21	2,940	2,940	2,940	2,940	2,940
Waikeria Public Private Partnership (PPP) - Outcome of COVID-19 Negotiations	2020/21	3,570	2,870	2,870	2,870	2,870
Maintaining Connectivity Between our Staff, and Between People in our Care and their Whānau During COVID-19	2020/21	2,614	2,614	2,614	2,614	2,614
Thermal Imaging Detection System - COVID-19	2020/21	354	356	356	356	356
Justice Sector Resourcing: additional funding needed to address impacts of COVID-19	2020/21	195	-	-	-	-
Maintaining a Safe Prison Network	2020/21	22,454	22,454	22,454	22,454	22,454
Maintaining Safe Community Services	2020/21	4,380	4,380	4,380	4,380	4,380
Hōkai Rangī - Bail Support Services - providing early support to lower number of people entering (or remaining in) custody (previously Pre-Trial Services)	2020/21	9,380	10,570	10,570	10,570	10,570
Wellington Accommodation Project (WAP2) Reconfiguration Programme	2019/20	1,443	1,443	1,443	1,443	1,443
Restoring a Safe and Effective Prison Network	2019/20	28,500	28,500	28,500	28,500	28,500
Offenders in the Community: Retaining Safe and Effective Community-Based Sentences and Orders	2019/20	19,460	19,460	19,460	19,460	19,460
Ensuring the Sustainability of the District Court by Appointing Additional District Court Judges	2019/20	335	335	335	335	335
Infrastructure Resilience	2019/20	7,440	7,440	7,440	7,440	7,440

Note 1 - This is a Justice Cluster significant initiative. Significant initiatives will deliver improved outcomes over the medium to long term against the four Cluster priorities (refer to the Cluster overview for more information). Performance information for this significant initiative will be reported by Corrections in its Annual Report.

### *Reasons for Change in Appropriation*

The increase in appropriation for 2023/24 is mainly due to:

- an increase of \$86.271 million relating to the Waikeria Prison Development, including the Waikeria Mental Health and Addiction Service Facility, offset by a \$2.350 million decrease due to a one-off gain in 2022/23
- an increase of \$25.762 million to enable sustainable depreciation funding following asset revaluations
- an increase of \$9.807 million to develop workforce capability and capacity through the Frontline Safety and Improvement Programme
- an increase of \$4.306 million to maintain critical infrastructure and digital technology to ensure the delivery of Corrections services
- an increase of \$1.190 million in bail support services that provides early support to lower the number of people entering or remaining in custody, and
- an increase of \$1.100 million for the prevention of harm from serious and organised crime in New Zealand.

Partially offset by:

- a decrease of \$23.731 million for remuneration and other cost pressures because the funding for 2023/24 remuneration pressures is subject to approval, pending the settlement of each collective bargaining round
- a decrease of \$12 million due to a transfer to the Re-offending is Reduced appropriation, including \$10 million relating to a rise in expenditure requirements associated with inflation, costs associated with the continued delivery of a safe and effective custodial environment in light of workforce constraints and \$2 million to assist Corrections to manage operating costs related to the clean up and interruption to Corrections business as usual activities caused by the North Island weather events
- a decrease of \$11.046 million that related to the first tranche of the Waters Infrastructure Programme
- a decrease of \$8.063 million for assisting with the management of the COVID-19 environment
- a decrease of \$7.151 million relating to one-off funding for the change in fiscal treatment of Software-as-a-Service arrangements
- a decrease of \$5.250 million to fund a feasibility study for the Christchurch Men's Prison Redevelopment Project
- a decrease of \$2.468 million relating to refinancing of the Auckland Prison Public Private Partnership, and
- a decrease of \$2 million relating to a business continuity insurance recovery.