

Vote Corrections

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

APPROPRIATION ADMINISTRATOR: Department of Corrections

RESPONSIBLE MINISTER FOR DEPARTMENT OF CORRECTIONS: Minister of Corrections

Details of Appropriations and Capital Injections

Annual Appropriations and Forecast Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2019/20		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Departmental Output Expenses			
Re-offending is Reduced (M18) This appropriation is limited to the provision of rehabilitation interventions, reintegration and support services to defendants on bail and offenders serving custodial and community-based sentences that address the underlying causes of criminal offending and reduce re-offending.	289,111	10,700	299,811
Total Departmental Output Expenses	289,111	10,700	299,811
Departmental Other Expenses			
Transfer of Auckland Prison Wastewater Assets (M18) This appropriation is limited to the transfer of Auckland Prison Wastewater Assets to Watercare Services Limited.	-	9,100	9,100
Total Departmental Other Expenses	-	9,100	9,100
Departmental Capital Expenditure			
Department of Corrections - Capital Expenditure PLA (M18) 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.	439,183	(26,514)	412,669
Total Departmental Capital Expenditure	439,183	(26,514)	412,669
Non-Departmental Other Expenses			
Waikeria Corrections and Treatment Facility (M18) 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.	33,082	4,700	37,782
Total Non-Departmental Other Expenses	33,082	4,700	37,782
Multi-Category Expenses and Capital Expenditure			
Policy Advice and Ministerial Services MCA (M18) 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.	4,861	206	5,067
<i>Departmental Output Expenses</i>			
<i>Ministerial Services</i> This category is limited to Department responses to ministerial correspondence and parliamentary questions.	2,305	31	2,336
<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.	2,556	175	2,731

	2019/20		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Public Safety is Improved MCA (M18)	1,405,418	41,145	1,446,563
The single overarching purpose of this appropriation is to manage offenders serving custodial and community-based sentences in a manner so as to improve the safety of offenders, staff, victims and the public.			
Departmental Output Expenses			
<i>Information and administrative services to the judiciary and New Zealand Parole Board</i>	73,041	921	73,962
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.			
<i>Prison-based Custodial Services</i>	1,080,157	39,271	1,119,428
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. 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.			
<i>Sentences and orders served in the community</i>	252,220	953	253,173
This category is limited to the management and delivery of sentences and orders served in the community, and electronic monitoring of people on bail.			
Total Multi-Category Expenses and Capital Expenditure	1,410,279	41,351	1,451,630
Total Annual Appropriations and Forecast Permanent Appropriations	2,171,655	39,337	2,210,992

Capital Injection Authorisations

	2019/20		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Department of Corrections - Capital Injection (M18)	27,350	-	27,350

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2019/20				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	289,111	10,700	-	10,700	299,811
Benefits or Related Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	33,082	9,100	4,700	13,800	46,882
Capital Expenditure	439,183	(26,514)	-	(26,514)	412,669
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	1,410,279	41,351	-	41,351	1,451,630
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
Total Appropriations	2,171,655	34,637	4,700	39,337	2,210,992
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	-	N/A	-	-	-
Capital Receipts	-	N/A	-	-	-
Total Crown Revenue and Capital Receipts	-	N/A	-	-	-

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

Re-offending is Reduced (M18)

Scope of Appropriation

This appropriation is limited to the provision of rehabilitation interventions, reintegration and support services to defendants on bail and offenders serving custodial and community-based sentences that address the underlying causes of criminal offending and reduce re-offending.

Expenses and Revenue

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	289,111	10,700	299,811
Revenue from the Crown	259,417	5,424	264,841
Revenue from Others	26,945	5,276	32,221

Reasons for Change in Appropriation

This appropriation increased by \$10.700 million to \$299.811 million for 2019/20 due to:

- \$4.692 million mainly relating to commodity and livestock price movements in the primary industries and increase in canteen supply sales
- \$4.279 million relating to Expense transfers from 2018/19 to 2019/20 mainly relating to Therapeutic Prison Unit Pilot and Waikeria Corrections and Treatment Facility
- \$1.941 million new funding relating to Reintegration of Services for Women included in Proceeds of Crime Round 1
- \$1.170 million new funding relating to Preventing and Reducing Homelessness
- \$659,000 relating to increase in capital charge following the fair value adjustments to assets as at 30 June 2019
- \$809,000 new funding relating to Recovery House and Intergenerational change for child and community wellbeing through parenting programmes initiatives from Proceeds of Crime Round 2
- \$584,000 relating to Inter-departmental and NZAID staff secondments
- \$545,000 new funding relating to Wellington Accommodation Project, and
- \$360,000 new funding for Infrastructure Resilience.

The increase was partially offset by \$4.141 million relating to expense transfers from 2019/20 to 2020/21 (mainly relating to Reintegration of Services to Women and High Impact Innovation Programme) and \$198,000 return of capital charge relating to derivative.

2.2 - Departmental Other Expenses

Transfer of Auckland Prison Wastewater Assets (M18)

Scope of Appropriation

This appropriation is limited to the transfer of Auckland Prison Wastewater Assets to Watercare Services Limited.

Expenses

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	9,100	9,100

What is Intended to be Achieved with this Appropriation

This appropriation is intended to facilitate the transfer of wastewater assets to Watercare Services Limited.

How Performance will be Assessed and End of Year Reporting Requirements

Performance will be measured by the execution of the agreement relating to the transfer of wastewater assets to Watercare Services Ltd.

End of Year Performance Reporting

Performance information for this appropriation will be reported by Corrections in its 2019/20 Annual Report.

Reasons for Change in Appropriation

This appropriation increased to \$9.100 million for 2019/20 due to expense transfers from 2018/19 to 2019/20 to facilitate the transfer of Wastewater Assets to Watercare Service Limited.

2.3 - Departmental Capital Expenditure and Capital Injections

Department of Corrections - Capital Expenditure PLA (M18)

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

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	407,583	(35,547)	372,036
Intangibles	31,600	9,033	40,633
Other	-	-	-
Total Appropriation	439,183	(26,514)	412,669

Reasons for Change in Appropriation

The appropriation decreased by \$26.514 million to \$412.669 million mainly due to delays in delivery of the modular programme.

Capital Injections and Movements in Departmental Net Assets

Department of Corrections

Details of Net Asset Schedule	2019/20 Main Estimates Projections \$000	2019/20 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2019/20
Opening Balance	2,684,419	2,902,524	Opening balance for Supplementary Estimates is the actual as at 1 July 2019 and closing balance for 2019/20 Main Estimates was the projection at the time of Budget 2019.
Capital Injections	27,350	27,350	
Capital Withdrawals	(40,000)	(80,000)	The capital withdrawal represents the surplus capital reserves as a result of Corrections utilising private sector finance for the construction of the new maximum security facility at Auckland Prison.
Surplus to be Retained (Deficit Incurred)	(2,401)	(85,394)	The projected deficit mainly relates to the un-realised year to date fair value movement on the departmental interest rate swap entered into with New Zealand Debt Management to manage the risk relating to public private partnership.
Other Movements	-	-	
Closing Balance	2,669,368	2,764,480	

Part 3 - Details of Non-Departmental Appropriations

3.4 - Non-Departmental Other Expenses

Waikeria Corrections and Treatment Facility (M18)

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

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	33,082	4,700	37,782

Reasons for Change in Appropriation

This appropriation increased by \$4.700 million for 2019/20 due to expense transfers from 2018/19 to 2019/20.

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

4 - Multi-Category Expenses and Capital Expenditure

Policy Advice and Ministerial Services (M18)

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.

Expenses, Revenue and Capital Expenditure

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	4,861	206	5,067
Departmental Output Expenses			
Ministerial Services	2,305	31	2,336
Policy Advice	2,556	175	2,731
Funding for Departmental Output Expenses			
Revenue from the Crown	4,861	-	4,861
Ministerial Services	2,305	-	2,305
Policy Advice	2,556	-	2,556
Revenue from Others	-	206	206
Ministerial Services	-	31	31
Policy Advice	-	175	175

Reasons for Change in Appropriation

This appropriation increased by \$206,000 to \$5.067 million for 2019/20 due to inter-departmental staff secondments.

Public Safety is Improved (M18)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to manage offenders serving custodial and community-based sentences 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. 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.

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

	2019/20		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,405,418	41,145	1,446,563
Departmental Output Expenses			
Information and administrative services to the judiciary and New Zealand Parole Board	73,041	921	73,962
Prison-based Custodial Services	1,080,157	39,271	1,119,428
Sentences and orders served in the community	252,220	953	253,173
Funding for Departmental Output Expenses			
Revenue from the Crown	1,402,224	39,949	1,442,173
Information and administrative services to the judiciary and New Zealand Parole Board	73,041	921	73,962
Prison-based Custodial Services	1,076,963	38,090	1,115,053
Sentences and orders served in the community	252,220	938	253,158
Revenue from Others	3,194	1,196	4,390
Prison-based Custodial Services	3,194	1,181	4,375
Sentences and orders served in the community	-	15	15

Reasons for Change in Appropriation

This appropriation increased by \$41.145 million to \$1,446.563 million for 2019/20 due to:

- \$21.446 million for increased capital charge and depreciation following the fair value adjustments to assets as at 30 June 2019
- \$11.800 million new funding relating to Drawdown of Contingency Funding to Restore a Safe Effective and Quality Prison Network by Funding Collective Wage Pressures
- \$5.836 million relating to expense transfer from 2018/19 to 2019/20 mainly relating to Mount Eden Corrections Facility Building C, Accommodation Options to Support a More Effective Justice System and a Safer New Zealand and Waikeria - Corrections and Treatment Facility
- \$3.168 million new funding for Wellington Accommodation Project
- \$2.718 million new funding for Responding to March Mosque Attacks
- \$1.440 million for Infrastructure Resilience, and
- \$1.196 million relating to inter-departmental staff secondments.

The increase was partially offset by return of \$6.459 million capital charge relating to loss on derivative.