

Vote Corrections

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

DEPARTMENT ADMINISTERING THE VOTE: Department of Corrections (A5)

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	2020/21		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Departmental Output Expenses			
Re-offending is Reduced (M18) (A5) 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.	324,951	(13,384)	311,567
Total Departmental Output Expenses	324,951	(13,384)	311,567
Departmental Capital Expenditure			
Department of Corrections - Capital Expenditure PLA (M18) (A5) 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.	587,033	(52,954)	534,079
Total Departmental Capital Expenditure	587,033	(52,954)	534,079
Non-Departmental Other Expenses			
Waikeria Corrections and Treatment Facility (M18) (A5) 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.	33,518	(10,581)	22,937
Total Non-Departmental Other Expenses	33,518	(10,581)	22,937
Multi-Category Expenses and Capital Expenditure			
Policy Advice and Ministerial Services MCA (M18) (A5) 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	851	5,712
Departmental Output Expenses			
Ministerial Services This category is limited to Department responses to ministerial correspondence and parliamentary questions.	2,305	800	3,105
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.	2,556	51	2,607

Titles and Scopes of Appropriations by Appropriation Type	2020/21		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Public Safety is Improved MCA (M18) (A5)	1,478,922	40,081	1,519,003
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>	74,851	859	75,710
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>	1,144,095	33,474	1,177,569
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>	259,976	5,748	265,724
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	1,483,783	40,932	1,524,715
Total Annual Appropriations and Forecast Permanent Appropriations	2,429,285	(35,987)	2,393,298

Capital Injection Authorisations

	2020/21		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Department of Corrections - Capital Injection (M18) (A5)	15,600	38,763	54,363

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2020/21				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	324,951	(13,384)	-	(13,384)	311,567
Benefits or Related Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	33,518	-	(10,581)	(10,581)	22,937
Capital Expenditure	587,033	(52,954)	-	(52,954)	534,079
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	1,483,783	40,932	-	40,932	1,524,715
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
Total Appropriations	2,429,285	(25,406)	(10,581)	(35,987)	2,393,298
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) (A5)

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

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	324,951	(13,384)	311,567
Revenue from the Crown	298,006	(17,764)	280,242
Revenue from Others	26,945	4,380	31,325

Reasons for Change in Appropriation

This appropriation decreased by \$13.384 million to \$311.567 million for 2020/21 due to:

- \$24.344 million relating to Savings Initiatives, due to delays in programme implementations impacted by the emergence of COVID-19, recruitment of specialist staff and the availability of resources, to be applied and repurposed against Significant Budget Initiatives
- \$1.369 million relating to \$1.209 million decrease in capital charge rate from 6% to 5% and \$160,000 transfer to Ministerial Services.

The decrease was offset by:

- \$4.380 million relating to increase in canteen supply sales and inter-departmental staff secondments
- \$2.875 million relating to expense transfers from 2019/20 to 2020/21 relating to High Impact Innovation Programme and Enhancing Specialist Alcohol and Other Drug Services Initiatives
- \$1.500 million new funding to address Asset Revaluation Depreciation impacts and to enable sustainable depreciation funding for Corrections' asset base
- \$1.200 million new funding relating to Prison Capacity Programme
- \$1.100 million new funding relating to Māori and Iwi Housing Innovation programme in Northland Regional Corrections Facility
- \$959,000 new funding relating to Maintaining Connectivity between Staff, People in Corrections' management and their whānau due to COVID-19
- \$315,000 new funding relating to negotiated impact on Waikeria Prison Development due to COVID-19.

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

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	539,210	(49,111)	490,099
Intangibles	47,823	(3,843)	43,980
Other	-	-	-
Total Appropriation	587,033	(52,954)	534,079

Reasons for Change in Appropriation

This appropriation decreased by \$52.954 million to \$534.079 million due to delays in the delivery of the Modular build programme and the Waikeria Prison Development impacted by the COVID-19 lockdowns.

Capital Injections and Movements in Departmental Net Assets

Department of Corrections

Details of Net Asset Schedule	2020/21 Main Estimates Projections \$000	2020/21 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2020/21
Opening Balance	2,764,480	2,656,100	Supplementary Estimates opening balance reflects the audited results as at 30 June 2020.
Capital Injections	15,600	54,363	Relates to capital injection of \$35 million for Waikeria PPP Prison Development, \$3.600 million for Māori and Iwi Housing Innovation initiative and \$163,000 for Mayfair House COVID-19 impact.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	5,779	89,697	The 2020/21 forecasted gain relates to the un-realised year to date fair value movement on the interest rate swaps entered into with New Zealand Debt Management to manage the risk relating to public private partnership transactions.
Other Movements	-	-	
Closing Balance	2,785,859	2,800,160	

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.

Reasons for Change in Appropriation

This appropriation decreased by \$10.581 million to \$22.937 million for 2020/21 due to:

- \$29.728 million relating to Savings Initiatives in programme funding to be applied and repurposed against Significant Budget Initiatives to operationalise the new Waikeria Prison.

The decrease was offset by \$19.147 million increase relating to expense transfers from 2019/20 to 2020/21.

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.

Expenses, Revenue and Capital Expenditure

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	4,861	851	5,712
Departmental Output Expenses			
Ministerial Services	2,305	800	3,105
Policy Advice	2,556	51	2,607
Funding for Departmental Output Expenses			
Revenue from the Crown	4,861	800	5,661
Ministerial Services	2,305	800	3,105
Policy Advice	2,556	-	2,556
Revenue from Others	-	51	51
Policy Advice	-	51	51

Reasons for Change in Appropriation

This appropriation increased by \$851,000 to \$5.712 million for 2020/21 due to:

- \$800,000 increase relating to increased resourcing required to respond to increased volume of correspondence due to COVID-19
- \$51,000 relating to inter-departmental staff secondments.

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 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

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,478,922	40,081	1,519,003
Departmental Output Expenses			
Information and administrative services to the judiciary and New Zealand Parole Board	74,851	859	75,710
Prison-based Custodial Services	1,144,095	33,474	1,177,569
Sentences and orders served in the community	259,976	5,748	265,724
Funding for Departmental Output Expenses			
Revenue from the Crown	1,475,728	12,129	1,487,857
Information and administrative services to the judiciary and New Zealand Parole Board	74,851	723	75,574
Prison-based Custodial Services	1,140,901	5,996	1,146,897
Sentences and orders served in the community	259,976	5,410	265,386
Revenue from Others	3,194	27,952	31,146
Information and administrative services to the judiciary and New Zealand Parole Board	-	136	136
Prison-based Custodial Services	3,194	27,478	30,672
Sentences and orders served in the community	-	338	338

Reasons for Change in Appropriation

This appropriation increased by \$40.081 million to \$1,519.003 million for 2020/21 due to:

- \$26.900 million relating to Waikeria Prison Disorder Incident Insurance Recovery
- \$13.500 million new funding to address Asset Revaluation Depreciation impacts and to enable sustainable depreciation funding for Corrections' asset base
- \$12.047 million new funding relating to Maintaining Connectivity, provision of Personal Protective Equipment, Strengthening the Health, Safety and Wellbeing, and Communications Capacity and Capability due to COVID-19
- \$5.279 million relating to expense transfers from 2019/20 to 2020/21 relating to the provision of Personal Protective Equipment due to COVID-19, the Prison Capacity Programme and Waikeria Corrections and Treatment Facility
- \$5.087 million new funding relating to Salary and Wage Funding to Maintain Safe Community Services
- \$2.800 million new funding relating to Prison Capacity Programme
- \$1.052 million relating to inter-departmental staff secondments
- \$735,000 new funding relating to negotiated impact on Waikeria Prison Development due to COVID-19.

The increase was offset by \$27.319 million relating to \$25.353 million decrease in capital charge rate from 6% to 5%, Savings Initiative of \$1.326 million to be applied and repurposed against Significant Budget Initiatives and \$640,000 transfer to Ministerial Services.