

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	2025/26		
	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 people in Corrections' management, defendants on bail, and their whānau, to address the underlying causes of criminal offending and reduce re-offending.	420,596	(46,188)	374,408
Total Departmental Output Expenses	420,596	(46,188)	374,408
Departmental Other Expenses			
Loss on disposal of Crown-owned assets for Stafford litigation settlement (M18) (A5) This appropriation is limited to the loss on disposal of assets that are part of the Stafford v Attorney-General litigation settlement.	-	1,859	1,859
Transfer of Three Waters Assets (M18) (A5) This appropriation is limited to expenses incurred in Corrections transferring Three Waters Assets to water service providers.	3,000	1,310	4,310
Total Departmental Other Expenses	3,000	3,169	6,169
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.	342,983	97,398	440,381
Total Departmental Capital Expenditure	342,983	97,398	440,381
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.	400	339	739
Total Non-Departmental Other Expenses	400	339	739
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.	8,602	86	8,688
Departmental Output Expenses			
Ministerial Services This category is limited to Department responses to ministerial correspondence and parliamentary questions.	3,145	-	3,145
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.	5,457	86	5,543

	2025/26		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Public Safety is Improved MCA (M18) (A5)	2,142,651	71,682	2,214,333
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.			
Departmental Output Expenses			
<i>Information and administrative services to the judiciary and New Zealand Parole Board</i>	112,901	2,929	115,830
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>	1,708,860	57,219	1,766,079
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.			
<i>Sentences and orders served in the community</i>	320,890	11,534	332,424
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	2,151,253	71,768	2,223,021
Total Annual Appropriations and Forecast Permanent Appropriations	2,918,232	126,486	3,044,718

Capital Injection Authorisations

	2025/26		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Department of Corrections - Capital Injection (M18) (A5)	24,120	58,028	82,148

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2025/26				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	420,596	(46,188)	-	(46,188)	374,408
Benefits or Related Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	3,400	3,169	339	3,508	6,908
Capital Expenditure	342,983	97,398	-	97,398	440,381
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	2,151,253	71,768	-	71,768	2,223,021
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
Total Appropriations	2,918,232	126,147	339	126,486	3,044,718
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 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

	2025/26		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	420,596	(46,188)	374,408
Revenue from the Crown	389,651	(46,188)	343,463
Revenue from Others	30,945	-	30,945

Reasons for Change in Appropriation

The appropriation decreased by \$46.188 million to \$374.408 million for 2025/26 due to:

- \$35.900 million of fiscally neutral adjustments to other output expense appropriations for 2025/26 only to reflect funding allocations to manage the prisoner population being over Justice Sector Projections
- \$14.555 million fiscally neutral adjustment to other output expense appropriations to reflect the operating costs for Waikeria Prison Development. The funding for the Public Private Partnership arrangement was originally apportioned to appropriations on an estimated allocation basis. The site is now operational and final appropriation cost allocations have been determined
- \$1.016 million expense transfer to outyears for Housing on Corrections land investigation and concept design for - High Risk Residential Services (HRRS) to provide sufficient community-based housing for a growing cohort of highest-risk individuals.

The total decrease of \$51.471 million was offset by the following increases:

- \$2.805 million for extending rehabilitation and reintegration services to prisoners on remand
- \$1.383 million for collective wage pressures following the settlement of the Community and Psychologists collective agreements
- \$1.095 million expense transfer to 2025/26 for Housing on Corrections land investigation and concept design for HRRS.

2.2 - Departmental Other Expenses

Loss on disposal of Crown-owned assets for Stafford litigation settlement (M18) (A5)

Scope of Appropriation

This appropriation is limited to the loss on disposal of assets that are part of the Stafford v Attorney-General litigation settlement.

Expenses

	2025/26		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	1,859	1,859

What is Intended to be Achieved with this Appropriation

This appropriation is intended to offset the loss on disposal of assets that are part of the Stafford v Attorney-General litigation settlement.

How Performance will be Assessed and End of Year Reporting Requirements

Assets have been derecognised in accordance with relevant accounting standards. (Achieved)

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 appropriation increased by \$1.859 million to \$1.859 million for 2025/26 due to:

- \$1.859 million to recognise the loss on disposal of assets that are part of the Cabinet approved Stafford v Attorney General litigation settlement.

Transfer of Three Waters Assets (M18) (A5)

Scope of Appropriation

This appropriation is limited to expenses incurred in Corrections transferring Three Waters Assets to water service providers.

Reasons for Change in Appropriation

The appropriation increased by \$1.310 million to \$4.310 million for 2025/26 due to:

- \$2.839 million expense transfer to 2025/26 to enable the completion of physical works needed to divest the Three Waters Assets at Auckland Prison. The asset transfer can only happen once the asset is up to necessary standards.

The total increase of \$2.839 million was offset by the following decrease:

- \$1.529 million related to an expense transfer to 2026/27 to reflect the expected timing of the work associated with asset transfer conditions.

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

	2025/26		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	327,554	100,272	427,826
Intangibles	15,429	(2,874)	12,555
Other	-	-	-
Total Appropriation	342,983	97,398	440,381

Reasons for Change in Appropriation

The appropriation increased by \$97.398 million to \$440.381 million for 2025/26 due to:

- an increase of \$113.558 million for the Accelerated Capacity Project
- an increase of \$85.751 million for the Waikeria Expansion Project (Phase 2) to progress early works and design
- an increase of \$37.812 million for short to medium term prison capacity response projects.

The total increase of \$237.121 million was offset by the following decreases:

- a decrease of \$68.737 million for the Christchurch Mens' Prison Redevelopment Programme (Phase 1) related to confirmed project phasing
- a decrease of \$68.112 million related to revised project phasing for the Department's capital plan
- a decrease of \$2.874 million related to minor changes of intangible project phasing for the Department's capital plan.

*Capital Injections and Movements in Departmental Net Assets***Department of Corrections**

Details of Net Asset Schedule	2025/26 Main Estimates Projections \$000	2025/26 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2025/26
Opening Balance	4,735,439	4,492,013	Supplementary Estimates opening balance reflects the audited results as at 30 June 2025.
Capital Injections	24,120	82,148	Capital injections increased by \$58.028 million to \$82.148 million for 2025/26 due to: \$50.600 million to respond to increasing prisoner numbers by progressing the Waikeria Prison Expansion (Phase 2). \$5.300 million for operating to capital expenditure swap to provide for the capitalisation of the Waikeria Prison Expansion (Phase 2) project costs. \$2.128 million for extending rehabilitation and reintegration services to prisoners on remand.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	(8,641)	(864)	The entire 2025/26 forecast deficit relates to the unrealised year to date movement on the interest rate swaps entered into with New Zealand Debt Management to manage the interest rate risk relating to public private partnership arrangements.
Other Movements	-	-	
Closing Balance	4,750,918	4,573,297	

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

The appropriation increased by \$339,000 to \$739,000 for 2025/26 due to:

- \$339,000 expense transfer to 2025/26 to ensure immediate funding is available to meet infrastructure requirements for the Waikeria Prison site, including a consideration for a requirement for roading improvement on the State Highway to ensure all regulator designated conditions for related consents are met, including the traffic management requirements during construction and roading make-good requirements once majority of the construction is completed to accommodate higher traffic volumes.

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

	2025/26		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	8,602	86	8,688
Departmental Output Expenses			
Ministerial Services	3,145	-	3,145
Policy Advice	5,457	86	5,543
Funding for Departmental Output Expenses			
Revenue from the Crown	8,602	-	8,602
Ministerial Services	3,145	-	3,145
Policy Advice	5,457	-	5,457
Revenue from Others	-	86	86
Policy Advice	-	86	86

Reasons for Change in Appropriation

The appropriation increased by \$86,000 to \$8.688 million for 2025/26 due to:

- \$86,000 funding in line with the Memorandum of Understanding between Corrections and the Ministry of Foreign Affairs and Trade to provide training support services to Vanuatu Corrections in 2025/26.

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

	2025/26		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	2,142,651	71,682	2,214,333
Departmental Output Expenses			
Information and administrative services to the judiciary and New Zealand Parole Board	112,901	2,929	115,830
Prison-based Custodial Services	1,708,860	57,219	1,766,079
Sentences and orders served in the community	320,890	11,534	332,424
Funding for Departmental Output Expenses			
Revenue from the Crown	2,138,207	67,802	2,206,009
Information and administrative services to the judiciary and New Zealand Parole Board	112,901	2,929	115,830
Prison-based Custodial Services	1,704,416	53,339	1,757,755
Sentences and orders served in the community	320,890	11,534	332,424
Revenue from Others	4,444	3,880	8,324
Prison-based Custodial Services	4,444	3,880	8,324

Reasons for Change in Appropriation

The appropriation increased by \$71.682 million to \$2,214.333 million for 2025/26 due to:

- \$35.900 million fiscally neutral adjustments from other output expense appropriations for 2025/26 only to reflect funding allocations to manage the prisoner population being over Justice Sector Projections.
- \$16 million for the Christchurch Men's Prison Redevelopment for the reimbursement of eligible bid costs.
- \$15.053 million to fund collective wage pressures following the settlement of the Community and Psychologists collective agreements.
- \$14.555 million fiscally neutral adjustment from other output expense appropriations to reflect the operating costs for Waikeria Prison Development. The funding for the Public Private Partnership arrangement was originally apportioned to appropriations on an estimated allocation basis. The site is now operational and final appropriation cost allocations have been determined.
- \$2.555 million expense transfers from 2024/25 to 2025/26 for Housing on Corrections land investigation and concept design work for HRRS to provide sufficient community-based housing for a growing cohort of highest-risk individuals.
- \$2.300 million increase in revenue relating to prisoner's purchase of basic goods through the purchasing system which is offset by an increase in associated costs.
- \$1.588 million to extend rehabilitation and reintegration services to prisoners on remand.
- \$845,000 for collective wage pressures for frontline health.
- \$825,000 to respond to increasing prisoner numbers by progressing the Waikeria Prison Expansion (Phase 2).
- \$600,000 fiscally neutral adjustment to reflect the increase in construction industry revenue and associated costs.
- \$600,000 fiscally neutral adjustment to reflect the increase in primary industry revenue and associated costs.
- \$380,000 increase in revenue from defects not remedied at completion of the Waikeria Prison Development (Phase 1) which is offset by an increase in costs to remedy.
- \$150,000 received from Vote Oranga Tamariki for the Justice Sector Victims Work Programme 'Enhancing the voice of victims to support New Zealand Parole Board hearing outcomes' to allow for expansion of the initiative.

The total increase of \$91.351 million was offset by the following decreases:

- \$12 million technical adjustment to rephase surplus depreciation relating to the land & buildings revaluation.
- \$ 5.300 million fiscally neutral adjustment to capital for the Waikeria Prison Expansion (Phase 2) project costs.
- \$2.369 million expense transfer to outyears for continued investigation and concept design work for HRRS.