

# *Vote Corrections*

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

APPROPRIATION ADMINISTRATOR: Department of Corrections

RESPONSIBLE MINISTER FOR DEPARTMENT OF CORRECTIONS: Minister of Corrections

# Summary of the Vote

## Overview

The Minister of Corrections is responsible for appropriations in Vote Corrections for the 2014/15 financial year covering:

### Operating Expenditure

- \$727.636 million (61.38% of the Vote) for the provision of custodial services 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 offender required to be lawfully detained in custody
- \$218.470 million (18.43% of the Vote) for the management and delivery of sentences and orders served in the community, and electronic monitoring of people on bail
- \$178.742 million (15.08% of the Vote) for the provision of case management and interventions designed to address the underlying causes of criminal re-offending
- \$53.277 million (4.49% of the Vote) 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
- \$4.135 million (0.35% of the Vote) 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
- \$1.755 million (0.15% of the Vote) to prepare and manage contracts for services provided by third parties, and
- \$1.474 million (0.12% of the Vote) for the Department's responses to ministerial correspondence and parliamentary questions.

### Capital Expenditure

- \$319.715 million on 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.

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

# Estimates of Appropriations

## Details of Appropriations and Capital Injections

### Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Departmental Output Expenses</b>			
<b>Contract Management of Services provided by Third Parties (M18)</b> This appropriation is limited to preparing for and managing contracts for the provision of services provided by third parties.	2,288	1,788	1,755
<b>Information and Administrative Services to the Judiciary and New Zealand Parole Board (M18)</b> This appropriation 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.	54,213	54,194	53,277
<b>Prison-based Custodial Services (M18)</b> This appropriation is limited to the provision of custodial services 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 offender required to be lawfully detained in custody.	761,520	757,722	727,636
<b>Rehabilitation and Reintegration (M18)</b> This appropriation is limited to the provision of case management and interventions designed to address the underlying causes of criminal re-offending.	177,671	168,806	178,742
<b>Sentences and Orders Served in the Community (M18)</b> This appropriation is limited to the management and delivery of sentences and orders in the community, and electronic monitoring of people on bail.	217,835	215,778	218,470
<b>Policy Advice and Ministerial Services MCOA (M18)</b>	5,702	5,702	-
<i>Ministerial Services</i> This output class is limited to Department responses to ministerial correspondence and parliamentary questions.	1,486	1,486	-
<i>Policy Advice</i> This output class 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.	4,216	4,216	-
<b>Total Departmental Output Expenses</b>	1,219,229	1,203,990	1,179,880
<b>Departmental Capital Expenditure</b>			
<b>Department of Corrections - Capital Expenditure PLA (M18)</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.	385,578	351,711	319,715
<b>Total Departmental Capital Expenditure</b>	385,578	351,711	319,715

Titles and Scopes of Appropriations by Appropriation Type	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Multi-Category Expenses and Capital Expenditure</b>			
<b>Policy Advice and Ministerial Services MCA (M18)</b>			<b>5,609</b>
The 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.			
<i>Departmental Output Expenses</i>			
<i>Ministerial Services</i>			1,474
This category is limited to Department responses to ministerial correspondence and parliamentary questions.			
<i>Policy Advice</i>			4,135
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.			
<b>Total Multi-Category Expenses and Capital Expenditure</b>	-	-	5,609
<b>Total Annual and Permanent Appropriations</b>	1,604,807	1,555,701	1,505,204

## *Supporting Information*

### Part 1 - Vote as a Whole

This part provides trend information for the vote.

## 1.2 - Trends in the Vote

### Summary of Financial Activity

	2009/10	2010/11	2011/12	2012/13	2013/14		2014/15			2015/16	2016/17	2017/18
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	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	1,052,985	1,130,611	1,166,490	1,154,864	1,213,526	1,198,288	1,179,880	-	1,179,880	1,249,876	1,232,656	1,232,656
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	150	-	-	-	-	-	-	-	-	-
Capital Expenditure	215,189	185,632	80,658	133,163	385,578	351,711	319,715	-	319,715	201,102	197,010	125,279
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	5,109	4,868	4,622	4,618	5,703	5,702	5,609	-	5,609	5,578	5,578	5,578
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Appropriations</b>	1,273,283	1,321,111	1,251,920	1,292,645	1,604,807	1,555,701	1,505,204	-	1,505,204	1,456,556	1,435,244	1,363,513
<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.

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

	2009/10 Adjustments \$000	2010/11 Adjustments \$000	2011/12 Adjustments \$000	2012/13 Adjustments \$000	2013/14 Budgeted Adjustments \$000	2013/14 Estimated Actual Adjustments \$000
<b>Appropriations</b>						
Output Expenses	(5,109)	(4,868)	(4,622)	(4,618)	(5,703)	(5,702)
Benefits or Related Expenses	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-
Capital Expenditure	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)						
Output Expenses	5,109	4,868	4,622	4,618	5,703	5,702
Other Expenses	-	-	-	-	-	-
Capital Expenditure	-	-	-	-	-	-
<b>Total Appropriations</b>	-	-	-	-	-	-
<b>Crown Revenue and Capital Receipts</b>						
Tax Revenue	-	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	-	-	-	-	-	-

The prior year information in the Summary of Financial Activity table has been restated to reflect the current Vote structure. The Department had one Vote structural change, relating to the conversion of its MCOA appropriation to an MCA, as a result of the Public Finance Amendment Act 2013.

### 1.3 - Analysis of Significant Trends

In 2011 the Justice Sector made a commitment to work within fixed baselines until 2020. The Department is continuing to meet that commitment through careful management of its operating budgets and through prudent capital investment in current and future assets. To further contribute to this goal and to deliver improved services while ensuring long term sustainability, the Department has implemented a second Expenditure Review in 2013/14.

The Department is partnering with the private sector to deliver improved services and better public value. Progress in this area means that by 2015 approximately 25% of the Department's core custodial work will be managed under contract in the private sector:

- Serco has been operating the Mt Eden Corrections Facility since 2011.
- The SecureFuture consortium will build, operate and finance the 960 bed new prison at Wiri in South Auckland, under a Public Private Partnership. The prison is due to open in June 2015.

### *Departmental Output Expense Trends*

Significant movements in Vote Corrections include:

- The Department made a commitment to contribute \$87 million to the Justice Sector Fund, over three financial years (2012/13-2014/15). The Justice Sector Fund is a contestable fund to which each agency can submit funding bids, to support new initiatives that enable the sector to meet its objectives. The fund is also intended to be self-sustaining whereby new initiatives generate future savings that can be returned to the fund. The Department will make its final contribution of \$20 million to the fund, in 2014/15.
- In 2012 the Cabinet Economic Growth and Infrastructure Committee agreed to the Department's funding to meet its obligations in respect of the operating costs of the new prison at Wiri, South Auckland. These changes included an increase in funding of \$45.3 million in 2015/16 reducing to \$33.1 million in 2016/17 and out years.
- The Department's budget has reduced by \$33.7 million in 2014/15 as a result of:
  - One-off funding that was transferred to 2013/14 for project related costs such as Work Wear, Public Protection Orders, Staff Safety, Prison Clothing and Reducing Re-offending. This funding has not been appropriated in the Department's 2014/15 budget.
  - The Department transferred one-off funding, arising from efficiency savings achieved in 2012/13, to meet its cost pressures in 2013/14. This funding has not been appropriated in the Department's 2014/15 budget.
  - One-off costs associated with the June 2013 Spring Hill Riot and September 2010 Christchurch Earthquake were included in the 2013/14 budget. No additional provision has been made in the 2014/15 budget for these one-off events.
  - The Department has transferred one-off efficiency savings achieved in 2013/14 to the Justice Sector Fund (the Fund) which is in line with the principles established for the treatment of underspends when the Fund was established. The savings have arisen from an intensive focus on generating savings and efficiencies, working even smarter and being innovative in making every dollar go further and the early implementation of the Expenditure Review programme initiatives. The Department is likely to place a bid against the Fund in 2014/15 to support the completion of the second stage of the Expenditure Review.

### *Departmental Capital Expenditure*

The Department's projected capital intentions from 2013/14 to 2017/18 include the new prison at Wiri, Auckland Prison redevelopment and the development of prison sites at Tongariro, Whanganui and Invercargill. In addition, the Department plans to deliver projects related to: audio/video links connecting prison sites to courts, asset lifecycle replacement at Community Corrections and prison sites, enhancements to electronic security assets and information technology systems and applications.



## 1.4 - Reconciliation of Changes in Appropriation Structure

		Old Structure		New Structure		
2013/14 Appropriations in the 2013/14 Structure	2013/14 (Current) \$000	Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2013/14 Appropriations in the 2014/15 Structure	2013/14 (Restated) \$000	2014/15 \$000
MCOA - Policy Advice and Ministerial Services	5,703	MCOA - Policy Advice and Ministerial Services	5,703	MCA - Policy Advice and Ministerial Services	5,703	5,609

Explanations of the reasons for changing the appropriation structure are noted in the details of each appropriation in Parts 2-4.

## 1.5 - Relationship between Individual Appropriations and the Work Programmes

### *Objectives of the Vote*

Government Priorities	Corrections End Outcomes	Corrections Intermediate Outcomes	Corrections Appropriations
Delivery of better public services within tight financial constraints	Improving Public Safety	This is about keeping communities safe by ensuring offenders complete the sentences and orders handed down by our justice system and are held to account if they do not. This will always be our bottom line.	Information and Administrative Services to the Judiciary and New Zealand Parole Board Contract Management of Services provided by Third Parties Policy Advice and Ministerial Services MCA Prison-based Custodial Services Rehabilitation and Reintegration Sentences and Orders Served in the Community
	Reducing Re-offending	Cutting the rates of re-offending leaves fewer victims and adds significantly to the social well-being of our communities as offenders become productive members of our society. This is our ultimate goal.	Information and Administrative Services to the Judiciary and New Zealand Parole Board Contract Management of Services provided by Third Parties Policy Advice and Ministerial Services MCA Prison-based Custodial Services Rehabilitation and Reintegration Sentences and Orders Served in the Community
	Better Public Value	We face a challenging economic environment so our commitment is to achieve more with every taxpayer's dollar, freeing up resources where we can, while improving our service responses. Corrections works closely with the Government-wide Better Public Services programme to create a public sector that can respond even more effectively to the needs and expectations of New Zealanders.	Information and Administrative Services to the Judiciary and New Zealand Parole Board Contract Management of Services provided by Third Parties Policy Advice and Ministerial Services MCA Prison-based Custodial Services Rehabilitation and Reintegration Sentences and Orders Served in the Community
	Visible Leadership	Visible leadership is about us taking a lead role across the public sector and demonstrating to our partners how we can work together to reduce re-offending.	Information and Administrative Services to the Judiciary and New Zealand Parole Board Contract Management of Services provided by Third Parties Policy Advice and Ministerial Services MCA Prison-based Custodial Services Rehabilitation and Reintegration Sentences and Orders Served in the Community

## Part 2 - Details of Departmental Appropriations

### 2.1 - Departmental Output Expenses

#### Contract Management of Services provided by Third Parties (M18)

##### *Scope of Appropriation*

This appropriation is limited to preparing for and managing contracts for the provision of services provided by third parties.

##### *Expenses and Revenue*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,288	1,788	1,755
Revenue from the Crown	2,288	2,288	1,755
Revenue from Others	-	-	-

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

This appropriation enables the Department to manage the contracting of services from third party providers in a competitive market; ensuring cost efficiency is achieved without compromising service effectiveness. Contract governance and the monitoring of performance against contracted outcomes is provided through this appropriation.

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

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
<b>Contract Management</b>			
<b>Quality</b>			
Undertake audits of the contracts through the year, and report on the audits	Achieved	Achieved	Achieved

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

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

##### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
<b>Current Government</b>						
Wiri Prison Public-Private Partnership	2011/12	1,000	1,000	1,000	1,000	1,000

*Reasons for Change in Appropriation*

This appropriation decreased as less project related costs are expected to be incurred in 2014/15 for the new prison at Wiri, currently being built under a Public-Private Partnership agreement.

**Information and Administrative Services to the Judiciary and New Zealand Parole Board (M18)***Scope of Appropriation*

This appropriation 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.

*Expenses and Revenue*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	54,213	54,194	53,277
Revenue from the Crown	54,193	54,193	53,277
Revenue from Others	20	20	-

*Components of the Appropriation*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Information Services to the Judiciary	39,788	39,769	38,852
Information Services to the New Zealand Parole Board (NZPB)	8,334	8,334	8,334
Information and Administrative Services to Victims	185	185	185
Administrative Services to the New Zealand Parole Board (NZPB)	5,906	5,906	5,906

*What is Intended to be Achieved with this Appropriation*

This appropriation enables the Department to provide timely, quality information to the Courts and the New Zealand Parole Board to enable them to make informed decisions about defendants and offenders. It also ensures that the Department is able to comply with legislative requirements for victim notifications, and provide administrative support functions to the New Zealand Parole Board.

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

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
<b>Information Services to the Judiciary</b>			
<b>Timeliness</b>			
The percentage of reports provided to court within agreed timeframes before sentencing:			
· Probation reports	≥95%	≥95%	≥95%
· Psychological reports	≥95%	≥95%	≥95%
<b>Activity Information</b>			
The number of reports provided to court:	50,540	45,533	44,557
· Probation reports	50,290	45,393	44,332
· Psychological reports	250	140	225
The number of court attendance hours	103,586	110,705	99,227
The number of Electronic Monitoring Bail (EM Bail) applications submitted to court	New measure for 2014/15	New measure for 2014/15	2,500
<b>Information Services to the New Zealand Parole Board (NZPB)</b>			
<b>Timeliness</b>			
The percentage of reports provided to agreed timeframes pursuant to NZPB requirements:			
· Parole Assessment reports	≥75%	≥75%	≥75%
· Parole Progress reports	≥95%	≥95%	≥95%
· Psychological reports	≥90%	≥90%	≥90%
<b>Activity Information</b>			
The number of reports provided to the NZPB:	7,335	7,735	6,868
· Parole Assessment reports	5,699	6,191	5,369
· Parole Progress reports	436	344	299
· Psychological reports	1,200	1,200	1,200
<b>Information and Administrative Services to Victims</b>			
<b>Quality and Timeliness</b>			
The number of justified complaints about notification services received from registered victims	Nil	1	Nil
<b>Activity Information</b>			
The number of victim referrals received from the New Zealand Police	≥700	≥900	≥1,800

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Administrative Services to the New Zealand Parole Board (NZPB)</b>			
<b>Quality</b>			
The percentage of offenders who are notified as per NZPB requirements	≥98%	≥98%	≥98%
The percentage of victims who are notified as per NZPB requirements	≥98%	≥98%	≥98%
<b>Timeliness</b>			
The percentage of all cases to be heard by the NZPB that are scheduled no later than 16 weeks from the date of the hearing	≥98%	≥98%	≥98%
<b>Activity Information</b>			
The number of NZPB hearings where administrative support is required	8,500	8,400	8,500

### *End of Year Performance Reporting*

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

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
<b>Current Government</b>						
Wiri Prison Public-Private Partnership	2014/15	-	(25)	(25)	(25)	(25)
Expenditure Review	2012/13	(689)	(1,092)	(1,276)	(1,276)	(1,276)
Mt Eden Phase Two (This funding has been re-prioritised to the Wiri Prison Public Private Partnership from 2014/15)	2010/11	25	25	25	25	25
Prison Capacity	2009/10	132	132	132	132	132
Capacity Management	2009/10	21,827	21,827	21,827	21,827	21,827

### *Reasons for Change in Appropriation*

This appropriation decreased in 2014/15 as the Department transferred funding from 2012/13 to 2013/14 for costs relating to the Work Wear Project. This funding has not been appropriated in the Department's 2014/15 budget.

## Prison-based Custodial Services (M18)

### *Scope of Appropriation*

This appropriation is limited to the provision of custodial services 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 offender required to be lawfully detained in custody.

### *Expenses and Revenue*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	761,520	757,722	727,636
Revenue from the Crown	752,900	752,900	725,445
Revenue from Others	8,620	8,620	2,191

### *Components of the Appropriation*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Custodial Services	743,638	739,840	709,754
Health	17,882	17,882	17,882

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

This appropriation contributes to the safety of the community by ensuring that all persons detained in custody complete their sentence and comply with the specific restrictions of their sentence. It enables the Department to safely and securely contain those persons in accordance with legislative requirements and accepted international conventions, ensuring they are treated fairly and that their legitimate needs are met. This appropriation also ensures that the primary healthcare needs of persons detained in custody are met.

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

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
<b>Custodial Services</b>			
<b>Quality</b>			
The number of non-serious/no injury prisoner/prisoner assaults	≤800	≤685	≤750
The number of non-serious/no injury prisoner/staff assaults	≤300	≤289	≤300
The number of general random drug tests sampled	≥4,200	≥4,233	≥4,200
The percentage of initial offender plans completed within required timeframes	New measure for 2014/15	New measure for 2014/15	≥85%

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
<b>Activity Information</b>			
The average prison population	8,634	8,400	8,246
The maximum number of prisoners held	8,793	8,637	8,393
<b>Health</b>			
<b>Quality</b>			
The percentage of new receptions who have been assessed as requiring a cardio-vascular risk assessment (CVRA), and receive a CVRA within eight weeks of identification with Prison Services	≥90%	≥93%	≥90%
The number of identified Prison Services Health Centres achieving Cornerstone accreditation status	4	4	1
The number of Prison Services Health Centres that retained their Cornerstone accreditation status following completion of annual review	New measure for 2014/15	New measure for 2014/15	15
The percentage of newly received prisoners who have a reception health triage assessment on the day of reception	≥95%	≥98%	≥95%
<b>Activity Information</b>			
The number of prisoners who require a health screening upon reception	30,500	29,424	30,500
The total number of health consultations with healthcare staff	264,000	178,018	124,300

### *End of Year Performance Reporting*

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

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
<b>Current Government</b>						
Expenditure Review	2012/13	(32,947)	(38,740)	(21,270)	(21,270)	(21,270)
Wiri Prison Public-Private Partnership	2011/12	-	(452)	45,298	33,073	33,073
Mt Eden Phase Two (This funding has been re-prioritised to the Wiri Prison Public-Private Partnership from 2014/15)	2010/11	19,952	19,952	19,952	19,952	19,952
Prison Project Management and Integration Activities	2010/11	859	859	859	859	859
Audio Visual Links in Courts and Corrections Facilities Phase one	2010/11	45	45	45	45	45
Prison Capacity	2009/10	79,312	79,312	79,312	79,312	79,312
Prisoner Health - Drug Treatment Units	2009/10	2,475	2,475	2,475	2,475	2,475



### *Reasons for Change in Appropriation*

Those factors that have contributed to a reduction in appropriation funding for 2014/15 include:

- The Department transferred one-off funding, arising from efficiency savings achieved in 2012/13, to meet cost pressures in 2013/14. These costs are expected to be met within the 2014/15 budget.
- One-off costs associated with the June 2013 Spring Hill Riot and September 2010 Christchurch Earthquake were included in the 2013/14 budget. No additional provision has been made in the 2014/15 budget for these one-off events.
- The Department transferred one-off funding to 2013/14 for project related costs (for example: Staff Safety Project, Prisoner Clothing, Public Protection Orders) that were expected to be incurred later than anticipated. There is no funding for these in 2014/15 as it is expected that the Department will meet the on-going cost associated within these projects within the existing budget.

### **Rehabilitation and Reintegration (M18)**

#### *Scope of Appropriation*

This appropriation is limited to the provision of case management and interventions designed to address the underlying causes of criminal re-offending.

#### *Expenses and Revenue*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	177,671	168,806	178,742
Revenue from the Crown	141,967	141,967	149,048
Revenue from Others	35,704	35,704	29,694

#### *Components of the Appropriation*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Case Management	18,542	17,343	18,829
Interventions - Training and Education	8,794	8,225	8,930
Interventions - Offender Employment	53,821	54,252	52,970
Interventions - Rehabilitation	79,845	74,684	81,085
Interventions - Reintegration	16,669	14,302	16,928

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

This appropriation enables the Department to achieve a reduction in re-offending rates. It provides for the timely assessment of the rehabilitative and reintegrative needs of offenders and those remanded in custody. This appropriation ensures identified offender needs are addressed through rehabilitation, education, employment and reintegration activities.

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

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
<b>Case Management</b>			
<b>Quantity</b>			
The percentage of prisoners entitled to receive an offender plan that received one	≥95%	≥95%	≥95%
<b>Interventions - Training and Education</b>			
<b>Quality</b>			
The percentage of prisoners who demonstrate measurable gains with literacy and numeracy	≥75%	≥75%	≥75%
<b>Quantity</b>			
The number of prisoners who receive literacy and numeracy programmes in prison	2,969	2,969	2,969
The total number of qualifications achieved by prisoners while in prison	2,800	3,505	3,505
<b>Interventions - Offender Employment</b>			
<b>Quantity</b>			
The number of prisoners who have engaged in employment activities	11,435	11,435	11,460
<b>Interventions - Rehabilitation</b>			
<b>Quality</b>			
The percentage of offenders who started and completed a rehabilitation programme:			
• Prisoners	≥75%	≥75%	≥75%
• Community-based offenders	≥65%	≥65%	≥65%
<b>Quantity</b>			
The number of offenders who start a rehabilitation programme:			
• Prisoners	14,135	12,575	13,247
• Community-based offenders	7,856	6,929	7,911
• Community-based offenders	6,279	5,646	5,336
<b>Interventions - Reintegration</b>			
<b>Quantity</b>			
The number of offenders referred by Case Managers through to Out of Gate providers	New measure for 2014/15	New measure for 2014/15	4,300

### *End of Year Performance Reporting*

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

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
<b>Current Government</b>						
Establishment of new post release support services (Out of Gate)	2013/14	5,000	5,000	-	-	-
Expenditure Review	2012/13	13,180	16,869	16,262	16,262	16,262
Wiri Prison Public-Private Partnership	2011/12	-	6,077	21,327	17,252	17,252
Mt Eden Phase Two (This funding has been re-prioritised to the Wiri Prison Public-Private Partnership from 2014/15)	2010/11	423	423	423	423	423
Establishment of Whare Oranga Ake	2010/11	4,092	4,092	4,092	4,092	4,092
Prison Project Management and Integration Activities	2010/11	141	141	141	141	141
Prison Capacity	2009/10	1,291	1,291	1,291	1,291	1,291
Capacity Management	2009/10	6,999	6,999	6,999	6,999	6,999

*Reasons for Change in Appropriation*

Overall, this appropriation increased as a result of the Department making a one-off transfer of funding to the Justice Sector Fund. No provision has been made for a one-off transfer to occur in the 2014/15 budget.

**Sentences and Orders Served in the Community (M18)***Scope of Appropriation*

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

*Expenses and Revenue*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	217,835	215,778	218,470
Revenue from the Crown	217,767	217,767	218,470
Revenue from Others	68	68	-

*Components of the Appropriation*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Home Detention Sentences	42,980	43,395	43,122
Community-Based Sentences	149,414	148,712	148,224
Post-Release Orders	23,785	22,015	23,924
Electronic Monitoring Bail (EM Bail)	1,656	1,656	3,200

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

This appropriation allows the Department to ensure that offenders serving a sentence or order in the community, or defendants that are being electronically monitored on bail, complete their sentences and orders and comply with the restrictions and requirements of the conditions of their sentence, order or bail. In the event of non-compliance this appropriation allows appropriate action to be taken to ensure the safety of the community.

This appropriation complements the Rehabilitation and Reintegration appropriation by enabling direct supervision, support and motivation of community-based offenders by probation officers to reduce an offender's risk of re-offending.

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

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
<b>Home Detention Sentences</b>			
<b>Quality and Timeliness</b>			
Compliance with mandatory standards for home detention sentences	≥98%	≥95%	≥98%
<b>Activity Information</b>			
The total number of new home detention sentences commenced	3,275	3,525	3,552
The average number of home detention sentences being served	2,478	2,831	2,896
<b>Community-based Sentences</b>			
<b>Quality and Timeliness</b>			
Compliance with mandatory standards for community-based sentences	≥98%	≥94%	≥98%
<b>Activity Information</b>			
The total number of new community-based sentences commenced	67,666	50,695	49,786
The average number of community-based sentences being served	31,349	29,497	27,239
<b>Post-release Orders</b>			
<b>Quality and Timeliness</b>			
Compliance with mandatory standards for post-release orders	≥98%	≥98%	≥98%
<b>Activity Information</b>			
The total number of new post-release orders commenced	5,901	5,824	5,714
The average number of post-release orders being served	6,155	5,997	5,916
<b>Electronic Monitoring Bail (EM Bail)</b>			
<b>Activity Information</b>			
The number of new EM Bail conditions imposed	New measure for 2014/15	New measure for 2014/15	1,000
The average number of EM Bail conditions	New measure for 2014/15	New measure for 2014/15	431

### *End of Year Performance Reporting*

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

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
<b>Current Government</b>						
Public Protection Orders	2014/15	-	920	920	-	-
Alcohol and Drug Testing of Offenders and Bailees in the Community	2013/14	2,000	2,000	-	-	-
Development & Transition to Electronically Monitored Bail	2013/14	500	-	-	-	-
Expenditure Review	2012/13	(2,509)	(3,959)	(4,620)	(4,620)	(4,620)
Courts and Criminal Matters Bill	2011/12	325	325	325	325	325
Capacity Management	2009/10	30,920	30,920	30,920	30,920	30,920

## 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*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	187,322	153,148	221,076
Intangibles	23,570	23,877	20,000
Other	174,686	174,686	78,639
<b>Total Appropriation</b>	<b>385,578</b>	<b>351,711</b>	<b>319,715</b>

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

This appropriation enables the Department to renew and replace its assets in support of the provision of the Department's outputs. The Department has a programme of work that is focused on upgrading its assets in response to changing service needs, in particular an upgrade of our Community Corrections Sites and the proposed capital investment at three prisons (Tongariro, Whanganui and Invercargill) during 2014/15. The appropriation also allows for the construction of a new 960 bed prison at Wiri in South Auckland.

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

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Number of new Community Corrections Sites (CCS) and existing site refurbishments	New measure for 2014/15	New measure for 2014/15	30
Prison Development Programme - projects delivered	New measure for 2014/15	New measure for 2014/15	3
New Men's Prison at Wiri	New measure for 2014/15	New measure for 2014/15	Operational
Site Security and Improvements Programme	New measure for 2014/15	New measure for 2014/15	3

*End of Year Performance Reporting*

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

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

Details of Net Asset Schedule	2013/14 Estimated Actual \$000	2014/15 Projected \$000	Explanation of Projected Movements in 2014/15
Opening Balance	2,294,845	2,298,045	
Capital Injections	3,200	-	Whare Oranga Ake (capital injection was for 2013/14 only)
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
<b>Closing Balance</b>	<b>2,298,045</b>	<b>2,298,045</b>	

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

### Multi-Category Expenses and Capital Expenditure

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

##### *Overarching Purpose Statement*

The 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*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	-	-	5,609
<b>Departmental Output Expenses</b>			
Ministerial Services	-	-	1,474
Policy Advice	-	-	4,135
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	-	-	5,609
Ministerial Services	-	-	1,474
Policy Advice	-	-	4,135
<b>Revenue from Others</b>	-	-	-
Ministerial Services	-	-	-
Policy Advice	-	-	-

### Comparators for Restructured Appropriation

Vote, Type and Title of Appropriation	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Vote Corrections - MCOA to MCA</b>			
<b>Departmental Output Expenses</b>			
Ministerial Services	1,486	1,486	1,474
Policy Advice	4,216	4,216	4,135
Total	5,702	5,702	5,609

The previous MCOA Policy Advice and Ministerial Services has been converted to an MCA.

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

This appropriation enables the Department to respond to ministerial requests and parliamentary questions. It also allows the Department to provide policy advice to support decision making by Ministers on government policy matters. Although the appropriation category has been reclassified the underlying activities performed under this appropriation are unchanged.

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

#### **Ministerial Services**

This category ensures that timely, accurate and relevant responses are provided to ministerial correspondence, parliamentary questions and requests for information made under the Official Information Act.

#### **Policy Advice**

This category enables the provision of 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.

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

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Policy Advice and Ministerial Services</b>			
The office of the Minister of Corrections is satisfied with the level of quality of Policy advice, and of draft Ministerial correspondence, provided by the Department (determined by an Annual Survey of satisfaction)	New Measure for 2014/15	New Measure for 2014/15	≥84%



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

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Policy Advice and Ministerial Services</b>			
<b>Appropriation: Policy Advice</b>			
<b>Quality</b>			
The technical quality of the Department's policy advice will be externally assessed from a representative sample by a third party assessor (measured through an annual review)	≥70%	≥70%	≥70%
The office of the Minister of Corrections is satisfied with the quality of policy advice provided, including quality of the written material and quality of the advice provided (measured through an annual survey)	≥78%	≥78%	≥78%
<b>Cost</b>			
Total cost per output hours of professional staff time devoted to policy advice and other policy functions	≥105	≥126	≥126
<b>Appropriation: Ministerial Services</b>			
<b>Quality</b>			
The percentage of ministerial draft correspondence that is signed without changes	≥90%	≥90%	≥90%
<b>Timeliness</b>			
The percentage of all responses to parliamentary questions that are completed within five working days	≥98%	≥98%	≥98%
The percentage of responses to ministerial draft correspondence that are completed within 20 working days	≥98%	≥98%	≥98%

### *End of Year Performance Reporting*

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

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
<b>Expenditure Review:</b>						
· Ministerial Services	2012/13	(2)	(2)	(2)	(2)	(2)
· Policy Advice	2012/13	(33)	(76)	(94)	(94)	(94)

### *Reasons for Change in Appropriation*

In 2013/14 this appropriation was classified as an MCOA. It has been reclassified as a MCA in 2014/15 in accordance with the Public Finance Amendment Act 2013.