

# *Vote Corrections*

---

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

APPROPRIATION ADMINISTRATOR: Department of Corrections

RESPONSIBLE MINISTER FOR DEPARTMENT OF CORRECTIONS: Minister of Corrections

# Supplementary Estimates of Appropriations

## Details of Appropriations

### Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2013/14		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total 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.	1,598	690	2,288
<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.	61,844	(7,631)	54,213
<b>Policy Advice and Ministerial Services MCOA (M18)</b>	5,353	349	5,702
<i>Ministerial Services</i> This output class is limited to Department responses to ministerial correspondence and parliamentary questions.	1,136	350	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.	4,217	(1)	4,216
<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.	753,380	8,140	761,520
<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.	170,597	7,074	177,671
<b>Sentences and Orders Served in the Community (M18)</b> This appropriation is limited to the management and delivery of sentences and orders served in the community.	206,065	11,770	217,835
<b>Total Departmental Output Expenses</b>	1,198,837	20,392	1,219,229
<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.	346,045	39,533	385,578
<b>Total Departmental Capital Expenditure</b>	346,045	39,533	385,578
<b>Total Annual and Permanent Appropriations</b>	1,544,882	59,925	1,604,807

# Details of Projected Movements in Departmental Net Assets

## Department of Corrections

Details of Net Asset Schedule	2013/14 Main Estimates Projections \$000	2013/14 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2013/14
Opening Balance	2,310,586	2,294,845	Supplementary Estimates opening balance reflects the audited results as at 30 June 2013.
Capital Injections	19,500	3,200	Corrections carried out a review of its capital programme and capital cash flow requirements from 2013/14 through to 2017/18. As a result of this review, the Department transferred \$16.300 million of capital from 2013/14 to 2017/18. This transfer relates to Mt Eden Phase 2 (stage 2). This funding is not required until the 2017/18 year.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
<b>Closing Balance</b>	<b>2,330,086</b>	<b>2,298,045</b>	

# Supporting Information

## Part 1 - Vote as a Whole

### 1.2 - Trends in the Vote

#### Summary of Financial Activity

	2013/14				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
<b>Appropriations</b>					
Output Expenses	1,198,837	20,392	-	20,392	1,219,229
Benefits and Other Unrequited Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	-	-	-	-	-
Capital Expenditure	346,045	39,533	-	39,533	385,578
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	-	-	-	-	-
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
<b>Total Appropriations</b>	<b>1,544,882</b>	<b>59,925</b>	<b>-</b>	<b>59,925</b>	<b>1,604,807</b>
<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>	<b>-</b>	<b>N/A</b>	<b>-</b>	<b>-</b>	<b>-</b>

*Mapping the Layout of the 2013/14 Supplementary Estimates to the Layout of the 2013/14 Estimates*

Supplementary Estimates Structure 2013/14		Estimates Structure 2013/14	
Part #	Part Name	Part #	Part Name
2.1	Departmental Output Expenses	2.1	Departmental Output Expenses
2.2	Departmental Other Expenses	5.1	Departmental Other Expenses
2.3	Departmental Capital Expenditure and Capital Injections	6.1	Departmental Capital Expenditure
3.1	Non-Departmental Output Expenses	2.2	Non-Departmental Output Expenses
3.2	Non-Departmental Benefits and Other Unrequited Expenses	3.2	Non-Departmental Benefits and Other Unrequited Expenses
3.3	Non-Departmental Borrowing Expenses	4.2	Non-Departmental Borrowing Expenses
3.4	Non-Departmental Other Expenses	5.2	Non-Departmental Other Expenses
3.5	Non-Departmental Capital Expenditure	6.2	Non-Departmental Capital Expenditure
4	Multi-Category Expenses and Capital Expenditure	N/A	Did not exist in the Estimates

## 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		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,598	690	2,288
Revenue from the Crown	1,598	690	2,288
Revenue from Others	-	-	-

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

This appropriation increased during the year as project funding relating to the construction of the new prison being built at Wiri, under a Public-Private Partnership arrangement, was transferred from the previous financial year (2012/13) to cover costs expected to be incurred later than originally projected.

#### 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		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	61,844	(7,631)	54,213
Revenue from the Crown	61,844	(7,651)	54,193
Revenue from Others	-	20	20

### *Reasons for Change in Appropriation*

This appropriation decreased during the year to reflect the general decline in the demand for information and administration services provided to the Judiciary, victims of crime and the Parole Board. The reduction in demand is offset by an increase in the more intensive management of offenders on community based sentences and orders. Accordingly, the Department has permanently transferred funding from the Information and Administrative Services to the Judiciary and New Zealand Parole Board output class to the Sentences and Orders Served in the Community output class as this trend is expected to continue in the foreseeable future.

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

#### *Scope of Appropriation*

##### **Ministerial Services**

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

##### **Policy Advice**

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.

#### *Explanation for Use of Multi-Class Output Expense Appropriation*

The output classes relate to the provision of policy advice and related outputs such as Ministerial servicing within Vote Corrections.

#### *Expenses and Revenue*

	2013/14		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
<b>Total Appropriation</b>	5,353	349	5,702
Ministerial Services	1,136	350	1,486
Policy Advice	4,217	(1)	4,216
<b>Revenue from the Crown</b>	5,353	349	5,702
Ministerial Services	1,136	350	1,486
Policy Advice	4,217	(1)	4,216
<b>Revenue from Others</b>	-	-	-
Ministerial Services	-	-	-
Policy Advice	-	-	-

### *Reasons for Change in Appropriation*

This appropriation increased during the year as a result of higher volumes of responses to ministerial correspondence and parliamentary questions. The Department's ministerial operations have been consolidated to ensure that requests received each year are being effectively managed. The Department expects that current volumes and activity levels will continue in the foreseeable future.

## 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		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	753,380	8,140	761,520
Revenue from the Crown	753,130	(230)	752,900
Revenue from Others	250	8,370	8,620

### *Reasons for Change in Appropriation*

This appropriation increased as a result of additional one-off costs associated with the June 2013 Spring Hill Riot and the September 2010 Christchurch Earthquake, which have been incurred during 2013/14. These costs are expected to be partially offset by proceeds from claims against the Department's insurance policies. In addition, the Department transferred funding from 2012/13 to 2013/14 for one-off project related costs, (for example Public Protection Orders, Staff Safety and Prisoner Clothing), expected to be incurred later than originally anticipated.

## 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		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	170,597	7,074	177,671
Revenue from the Crown	139,599	2,368	141,967
Revenue from Others	30,998	4,706	35,704



*Reasons for Change in Appropriation*

This appropriation increased during the year resulting from an increase in Offender Employment activities. Increases in the direct costs incurred in these activities are partially offset by favourable market prices for goods and services provided through these activities.

In addition, the Department transferred one-off funding from 2012/13 to 2013/14 to support the provisional completion of activities within the Reducing Re-Offending programme.

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

This appropriation is limited to the management and delivery of sentences and orders served in the community.

*Expenses and Revenue*

	2013/14		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	206,065	11,770	217,835
Revenue from the Crown	206,065	11,702	217,767
Revenue from Others	-	68	68

*Reasons for Change in Appropriation*

This appropriation increased as a result of the following changes to the Department's activities:

- The provision of Electronic Monitored Bail (EM Bail) operations was transferred from Police to the Department of Corrections, effective from 1 October 2013.
- The Department received funding from the Justice Sector fund in 2013/14 to implement the new Public Protection Orders initiative and to provide alcohol and drug testing of offenders and bailees in the community.
- The Department has experienced a shift in demand to the management of more intensive community based sentences and orders, with less time being spent on services provided directly to the Judiciary. The Department has permanently transferred funding from the Information and Administrative Services to the Judiciary and New Zealand Parole Board output class to the Sentences and Orders Served in the Community output class, as this trend is expected to continue for the foreseeable future.

## 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		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	144,680	42,642	187,322
Intangibles	26,665	(3,095)	23,570
Other	174,700	(14)	174,686
<b>Total Appropriation</b>	<b>346,045</b>	<b>39,533</b>	<b>385,578</b>

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

#### **Department of Corrections**

Details of Net Asset Schedule	2013/14 Main Estimates Projections \$000	2013/14 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2013/14
Opening Balance	2,310,586	2,294,845	Supplementary Estimates opening balance reflects the audited results as at 30 June 2013.
Capital Injections	19,500	3,200	Corrections carried out a review of its capital programme and capital cash flow requirements from 2013/14 through to 2017/18. As a result of this review, the Department transferred \$16.300 million of capital from 2013/14 to 2017/18. This transfer relates to Mt Eden Phase 2 (stage 2). This funding is not required until the 2017/18 year.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
<b>Closing Balance</b>	<b>2,330,086</b>	<b>2,298,045</b>	