

# *Vote Corrections*

---

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

APPROPRIATION ADMINISTRATOR: Department of Corrections

RESPONSIBLE MINISTER FOR DEPARTMENT OF CORRECTIONS: Minister of Corrections

# Details of Appropriations and Capital Injections

## Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2014/15		
	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.	1,755	501	2,256
<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.	53,277	(1,579)	51,698
<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.	727,636	63,607	791,243
<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.	178,742	(9,148)	169,594
<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.	218,470	(3,282)	215,188
<b>Total Departmental Output Expenses</b>	1,179,880	50,099	1,229,979
<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.	319,715	(24,060)	295,655
<b>Total Departmental Capital Expenditure</b>	319,715	(24,060)	295,655
<b>Multi-Category Expenses and Capital Expenditure</b>			
<b>Policy Advice and Ministerial Services MCA (M18)</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.	5,609	(797)	4,812
<i>Departmental Output Expenses</i>			
<i>Ministerial Services</i> This category is limited to Department responses to ministerial correspondence and parliamentary questions.	1,474	(498)	976
<i>Policy Advice</i> This category is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters.	4,135	(299)	3,836
<b>Total Multi-Category Expenses and Capital Expenditure</b>	5,609	(797)	4,812
<b>Total Annual and Permanent Appropriations</b>	1,505,204	25,242	1,530,446

## Capital Injection Authorisations

	2014/15		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Department of Corrections - Capital Injection (M18)	-	-	-

# Supporting Information

## Part 1 - Vote as a Whole

### 1.2 - Trends in the Vote

#### Summary of Financial Activity

	2014/15				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
<b>Appropriations</b>					
Output Expenses	1,179,880	50,099	-	50,099	1,229,979
Benefits or Related Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	-	-	-	-	-
Capital Expenditure	319,715	(24,060)	-	(24,060)	295,655
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	5,609	(797)	-	(797)	4,812
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
<b>Total Appropriations</b>	1,505,204	25,242	-	25,242	1,530,446
<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	-	-	-

## 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*

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,755	501	2,256
Revenue from the Crown	1,755	501	2,256
Revenue from Others	-	-	-

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

This appropriation increased by \$501,000 to \$2.256 million for 2014/15 due to a one-off expense transfer, from 2013/14 to 2014/15, for project related costs associated with the Auckland South Corrections Facility Project.

#### 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*

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	53,277	(1,579)	51,698
Revenue from the Crown	53,277	(1,590)	51,687
Revenue from Others	-	11	11

*Reasons for Change in Appropriation*

This appropriation decreased by \$1.579 million to \$51.698 million for 2014/15 due to a reduction in the level of demand for services provided by the Department. The total level of activity and funding for this appropriation is similar to 2013/14 and represents the expected cost of providing these services in the future. The reduction in spending has been reprioritised to the Prison-based Custodial Services appropriation.

**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*

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	727,636	63,607	791,243
Revenue from the Crown	725,445	62,722	788,167
Revenue from Others	2,191	6,385	8,576

*Reasons for Change in Appropriation*

This appropriation increased by \$63.607 million to \$791.243 million for 2014/15 mainly due to:

- an increase in capital charge of \$17.712 million arising from the asset revaluation of land and buildings as at 30 June 2014
- the reprioritisation of funding of \$27.846 million from other appropriations, and
- one-off funding of \$6.764 million received from the Justice Sector Fund to offset cost pressures mostly arising from the impact of the asset revaluation as at 30 June 2014 (depreciation) and costs associated with the Auckland South Corrections Facility.

The Department is also expecting to receive \$5.500 million of insurance income in 2014/15, for claims in relation to the Christchurch Earthquakes and the Spring Hill riot costs which were incurred in previous years.

## 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*

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	178,742	(9,148)	169,594
Revenue from the Crown	149,048	(14,278)	134,770
Revenue from Others	29,694	5,130	34,824

### *Reasons for Change in Appropriation*

This appropriation decreased by \$9.148 million to \$169.594 million for 2014/15 due to delays in contracting programmes.

## 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*

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	218,470	(3,282)	215,188
Revenue from the Crown	218,470	(3,319)	215,151
Revenue from Others	-	37	37

### *Reasons for Change in Appropriation*

This appropriation decreased by \$3.282 million to \$215.188 million for 2014/15 due to reprioritising funding to the Prison-based Custodial Services appropriation.

The appropriation is \$4.881 million higher than 2013/14 actual expenditure, reflecting one-off project costs to transfer all electronic monitoring services to one supplier, which will produce long term savings.

## 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*

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	221,076	(33,360)	187,716
Intangibles	20,000	9,300	29,300
Other	78,639	-	78,639
<b>Total Appropriation</b>	<b>319,715</b>	<b>(24,060)</b>	<b>295,655</b>

#### *Reasons for Change in Appropriation*

The decrease in appropriation reflects the updated capital profile to be delivered in 2014/15.

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

#### **Department of Corrections**

Details of Net Asset Schedule	2014/15 Main Estimates Projections \$000	2014/15 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2014/15
Opening Balance	2,298,045	2,519,451	Supplementary Estimates opening balance reflects the audited results as at 30 June 2014.
Capital Injections	-	-	
Capital Withdrawals	-	(11,000)	Department's contribution to the new Christchurch Justice and Emergency Services Precinct (\$10 million) and the transfer of a property sale back to the Crown.
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
<b>Closing Balance</b>	<b>2,298,045</b>	<b>2,508,451</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*

	2014/15		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
<b>Total Appropriation</b>	5,609	(797)	4,812
<b>Departmental Output Expenses</b>			
Ministerial Services	1,474	(498)	976
Policy Advice	4,135	(299)	3,836
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	5,609	(797)	4,812
Ministerial Services	1,474	(498)	976
Policy Advice	4,135	(299)	3,836
<b>Revenue from Others</b>	-	-	-
Ministerial Services	-	-	-
Policy Advice	-	-	-

*Reasons for Change in Appropriation*

This appropriation decreased by \$797,000 to \$4.812 million for 2014/15 due to \$1.447 million of funds being reprioritised to the Prison-based Custodial Services appropriation and partially offset by one-off Proceeds of Crime Funding of \$650,000 in 2014/15 to undertake a study on co-morbid disorders of prisoners.