

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 Appropriations and Forecast Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2018/19		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Departmental Output Expenses			
Bail Support Services (M18) This appropriation is limited to providing support services to defendants on bail.	-	2,160	2,160
Re-offending is Reduced (M18) This appropriation is limited to the provision of rehabilitation interventions and reintegration services to offenders serving custodial and community-based sentences that address the underlying causes of criminal offending and reduce re-offending.	231,078	18,241	249,319
Total Departmental Output Expenses	231,078	20,401	251,479
Departmental Other Expenses			
Transfer of Auckland Prison Wastewater Assets (M18) This appropriation is limited to the transfer of Auckland Prison Wastewater Assets to Watercare Services Limited.	-	9,100	9,100
Total Departmental Other Expenses	-	9,100	9,100
Departmental Capital Expenditure			
Department of Corrections - Capital Expenditure PLA (M18) 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.	393,004	215,303	608,307
Total Departmental Capital Expenditure	393,004	215,303	608,307
Non-Departmental Other Expenses			
Waikeria Corrections and Treatment Facility (M18) 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.	-	12,800	12,800
Total Non-Departmental Other Expenses	-	12,800	12,800
Multi-Category Expenses and Capital Expenditure			
Policy Advice and Ministerial Services MCA (M18) 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.	4,546	320	4,866
Departmental Output Expenses			
Ministerial Services This category is limited to Department responses to ministerial correspondence and parliamentary questions.	1,987	320	2,307
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.	2,559	-	2,559

	2018/19		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Public Safety is Improved MCA (M18)	1,337,095	35,826	1,372,921
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>	66,223	1,461	67,684
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>	1,034,448	31,053	1,065,501
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>	236,424	3,312	239,736
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	1,341,641	36,146	1,377,787
Total Annual Appropriations and Forecast Permanent Appropriations	1,965,723	293,750	2,259,473

Capital Injection Authorisations

	2018/19		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Department of Corrections - Capital Injection (M18)	272,100	23,180	295,280

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2018/19				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	231,078	20,401	-	20,401	251,479
Benefits or Related Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	-	9,100	12,800	21,900	21,900
Capital Expenditure	393,004	215,303	-	215,303	608,307
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	1,341,641	36,146	-	36,146	1,377,787
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
Total Appropriations	1,965,723	280,950	12,800	293,750	2,259,473
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

Bail Support Services (M18)

Scope of Appropriation

This appropriation is limited to providing support services to defendants on bail.

Expenses and Revenue

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	2,160	2,160
Revenue from the Crown	-	2,160	2,160
Revenue from Others	-	-	-

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve end-to-end bail support to defendants by providing a plan on how any identified needs would be met if bail is granted.

How Performance will be Assessed and End of Year Reporting Requirements

- The number of defendants who received bail support services in courts.
- The number of defendants who received bail support services in the community.

End of Year Performance Reporting

Performance information for this appropriation will be reported by Corrections in its 2018/19 Annual Report.

Reasons for Change in Appropriation

This is a new appropriation of \$2.160 million for 2018/19 due to new funding for the Bail Support Services Pilot.

Re-offending is Reduced (M18)

Scope of Appropriation

This appropriation is limited to the provision of rehabilitation interventions and reintegration services to offenders serving custodial and community-based sentences that address the underlying causes of criminal offending and reduce re-offending.

Expenses and Revenue

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	231,078	18,241	249,319
Revenue from the Crown	201,269	13,473	214,742
Revenue from Others	27,060	4,768	31,828

Reasons for Change in Appropriation

This appropriation increased by \$18.241 million to \$249.319 million for 2018/19 due to:

- \$5.351 million transferred from 2017/18 to 2018/19 mainly relating to the Enhanced Mental Health Support Services initiative and various alcohol and other drug related initiatives
- \$4.400 million increase in revenue relating to prisoner canteen supply sales
- \$4.240 million in new funding for Housing and Support Services for People Managed by Corrections
- \$2.294 million in new funding from the Effective Justice Fund relating to a Therapeutic Prison Unit Pilot, Residential AOD for Female Defendants and Parolees, and Speech Language and Communication Needs initiatives
- \$1.400 million new funding relating to the Waikeria Corrections and Treatment Facility Project Agreement
- \$188,000 mainly relating to the rephasing of depreciation funding to align with changes to useful life assumptions
- \$185,000 funding relating to inter-departmental staff secondments, and
- \$183,000 funding relating to the Health and Safety Functional Leadership Programme.

2.2 - Departmental Other Expenses

Transfer of Auckland Prison Wastewater Assets (M18)

Scope of Appropriation

This appropriation is limited to the transfer of Auckland Prison Wastewater Assets to Watercare Services Limited.

Expenses

	2018/19		Total \$000
	Estimates \$000	Supplementary Estimates \$000	
Total Appropriation	-	9,100	9,100

What is Intended to be Achieved with this Appropriation

This appropriation is intended to facilitate the transfer of wastewater assets to Watercare Services Limited.

How Performance will be Assessed and End of Year Reporting Requirements

Performance will be measured by the execution of the agreement relating to the transfer of wastewater assets to Watercare Services Ltd.

End of Year Performance Reporting

Performance information for this appropriation will be reported by Corrections in its 2018/19 Annual Report.

Reasons for Change in Appropriation

This is a new appropriation of \$9.100 million for 2018/19 to facilitate the transfer of wastewater assets to Watercare Services Limited.

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

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	364,504	208,239	572,743
Intangibles	28,500	7,064	35,564
Other	-	-	-
Total Appropriation	393,004	215,303	608,307

Reasons for Change in Appropriation

This appropriation increased by \$215.303 million to \$608.307 million for 2018/19 due to:

- \$157.971 million relating to the development of the new Waikeria Corrections and Treatment Facility under a Public Private Partnership arrangement
- \$50.268 million relating to construction on the Modular Build Programme which is part of the Prison Capacity Programme, and
- \$7.064 million of intangibles relating to software development.

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

Details of Net Asset Schedule	2018/19 Main Estimates Projections \$000	2018/19 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2018/19
Opening Balance	2,504,308	2,500,036	
Capital Injections	272,100	295,280	Increase mainly relates to funding for the Waikeria Corrections and Treatment Facility.
Capital Withdrawals	(20,000)	(20,000)	The capital withdrawal represents the surplus capital reserves as a result of Corrections utilising private sector finance for the construction of the new maximum security facility at Auckland Prison.
Surplus to be Retained (Deficit Incurred)	(2,749)	(90,897)	The projected deficit mainly relates to the un-realised year to date fair value movement on the departmental interest rate swap entered into with New Zealand Debt Management to manage the risk relating to public private partnership transactions.
Other Movements	-	-	
Closing Balance	2,753,659	2,684,419	

Part 3 - Details of Non-Departmental Appropriations

3.4 - Non-Departmental Other Expenses

Waikeria Corrections and Treatment Facility (M18)

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.

Expenses

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	12,800	12,800

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve infrastructure improvements necessary to enable the development of the Waikeria Corrections and Treatment Facility, including safety and access improvements on the local road leading to the facility.

How Performance will be Assessed and End of Year Reporting Requirements

- Completion of safety and access improvements on the local road leading to the Waikeria Corrections and Treatment Facility.
- Continuation of design of infrastructure improvements required to enable the development of the Waikeria Corrections and Treatment Facility.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister of Corrections in the Vote Corrections Non-Departmental Appropriations Report.

Reasons for Change in Appropriation

This is a new appropriation of \$12.800 million for 2018/19 to facilitate continued infrastructure improvements relating to the Waikeria Corrections and Treatment Facility and to provide safety and access improvements on the local road.

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

4 - Multi-Category Expenses and Capital Expenditure

Policy Advice and Ministerial Services (M18)

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

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	4,546	320	4,866
Departmental Output Expenses			
Ministerial Services	1,987	320	2,307
Policy Advice	2,559	-	2,559
Funding for Departmental Output Expenses			
Revenue from the Crown	4,541	320	4,861
Ministerial Services	1,985	320	2,305
Policy Advice	2,556	-	2,556
Revenue from Others	5	-	5
Ministerial Services	2	-	2
Policy Advice	3	-	3

Reasons for Change in Appropriation

This appropriation increased by \$320,000 to \$4.866 million for 2018/19 due to a transfer from the Public Safety is Improved MCA to reflect an increased volume of correspondence and strengthening of the Ministerial Services team.

Public Safety is Improved (M18)

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

	2018/19		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,337,095	35,826	1,372,921
Departmental Output Expenses			
Information and administrative services to the judiciary and New Zealand Parole Board	66,223	1,461	67,684
Prison-based Custodial Services	1,034,448	31,053	1,065,501
Sentences and orders served in the community	236,424	3,312	239,736
Funding for Departmental Output Expenses			
Revenue from the Crown	1,333,306	34,979	1,368,285
Information and administrative services to the judiciary and New Zealand Parole Board	66,150	1,142	67,292
Prison-based Custodial Services	1,030,936	30,525	1,061,461
Sentences and orders served in the community	236,220	3,312	239,532
Revenue from Others	3,789	847	4,636
Information and administrative services to the judiciary and New Zealand Parole Board	73	319	392
Prison-based Custodial Services	3,512	528	4,040
Sentences and orders served in the community	204	-	204

Reasons for Change in Appropriation

This appropriation increased by \$35.826 million to \$1,372.921 million for 2018/19 due to:

- \$20.038 million transferred from 2017/18 to 2018/19 mainly relating to Holidays Act 2003 compliance, Parole Ready Remand Triage Project and Prison Capacity Feasibility Study
- \$5.821 million relating to the rephasing of depreciation funding to align with changes to useful life assumptions
- \$5.700 million funding following the approval to execute the project agreement for construction of the new Waikeria Corrections and Treatment Facility
- \$3 million new funding relating to Accommodation Options to Support a More Effective Justice System and a Safer New Zealand
- \$887,000 from the Effective Justice Fund relating to Phone Applications for Victims, Residential AOD for Female Defendants and Parolees, and Speech Language and Communication Needs initiatives
- \$319,000 funding relating to inter-departmental staff secondments
- \$291,000 relating to the Waikeria Corrections and Treatment Facility capital injection, and
- \$90,000 relating to liquidated damages to offset the additional costs as a result of the delayed construction of Auckland Prison.

These are partly offset by a transfer of \$320,000 to the Policy Advice and Ministerial Services MCA to reflect an increased volume of correspondence and strengthening of the Ministerial Services team.

