



2023 - 2024

# Annual Report

For the year ended 30 June 2024 and Report by the Minister of Corrections on Non-departmental Appropriations for the year ended 30 June 2024



DEPARTMENT OF  
**CORRECTIONS**  
ARA POUTAMA AOTEAROA



# ***Kotahi anō te kaupapa: ko te oranga o te iwi***

*There is only one purpose to our work:  
the wellness and wellbeing of people*



DEPARTMENT OF  
**CORRECTIONS**  
ARA POUTAMA AOTEAROA

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Presented to the House of Representatives Pursuant to Section 44(1) of the *Public Finance Act 1989* and Section 190 of the *Corrections Act 2004*.







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# Our Purpose

***We make the community safer, by supporting people to leave us better and with brighter prospects.***

*Our whakatauki guides the work we do every day – Kotahi anō te kaupapa: ko te oranga o te iwi – there is only one purpose to our work: the wellness and wellbeing of people.*

***We have three interconnected organisational outcomes*** that are consistent with our role and purpose under statute and as an agency of the Crown. These outcomes describe what we aim to achieve in the corrections system, and the wider community, recognising that our staff are integral to achieving our outcomes.



***Public safety is improved:***

We manage people in prison and serving sentences and orders in the community in a manner that improves the safety of the public, victims, our staff and people in our management.



***Reoffending is reduced:***

We support people in prison and serving sentences and orders in the community to engage in rehabilitation interventions, and reintegration and support services to address the underlying causes of their criminal offending, reduce the risk of them reoffending and reduce the likelihood of them causing further harm. By helping people break the cycle of reoffending we also improve the safety of our communities.



***Māori overrepresentation is reduced:***

We aim to reduce the overrepresentation of Māori by ensuring the corrections system works for Māori, their whānau, iwi and hapū through more Kaupapa Māori-based approaches, and other tailored approaches that we know are effective for Māori. A joined-up approach with the justice sector, community, and Treaty of Waitangi/Te Tiriti o Waitangi partners is critical to achieving this outcome.



***Hōkai Rangi is our long-term organisational strategy, it expresses our commitment to delivering better outcomes with and for Māori, and ultimately aims to lower the proportion of Māori in our management to a level that matches the Māori share of the general population.***

We are a team of more than **10,000** people working in communities and prisons to help people make positive changes in their lives and keep our communities safe.

Our values reflect what is important to us and underpin everything we do. They inform the changes we are making through *Hōkai Rangi* and guide how we make decisions, how we interact with people and our communities, and how we develop and deliver rehabilitation and reintegration interventions for people in our management and their whānau.



***Manaaki/Respect***

We care for and respect everyone.



***Kaitiaki/Guardianship***

We are responsive and responsible.



***Whānau/Relationships***

We develop supportive relationships.



***Rangatira/Leadership***

We demonstrate leadership and are accountable.



***Wairua/Spirituality***

We are unified and focused in our efforts.



## *Kupu whakataki a tā mātou Tumu Whakarae*

He tau pai te tau kua hipa, heoi he tau i kitea ai ngā huringa mō te Ara Poutama.

He kaupapa hira tonu ngā kaimahi, ā, e manawareka ana ki te kite i te nui haere o ngā kaimahi puta noa i te motu, e tika ai te nui o ngā kaimahi.

Ehara i te mea ka rata ngā tāngata katoa ki te mahi i te Ara Poutama, otirā i te mura o te ahi, heoi 1,986 ngā tāngata i uru mai hei kaimahi i te tau, ā, 1,652 o ēnei kei ngā tūranga i te mura o te ahi i ngā whare herehere, i roto rānei i te hapori. Mai i te Tihema o te tau 2022, i taka ai te maha o ngā āpiha a te Ara Poutama ki tōna tino tokoiti (3,454), neke atu i te 600 ngā āpiha hou i runga atu i ērā kua wehe i whiwhi mahi, nō reira huihui katoa 4,068 ngā āpiha a te Ara Poutama, atu ki te 30 o Hune 2024. Kei te ara tika mātou ki te whakarahi ake i tēnei tatau i tēnei tau.

I te taha o te rapu kaimahi, i mau tonu i a mātou ā mātou kaimahi, ā, i heke te maha o te hunga i wehe mai i te 15.1% ki te 11.2%, ko te tatau iti rawa tēnei o ngā wehenga i te toru tau.

Hei tautoko i tēnei, e aro ana mātou ki te whakapau kaha ki te whakatipu i te kaha me te whakangungu i ā mātou kaimahi kei te mura o te ahi, tae atu ki te whakarite i tētahi ara pūrangiaho hei whakatipu aramahi pūmau i te Ara Poutama. Kei roto i tēnei ko te hāpai ake i ngā kaupapa oranga i raro i ngā upoko matua e toru – te whakahaere wharanga, oranga, me te whakatairanga hauora.

Ko ētahi o ngā tauira o nā tata nei e tautoko ana i te haumarua o ngā kaimahi i rō whare herehere ko te whakarato whakangungu rautaki rauhangā mā ngā kaimahi, te whakapiki i te oranga o ngā kaimahi, me te whakauru mai i ngā tikanga hei whakaiti i te mōrea o te whakarekerekere me te pukuriri ki ngā kaimahi.

Kei te nui haere atu te uru mai o te hunga i pā ki te whakarekerekere, kua pāngia e te mate hinengaro, me te waranga. Nā tēnei ka mauri rere te āhua o ētahi, ā, i ētahi wā he haupatu, nō reira ko te whakarite kei a mātou ngā whakangungu me ngā utauta tika hei āwhina i ā mātou kaimahi i ēnei āhuatanga te mea tino hira. He pērā anō mō ā mātou kaimahi Hapori, Hononga me ngā Ara e whakarite ana i ngā āhuatanga tino uaua, tata ki te 26,000 ngā tāngata e tiakina ana e rātou kua whiua, kei raro whakatau rānei mai i te whakahaere taikaha ki te tukuhere.

I kitea anōtia i te 2023/24 te whakatinanatanga o tā mātou anga ā-whakahaere hou. Ko Te Ara Whakamua te tikanga hurihanga hei whakatipu i tō mātou kaha, te whakatairanga i te āhua o tā mātou tuku i ā mātou ratonga, me te tautoko i a mātou ki te whakarato i o mātou wawata mō tētahi pūnaha whaitake ake, tōtika ake mō te Ara Poutama.

Ko tōna tino iho, ko tā Te Ara Whakamua he whakamana i ā mātou kaimahi kei te mura o te ahi ki te ārahi me te whakatau tikanga e haumarua ake ai te hapori, mā te tautoko kia pai ake te āhua o te tangata i tōna wehenga i te Ara Poutama, ā, kia kitea hoki te oranga mōna. Ko tōna kaupapa kia aro atu ki ā mātou mahi matua, ka mutu kia ōrite tonu te pai o ēnei mahi, ā, kia ngākau rangatira, kia tika te manaaki i te tangata. He kaunake whakaongaonga tēnei mō te Ara Poutama.

I te urunga mai o te Kāwanatanga i te Noema o tērā tau i tukua mai ngā kaupapa matua hou e whā a te Minita e aro ana ki te haumarua o ngā kaimahi, te rapu kaimahi, te whai kaha me te whakarauoranga. E tautokona ana anō ēnei e ngā kaupapa hou i whakaputaina i te Tahua 2024, ā, kei roto ko tētahi haumi nui tonu ki ngā kaimahi kei te mura o te ahi, te whakawhānui anō i a Waikēria, me ngā rawa kia whānui ake te taea o ngā kaupapa whakarauora mauhere e tāria ana o rātou whiua, tata ki te 44% o te taupori whare herehere.

Nā ngā huringa i whakaurua mai e mātou i tērā tau, me tō mātou angitu ki te whai kaimahi pūmanawa kia tika anō ai te nui o ngā kaimahi, kei te tū pakari mātou ki te whakahaere i ngā nekehanga ā muri nei ki te tokomaha o te hunga ka tiakina e mātou, me ngā uauatanga ka pā mai i te hurihuri o te taupori whare herehere. Ko tōna tikanga me ngāwari tā mātou rautaki me ngā whakahaere, engari e whakapono ana mātou ka tino taea e mātou tēnei te whakahaere mā tā mātou anga hou.

Nō reira, ki a koutou ngā kaimahi neke atu i te 10,000 tino pūmau, tino ngaio a te Ara Poutama – ka nui taku mihi. Ka nui te ngākau whakahī ki tō koutou pūmau ki te āwhina i te tangata kia pai ake o rātou ao me te tiaki i ngā hapori kia haumarua – ngā mihi maioha.

**Jeremy Lightfoot**

**Hekeretari mō Ara Poutama me te Tumu Whakarae**

*Te Tumu Whakarae mō Ara Poutama Aotearoa*



## Introduction from our Chief Executive

The past year has been positive, but also one of change for Corrections.

Staffing has remained a key priority, and I'm pleased to see our focus on recruitment has increased staffing levels across the country, moving us back towards sustainable levels.

A career at Corrections, especially on the frontline, is not for everyone, yet we had 1,986 people join us throughout the year with 1,652 of these being frontline roles in prisons or the community setting. Since December 2022, where the number of corrections officers was at its lowest (3,454), we've employed more than 600 new corrections officers on top of turnover, bringing our total number of corrections officers to 4,068, as at 30 June 2024. We are already on track to add to this number this coming year.

Alongside recruitment, we've also been able to retain more staff with the turnover rate falling from 15.1% to 11.2%, our lowest turnover rate in three years.

To support this, we are focused on investing in the capability and training of our frontline staff, as well as making sure they have a clear pathway to build a long-term career at Corrections. This includes improving our wellbeing initiatives under three main headings – injury management, wellbeing, and health promotion.

Some recent examples of supporting staff safety in prisons include providing tactical training for staff, increasing staff wellbeing and welfare, and introducing a protocol to reduce the risk of violence and aggression toward staff.

Increasingly, the people we manage have histories of violence, mental illness, and addiction. That can make some behave erratically, and sometimes violently, so ensuring we have the right training and equipment to help our staff in these situations is paramount. The same applies for our Communities, Partnerships and Pathways staff who deal with increasingly complex situations, managing around 26,000 people in the community with sentences or orders ranging from intensive supervision to parole.

The 2023/24 year also saw the implementation of our new organisational structure. The Pathway Forward: Te Ara Whakamua is a process of change designed to grow our capability, enhance how we deliver our services, and support us to deliver on our aspirations for a more effective and efficient corrections system.

At its core, Te Ara Whakamua is about empowering our frontline staff to lead and make decisions that make the community safer, by supporting people to leave Corrections better and with brighter prospects. It is about focusing on our core functions, and doing these consistently well, while treating people with dignity and decency. It is an exciting step forward for Corrections.

The change in Government last November has also given us four new ministerial priorities which focus on staff safety, recruitment, capacity, and rehabilitation. These are further supported by new initiatives announced in Budget 2024 which include a significant investment in frontline staff, a further expansion of Waikeria Prison, and resources to extend access to rehabilitation programmes to remand prisoners who make up around 44% of the prison population.

The change we have undertaken in the last year, and our success in recruiting talented staff to regain our staffing levels, means we are in a strong position to manage any future movement in the number of people we manage, and the complexities the changing prison population brings. It will mean being flexible in our strategy and operations, but I believe we are more than capable of managing this with our new structure.

Finally, to the more than 10,000 dedicated and highly professional people in the Corrections team – my sincerest thanks. I could not be prouder of your commitment to helping people make positive changes in their lives and keeping our communities safe – ngā mihi maioha.



**Jeremy Lightfoot**  
Secretary for Corrections  
and Chief Executive

*Te Tumu Whakarae mō Ara  
Poutama Aotearoa*






PRISON SERVICE

# ***Part A***





***Legislation  
sets out what we are responsible for,  
and how we must operate***

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## Legislation

### Corrections is governed by the *Corrections Act 2004* and the *Corrections Regulations 2005* which provide the legal framework for how we manage and operate the corrections system

The *Corrections Act 2004* also sets out our statutory purpose, which is to improve public safety and contribute to the maintenance of a just society by:

- Ensuring that the community-based sentences, sentences of home detention, and custodial sentences and related orders that are imposed by the courts and the New Zealand Parole Board are administered in a safe, secure, humane, and effective manner
- Providing for corrections facilities to be operated in accordance with rules set out in this Act and regulations made under this Act that are based, amongst other matters, on the United Nations Standard Minimum Rules for the Treatment of Prisoners
- Assisting in the rehabilitation of offenders and their reintegration into the community, where appropriate, and so far as is reasonable and practicable in the circumstances and within the resources available, through the provision of programmes and other interventions
- Providing information to the courts and the New Zealand Parole Board to assist them in decision-making.

We manage people at the direction of the courts and the independent New Zealand Parole Board, and do not determine who is in prison or who serves sentences and orders in the community. The Judiciary is responsible for imposing sentences which hold people to account for their offending.

We are also governed by the *Public Safety (Public Protection Orders) Act 2014*, which creates post-sentence orders that enable us to manage people who have committed serious sexual or violent offences at a secure civil detention facility on prison grounds.

We jointly administer two acts and associated regulations with the Ministry of Justice; the *Sentencing Act 2002*, which covers the sentencing process and the criminal sanctions available to the courts, and the *Parole Act 2002* which covers the release of people from prison, including offenders on extended supervision orders.

We are also required to follow other non-Corrections legislation, including, but not limited to, the *Mental Health (Compulsory Assessment and Treatment) Act 1992*, the *Returning Offenders (Management and Information) Act 2015*, the *Victims' Rights Act 2002*, the *Pae Ora (Healthy Futures) Act 2022*, the *Privacy Act 2020*, and the *Official Information Act 1982*.

### What we do in the corrections system



#### Managing New Zealand's prisons

We are responsible for 18 prisons across the country, including the privately-operated Auckland South Corrections Facility. We are committed to operating safe, secure, and humane prison environments, and ensuring people are managed in accordance with legislation and international commitments and guidance.



#### Providing rehabilitation and reintegration support

We provide a range of services to assist with the rehabilitation and reintegration of people in prison, as well as support for people serving community-based sentences and orders. For more information see pages 95-97, 101-103.



#### Monitoring community-based sentences and orders

When a person is subject to a sentence or order in the community, our staff support them to comply with their sentence or conditions and monitor them to help hold people to account if they breach their conditions. For more information see pages 79-83.



#### Informing the courts, New Zealand Parole Board, and registered victims

We provide information and advice to both the courts and the independent New Zealand Parole Board (the Parole Board) to support decision-making prior to sentencing or the granting of parole. We also provide administrative support to the Parole Board, which includes providing certain information to registered victims. For more information see pages 83-85.



## **Our Chief Executive and prison general managers have specific powers and functions under legislation**

Under section 190(1)(a) of the *Corrections Act 2004*, we must report on how the Chief Executive has implemented their functions under section 8(1)(k) of the Act, and how our prison general managers (previously prison directors) have carried out their functions under section 12(d).

### **Function**

Maintaining processes to:

- identify the communities significantly affected by policies and practices at the prison (general managers) or in the corrections system (Chief Executive);
- provide opportunities for those identified communities to give their views on those policies and practices; and
- ensure those views are taken into account.

We have a collective responsibility to support this function, identifying communities significantly affected by our policies and practices to give them the platform to share their views and to take these views into account.<sup>1</sup>

A significant part of how we do this is by developing and retaining meaningful relationships with Māori. We have partnership agreements with Māori and work together at our various sites, including to deliver culturally responsive programmes (see more about this on pages 96-97, 105).

Our Communities, Partnerships and Pathways group is leading a collaborative approach to community-based service provision that is flexible and responsive to local needs. The Māori/Tumu Herenga group helps enhance our knowledge and application of tikanga Māori and Mātauranga Māori and drive a focus on opportunities to be more effective and better respond to Māori and their whānau. This group is also helping to develop Te Ao Māori methodologies and approaches across our work, and coordinating and liaising with teams to ensure alignment and consistency of practice.

We have also had opportunities to hear from people with lived experience in the corrections system, to help inform the way we deliver our services.

1. This is a report under section 190(1)(a) of the *Corrections Act 2004* on how the Chief Executive has implemented his functions under section 8(1)(k) of the Act, and how our prison directors have carried out their functions under section 12(d). The main focus of this report is to ensure that processes are established and maintained to identify communities significantly affected by policies and practices in the corrections system, and for the given communities to convey their views on those policies and practices with assurance that these views are given credence.



## ***Legislation enacted in 2023/24***

Parliament passed the *Parole Amendment Act 2023*, which came into force on 31 August 2023 (the same month it was passed). These amendments apply to high-risk sexual or violent offenders who are living in the community and are subject to an extended supervision order (ESO). These legislative changes were needed to enable offenders on an ESO to be subject to a programme condition requiring them to reside with, or resulting in them residing with, their programme provider following a declaratory judgment by the High Court that made this practice unlawful.

In June 2023, Cabinet agreed to amendments to the *Corrections Regulations 2005*, which came into effect on 6 July 2023. The changes improve safety and operational outcomes in prisons in five areas:

- Enabling people in prison on cell confinement, and prisoners segregated to assess or ensure their mental health, to access privacy screening for hygiene areas and control over lighting in cells.
- Ensuring a range of factors can be considered when determining prison accommodation for people who are gender diverse by removing a rigid reliance on birth certificates.
- Enabling specialist corrections officers working at height (such as on prison roofs) to use speed cuffs (a type of specialist handcuff).
- Clarifying an existing regulation to better reflect international rights obligations by making it clearer that mixing young and adult prisoners should only occur if it is in the young prisoner's best interests.
- Specifying in greater detail the operational procedures that staff must follow before, during, and after the use of non-lethal weapons.



## We are part of the Justice Cluster, along with other sector agencies

The criminal justice system is supported and administered by six organisations, collectively known as the Justice Sector:



**Ministry of Justice**  
*Te Tāhū o te Ture*



**Serious Fraud Office**  
*Te Tari Hara Tāware*



**New Zealand Police**  
*Ngā Pirihimana o Aotearoa*



**Crown Law Office**  
*Te Tari Ture o te Karauna*



**Ministry for Children**  
*Oranga Tamariki*



**Department of Corrections**  
*Ara Poutama Aotearoa*

New Zealand's public finance system has a high-level of transparency and accountability by international standards, but the Treasury sees opportunities to create a modern, agile, flexible, innovative, and joined up public sector through its reform.

In the lead-up to Budget 2022, two cluster pilots were established as part of the work programme to modernise New Zealand's public finance system. We are participating in the justice cluster pilot, along with four other justice sector agencies (as above, except Oranga Tamariki – Ministry for Children). The previous Government identified four key priority areas for the justice sector:

- Better outcomes for victims
- Addressing issues with remand
- Improved access to justice
- Better enabled organisations and workforce.

Key initiatives supporting these priorities are reported on in the delivering agency's annual report.

The key initiative we are delivering is the Strengthening Corrections Frontline Safety and Improvement Programme. This programme encompasses several different workstreams which aim to ensure the ongoing safety of Corrections' frontline staff, and to provide a supportive environment that facilitates healing and restoration.

For an update on progress made in 2023/24, see pages 56-57.

We are also supporting where applicable, measures and initiatives that support better outcomes for victims of crime.

For more on this, see pages 44-45.



## Significant budget initiatives

The table below outlines significant budget initiatives that are contributing towards achieving Corrections' organisational outcomes, in addition to the Justice Cluster key initiative.

More information on progress against each initiative is located elsewhere in this report as indicated.

Name of initiative	Budget year funded	Location of performance information
<b>Waikeria Prison Development Programme</b> (Funded initiatives identified as the following):		
Waikeria Corrections and Treatment Facility	2023	Page 111
Waikeria Prison Development - Enabling the Operation of Waikeria Site Through the Provision of Critical Infrastructure	2021	
Waikeria Prison Development - Enabling the Operation of the New Prison	2021	
Waikeria Prison Development - Enabling the Operation of the Waikeria Mental Health and Addiction Service	2021	
<b>Māori Pathways Programme (including Te Mana Wāhine Pathway)</b> (Funded initiatives identified as the following):		
Kaupapa Māori services for wāhine	2021	Page 41
Improving Outcomes for Māori and their Whānau in the Corrections System and Supporting their Reintegration Back into Communities - Part A	2019	
Improving Outcomes for Māori and their Whānau in the Corrections System and Supporting their Reintegration Back into Communities - Part B	2019	
<b>Housing Support Services</b> (Funded initiative identified as Maintaining safe, effective housing, Support Services and Community-based Reintegration Pathways)	2021	Page 102
<b>Bail Support Services</b> (Funded initiative identified as <i>Hōkai Rangi</i> – Pre-Trial Service – providing early support to lower number of people entering (or remaining in) custody)	2020	Page 44



# Our key achievements over the last 12 months

2023



**1,652**

people recruited into frontline roles in prisons or the community



**25,938**

people managed across **10** different community-based sentences and orders



**89.9%**

of our workforce is deployed in frontline roles



**0**

breakout escapes from prison



**24**

specialist detector dog teams helped protect people and prisoners from contraband



**34,294**

offender plans prepared by case managers and probation officers for people in prison and in the community to address offending behaviour and help reduce reoffending



**191,320**

face-to-face consultations with nurses for people in prison



**5,574**

people in prison with moderate-to-severe mental health needs were provided with support by our Intervention and Support Practice Teams and Clinical Nurse Specialists



**12,792**

Official Information Act requests responded to, with **98.7%** responded to on time

2024





*An overview of our  
performance for  
the year 2023/24*



# Financial performance

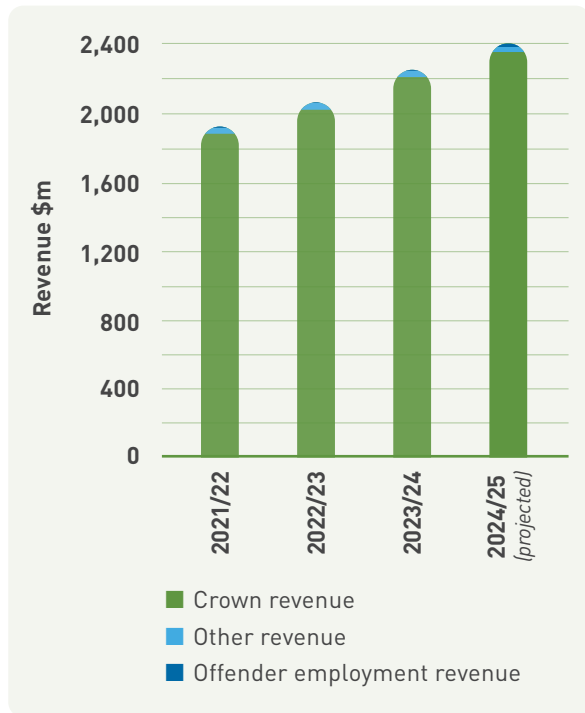
Our total operating expenditure for 2023/24 was \$2.2 billion, which was \$182.2 million higher than 2022/23, but 1.2% below our approved funding.

The year-on-year increase in expenditure was largely due to a combination of personnel costs with a 7.6% increase in the number of frontline employees and the impact of frontline collective salary increases.

While our revenue is predominantly funded by the Crown, we also generate a small revenue stream from our prison-based employment activities such as farming, distribution, and other industries.

The below figure illustrates the sources of Corrections' revenue.

**Figure 1: Revenue trends**

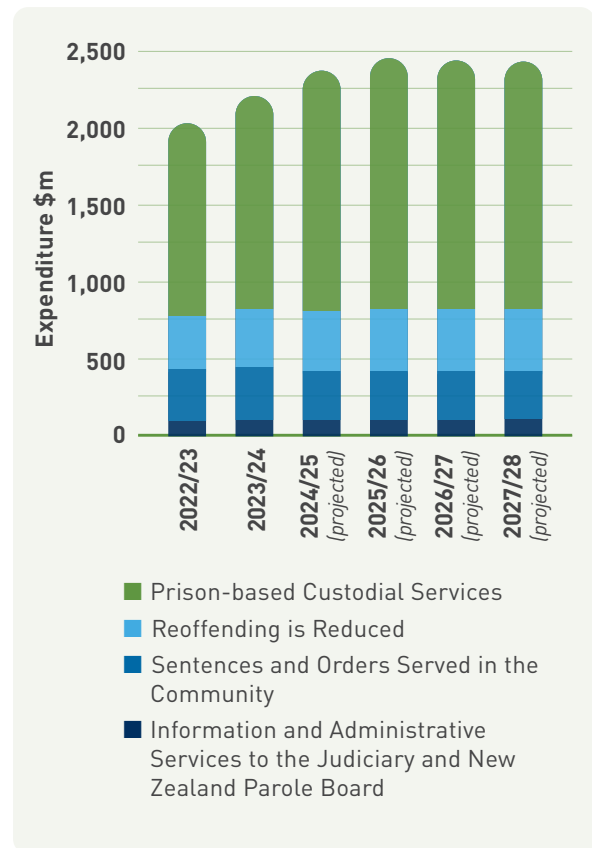


## Operating expenditure by appropriation

The increase in funding during 2023/24 was mainly due to collective bargaining outcomes for frontline staff, costs from the increase in the prison population and increased capital charge from the 2022/23 asset revaluation. These resulted in a \$137.1 million increase in Prison-based Custodial Services to \$1,386.2 million, and a \$29.6 million increase in Reoffending is Reduced to \$376.1 million.

The below figure shows our funded Departmental operating expenditure to 2027/28.

**Figure 2: Expenditure appropriation projections to 2027/28**

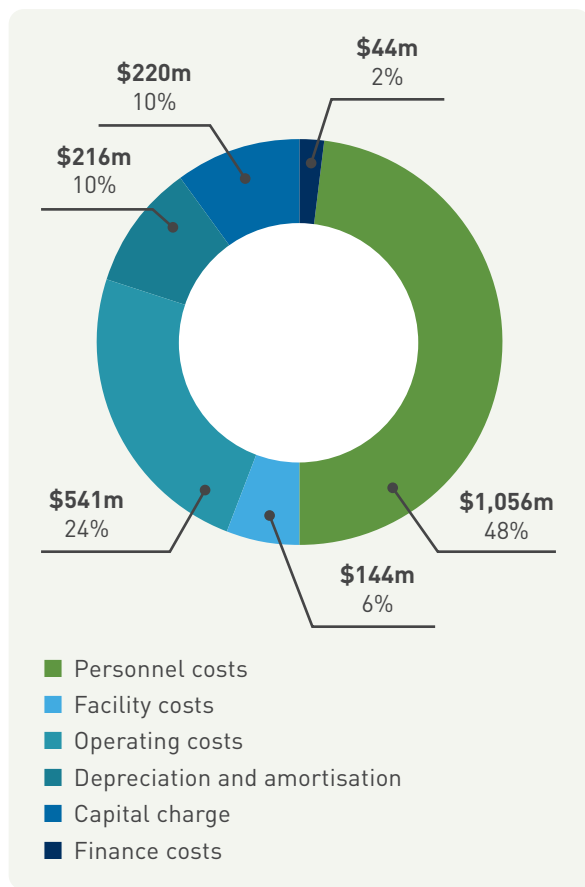


### Operating expenditure by category

Seventy-six percent of our \$2.2 billion spend in 2023/24 related to personnel and asset ownership costs. Personnel costs were \$1.1 billion in 2023/24, 48% of our total spend. Most of our workforce is deployed in highly specialised frontline roles, and require a considerable investment in upfront and ongoing training.

The below figure illustrates the composition of total expenditure by major expense category.

**Figure 3: Total departmental operating expenditure by major expense category**



### Asset base

We own \$5.2 billion of non-current assets that operate the length of the country, with many facilities operating 24 hours a day, seven days a week. Our non-current assets include:

- \$5,094.2 million of property, plant and equipment
- \$12.3 million of assets related to prison-based
- \$33.7 million of intangibles (software) including offender management systems
- \$61.5 million of derivative financial instruments (interest rate swaps with the New Zealand Debt Management Office).

Depreciation and amortisation, capital charge, and finance costs represent 22% of our 2023/24 operating expenses.

Corrections’ asset base, which includes 17 prisons managed by Corrections and one privately operated prison, and approximately 100 community-based premises, must be fit-for-purpose, safe, and secure. Our facilities must safeguard public safety and enable the effective completion of sentences, while also providing employment, training, skills development, and rehabilitation opportunities for those people we are managing in prisons and in the community.

### Capital expenditure

Actual expenditure in 2023/24 was \$72.7 million higher than 2022/23, mainly due to the continued progression of the Waikeria Prison Development which is nearing completion, Waters Infrastructure Programme Tranche 2A (funded in Budget 2023) and a higher level of investment in Infrastructure, Fleet & Electronic Security replacement and renewal programmes.

Actual expenditure was \$137.5 million lower than Budget, and \$22.6 million lower than the Supplementary Estimates, primarily due to the timing of payments associated with the Project Support Agreement for the Waikeria Prison Development and given the nature of certain projects being treated as Software as a Service projects these costs have been reflected in operating expenditure.

### Non-departmental appropriation

We received an appropriation of \$0.086 million for this financial year to facilitate infrastructure improvements relating to the development of Waikeria Prison. Actual expenditure for 2023/24 was \$0.014 million (excluding GST), with the underspend due to delays in the final resealing of the State Highway 3 overpass.



## Service performance




### Estimates of appropriations performance measures

Corrections has been open about the ongoing challenges we have faced related to our staffing levels in recent years. These challenges have impacted our ability to fully facilitate services, particularly within the prison environment at some sites. This includes the provision of programmes and some administrative support functions.

During 2023/24, our continued focus on recruitment and retention has successfully increased staffing levels across all operational workforce groups, which has enabled operating conditions to continue to improve. This is evident in improved performance across several of our performance measures compared to 2022/23, particularly in the Reoffending is Reduced appropriation and Information and Administrative Services to the Judiciary and New Zealand Parole Board appropriation category.

While we have increased our staffing levels during 2023/24, and continue to do so, it is important to acknowledge that there is a transition period for new staff as they undergo training and build their capability. It is likely this lag has contributed to the performance results for some measures in 2023/24, such as those with a timeliness component.

The table below provides a high-level summary of our performance against the expectations set out in the Estimates of Appropriations 2023/24 and the Supplementary Estimates of Appropriations 2023/24 for Vote Corrections.

Appropriation/ category scope	What is intended to be achieved	Performance measures achieved	Location of performance information
<b>Public Safety is Improved (MCA)<sup>2</sup></b>			
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.			
<b>Category: Prison-based Custodial Services</b>			
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.	This category is intended to enable Corrections to manage people in custody in a way that enhances their wellbeing and supports them upon release to not return to the justice system, protects the public, and maintains the safety of all involved.		Pages 51-52, 55-56, 70, 72-73 88, 92
<b>Category: Sentences and Orders Served in the Community</b>			
This category is limited to the management and delivery of sentences and orders served in the community, and electronic monitoring of people on bail.	This category is intended to achieve safe management of sentences served in the community and the ability for offenders to be held to account for successfully completing their sentence or order.		Page 79
<b>Category: Information and Administrative Services to the Judiciary and New Zealand Parole Board</b>			
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.	This category is intended to provide core services to the judiciary and New Zealand Parole Board to enable informed sentencing and parole decisions to be made in a timely manner including notification to people in our management and victims regarding the outcomes of the judicial process, and to enhance rehabilitative outcomes.		Pages 45, 83-85
<b>How much did it cost?</b>			
Actual expenditure for the MCA was \$1,834.6m [2022/23: \$1,683.9m] which was \$85.2m higher than Budget [2023/24: \$1,749.4m], due to additional costs resulting from the collective bargaining outcomes for all frontline staff and costs from the increase in the prison population. Actual expenditure was \$7.2m below Supplementary Estimates.			

2. MCA – Multi Category Appropriation. An MCA consists of two or more categories of output expenses. MCAs can be used to provide increased flexibility across several categories of expenses that all contribute to a single overarching purpose, while preserving transparency about what is achieved with each category of an MCA.

Appropriation/ category scope	What is intended to be achieved	Performance measures achieved	Location of performance information
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### Reoffending is Reduced

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 reoffending.

This appropriation is intended to achieve a reduction in reoffending rates by focusing on the wellbeing of those lawfully required to be detained in custody, and their whānau. It provides for the timely assessment of the rehabilitative and reintegrative needs of people in our management and their whānau, as well as end-to-end bail support for defendants. This appropriation ensures identified offender and defendant needs are addressed through culturally appropriate and whānau-centred wellbeing interventions.



Pages 87, 95,  
98-99, 101

#### How much did it cost?

Actual expenditure was \$376.1m [2022/23: \$346.6m] which was \$18.7m lower than Budget [2023/24: \$394.8m], due to frontline vacancies. Actual expenditure was \$18.8m below Supplementary Estimates.

### Policy Advice and Ministerial Services (MCA)<sup>2</sup>

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.

This appropriation is intended to enable Corrections to respond to ministerial requests and parliamentary questions with a high standard of service. It also allows Corrections to provide policy advice to support decision-making by ministers on government policy matters. This multi-category appropriation provides core services to coordinate information provided to government and the public as well as developing policy that improves wellbeing and safety outcomes for New Zealand communities.



Page 124

#### Category: 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.

This category is intended to provide 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 reoffending are effectively evaluated, and that information regarding those evaluations is available to inform decision-making.



Page 124

#### Category: Ministerial Services

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

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






Page 125

#### How much did it cost?

Actual expenditure for the MCA was \$7.6m [2022/23: \$7.2m] which was \$2.7m lower than Budget [2023/24: \$10.3m]. The variance to Budget is mainly due to the Better Outcomes for Victims programme refocusing of activities and funding transfer to Ministry of Justice, who are now the lead agency for this sector initiative. Actual expenditure was \$2.1m below Supplementary Estimates. An in-principle expense transfer has been pre-approved to transfer funding to 2024/25.



Appropriation/ category scope	What is intended to be achieved	Performance measures achieved	Location of performance information
<b>Department of Corrections Capital Expenditure (PLA)<sup>3</sup></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 <i>Public Finance Act 1989</i> .	This appropriation is intended to achieve renewal and replacement of assets in support of the provision of Corrections outputs. Corrections has a capital programme of work that is focused on upgrading its assets, providing resilience to respond to changing demand and service needs, and establishing a safe and more humanising and healing environment.		Page 109
<b>How much did it cost?</b> Actual expenditure was \$294.9m [2022/23: \$222.2m] which was \$137.5m lower than Budget [2023/24: \$432.4m], primarily due to the timing of payments associated with the Project Support Agreement for the Waikeria Prison Development, and Software as a Service projects being captured as operating expenditure. Actual expenditure was \$22.6m below Supplementary Estimates.			
<b>Transfer of Three Waters Assets</b>			
This appropriation is limited to expenses incurred in Corrections transferring Three Waters assets to water service providers.	This appropriation is intended to facilitate the transfer of Corrections' Three Waters Assets to water service providers.		Page 110
<b>How much did it cost?</b> Actual expenditure was \$0.3m [2022/23: Nil] which was \$0.3m higher than Budget (2023/24: Nil). Funding of \$1.0m for 2023/24 was approved in the Supplementary Estimates to facilitate the transfer of Three Waters Assets at Auckland Prison to Watercare Services Limited. Work for this project will continue into 2024/25. An in-principle expense transfer has been pre-approved to transfer funding to 2024/25.			
<b>Waikeria Corrections and Treatment Facility<sup>4</sup></b>			
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.	This appropriation is intended to achieve infrastructure improvements necessary to enable the development of the Waikeria Prison development, including the Waikeria Mental Health and Addiction Service Facility.		Page 219
<b>How much did it cost?</b> Actual expenditure was \$0.01m (excluding GST) [2022/23: \$0.02m] which was \$0.04m lower than Budget [2023/24: \$0.05m] and \$0.08m lower than the Supplementary Estimates [2023/24: \$0.09m], due to delays in the final resealing of the State Highway 3 overpass. An in-principle expense transfer has been pre-approved to transfer funding to 2024/25.			

3. PLA – Permanent Legislative Authority. PLAs are appropriations granted in Acts other than an Appropriation Act. PLAs are provided in limited and particular circumstances, such as where approval is needed for spending of a technical nature such as departmental capital.
4. Performance information for Non-departmental Other Expenses is reported in the Report by the Minister of Corrections on Non-departmental Appropriations on pages 218-219.

## Statement of Intent performance measures

Corrections' service performance information also includes the following Statement of Intent performance measures:

- **Rehabilitation Quotient (RQ)** – pages 26-27, 195-196
- **Recidivism Indices (RI)** – pages 27-28, 197-201
- **Reoffending Seriousness Measure** – page 29

## Basis of preparation

The service performance information for the year ended 30 June 2024, including comparatives, has been prepared in accordance and complies with Public Sector Public Benefit Entity Accounting Standards – Tier 1 which have been applied consistently throughout the period.

Outputs are specified in the Estimates of Appropriations 2023/24 and the Supplementary Estimates of Appropriations 2023/24 for Vote Corrections.

## Reporting judgments

Performance measures have been selected for activities under each appropriation for Vote Corrections which measure the performance of various important aspects of Corrections services. Corrections measures our outcomes and impact on reoffending at a high level, by the Rehabilitation Quotient (RQ), the Recidivism Indices (RI), and the Reoffending Seriousness Measure<sup>5</sup> as set out in the Statement of Intent 2022-2026.

Neither the RQ nor the RI measure changes in the seriousness of reoffending. It is therefore useful to consider a combination of reoffending measures when assessing programme effectiveness. Our figure for measuring the seriousness of reoffending, the Reoffending Seriousness Measure, is a proximate measure of the average seriousness of people's reoffending derived from the Justice Sector Seriousness Score.

The appropriation level measures together with the outcome and impact measures Corrections uses are consistent with and clearly linked to Corrections' organisational outcomes.

Judgment has been used in selecting, aggregating, and presenting performance measures to determine which aspects of performance information are relevant to the users of the performance report.

Some of the most significant judgments relate to the RI, RQ, and Reoffending Seriousness Measure. Corrections takes into account international best practice as well as relevant information specific to the New Zealand context to make methodological judgments in relation to the RQ and RI particularly.

Key judgments include those relating to sample size, control composition, data quality standards, and statistical processes. For more information on our outcome and impact measures, including the calculation approach, see Appendices one and two.

Further judgment has been used when determining contextual comparative narrative and descriptive information to provide a more comprehensive view of reporting practices, as well as when identifying factors that have had the most substantial influence over performance information. This includes the extent to which qualitative characteristics and pervasive constraints influenced performance information.

Other judgments include those made in determining the cost of outputs. These can be found within the cost allocation accounting policies in Note 1 to the Financial Statements on page 147.

5. In the Statement of Intent 2022-2026, this is referred to as the Ministry of Justice's Seriousness of Offences Scale.





## Measuring our impact on reoffending

### **Corrections offers a wide range of interventions aimed at achieving our organisational outcomes of reducing reoffending, improving public safety, and reducing Māori over-representation.**

We also offer people interventions that contribute to wider government goals to improve the wellbeing of all New Zealanders, such as interventions to improve cultural, educational, employment, housing and health outcomes. People often access multiple types of intervention over the course of their sentence.

Corrections uses a range of methods to assess intervention effectiveness, including evaluations, ongoing quality assurance and monitoring processes, and the Rehabilitation Quotient. We take all forms of assessment into account when routinely reviewing and enhancing interventions.

### **Rehabilitation Quotient (RQ)**

Corrections uses the Rehabilitation Quotient (RQ) to measure the impact that our interventions have on reoffending. Reoffending is measured in terms of reimprisonment rates and rates of re-sentencing to a Corrections' managed sentence. The RQ compares the reimprisonment and resentencing rates of people who have participated in an intervention, with the reoffending rates of similar people (matched through a range of factors) who have not participated in either that specific intervention or a similar type of intervention.

The RQ is one of several measures used by Corrections. Desistance research has consistently shown that people rarely stop offending immediately. Typically, people who desist from crime reveal a gradual decline in offending, including a reduction in the seriousness and increase in the time elapsed between offences over time. It is therefore useful to consider a combination of reoffending measures when assessing programme effectiveness. The RQ does not measure changes in the seriousness of offending, nor does it measure how long people went without reoffending after being released from prison or completing an intervention in the community.

In recent years a range of improvements have been made to the RQ method, including using additional information to accurately match participants to the control group, using three years' worth of intervention data to strengthen reliability, and improving the quality of the base data used. This means that results for the last three years are not compatible with those published in previous annual reports. The results are limited to the core rehabilitation programmes with sufficient volumes of participants to enable reliable statistical analysis.

The reimprisonment and resentencing rates used to calculate the RQ are measured over a 12-month follow-up period. When measuring the impact of prison-based interventions, the follow-up period begins when a participant is released from prison. For community-based interventions, the follow-up period begins when the participant has completed the intervention.

After the 12-month follow-up period ends, Corrections waits three months before preparing the RQ results. This allows more time for any reoffending that occurred during the follow-up period to progress through the courts. Only after this period ends can Corrections calculate the reimprisonment and resentencing rates of intervention participants and compare them with non-participants.

The scores assigned to each intervention represent percentage point reductions in reimprisonment or resentencing. For example, if the resentencing rate of a specific intervention's participants was 30% and the equivalent rate for non-participants was 35%, the RQ would be -5.0%. A negative score means the intervention successfully reduced the rate at which participants were resentenced for new offences during the follow-up period compared to non-participants.



## 2023/24 results

Overall, most interventions evaluated for the 2023/24 RQ recorded reductions in reimprisonment and resentencing rates, although few reached the level of statistical significance. Corrections most intensive prison-based programme recorded the most significant reductions in reoffending, while most community-based rehabilitation programmes have continued to demonstrate reductions in imprisonment or resentencing.

Results which do not reach the level of statistical significance do not necessarily indicate that programmes are ineffective. This does mean that a statistical difference in reoffending levels between the treatment and control groups has not been observed.

The 2023/24 RQ measures the impact of interventions that were completed in the three years prior to 31 March 2023. The follow-up period extends to 30 June 2024. The delivery time frame includes years in which COVID-19 lockdowns were in place and both programme delivery and reoffending measures have been impacted. Changes made to the programme suite since March 2023 will not be reflected, nor will the totality of changes made between March 2020 and March 2023.

### Prison interventions

As has been the case for the last ten years, the Special Treatment Unit – Violent Offending programme continues to generate the largest statistical difference. This year's results indicate that resentencing was reduced by 13.4 percentage points while reimprisonment rates were reduced by 11.5 percentage points, which reflect an improvement from last year.

### Community interventions

While all community programmes reported favourable results, only the imprisonment rate related to Non-Violence Programmes for Female Perpetrators of Family Violence reached 95% significance, showing a reduction of 0.8 percentage points.

For the full table of results for prison and community interventions, see Appendix one on pages 195-196.

## Recidivism Indices (RI)

The Recidivism Indices measures the percentage of people who receive a further prison sentence (reimprisoned) or any Corrections administered sentence (resentenced) within 12- and 24- months of release from prison, or after the commencement of a community-based sentence.

It is not possible to capture all relevant offending in the Recidivism Indices as the length of Court proceedings can result in sentences for offending that occurred within the 12- and 24-month follow-up periods being imposed long after the end of those periods. To standardise the reporting and provide statistics within a reasonable timeframe the 12- and 24-month indices only include sentences imposed within 15 and 27 months respectively of release or sentence commencement.

Figure 4 and Figure 5 (page 28) show the 12- and 24-month recidivism rates for people released from prison, and people who started community sentences over the last 10 years.

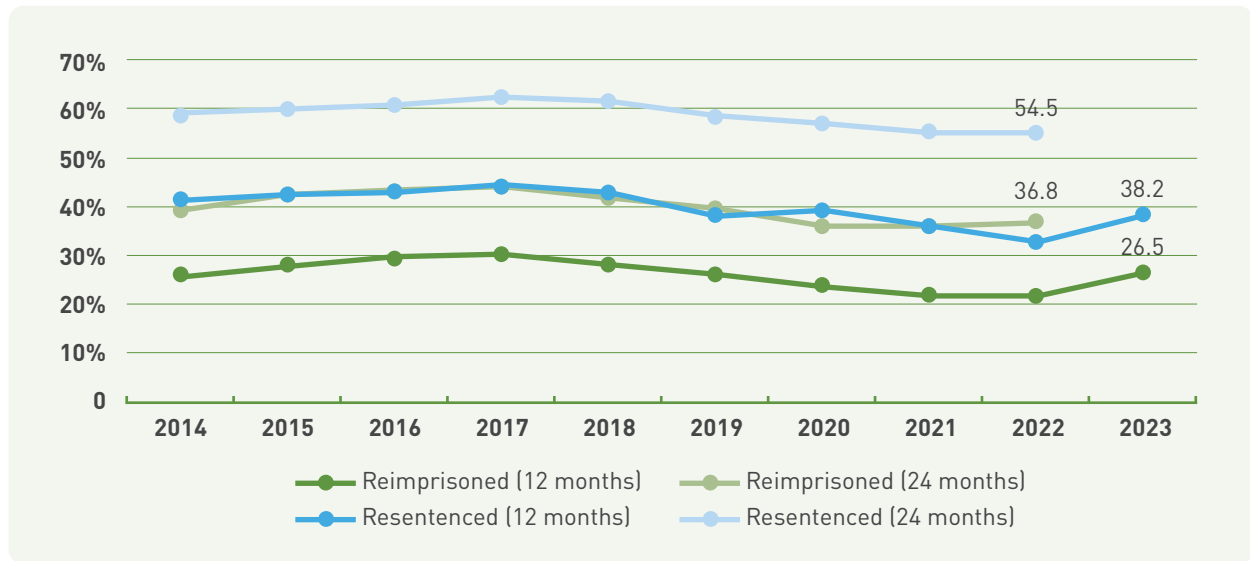
The graphs are organised by the period of time in which the person was released or started a community sentence. The time periods run for 12 months from 1 April to 31 March. For the 24-month measures, the last data point is the year ended 31 March 2022 and for 12 months the year ended 31 March 2023.

This year's results indicate a higher level of reoffending than recent years. It is likely that this is at least partly due to the unresolved delays in reoffending levels associated with COVID-19.

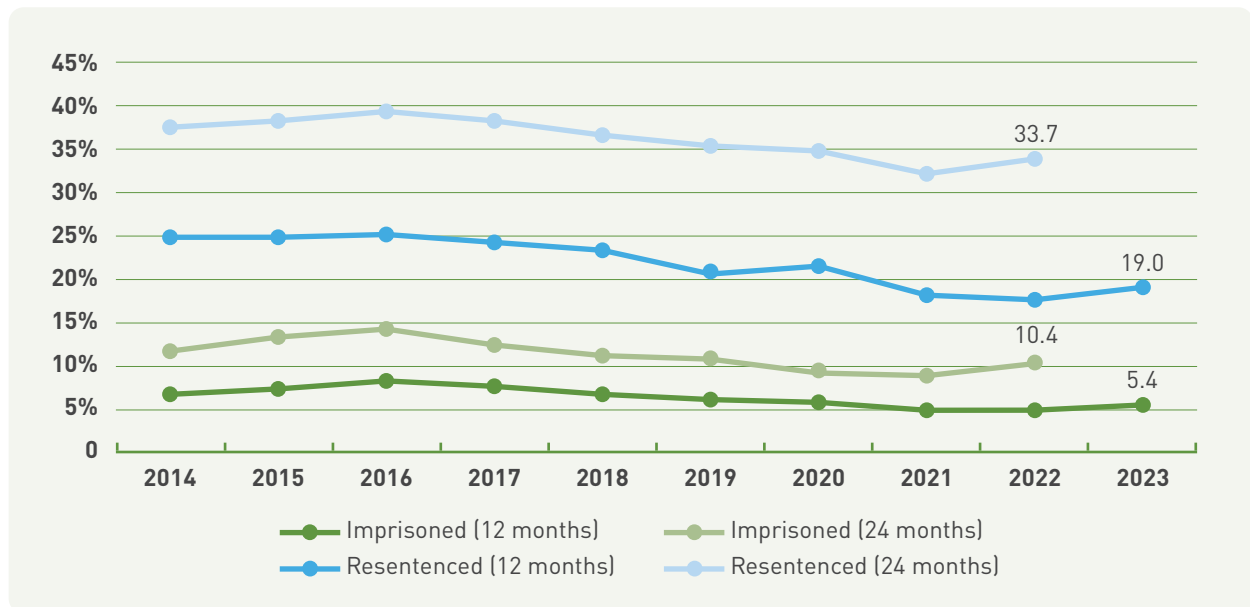
It is important to recognise that recidivism is a product of a wide range of individual and social factors, many of which sit outside the remit of the corrections system.

For a detailed view of the most recent Recidivism Indices, see Appendix two on pages 197-201.

**Figure 4: 12- and 24- month resentencing and reimprisonment rates for people released from prison in the years ending 31 March 2014 to 2023<sup>6</sup>**



**Figure 5: 12- and 24- month resentencing and imprisonment rates for people starting community sentences in the years ending 31 March 2014 to 2023<sup>6</sup>**



6. This chart is prepared using the methodology current from 2019/20 onwards, and results do not match those in earlier annual reports. For a detailed view of the most recent Recidivism Indices, see Appendix two on pages 197-201.



## Reoffending Seriousness Measure

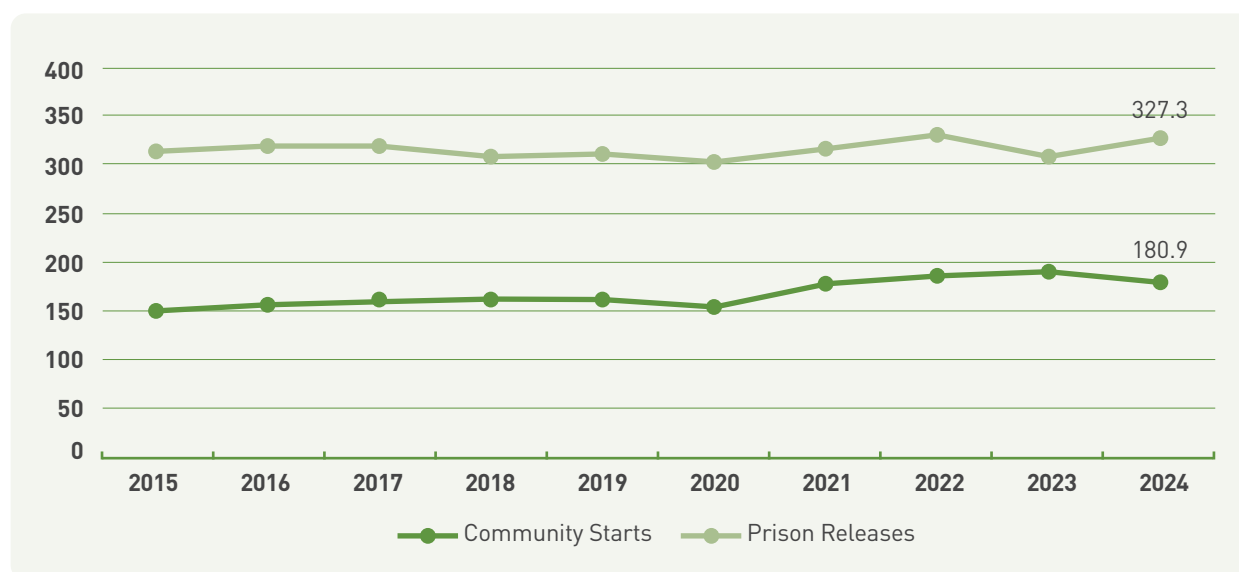
The Recidivism Indices measure whether someone was imprisoned, reimprisoned or resentenced. The indices do not measure the seriousness of the reoffending beyond the fact of whether it resulted in reimprisonment, and does not consider the extent of the reoffending. The reoffending seriousness score is a proximate measure of the average seriousness of people's reoffending; a higher score means more serious reoffending.

The measure is calculated using offence-based scores from the Justice Sector Seriousness Score. The Justice Sector Seriousness Score<sup>7</sup> is based on actual sentences imposed on people for different categories of offence over a five-year period.

The scores represent prison days and use a set formula to convert community sentences into a prison day equivalent.

In 2023/24, the reoffending seriousness score for people released from prison was 327.3 [2022/23: 308.9], while reoffending by people on a community-based sentence or order had a seriousness score of 180.9 [2022/23: 190.0].

**Figure 6: Reoffending seriousness measure for prison and community-based sentences from 2015 to 2024.**



7. The scores were last updated in 2016 and are based on sentences imposed between 2011 and 2015. Where people have more than one instance of reoffending, the scores are weighted and then averaged to determine the reoffending seriousness measure.



***The  
population that  
we manage***





***Maintaining public safety  
and supporting better  
rehabilitation outcomes***

## Managing the needs of a changing prison population

### To maintain public safety and support better rehabilitation outcomes, we need to adapt and be responsive to the needs and risks of our population

Supporting people who come into the corrections system to achieve and maintain positive change in their lives is a central part of what we do. Sustaining this change is not something we can do alone. Many of the factors that contribute to someone committing a crime sit beyond the direct influence of the corrections system.

To do our part effectively, we need to understand the people we manage, provide the health services and rehabilitation programmes that will help reduce the chances of further harm and victimisation, and embed the necessary system-level changes that will support better outcomes.

### The prison population is changing, with some clear differences from 10 years ago that require different approaches

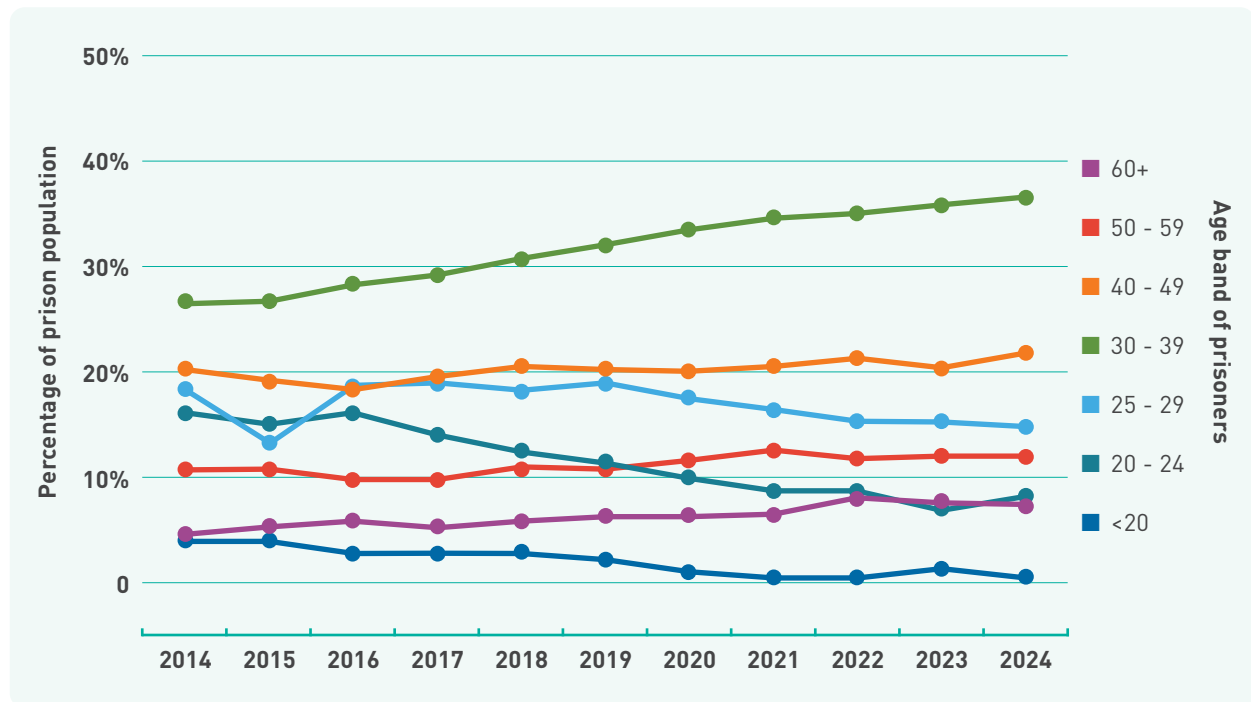
As at 30 June 2024, Corrections had a population of 9,575 people in prison and 25,938 people serving a sentence or order in the community. In recent years, the prison population has been increasing— including a persistently higher number of people on remand. Other key changes include:

- The prison population is getting older (30-39 age band) as fewer young people arrive and make up a much smaller proportion of the total prison population.
- A greater proportion of people are in prison for serious sexual and violence offences.
- The proportion of people entering prison with a gang association has increased.

People in prison also tend to have greater levels of childhood and adult trauma, greater lifetime exposure to family violence, higher prevalence of substance abuse disorder, mental health issues, and more neurocognitive diversity than the general population.<sup>8,9</sup>

Changes in our population can make it more challenging to manage people safely and effectively and plan for their time in the corrections system. Our ability to be flexible and respond to the needs of our population will support us to progress against our three organisational outcomes.

**Figure 7: Prison population by age band (as at 30 June)**



8. <https://www.justice.govt.nz/justice-sector-policy/key-initiatives/justice-sector-long-term-insights-briefing/>

9. <https://www.abuseincare.org.nz/reports/whanaketia/>



### Māori continue to be overrepresented in the corrections system, reducing this will be a long-term journey

New Zealand has one of the highest imprisonment rates in the OECD, and Māori are overrepresented at every stage of the criminal justice system. By 1985, Māori represented 50% of New Zealand’s total prison population. This remained the case until recently, when the proportion began to rise and reached 53% (which remains the current level). The overrepresentation of wāhine Māori is especially high, and currently sits at approximately 67% of the women’s population.

The continued overrepresentation of Māori has far-reaching consequences that are inter-generational and addressing this cannot be done by Corrections alone. It is critical that we do what we can, including by maintaining a strategic focus on reducing Māori overrepresentation, deploying the right approaches, and specifically considering our performance indicators for Māori. Our organisational strategy, *Hōkai Rangi*, is a key part of our response to this (see more on pages 40-41).

### There has been significant growth in the custodial remand population

In recent years, we have seen an increase in the number and proportion of people on remand as they await trial or sentencing. The courts and Police (for Police bail) are responsible for deciding whether someone awaiting trial or sentencing remains in the community on bail or is remanded into custody. A person’s level of risk is an important consideration.

Based on justice sector projections it is likely that the remand population will continue to grow faster than the sentenced population. The length of time defendants spend on remand has also grown as a result of an increase in the time it takes to resolve serious charges in the courts. While remand prisoners do not have a formal security classification, a large number of remand prisoners are managed in line with a high security classification. This creates additional staffing and infrastructure pressures, requiring us to be agile and adaptable, and find new ways of working.

Budget 2024 allocates resources from the 2025/26 financial year to extend access to rehabilitation programmes to remand prisoners, who currently make up around 44% of the prison population. This funding aims to address the challenges posed by this rising proportion of the prison population, reinforcing our commitment to maintaining a safe, secure, and effective corrections system. We are developing a delivery plan and will commence our system approach to this from 1 July 2025.

### Most of our prisons were built for a remand population of around 15% of the prison population

However, remand prisoners made up 43% of the onsite men’s prison population [2022/23: 44%], and 59% of the women’s onsite prison population as at 30 June 2024 [2022/23: 55%].

Figure 8: Prison population trend

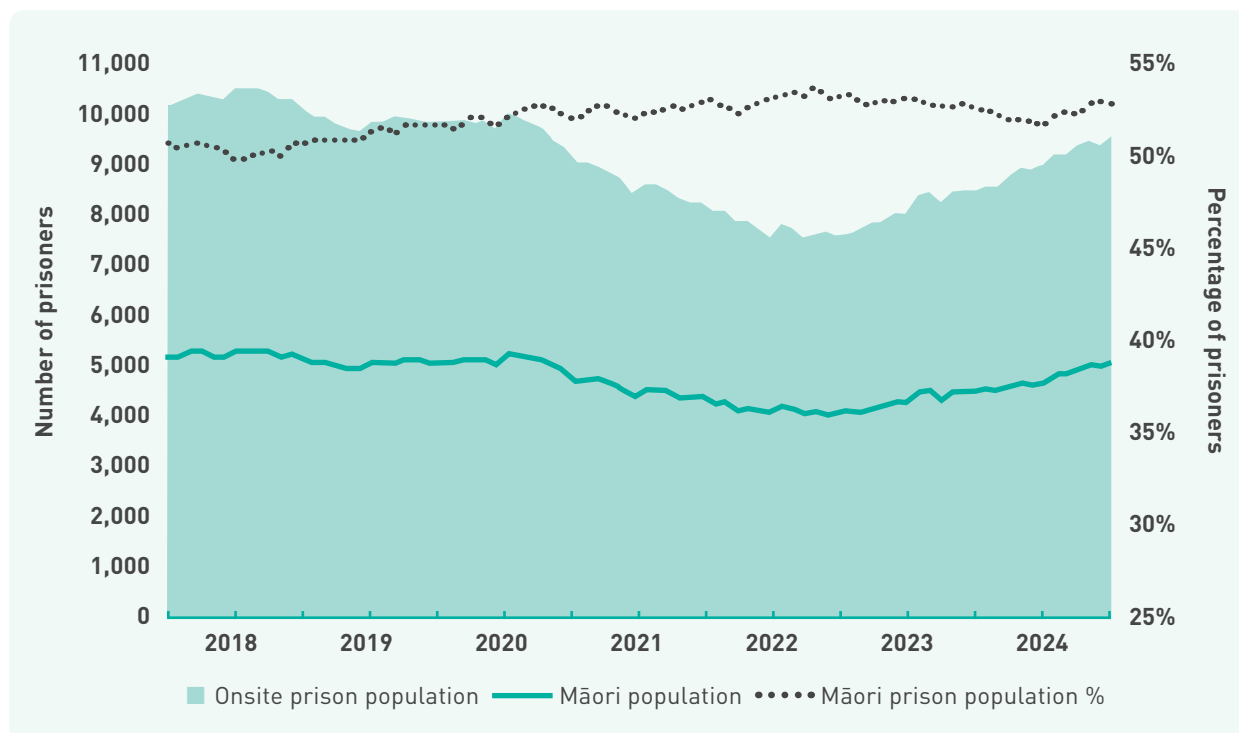
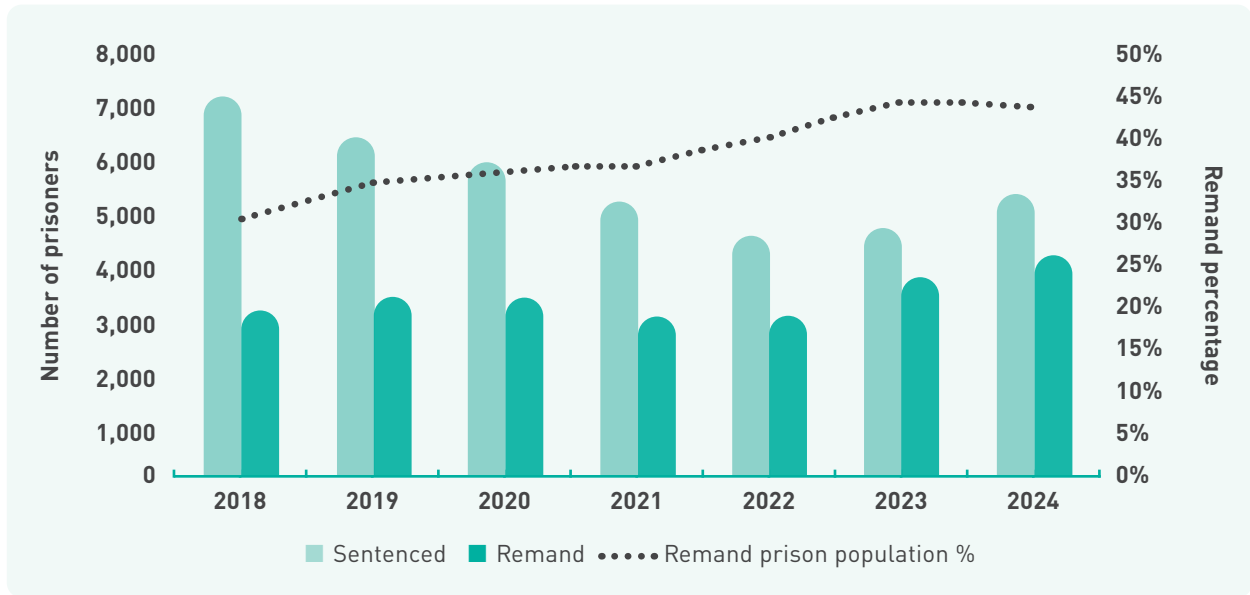


Figure 9: Our changing prison population (as at 30 June)



**Gender and culturally responsive approaches will help achieve better outcomes for the women we manage**

**As at 30 June 2024, we managed 649 women across three womens prisons [30 June 2023: 476] and we manage 4,951 women on community sentences**

*Wāhine - E rere ana ki te pae hou Women's Strategy 2021 - 2025* is a guide for all parts of Corrections to think differently about the needs and services provided to the women in our management and we have made some important changes to that end.

Since 67% of women in custody identify as Māori, it is important that we provide an environment that is both gender and culturally responsive across all areas of our work.

Research also shows that tailoring services to be responsive to the needs of women achieves better outcomes and ultimately reduces reoffending. Our new Deputy Commissioner for the women's prison network (established through Te Ara Whakamua) will help lead and steward our efforts to be more effective in this way.

A key area of focus is building the capability of our staff to work with women in custody. We are preparing a development pathway for staff that will help them to engage with women in trauma informed, gender, and culturally responsive ways. Over the past year we have been strengthening site leadership in preparation to deliver the pathway. We have also adapted our recruitment approaches to ensure we better target and select the right candidates to work with the women we manage.

Several other initiatives to improve the health and rehabilitation of women have been implemented in prison including:

- Introduction of a new co-developed flexible alcohol and other drug treatment programme in partnership with Te Hā Oranga, a Kaupapa Māori provider, to better meet the needs of women across the prison network, particularly wāhine Māori.
- The establishment of dedicated psychological services teams at Christchurch Womens and Auckland Region Women's Corrections Facility (ARWCF) to support women's rehabilitation needs.
- Several targeted interventions to increase the uptake of medical screening, including the introduction of human papilloma virus (HPV) cervical self-testing. This has seen a significant increase in screening uptake with women which is essential in the early detection of cancers.
- Additional custodial staff to enable women to attend health appointments at ARWCF and Christchurch Women's Prison in recognition of the disproportionately high number of medical escorts women need.



## Some prisoners require additional oversight and management because of their level of risk

In 2019, the Persons of Extreme Risk Directorate (PERD) was established in recognition that there are a small number of individuals in prison requiring additional measures to be safely managed. For the most part, this is due to the ongoing risk of serious violence that they present but could also be due to their capability to influence others to engage in serious violence or threats of violence. While these risks may include violent extremism, this is not always the case. For example, additional measures may be required to safely manage individuals who are connected to sophisticated transnational organised criminal networks, with the capability to seriously threaten the safety and security of a prison and the wider community.

The Prisoners of Extreme Risk Unit (PERU) – directly managed by PERD – is the unit that houses these challenging individuals and is based within the maximum-security environment of Auckland Prison. On 30 June 2024, 13 men were managed in the PERU.

PERD also helps support the management of a number of people in other prisons, and in the community, who pose additional risks. These individuals may present safety and security challenges that cannot be mitigated with a mainstream management approach. There are currently 25 individuals where PERD provide additional oversight and guidance, as at 30 June 2024.

In 2023/24, we had two part-time psychologists to support the assessment and treatment of men in the PERU, and to enhance the practice of our staff. A dedicated Corrections intelligence team provides a high level of input into the PERU (via mail and phone monitoring), and we work closely with the Police and a range of other agencies. Corrections is considering the need for more bespoke programmes to treat people associated with transnational organised crime connections.

## We have a framework that guides how we manage young people under 25 years of age

**As at 30 June 2024, we managed just over 870 young people in prison [2022/23: 797] and nearly 3,100 [2022/23: 3,329] in the community**

We are committed to ensuring the safety and wellbeing of young people in our management and our young adult framework guides this work. The framework is directly aligned to both the Government's *Child and Youth Wellbeing Strategy* and *Hōkai Rangī*.

A youth champion network of approximately 300 staff members is working with young people coming into the corrections system. They support them to achieve their goals, gain employment skills and educational qualifications, complete rehabilitation programmes, and establish healthy support networks in the community.

We have also introduced an elective training course for our custodial staff that focuses on working with young adults and aligns with our framework.

We also work with Oranga Tamariki – Ministry for Children to facilitate smoother transitions for young people between youth justice residences and prison custody. This work also increases access to the Transition Support Service which supports young people in the justice system, and care experienced young people (three months or more in statutory care at some point), to successfully transition to adulthood.

We continued to operate two youth units at Christchurch Men's Prison and Manawatū Prison (the Manawatū unit was set up as a temporary unit). These youth units primarily accommodate vulnerable males in prison who are 20 years old or younger and provide developmentally appropriate programmes to aid their rehabilitation.

There are separate youth placement beds at other sites around the country where young people are managed separately from the adult prison population, including at Mt Eden Corrections Facility and Spring Hill Corrections Facility.

Figure 10: Prison releases by lead offence

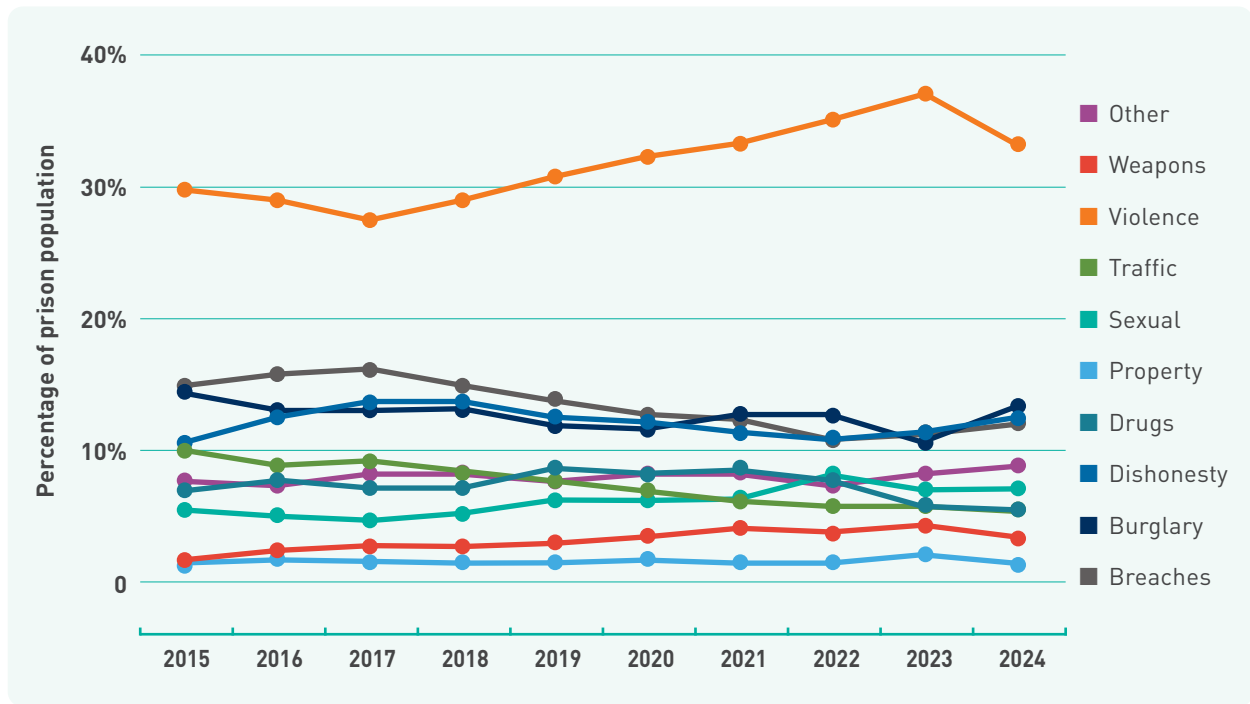
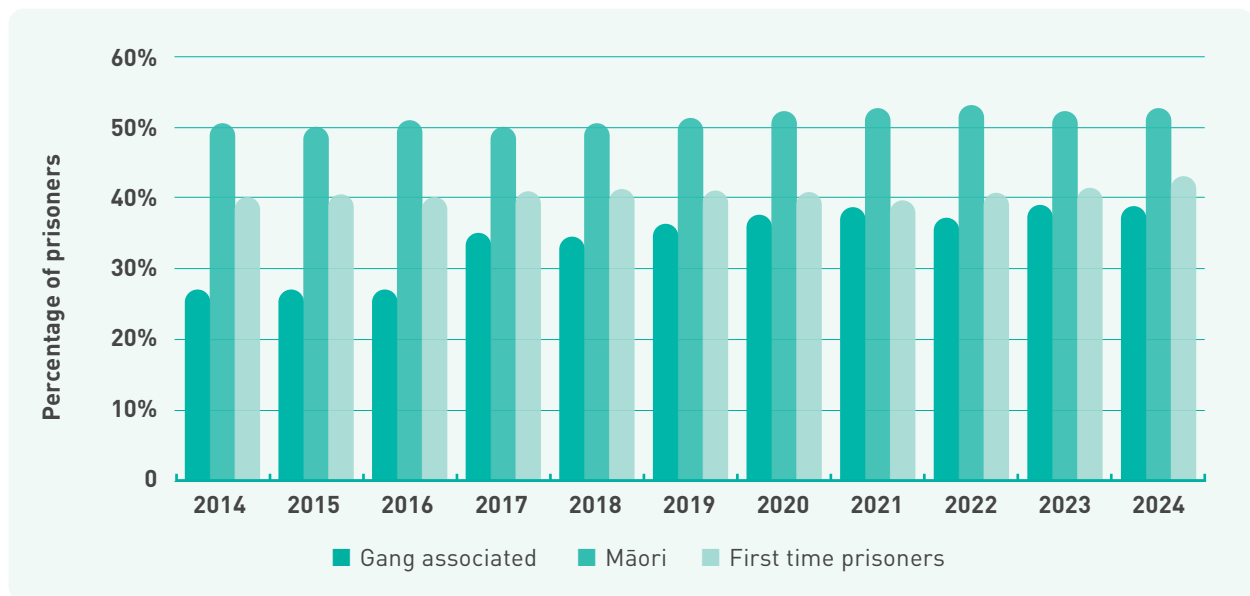


Figure 11: Prison population by gang association/Māori ethnicity/first time in prison (as at 30 June)











*Our*  
***strategic  
direction***





***The approach we are  
taking to achieve our  
organisational outcomes***

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## Our strategy

### ***Hōkai Rangī remains our organisational strategy and enables us to have a strategic focus on Māori***

We have a responsibility, derived from legislation and our Treaty of Waitangi obligations (as expressed in *Tū Mai Te Rangī!*)<sup>10</sup>, to respond to disproportionate Māori reoffending. We also have a responsibility to reduce overrepresentation of Māori in the corrections system.

These responsibilities led to the development of *Hōkai Rangī*, our organisational strategy. *Hōkai Rangī* sets out a long-term and clear intent, one that we cannot achieve alone given the various and complex reasons why someone might end up in our management.

The strategy expresses our commitment to delivering better outcomes with and for Māori, and ultimately aims to lower the proportion of Māori in our management to a level that matches the Māori share of the general population. This enduring commitment was informed by staff, those with lived experience, Māori and iwi stakeholder partners, and the recommendations and feedback of external monitoring agencies.

Six pou are at the centre of our strategy, establishing the vision that we have for an effective corrections system – one that supports the realisation of our organisational outcomes, and therefore our purpose.

#### The six pou are:



##### **Partnership and leadership**

Corrections values strategic relationships and works collaboratively with Māori.



##### **Whakapapa**

We recognise that whakapapa can be the beginning of healing and wellbeing.



##### **Humanising and healing**

Corrections is a values-led organisation. Our staff will treat those in our care and management with respect, upholding their mana and dignity.



##### **Whānau**

Where they can, whānau are supported to walk alongside the people we manage on their rehabilitation and reintegration journey by our staff.



##### **Incorporating a te ao Māori worldview**

Access to culture is a fundamental right, not a privilege, regardless of a person's circumstances. Māori prisoners and other prisoners must have access to cultural activities, regardless of the corrections prison in which they are detained, their security classification, gang affiliation, gender, or therapeutic needs.



##### **Foundations for participation**

We strive to ensure people leave us better able to participate in society and live offence-free lives.

Our pou help guide staff to do things differently, and provide the foundations for change by:

- Shaping the way we work, partner, and deliver services that are intentional, people-centred, and strengths based.
- Recognising Māori culture, people, and perspectives.
- Treating people with decency and dignity, and improving their physical and mental wellbeing.
- Recognising the importance of culture and identity to wellbeing, connection, and participation.
- Setting the standards and holding us accountable for what people will see and experience.

We can be confident that these pou have been embedded into our work when there is positive change, as identified by Māori who are in the corrections system and as demonstrated in our own data, such as Māori overrepresentation and reoffending rates. Progress towards the change we are seeking has been slow at times, partly due to COVID-19 and staffing shortages, and also because the overrepresentation of Māori is a significant and complex issue. However, we have tried out new approaches for working with Māori and what we have learnt provides a strong foundation for future change.

*Hōkai Rangī* had an initial period of five years, but we know there is much more to do and remain committed to the vision that has been set out. This is why we will be continuing work on this with a refreshed version of *Hōkai Rangī*. The pou will not change in the next iteration and remain a key component of our strategy.

10. <https://www.waitangitribunal.govt.nz/news/disproportionate-reoffending-rate/>

The first iteration of *Hōkai Rangī* contained 37 short-term, or 'do now' actions. We want to deliver long-term embedded change to the corrections system. As such, we were not marking these actions as 'completed' or 'closed'. In many cases, the actions will require ongoing effort to sustain and embed change. We marked actions as being 'substantively delivered' once the key work products had been delivered and were in use within the organisation. Of the 37 short-term actions, 34 have been substantively delivered — the remaining three have either become part of our everyday work or are no longer relevant.

### Initiatives from our Māori Pathways programme are being transitioned into business-as-usual work

Over the past four years, the Māori Pathways programme has supported, developed, and delivered a range of initiatives that have put *Hōkai Rangī* into practice, enabling us to recognise and respond to the cultural needs of Māori in the work that we do. Iwi, hapu, mana whenua, whānau, Māori providers, lived experience Māori representatives, and more than 200 staff were involved in the programme. Initiatives developed within the programme marked a fundamental shift in our strategic approach to work in partnership with Māori. See the Partnering for equitable outcomes section on page 104 for more information.

The intention of Māori Pathways was to develop and test new ways of working through a dedicated programme team, so that we could learn what works and then seek to embed these new ways of working across our system. We are now at this second stage and will transition prototypes tested as effective across to regional general manager networks to embed into business as usual.

Māori Pathways has:

- Incorporated Te Ao Māori and whānau-centred approaches to existing programmes to make them more effective for Māori.
- Designed new initiatives that draw on research and the lived experiences of Māori in care through a co-design approach with Māori partners.
- Provided increased access to existing successful initiatives.

Some key achievements for 2023/24 include:

- Starting to implement Whānau Manaaki plans in all three community Māori Pathways sites. These plans help chart a person's journey through, and out of, the corrections system, identifying a person's goals and what they might need to achieve them, applying a te ao Māori lens.
- Continuing the Tēnei Au, Tēnei Au programme that uses a kaupapa Māori approach to help address trauma which we know can contribute to harmful offending. During 2023/24, 104 men completed the programme, up from 51 the year prior.

- Delivery of a training package for staff in Hawkes Bay that focuses on practice delivery of whānau hui, where whānau are involved in goal setting and decision making for the person in prison or subject to a community sentence or order.

### Te Ara Whakamua represents a key step in our Hōkai Rangī journey that will enable different ways of working, aligned with the recommendations of monitoring agencies

Te Ara Whakamua provides a flatter structure to enable faster change. It was designed to grow our capability, enhance how we deliver our services, and to support us to deliver on our aspirations for a more effective and efficient corrections system. In May 2023, we released the proposed design for consultation. Following consultation, a final decision document was released on 4 August 2023.

Te Ara Whakamua extends its impact to every part of the organisation. Not only has there been a structural change, but our processes, policies, and ways of working will require adjusting to enable the 'shifts' we are seeking.

We transitioned into our new structure on 1 April 2024, but many of the changes envisaged as part of this process are being put in place progressively from that date.

The long-term key 'shifts' we are seeking through Te Ara Whakamua are to:

- Create a structure that supports local decision-making and gives regions and sites more control over the outcomes they can deliver.
- Provide greater role clarity and declutter our policies and procedures so we can place a stronger focus on doing more of the work that matters.
- Empower local leadership to make more decisions about the people they are responsible for and give leaders time to focus on what they need to do for their people.
- Enable teams to easily work together, and to draw on skills and knowledge from across the organisation.
- Provide increased and direct support to local sites.
- Ensure strong partnerships with iwi, māori, and our communities remain essential in how we deliver and tailor services to the people we manage.

The Chief Ombudsman's systemic investigation report was a critical consideration when developing Te Ara Whakamua and will continue to guide our work in the new structure. More information on this can be found on pages 47-48.



## Key pieces of work in 2023/24



### The Organisational Roadmap

Our new Organisational Roadmap identifies the key focus areas that will help us realise our organisational outcomes. The Organisational Roadmap will provide an accessible and transparent view of key initiatives across the organisation which means we can better prioritise and sequence our resources and efforts.



### Optimising our services

The Optimising our Services programme is primarily about better understanding and meeting the needs of our population, both in prisons and the community. This is particularly important given the significant changes to our populations over the last 10 years. This programme of work seeks to optimise our service offering in response to the needs of our population and connect people to the right services, at the right time.

We need a consistent and reliable way to consider the needs of our population and our services need to adapt in response, along with system-level changes that will support successes. We also know that our service effectiveness and our service efficiency need to improve.



### Integrated Pathways

The Integrated Pathways programme has been established to determine how systems and processes across Probation, Case Management, and Bail Support Services could be better integrated, to deliver a more effective pathway for people in our system. The goal is to take what we have learnt from Māori Pathways and other key initiatives to deliver a simplified pathway. This includes utilising a holistic plan that guides how an individual will move through the corrections system, from the first interaction with Corrections until their last, replacing the current 'offender plan'.

This work will provide a better experience for the people we manage and for staff, one that supports nationally consistent practice, with room for regional variability.

To support this, we have been working with frontline staff to identify systems and processes that get in the way of working well and have been looking at current initiatives that support this goal.



### Performance Framework

During 2023/24, we agreed a new performance framework. The new performance framework will help us to understand whether the approaches we are deploying, informed by *Hōkai Rangi*, are enabling us to achieve our organisational outcomes.

While still in the early stages of implementation, internal monitoring and reporting against the new performance framework has commenced. We expect that as we implement the performance framework, its measures will continue to be refined as we learn what is most appropriate for understanding and assessing our performance. Our intention is that these measures will also suggest how effective we are with Māori in the system.

No changes to the performance measures have been made for 2024/25 in the Estimates of Appropriations 2024/25 to reflect the new performance framework. However, we will be assessing whether changes will be made to the measures of service performance, which would be reported in future Annual Reports.

The framework sets out four key interrelated impacts that contribute to our ultimate organisational outcomes. What we have been doing to enable these impacts is detailed throughout this report.

<b>Purpose</b>	<p><b>Whakataukī   Kotahi anō te kaupapa: ko te oranga o te iwi - there is only one purpose to our work: the wellness and wellbeing of people</b></p> <p><b>Our work   We make the community safer, by supporting people to leave us better and with brighter prospects</b></p>		
<b>Outcomes</b>	<p><b>Improved public safety</b></p> <p>We manage people in prison and serving sentences and orders in the community in a manner that improves the safety of the public, victims, our staff and offenders</p>	<p><b>Reduced overrepresentation of Māori</b></p> <p>We reduce overrepresentation by ensuring the corrections system works for Māori, their whānau, iwi and hapū - through more Kaupapa Māori-based approaches, and other tailored approaches that we know are effective for Māori</p>	<p><b>Reduced reoffending</b></p> <p>We support people in prison and serving sentences and orders in the community to engage in rehabilitation interventions, reintegration and support services to address the underlying causes of criminal offending and reduce reoffending</p>
<b>Outcome measures</b>	Recidivism Indices	Proportion of people in prison that identify as Māori	Reoffending Seriousness Measure
<b>Impacts</b>	<p><b>Safe, secure and humane system</b></p> <p>Public protection is maintained and the safety of all involved in the corrections system is upheld</p>		<p><b>Foundations for participation</b></p> <p>People leave us with an improvement in their ability to participate in society to live offence-free lives</p>
	<p><b>Partnering for equitable outcomes</b></p> <p>More effective and enduring partnerships based on Te Tiriti</p>		<p><b>Safe, supported and capable staff</b></p> <p>A more engaged, capable and enabled workforce</p>



## The justice system

### **Sector collaboration is necessary to develop effective cross-agency solutions to the challenges being faced in the criminal justice system**

Justice sector agencies provide distinct, but interconnected, services within the criminal and civil justice system. They work together at operational, policy, and strategic levels to make New Zealand safer and to deliver accessible justice services and better outcomes. In addition to flow-on effects between justice agencies, justice sector volumes are also heavily impacted by social sector outcomes.

One way the sector works together is by sector Chief Executives coming together to share leadership as the Justice Sector Leadership Board (JSLB). The JSLB was established in 2011 to increase collaboration on system-wide issues, govern significant cross-agency work programmes, and lead agencies with a united purpose.

### **The High Impact Innovation Programme demonstrates how the sector has worked collaboratively on key issues**

The High Impact Innovation Programme (HIIP), which also includes the Behavioural Science Aotearoa (BSA) team, has been supporting the design and delivery of operational improvements across the justice system, ranging from a person's first contact with police to their release from prison and beyond. The programme began in 2017 during a time of significant growth in the prison population.

HIIP is hosted within Corrections, but accountable to the Justice Sector Leadership Board. However, the recent decision to establish a new Justice Sector Team within the Ministry of Justice means that HIIP is being formally disestablished in November 2024. Some HIIP positions will be transferred within Corrections, and specific positions in the BSA team will be transferred to the Ministry of Justice.

Work has been done across the justice sector to identify causes of the high remand population and align strategies to respond. Justice sector workstreams led by HIIP, the Ministry of Justice, and Police have been targeted at improving system performance by introducing additional capacity into the system and looking at processes to improve both the efficiency and effectiveness of the system. Each of the workstreams' initiatives have been brought together under a consolidated cross-sector programme of work called the Timely Justice Action Plan.

### **Bail Support Services is focused on improving sector performance**

Corrections is working with other sector agencies to improve performance across the justice system. An example of this work is Bail Support Services (BSS), a programme aiming to improve justice sector performance in terms of addressing systemic challenges. BSS commenced pilots in Wellington, Manukau, Christchurch, and Kaitiāia before a bid in Budget 2020 was approved to implement the programme nationally. Funding of \$50 million was allocated for BSS over four years.

BSS was started amid a rising prison population, and challenges in providing the court with usable bail proposals. The aim was to support people to achieve and maintain bail. The service's offering includes:

- The completion of Electronically Monitored Bail Suitability Reports.
- Support in prison to ensure high quality bail and electronically monitored bail applications are completed.
- Support in court to provide information about the availability of bail proposals.
- Support in the community for people on bail and their whānau to meet any unmet social needs.

The BSS programme engaged local iwi and kaupapa Māori organisations to collaborate on the design and delivery of the service in several locations. Due to volume pressures and their potential impact on the delivery of all the intended benefits of BSS, a review has been commissioned to identify options for long-term and sustainable service delivery. The review is due to be completed in December 2024.

### **We are committed to upholding the rights of victims of crime in the criminal justice system**

*The Victims' Rights Act 2002*, and the corresponding *Victims' Code of Rights 2015*, outline the rights of victims of crime in the criminal justice system. As part of Budget 2024, approximately \$25 million has been retained from the victims operating model contingency to be used for measures and initiatives that support victims of crime, we are supporting this work where applicable, which includes:

- A sexual violence crisis response support service, focused on the youth justice system, to offer and facilitate a unique, victim-centred, restorative justice approach in cases where the young offender has admitted to committing sexual violence.

- A victim navigator role will be established to support and guide victims through the youth justice pathways, ensuring they are well-informed and that their views are represented.
- A centralised victims complaints team will be established to triage, manage, and monitor victim complaints across the criminal justice process and support sector partners to make continuous improvements.
- An initiative to support improvements to victim engagement during the New Zealand Parole Board process where the victim is not registered on the Victim Notification Register. These improvements will work to enhance public safety.

The *Victims' Rights Act 2002* also sets out Corrections' obligations to provide information to victims of offences, including notification of specific events relating to those who offended against them.

As at 30 June 2024, there were a total of 6,249 [30 June 2023: 5,903] active registered victims, of which 1,695 [30 June 2023: 1,528] were new registered victims this financial year. During 2023/24, we received seven justified complaints from five registered victims (or their representatives) [2022/23: 4]. Three justified complaints related to the timing of notifications about individuals being released from prison, one related to an individual being returned to prison on interim recall, one related to a victim not receiving notification of a parole hearing, and two others related to an individual who was 'unmonitored' in the community for a period of time (on two separate occasions).

The table below outlines how Corrections performed against the relevant audited measure used to assess performance in the Information and Administrative Services to the Judiciary and New Zealand Parole Board appropriation category.

AUDITED MEASURE	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
Assessment of performance	Actual	Actual	Actual	Actual	Budget (unaudited)	Forecast (unaudited)
Number of justified complaints about notification services received from registered victims <sup>11</sup>	2	Nil	4	7	Nil	Nil

Reviewing victim feedback and complaints is an important part of improving justice sector services to victims of crime, and we aim to learn from each complaint we receive. We are part of a Victims of Crime Inter-agency Committee that includes representatives from key justice sector agencies. This Committee brings together non-identifying victim complaints data from across the sector to identify trends and make service improvements.

11. *The Victims' Rights Act 2002* imposes clear obligations on specified agencies to provide information and aid victims of offences. This measure demonstrates whether Corrections is meeting its legislative requirements, and providing active victims with notification of events relating to those who offended against them.



## ***There have been some important updates to how we carry out community notifications in response to recommendations from an independent review***

Community notification increases public safety by providing information about people with convictions for sexual offences residing in a community. This is based on the premise that holding information will enable the community members to take proactive steps to protect children and other vulnerable people from potential victimisation.

When deciding whether to carry out a community notification, victims are a key consideration. In many cases, sexual offending has occurred in the family setting or smaller communities. Care needs to be taken that any notification does not inadvertently lead to the identification of victims and cause further distress. In making all notification decisions, we balance this risk with the benefit of providing communities with information about how we safely manage people on community-based sentences and orders. Community Corrections staff who carry out notifications have strong relationships with the Ministry of Education, early learning centres, schools, boards of trustees, mayors, local members of Parliament, community groups, and residents.

In September 2022, we commissioned an independent review into our existing community engagement and notification policy to ensure it is clear and fit-for-purpose and contributes to safer communities. The final review was provided to us in August 2023 and included seven recommendations, all of which were accepted by Corrections.

In response, we have updated the criteria we use for considering what cases warrant notification, so it includes people who have offended sexually against adults and/or have been assessed as a very high risk of violence. We have also taken the opportunity to review and refresh the entire community engagement and notification policy to ensure national consistency across the panels that make notification decisions, and that messaging provided to communities is effective. The policy has been reviewed by our user experience team and was implemented in October 2024.

## **The Parole Board's change programme includes a workstream on victims' improvement**

The Parole Board Future Operating Model change programme will introduce modern and fit-for-purpose technology to enable the smooth and predictable end-to-end operation of the Parole Board. The Parole Board administrative team supports more than 8,000 hearings and makes in excess of 9,000 victim contacts annually. The new Parole Board Hearing System will deliver improved and consistent processes and fit-for-purpose technology that will enable the team to shift its focus to more high value and high impact activities and interactions.

The programmes also included a victim's workstream that focussed on improving services to victims. The workstream delivered several improvements, including:

- Increased support to the Parole Board administrative team in relation to victim engagement, including a new online training module and access to professional supervision services.
- The introduction of a dedicated Victim Adviser role to:
  - » support victims of people subject to indeterminate sentences for serious offending through the parole hearing process.
  - » ensure the Parole Board is provided timely, up-to-date, and relevant information to inform its decision making and enable enhanced victim safety.
- Enhanced and simplified written information provided to victims, produced in collaboration with victims and Victim Support, to enable better understanding of the Parole Board's purpose and function.

## Monitoring agencies

### **We work closely with monitoring agencies to ensure people in the corrections system are safe and treated fairly**

Corrections has close working relationships with a range of monitoring agencies that provide critical oversight, manage complaints, and undertake investigations and inspections. This helps ensure the treatment and conditions experienced by the people in our management are lawful and reasonable. These agencies also look at whether our systems and processes are fit-for-purpose and appropriately meet people's needs and protect their rights.

We value the recommendations we receive, and carefully consider these. Our strategic direction is informed by this feedback which strengthens our ability to achieve better outcomes for people.

Some of the entities we work with are detailed below.

- **The Office of the Ombudsman** – Kaitiaki Mana Tangata is the National Preventative Mechanism responsible for monitoring Corrections facilities. The Ombudsman provides advice and guidance, undertakes investigations, and makes recommendations in accordance with several different pieces of legislation. The Ombudsman also manages complaints about government agency responses under the *Official Information Act 1982*.
- **The Children and Young People's Commission** – Mana Mokopuna is the National Preventative Mechanism which undertakes inspections of Mothers with Babies Units.
- **The Human Rights Commission** – Te Kāhui Tika Tangata is the Central National Preventative Mechanism for New Zealand. It oversees Corrections' treatment of people and offers advocacy and mediation services to people in prison, in the community, and the general public.
- **The Office of the Privacy Commissioner** – Te Mana Mātāpono Matapatu oversees privacy issues. The Commissioner's role is set out in the *Privacy Act 2020*.
- **The Health and Disability Commissioner** – Te Toihau Hauora Hauātanga responds to complaints and provides advocacy services to people in prison. Its role is defined in the *Health and Disability Commissioner Act 1994*.
- **The Mental Health and Wellbeing Commission** – Te Hiringa Mahara provides system-level oversight of mental health and wellbeing in New Zealand. Its role is set out in the *Mental Health and Wellbeing Commission Act 2020*.

### **The Office of the Ombudsman**

#### **Through Hōkai Rangi and Te Ara Whakamua, we are making important changes that are aligned with the recommendations in Kia Whaitake**

*Kia Whaitake – Making a Difference: Investigation into Ara Poutama Aotearoa | Department of Corrections* (Kia Whaitake) is the report on the Ombudsman's self-initiated investigation into how Corrections has responded to repeated calls for improvements in the way people in prison are treated. This report was released on 28 June 2023. We welcomed the report and have accepted all the Chief Ombudsman's recommendations in full. The report and our response can be found online.<sup>12</sup>

The Chief Ombudsman made several recommendations in this report, including on building greater organisational and staff capability, improving systems for response to recommendations, and making the 'fair, safe, and humane treatment of prisoners' more central to Corrections' decision-making at all levels.

The key issues identified in the report were consistent with many issues we had identified ourselves, and the recommendations strongly align with work we have underway through *Hōkai Rangi*. Additionally, the report and recommendations were a critical consideration when developing Te Ara Whakamua. The 'shifts' we are making through Te Ara Whakamua show how we intend to change in the context of the Ombudsman's report. We recognise the importance of making these changes but also acknowledge that, in an organisation as large as ours, change takes time.

12. [https://www.corrections.govt.nz/news/2023/media\\_statement\\_on\\_the\\_ombudsmans\\_systemic\\_investigation](https://www.corrections.govt.nz/news/2023/media_statement_on_the_ombudsmans_systemic_investigation)

A key issue that was raised is how Corrections has addressed the findings and recommendations of oversight entities. As the report notes, we have acknowledged that previously we did not have mature and robust organisation-wide processes to track, monitor, assure, and close recommendations. We have made changes at all stages in the process of receiving, responding, resolving, and overseeing recommendations that are raised by monitoring agencies. These changes have aimed to ensure that our processes are well designed, and fit for purpose, with clear lines of accountability.

The executive-level Organisational Performance Committee now endorses the provisional reports of monitoring agencies and receives quarterly reports on progress against any themes raised, ensuring our entire executive has visibility of recommendations made, and our progress on responding to them. We have also developed and implemented an application which provides staff responsible for actioning and assuring recommendations with a single location to track and monitor the progress of any recommendations. The application is an essential part of the change we have committed to making, by ensuring visibility, accountability, and transparency of the actions being undertaken to address issues that have been raised. However, we acknowledge there is still more to do to improve these processes.

The Chief Ombudsman also expressed a view that Corrections takes an approach to public safety that has not always prioritised the interests of prisoners, focusing on immediate safety over longer-term solutions. He argued a broader view of public safety would recognise the critical role of the fair and humane treatment of prisoners in terms of promoting the safety of the public and communities when a prisoner is released.

We agree that treating the people in prison fairly and humanely, and supporting their rehabilitation, is an important element of public safety in the longer-term. As such, we accepted the recommendations around placing greater emphasis on the fair, safe, and humane treatment of those in prison. This concept is also reflected in *Hōkai Rangī* (largely through the 'humanising and healing' pou).

Progress has also been made across a number of other areas, including:

- A full review of governance arrangements.
- A refined organisational purpose statement that reflects the fair, safe, and humane treatment of people in the corrections system.
- New teams established through our change programme (te ara whakamua) to review operational manuals, policies, and guiderails in line with our treaty of waitangi and international rights' obligations.
- Significant capability uplift programmes, including cultural capability, and a shift through the new Organisational Resilience and Safety group towards embedding a learning culture across the organisation. See page 57 for more information.

Our focus now will be on continuing to action the recommendations from the investigation in line with our new structure and priorities.

## ***Our new Oversight Bodies Advisory Board will provide advice to support transformational change across Corrections in line with the recommendations of monitoring agencies***

### **Background section about the Board**

In response to the Chief Ombudsman's report, the Public Service Commissioner established the Ara Poutama Aotearoa Oversight Bodies Advisory Board in September 2023. The Board will meet quarterly until 31 December 2026. The Board has a dual function to:

- Work collaboratively and constructively with the Department's Chief Executive and the Public Service Commissioner.
- Provide advice to the Chief Executive to support the progress the Department is making on their transformation, including their operating model and internal culture change, and their progress on meeting the recommendations and findings of monitoring entities.

The Board consists of four independent members who have a wealth of knowledge from across the public and private sector, with particular expertise in leading organisational transformation, successful culture change, performance management and evidence-based decision-making particularly within large people-centred organisations.



The current Board members are:

- June McCabe (Ngāpuhi, Te Rarawa, Te Aupōuri, Ngāti Kaharau and Ngāti Kahu)
- Te Rau Kupenga (Ngāti Porou)
- Bridget White
- Andrew McKenzie

The Board offers support for Corrections to operate effectively and achieve the changes outlined in *Hōkai Rangī*, ensuring change is sustainable and transformative for the people in Corrections' management, their whānau and communities. The quarterly meetings are focused on thematic areas for change that were highlighted through *Kia Whaitake*.

Over the first year, this will include strategic planning, organisational culture, operational capability and practice, and monitoring and assurance.

These themes have focused the conversations to allow the Board's members to provide constructive advice, observations and insights. Corrections has also benefitted from their views regarding executive leadership, approaches to partnership, and how to shape the narrative of change so that staff, stakeholders and partners can understand the change that is sought and what it seeks to achieve.

### Statement from the Board:

The establishment of the Ara Poutama Aotearoa Oversight Bodies Advisory Board in response to the Ombudsman's report, *Kia Whaitake*, represents a significant development in the oversight and assurance landscape for the Department of Corrections.

While Corrections has in recent years had, through its *Hōkai Rangī* strategy, a consistent vision for change in the outcomes it seeks to deliver for the New Zealand public, the Ombudsman found that the organisation has faced systemic barriers to realising that vision.

Corrections has demonstrated a willingness to address the challenges identified by the Ombudsman, to enable it both to better realise *Hōkai Rangī* and to more visibly prioritise the fair, safe and humane treatment of people in prisons, as *Kia Whaitake* calls on the department to do. Most significantly, this willingness is visible through its development and implementation of a significant structural reform (*Hōkai Rangī – Te Ara Whakamua*), which aims to provide the necessary foundations for system shifts, and on which to build the capabilities and culture that are necessary to make deep and enduring strategic organisational change.

In our engagement to date, the Board has observed Corrections working towards developing clear strategic priorities and focusing efforts into understanding performance, streamlining governance responsibilities and shifting towards systemic change relating to how it receives and responds to monitoring agency recommendations and concerns. There appears to be significant organisational effort directed to ensuring a firm understanding of the elements and interdependencies of strategic change, including the change direction outlined by the Chief Ombudsman, which is informing strategic planning and prioritisation of investment and change effort.

We will continue to assess how Corrections delivers the intentions outlined in *Te Ara Whakamua* and their enduring strategy *Hōkai Rangī*, and the ongoing alignment of that change intent with the findings and recommendations of *Kia Whaitake*. Our assessment to date is that Corrections is demonstrating intent to complete the work required to make these transformational shifts. We acknowledge that this journey is still in the early stages, and it remains to be seen if Corrections can fully deliver on these, particularly given the cross-sector impacts that drive much of their operating environment.

## ***We are continuing to improve our compliance with the Privacy Act 2020, working with the Office of the Privacy Commissioner***

We continue to work with the Office of the Privacy Commissioner – Te Mana Mātāpono Matapatu to improve compliance with the Privacy Act 2020 following their 2022 investigation into Corrections privacy practice. We fully or partially accepted 28 recommendations and have completed 26 of those.

Our work in responding to some of the more complex and long-ranging recommendations is ongoing and we are providing updates to the Office of the Privacy Commissioner through our quarterly relationship meetings.

In 2023/24, we notified 31 privacy breaches [2022/23: 15] to the Office of the Privacy Commissioner. Further reviews confirmed that only eight of these cases met the reporting criteria of likely to result in 'serious harm', and 21 cases were subsequently found not to have resulted in that level of harm. Two cases are still being assessed.

## Office of the Inspectorate – Te Tari Tirohia

### Mā te titiro me te whakarongo ka puta mai te māramatanga

*By looking and listening, we will gain insight*

The Office of the Inspectorate – Te Tari Tirohia is a critical part of the oversight of the corrections system. It operates under the Corrections Act 2004 and the Corrections Regulations 2005. The Inspectorate has a wide mandate and provides assurance that prisoners and offenders are treated in a fair, safe, secure, and humane way.

Functions of the Inspectorate include the investigation of complaints, prison inspections, the investigation of all deaths in custody, special investigations, and statutory reviews of Visitor Prohibition Orders and misconduct charges.

While part of Corrections, the Inspectorate is independent from operational activities and management which is necessary to ensure objectivity and integrity. The Chief Inspector reports directly to the Chief Executive of Corrections. See more at: <https://inspectorate.corrections.govt.nz/>

### Independent inquiry into the Waikeria Prison riot

On 7 June 2024, the Inspectorate released the report of the independent inquiry into the Waikeria Prison Riot (29 December 2020 to 3 January 2021). As well as examining the riot, the inquiry investigated the underlying causes of the riot, missed opportunities to contain the riot, the response to the riot, the post-incident response, and Health Services preparedness and response. The report made 117 findings and 121 recommendations, of which, Corrections accepted 117 in full.

The Inquiry found that the riot was not a peaceful protest, and the prisoners involved acted with violence, caused deliberate and extreme damage, and put the safety of staff, emergency responders, other prisoners, and themselves in jeopardy. Many staff demonstrated significant courage in responding to the riot, particularly when evacuating prisoners from the Top Jail. It found the prison was generally unprepared for an event of this nature, and staff were not sufficiently trained for a major disturbance, or for a multi-agency response of this scope and scale.

### Special investigation into minimum entitlements at Auckland Prison

On 17 April 2024, the Inspectorate released its special investigation into minimum entitlements and the operating regime in units 11, 12, and 13 at Auckland Prison. The investigation found that prisoners were denied their minimum entitlement to an hour out of their cell each day for up to nine months (until mid-July 2023). Minimum entitlements in a number of other areas (including bedding, access to family and whānau, and health care) were at times also not met for some prisoners. The report made three recommendations, and the Department accepted all three.

### Prison inspections

The Inspectorate is authorised under section 29(1)(b) of the Corrections Act 2004 to undertake inspections and visits to prisons. Inspection assessments are guided by the four key principles: safety, respect, purposeful activity, and reintegration. Inspections are guided by the Inspection Standards which describe the standards of treatment of prisoners and conditions that prisons are expected to achieve.

The Inspectorate released its inspection report for Manawatū Prison in February 2024, and for Christchurch Men's Prison in June 2024. A further four prison inspections have been completed: the Prisoners of Extreme Risk Unit (PERU) in July 2023, Christchurch Men's Prison in September 2023, Rimutaka Prison in December 2023, and Northland Region Corrections Facility in May 2024. These reports will be published in due course.

In July 2024, the Inspectorate completed a review of the Inspection Standards, with assistance from the Australian Human Rights Commission. This review was conducted to ensure that the Standards remain responsive to the needs of New Zealand prisoners and reflect the latest United Nations and other international guidance on the standards of care for prisoners and prison conditions.

## Thematic reports

### Young people and young adults in Corrections' custody

The Inspectorate has conducted a thematic inspection into young people and young adults in Corrections' custody. As part of this, the Inspections team visited all 18 prisons and interviewed 206 young men and women in custody (both on remand and sentenced), and 160 frontline staff across a range of disciplines. The young people shared their experiences and ideas on how to improve pathways and outcomes for people under 25 years in custody.

The thematic inspection aims to find out how Corrections responds to the developmental needs, challenges, and opportunities for young men and women in prison, and identify concerns, examples of good practice, and areas for improvement. The draft report makes 26 recommendation and has 29 areas for consideration and will be published in due course.

### Suspected suicide and self-harm

In February 2024, the Inspectorate released the thematic report Suspected Suicide and Self-harm Threat to Life Incidents in New Zealand Prisons 2016-2021. The report analysed a range of factors surrounding incidents involving apparent suicide and self-harm threat to life. It considers strategies and approaches to ensure that all people in prison are kept safe, and identifies how serious harm can be prevented. The report made six recommendations, which were accepted by Corrections, and had 54 areas for consideration.

### Mothers and babies

In September 2023, the Inspectorate released the thematic report: Mothers and Babies: Managing pregnant women and mothers of infants. The report examines how pregnant women and those with children under 24 months are managed in New Zealand's three women's prisons. It examined Mothers with Babies Units and feeding and bonding facilities in prison. The report had seven recommendations (of which the Department accepted six in full and one partially) and 44 areas for consideration.

## Deaths in custody

The Inspectorate investigates all deaths of people in Corrections' custody to understand what happened and see whether improvements can be made. These reports are provided to the Chief Executive and the Coroner, who determines the cause of death. The Inspectorate contacts the family of each person who has died to tell them about the Inspectorate's role in investigating the death and reporting to the Coroner. Deaths are investigated by both regional Inspectors and Clinical Inspectors (registered nurses) to ensure that all custodial and health issues are examined. The Inspectorate makes recommendations to improve processes and prevent further deaths where possible.

In 2023/24, there were 31 deaths in custody, an increase of 13 from 2022/23. Of these deaths, 18 were assumed natural, and 13 assumed unnatural. The death of one man followed an apparent self-harm incident in Police custody. After he was taken to hospital, custody was transferred to Corrections. He was not received into prison before he died.

In 2023/24, eight Death in Custody reports for unnatural deaths were completed by the Office of the Inspectorate, one of which failed to meet the required timeframes. This was due to delays resulting from the Police investigation linked to the unnatural death of a prisoner, due to an apparent homicide in December 2023. In 2022/23, only six out of the nine Death in Custody reports for unnatural deaths were completed within the required timeframes, due to staffing constraints.

The table below outlines how Corrections performed against the relevant audited measure used to assess performance in the Prison-based Custodial Services appropriation category.

AUDITED MEASURE	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
Assessment of performance	Actual	Actual	Actual	Actual	Budget (unaudited)	Forecast (unaudited)
Percentage of Death in Custody reports for unnatural deaths, that are completed by the Office of the Inspectorate within six months of the death occurring	75%	82%	67%	88%	Greater than or equal to 80%	Greater than or equal to 80%



## Complaints

This year, the Inspectorate received 5,132 complaints, an increase of 11% from the previous year [2022/23: 4,624], of which 97% related to prisons and 2% to Community Corrections. Complaints come from a variety of other sources, including family and whānau members, lawyers, and members of the public.

The majority of complaints in 2023/24 came from six prison sites: Auckland South Corrections Facility, Auckland Prison, Mt Eden Corrections Facility, Otago Corrections Facility, Spring Hill Corrections Facility, and Rolleston Prison.

The most frequent complaint categories were prisoner property, prisoner health services, the complaints process, and staff conduct and attitude. These comprised 56% of complaints received.

During 2023/24, the Inspectorate monitored 220 complaints about staff, an increase of 70 from the previous year.

The table below outlines how Corrections performed against the relevant audited measures used to assess performance in the Prison-based Custodial Services appropriation category.

AUDITED MEASURES	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
Assessment of performance	Actual	Actual	Actual	Actual	Budget (unaudited)	Forecast (unaudited)
Percentage of complaints received by the Office of the Inspectorate that are acknowledged within 10 working days of receipt	100%	100%	100%	99.9%	100%	100%
Percentage of complaint investigations completed by the Office of the Inspectorate within three months of being received	99%	99%	99%	99%	Greater than or equal to 80%	Greater than or equal to 80%

In 2023/24, all but six of the more than 5,000 complaints received by the Inspectorate were acknowledged within the agreed timeframes.



# ***Part B***





***Safe, supported and  
capable staff***



## ***We have a range of staff at different locations who do important work to help make communities safer***

Our staff are our most valuable asset. Having a capable, engaged, and enabled workforce is crucial for day-to-day operations and enables us to progress towards our organisational outcomes. The work staff do is important and challenging, and they need to be equipped to do it at a high standard, while feeling safe and supported.

We employ more than 10,000 staff spread across the country, including in prisons, Community Corrections sites, and corporate offices. These roles include, but are not limited to:

- **Corrections officers:** Corrections officers support people in prison to engage in rehabilitation programmes, supervise their routines, help them navigate the prison environment, and escort them to hearings and appointments.
- **Case managers:** Case managers meet with people in prison to understand what they need for their safe and successful rehabilitation, and reintegration back into the community. They develop plans for people, matching them with programmes and services that aim to help move them towards an offence-free life.
- **Probation officers:** Probation officers prepare reports and recommendations for the courts and the New Zealand Parole Board, helping them make key decisions. They also monitor people's compliance with their community-based sentence or order, and assess, manage, and respond to risk. Probation officers work with people to understand their rehabilitation needs, and connect them with supports that will help reduce the likelihood of reoffending.
- **Nurses:** Our nurses often work with patients who haven't regularly engaged with healthcare and may have unmet health needs. Working with patients, they identify health goals, grow health literacy, and work to address health inequities for Māori.
- **Psychologists:** Our psychologists work with people on a diverse and complex range of issues. As well as assessing and working to support the rehabilitation pathway people in our management, they also have opportunities to help develop rehabilitation programmes, train programme facilitators, give advice and guidance to the field, and conduct research.

- **Specialist Māori practitioners:** We have a range of specialist Māori practitioners, including, but not limited to, Kaupapa Māori Practitioners (in our special treatment units) and Kairukuruku Hinengaro (in our Mental Health Teams).
- **Programme facilitators:** Programme facilitators (Kaikawe Hōtaka) run therapeutic programmes that help people to understand the factors that led to their offending, take responsibility, and work towards change.

As at 30 June 2024, we employed 308 case managers, up from 290 in 2023; 1,342 probation officers, up from 1,326 in 2023.

## **Violent and aggressive behaviour from the people we manage is a constant risk and we remain concerned about the impact this can have on staff**

Many of the people our staff work with can behave unpredictably. More than 80% of the prison population have had convictions for violence in their offending histories, and 39% have a gang affiliation, which is a known predictor of prison violence. Gang affiliations and rivalries within prisons often escalate conflicts and result in assaults.

Violence in prison is not tolerated and anyone who resorts to this behaviour will be held to account. The reality is the threat of violence is something we cannot eliminate entirely, but we are committed to doing everything possible to minimise this risk and provide the safest environment possible for staff, prisoners and visitors to our sites.

To this end, we take every instance of assault seriously and are committed to understanding the factors that contribute to violent or aggressive behaviour in prisons and preventing this so far as is possible in the prison environment.

In 2023/24 there were 26 victims of serious prisoner-on-staff assaults (0.29 per 100 prisoners), compared to 24 victims (0.30 per 100 prisoners) in 2022/23. There was a slight decline in the number of non-serious/no injury assaults on staff recorded during the same period [2023/24: 817; 2022/23: 840].

The table on the following page outlines how Corrections performed against the relevant audited measure used to assess performance in the Prison-based Custodial Services appropriation category.

AUDITED MEASURE	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
Assessment of performance	Actual	Actual	Actual	Actual	Budget (unaudited)	Forecast (unaudited)
Number of prisoner-on-staff assaults that are serious, as a rate per 100 prisoners <sup>13</sup>	0.32	0.22	0.30	0.29	Less than or equal to 0.20	Less than or equal to 0.20

### ***We are working with staff unions to improve safety at our prisons***

In 2023/24, we continued the work we are jointly undertaking with unions (Corrections Association of New Zealand (CANZ) and Public Service Association (PSA)) on the issue of violence and aggression. Our collective effort with the unions is aimed at increasing staff safety, and positively impacting their wellbeing at work.

The next iteration of our response to addressing violence and aggression is our Safer Prisons Plan. Again, this has been developed with our union partners. It takes the foundation of what has worked so far and creates a focused plan to improve safety and wellbeing in our prisons. It comprises four workstreams:

- Improving prison operations
- Understanding prison profiles
- Focusing on the wellbeing of our people
- The management of gangs.

A multi-year research project, Nga Tūmanakotanga – Turning the Tide on Prison Violence, is developing an understanding of the factors that contribute to the cause and control of violent behaviour in prison. Funded by the Ministry of Business, Innovation, and Employment, the project is being led by the University of Waikato and is also looking at what will help to control, reduce, and prevent violence in prisons. This research has the support of Corrections and staff unions CANZ and the PSA.

### ***We are investing in staff safety through the Strengthening Corrections Frontline Safety and Improvement Programme***

In Budget 2022, we received a \$198 million investment over four years to enable the delivery of our Strengthening Corrections Frontline Safety and Improvement Programme (SCFSIP). This programme is allowing us to:

- Provide additional frontline and support staff to increase capacity, improve staff capability, and improve training delivery.
- Enhance the technical expertise of our frontline staff in key capability areas, to ensure staff are safe, well, and able to respond to the complexities of the corrections environment and the needs of people we manage.
- Develop new and enhanced ways of working that better respond to the needs of the people and the complexities of our environment.

13. Serious assaults are acts of violence that include one or more of the following: bodily harm requiring medical intervention by medical staff followed by overnight hospitalisation (beyond initial assessment or medical observation) in a medical facility, bodily harm requiring extended periods of ongoing medical intervention, or sexual assault of any form and degree where Police charges have been laid. Assaults are reported as a rate per 100 prisoners rather than an absolute number as it allows for fluctuations in the prison population, thereby providing more comparable year-on-year results.

A key achievement in 2023/24 has been increasing our staffing levels across all operational workforce groups, with a net increase in available custodial staff of approximately 484 full-time equivalents between 1 July 2023 and 30 June 2024. Several initiatives within the SCFSIP have contributed to this recovery, including:

- Significant increases in attraction and recruitment investment and efforts, supporting our recovery from critical staffing shortages.
- Strengthening our talent pipelines, including by becoming an accredited training provider, enabling access to thousands more potential nursing candidates.
- Investments to support staff wellbeing and encourage retention, including wellness coordinators, staff health checks, and wellness days.

We have also increased our specialist capabilities to better manage the operating environment. These capability areas include working at heights operators, Site Emergency Response Teams (SERT), technical support, prison negotiation uplift, drug detection dog teams, and intelligence staff.

### ***An Organisational Resilience and Safety Group was established through Te Ara Whakamua***

As part of our recent change process, our safety and wellbeing function merged into a new Organisational Resilience and Safety group. This group was established to help ensure a focus on:

- Protecting and maintaining the health, safety, and wellbeing of our staff who regularly work with a range of risks.
- Designing, integrating, maintaining, and enabling the policies, standards, and guidance that support health and wellbeing.
- Anticipating and preparing for the future so we are a more resilient organisation.

Our four-year Health, Safety, and Wellbeing Plan (adopted in September 2020) was due for renewal in September 2024, but will now remain for an additional year under the stewardship of the Organisational Resilience and Safety group.

This plan is based around four key areas: risk, resources, relationships, and resilience.

### ***We are monitoring our health, safety, and wellbeing performance to ensure continual improvement***

We survey staff every six months on two safety-related measures. The first is our Safety and Wellbeing Net Promoter Score, a proxy for our safety climate, that indicates people's perceptions about how effectively we enable good health, safety, and wellbeing.

Our Safety and Wellbeing Net Promoter Score dropped from September 2021 to April 2023, when staffing shortages were most apparent, but these results have been improving and are now sitting at similar levels seen in 2019 and 2020, aligning with an uptake in recruitment. Analysis shows that low staffing levels are impacting staff safety and wellbeing, which reinforces the importance of our efforts to recruit and retain staff. See pages 59-61 for more information.

The second measure is our Just Culture score, which indicates whether staff feel we have a culture of blaming or learning when things go wrong. Our score shows that staff are slightly more likely to feel that we seek to learn rather than blame and this has remained stable since this measure was introduced in 2019. A new team in the Organisational Resilience and Safety Group is specifically focused on enhancing our learning processes and learning culture.



## It is important that we report incidents and near misses to improve our risk management

There was a 19% increase in near miss reporting by staff to 4,082 in 2023/24 [2022/23: 3,422]. This can be perceived as a positive trend as higher near miss reporting rates are associated with a more mature safety culture, and better risk management.

Serious incidents involving staff that required WorkSafe – Mahi Haumarū Aotearoa to be notified increased to 19 [2022/23: 15], with nine high potential incidents that could have caused injury in 2023/24 [2022/23: 11]<sup>14</sup>.

We have a shared responsibility for health and safety risk management when our work overlaps with those of our partners, particularly contractors and volunteers. In 2023/24, our partners and contractors experienced 11 incidents serious enough to require WorkSafe to be notified [2022/23: 6]<sup>14</sup>, plus a further 10 high potential incidents [2022/23: 3].

### Key achievements for 2023/24

#### Improving our processes and standards for health and safety

- Commissioned an independent review into how we can strengthen our approach to preventing and responding to sexual harassment.
- Re-elected approximately 350 health and safety representatives (HSRs) in June 2024 for a two year-term. HSRs are allocated eight hours each month to complete their health and safety duties.
- Began training staff in human organisational performance, aiming to instil principles that support a 'no blame' culture, where we seek to learn and improve rather than blame.

#### Maintaining and supporting the wellbeing of staff

- Implemented a community development pack for leaders to allow them to better support staff in welfare situations.
- Developed an implementation plan for fatigue management.
- Continued to offer EAP services metabolic health checks.
- Delivered awareness campaigns on a number of key wellbeing topics such as influenza, nutrition, and heat management.

14. Restated to reflect changes in the categorisation of the incidents.

## Recruitment and retention

### **Our recruitment campaign has been encouraging people to apply for a job on our frontline**

Corrections has experienced significant challenges in a tight labour market that has made recruiting and retaining frontline staff more difficult. However, we have made considerable progress in the recruitment space and have a reliable pipeline of highly qualified and diverse people. Since December 2022, when the number of corrections officers was at its lowest (3,454), we have employed more than 600 new corrections officers on top of turnover, bringing our total number of corrections officers to 4,068, as at 30 June 2024. Our turnover rate has fallen from 15.1% to 11.2%, our lowest turnover rate in three years.

Inclusion remains a core part of our recruitment strategy, ensuring our workforce reflects the communities we serve. Targeted regional recruitment on top of the national recruitment campaign played a vital role in responding to our increased capacity targets. Corrections also made significant strides securing a diverse range of healthcare and rehabilitation professionals, ensuring essential health and rehabilitation access and support for people in prison and on community sentences and orders. This combined focus will ultimately contribute to the development of a strong, unified, and representative national team.

The campaign positively influenced perceptions of Corrections, especially among males and individuals aged 25-34, with 46% thinking more positively about Corrections. The campaign also reinforced existing interest in 'caring' roles, such as nursing, boosting the interest in applying for jobs from 33% to 54% among those aware of the campaign, and further to 78% after discussing the campaign.

### **We are finding ways to improve the experience of working at Corrections to support staff retention**

Staff need to be consistently supported to do their best work and be given the space to focus on the things that matter most on the job. We know through staff feedback that several of our corporate policies are outdated. We need to improve in this area by ensuring that our policies are appropriate and that any tools and templates are fit-for-purpose. We have also made changes to self-service support for staff and our approach to managing ACC claims, to make the experience of using these services easier and support staff who have been injured in the workplace. Finding ways to free up time for our staff so they can focus on meaningful engagement with the people we manage is a key focus within this work.

### **Ensuring our staff have development opportunities is a key component of our retention work**

From day one, we are supporting our staff to build knowledge and skills to do their roles effectively. Most new employees participate in Ara Tika, our induction programme that covers the obligations of working in the public service, our values, integrity, cultural capability, and safety. There were 1,288 staff that completed Ara Tika in the past year.

Following on from Ara Tika, a number of staff then went on to complete more intensive initial learning pathways, including: 557 corrections officers, 236 probation officers, and 72 case managers.

Providing ongoing opportunities and development pathways are essential to retaining staff. In 2023/24, we launched our first custodial elective on working with young adults, which provided custodial staff the opportunity to further their knowledge in a very important area of our work – supporting young people. So far, 3,152 staff have taken up this opportunity, completing a self-paced module and practice development session.

We have also introduced a new 'working in a motivational way' learning module for some roles, including in probation, case management, community work, and Bail Support Services. This course helps our staff understand and put into practice key principles around change, values-based approaches, and relationship building.

Changes have been made to refresh our development conversation framework (Kōrero Whakawhanake) which guides the discussions that an individual employee has with their line manager about their ora (wellbeing), aspirations, and development.

Making sure our staff are recognised and celebrated for their success remains important to us. Throughout the year we have presented Whanonga Pono Awards to recognise people who champion one or more of our values. Three of our staff were honoured at the New Zealand Public Service Day Awards in November 2023.

We also presented Prison Service Medals (under Royal Warrant) alongside our long service and good conduct awards, and one-off awards to recognise specific achievements, such as the Chief Executive's Special Commendation Award. This award recognises outstanding employee contributions. In 2023/2024, one staff member was recognised with a Chief Executive's Special Commendation Award.

## **We are committed to building a more diverse and inclusive workplace**

Increasing the value placed on diversity, working towards greater equity, and ensuring a more inclusive work environment will benefit staff, those we provide services to, and the community. We have continued to do important work in this area, and in September 2024, we were the recipient of a Highly Commended Certificate at the Diversity Awards for neurodiversity initiatives.

Our diversity, equity, and inclusion (DEI) approach recognises and values everyone for their diversity and has been informed by people with lived experience of the corrections system. The DEI function of Corrections is focused on being strategically aligned to *Hōkai Rangī* and public service requirements, and our central team is supported by strong local leadership, resulting in national alignment and centres of excellence.

Section 75 of the *Public Services Act 2020*, Kia Toipoto, and Papa Pounamu priority areas continue to guide the work we do nationally and regionally. Increasing our capability in terms of Māori Crown relations and te ao Māori is also critical to making progress.

The Public Service diversity and inclusion work programme for the wider public service (Papa Pounamu) covers five priority areas that are focused on making the most positive impact across all diversity dimensions. These are:

- Addressing bias – the continuing bias focus are within recruitment and careers continued, and aim to lift and support Māori, Pacific peoples, Asian, women, rainbow, disabled, and neurodiverse communities.
- Fostering diverse leadership – we remain committed to increasing diversity within leadership.
- Cultural competence – through a range of initiatives, we continued to focus on growing intercultural awareness

- Employee-led networks – we provided strong support for employee-led networks, recognising the value they bring to the staff, diverse communities, and organisation. There are now 19 national networks, including the Women's Governance Network and the National Pasifika Network which were new in 2023/24.
- Inclusive leadership – Develop Positive Environments is one of the five leadership expectations of our leadership development framework.

We established our Inclusion and Diversity Council in late 2018 and have continued to have senior leadership support throughout this time. The Council's role is to champion and raise the awareness of inclusion and diversity progress across Corrections, ensuring strategic alignment to *Hōkai Rangī* and the Public Service Act. The regions, and National Office, have senior leaders responsible for our inclusion and diversity progress, standing alongside union delegates and front-line representatives.

More information can be found on the public service website: <https://www.publicservice.govt.nz/guidance/papa-pounamu>

<https://www.publicservice.govt.nz/assets/DirectoryFile/Kia-Toipoto-V8.pdf>

We will be publishing our Diversity, Equity, and Inclusion plan on our public website by 15 November 2024.

We also continue working towards the *New Zealand Disability Strategy 2016-2026*, Accessibility Charter, and disability data and evidence commitments.



*Case study:*

# ***Ramping up recruitment efforts to attract more frontline staff***



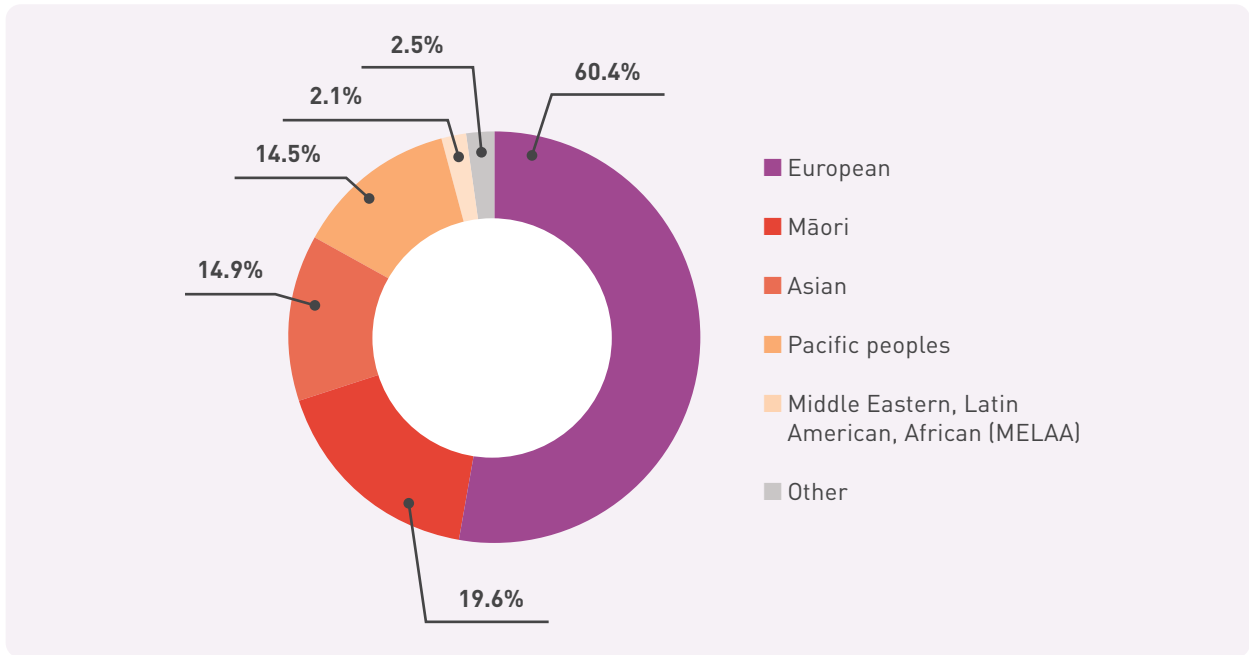
## **We ramped up our work to attract more frontline staff with the launch of the next phase of our recruitment campaign in February 2024**

“Working at Corrections can be challenging and confronting, but it’s also incredibly rewarding. Our staff make a real difference in their communities, helping keep the public safe and change people’s lives for the better, and we’re working hard to recruit more people who want to do the same,” says Deputy Commissioner Men’s Prisons Neil Beales.

Our latest recruitment campaign, called ‘Stories from the Inside’, helps share the perspectives of frontline staff. It includes television, online, and billboard advertising with four different stories from two corrections officers, a probation officer, and a nurse.

The first advertisement aired on television on Sunday 4 February 2024. Data from this day showed that the television ads reached approximately 241,308 people, increasing to just over 1,418,100 people at the end of June 2024.

The graph and table below shows the ethnic breakdown of New Zealanders and Corrections staff.



Ethnicity	2023 NZ Census*	Corrections*
European	67.8%	60.4%
Māori	17.8%	19.6%
Asian	17.3%	14.9%
Pacific peoples	8.9%	14.5%
Middle Eastern, Latin American, African (MELAA)	1.9%	2.1%
Other	N/A	2.5%

\* Totals equal more than 100% as staff may identify with multiple ethnicities

*Case study:*

# ***Police and Corrections join forces for Advanced Control and Restraint training***



## **Corrections staff were recently joined by teams from New Zealand Police for advanced control and restraint (ACR) training at Rimutaka Prison**

The training event was designed and co-ordinated by Adviser Tactical Operations Raana Walker and Rimutaka Unit Commander Takayawa Kolinisau and attended by an observer from Police's operational capability group.

"ACR team training offers a great opportunity for both Police and Corrections teams to share knowledge of their work, controlling and containing challenging situations," says Raana. "By sharing experiences from their relevant environments, they can be more prepared for any future emergency joint operations."

Training was attended by 21 officers from the Police Support Unit based in central Wellington, observers from the New Zealand Defence Force's Military Police and 35 ACR members from Rimutaka and Manawatū prisons and Hawke's Bay Regional Prison.

"ACR is one of the fundamental tools we use to deal with serious incidents in prisons. Working in partnership with external agencies and building relationships is key to building situational awareness in any response," says Raana.



## Māori Crown Relations Capability

### **Corrections supports two major initiatives that help public service leaders to enhance Māori Crown relations capability**

Section 14 of the *Public Service Act 2020* places explicit responsibilities on chief executives to develop and maintain the capability of the public service to engage with Māori and understand Māori perspectives. There are two specific programmes of work underway to support public service leaders to enhance Māori Crown Relations:

- Whāinga Amorangi Māori Crown Relations Capability Phase One: Empowering People.
- Māori language planning.

In 2021, Corrections committed to implementing Whāinga Amorangi Phase One: Empowering People. This required us to build our Māori Crown relations capability and develop a plan for implementation. This plan includes outcomes, aspirations, actions, measures, and timeframes for building capability. There are two competencies that our department is required to build the capability of their people in:

- Te reo Māori.
- New Zealand history/Treaty of Waitangi literacy.

Our te reo Māori Plan outlined five priority areas:

- The Māori language is valued, seen, and heard.
- The Māori language is promoted, and more staff are increasingly aware of its importance. For example, te reo is now being used more extensively in internal communications, and for some signage.
- More staff are learning the Māori language beyond knowing a few words and phrases.
- More staff are using the Māori language more often, enhanced by te reo Māori classes provided for staff.
- More opportunities are created to learn and use the Māori language. This priority area has been threaded through all of the previous four priorities.

We have agreed with unions for a range of frontline roles to be paid an allowance to recognise and encourage development of te reo Māori and tikanga skills and knowledge. This is particularly important and valuable given the significant overrepresentation of Māori in the corrections system.

As part of this initiative, a te reo Māori and tikanga learning module was developed and provided for staff to upskill their competency from 'unfamiliar moving to comfortable'. In 2023/24, 5,181 staff successfully completed the competency level learning module. In 2023/24, 4,515 eligible staff were granted the allowance. Allowances for comfortable, confident, capable, and advanced competency levels were granted to 237 staff.

In 2023/24, we supported the development of phase two implementation of the Māori Crown Relations Capability Framework (commonly known as Whāinga Amorangi) by establishing processes to report and measure the success of the cultural capability learning opportunities we offer. Te reo Māori language planning will be included in the broader Whāinga Amorangi framework.

Staff also have access to the Tihī-o-Manōno te reo Māori & tikanga mobile phone app, te reo Māori learning resources on the intranet, online learning (partnering with Education Perfect and Te Wānanga o Awanuiārangī), and Taonga Tuku Iho morning sessions (karakia and waiata) to support the development of te reo Māori and tikanga.

### **Improving cultural capability has been an area of focus for Corrections**

We provide a range of online self-directed and in-person classroom cultural capability to ensure we are meeting our commitments under the *Public Service Act 2020* sections 14 and 75.

Ara Tika (our induction programme) includes a one-and-a-half-day cultural capability workshop. The half day is dedicated to the learning and practice of tikanga (customary practices) through participation in these practices. Day two is a full day of learning across all competency areas in the Whāinga Amorangi Māori Crown Relations Capability Framework (te reo Māori, tikanga/kawa, engagement with Māori, worldview knowledge, te Tiriti literacy/New Zealand history, understanding racial inequity and institutional racism), and also includes content on unconscious bias.

E Toru Ngā Mea is an in-house multi-week/day programme, mainly undertaken by leadership teams where they can learn either over a series of one-hour blocks, over several months, or a condensed three-day wānanga (meeting). This comprehensive cultural capability programme covers values-led competency including understanding our organisational values and embedding those into everyday work practices, supporting an inclusive and culturally safe workplace culture aligned to te Ao Māori, and all Whāinga Amorangi Māori-Crown relations competency areas (te reo Māori, tikanga/kawa, engagement with Māori, worldview knowledge, te Tiriti literacy/ New Zealand history, understanding racial inequity and institutional racism).

# 742

*Number of staff who undertook/  
completed this programme in 2023/24*

Te Tiriti o Waitangi analysis is a two-day wānanga partnering with external provider Te Ata Kura Educators. Corrections is prioritising leadership teams for this cultural capability development opportunity in recognition of the influence and ability leaders have to embed this learning into practice and encourage and support their kaimahi/staff to also undertake cultural capability development. Based on positive feedback from leaders in National Office, we worked with Te Ata Kura Educators to extend a series of workshops across the country so leaders in other regions also had the opportunity to participate.

# 231

*Number of staff who undertook/  
completed this programme in 2023/24*

We provide an online learning module to staff called Unconscious Bias – How not to judge a book by its cover. The module includes further learning resources and opportunities to deepen knowledge and skills in addressing and eliminating bias in the workplace.

# 2,837

*Number of staff who undertook/  
completed this programme in 2023/24*

In September 2023, the Pacific Program finalised a current state research report into Pacific staff and Pacific people in custody. Throughout the engagement and research, it became clear that Pasifika staff are relied upon for the delivery of cultural services, culturally appropriate care, and other services such as translation, although staff report rarely feeling recognised for this work.<sup>15</sup> Pasifika people in custody also communicated how the lack of services or cultural resources affected their connection to identity, and how this connection important for them to maintain while in our management. This research was provided to Corrections' leadership team leading to constructive engagement with key leaders in our People and Capability function. The research document was circulated to all Pasifika staff networks and the findings, and how we can respond, continue to be explored across teams.

In 2023/24, Corrections' Pasifika Advisors facilitated three Pasifika cultural capability workshops to frontline Community Corrections (Probation) and custodial staff in greater Wellington region. Participants expressed satisfaction with the training, appreciating the opportunity to learn about Pasifika cultures in an engaging and respectful environment.

# 70

*Number of staff who undertook/  
completed this programme in 2023/24*

15. Pasifika is a Samoan language word, which Corrections uses as a standard term for Pacific peoples.



***Safe, secure and humane system***



## ***We continue to do important work to help ensure the corrections system is safe, secure, and humane in its operations, and that we continue to improve in this area***

While we do not determine who is in prison or the community, we do have responsibility for maintaining the integrity of sentences and orders that are handed down by the courts and the Parole Board.

This means we need to ensure that the corrections system is operating in a way that is safe, secure, and humane.

### **Summary of sentences and orders we administer**

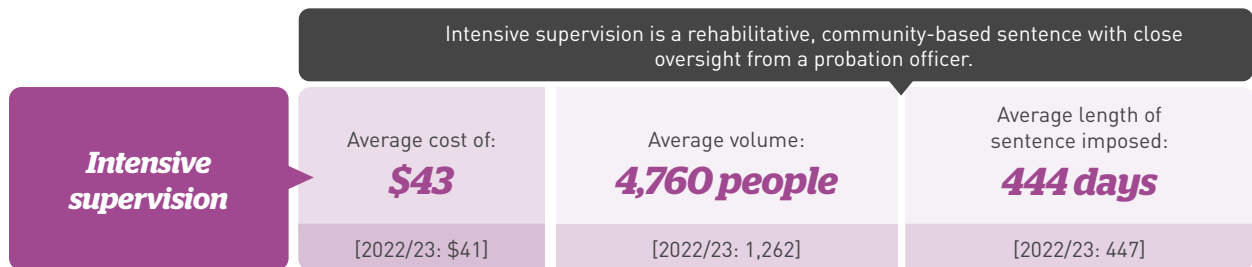
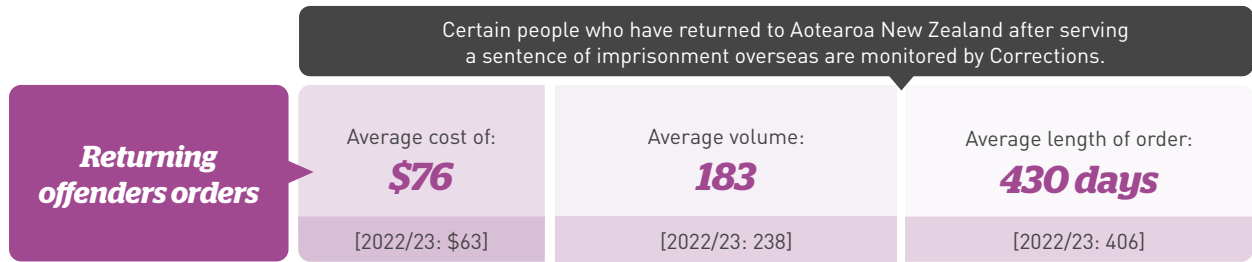
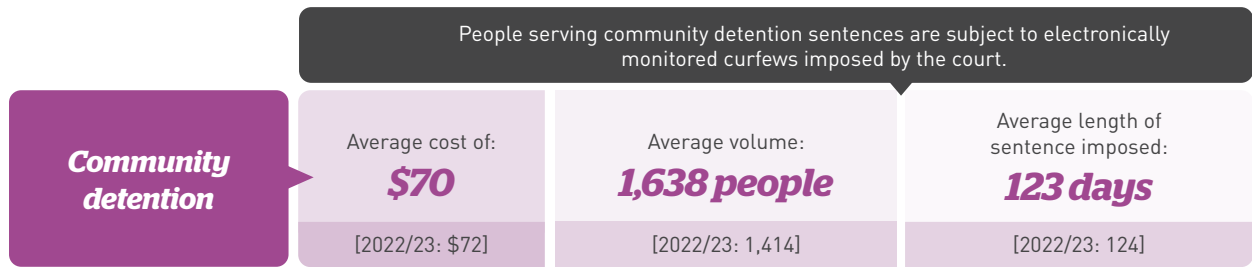
This summary provides key information about each of the core sentences and orders administered by Corrections in 2023/24.

The cost of each sentence and order is provided as a 'per person, per day' figure. These costs include overhead costs and revenue (excluding revenue from the Crown) where applicable.

A large portion of our costs are fixed costs, such as depreciation and amortisation, that are unaffected by a rise or fall in prison population. Fixed costs are attributed to sentence types on a proportionate basis, so the change in mix of prisoners will result in a corresponding change in cost.

Policy advice, ministerial costs, and pre-sentence costs are excluded from the table below as they cannot be attributed to a particular sentence or order.

People serving a prison sentence have been convicted of a crime and sentenced to a term of imprisonment. Costs include programmes and services provided in prison.			
<b>People on prison sentences</b>	Average cost of:	Average volume:	Average length of sentence imposed:
	<b>\$562</b>	<b>5,092 people</b>	<b>636 days</b>
	[2022/23: \$555]	[2022/23: 4,611]	[2022/23: 604]
People on remand are held in prison while they await the progression of their court case. This means that these people have either not been convicted, or have been, but are awaiting their sentencing.			
<b>People on remand</b>	Average cost of:	Average volume:	Average length of remand periods:
	<b>\$437</b>	<b>4,000 people</b>	<b>89 days</b>
	[2022/23: \$452]	[2022/23: 3,522]	[2022/23: 79]
Extended supervision orders enable us to monitor serious adult sex offenders, child sex offenders, and violent offenders after the end of a prison sentence for up to 10 years.			
<b>Extended supervision</b>	Average cost of:	Average volume:	Average length of order:
	<b>\$126</b>	<b>183 people</b>	<b>1,790 days</b>
	[2022/23: \$136]	[2022/23: 199]	[2022/23: 1,570]
People serving home detention sentences must remain at an approved residence. These people are monitored electronically and remain under the close supervision of a probation officer.			
<b>Home Detention</b>	Average cost of:	Average volume:	Average length of sentence imposed:
	<b>\$119</b>	<b>1,804 people</b>	<b>212 days</b>
	[2022/23: \$124]	[2022/23: 1,538]	[2022/23: 212]



People who have completed a sentence of home detention are overseen by a probation officer. Conditions can include completing community work and abiding by curfews.

<b>Post-detention conditions</b>	Average cost of:	Average volume:	Average length of order:
	<b>\$42</b>	<b>1,402 people</b>	<b>207 days</b>
	[2022/23: \$39]	[2022/23: 1,262]	[2022/23: 204]

People who are serving a prison sentence of two years or less are released on conditions after serving half of their imposed term.

<b>Post-release conditions</b>	Average cost of:	Average volume:	Average length of order:
	<b>\$29</b>	<b>2,058 people</b>	<b>347 days</b>
	[2022/23: \$26]	[2022/23: 2,135]	[2022/23: 345]

Supervision is a rehabilitative, community-based sentence with oversight from a probation officer.

<b>Supervision</b>	Average cost of:	Average volume:	Average length of sentence imposed:
	<b>\$27</b>	<b>7,471 people</b>	<b>287 days</b>
	[2022/23: \$25]	[2022/23: 6,885]	[2022/23: 287]

People serving community work sentences complete unpaid work in the community as a way of making reparations for the harm of their offending.

<b>Community work</b>	Average cost of:	Average volume:	Average length of sentence for community work cannot be easily calculated due to the complex nature of sentencing.
	<b>\$13</b>	<b>8,526 people</b>	
	[2022/23: \$13]	[2022/22: 11,088]	



## In prison

Our network of prisons varies in size and specification, with some specialising in the management of certain populations (for example maximum-security prisoners, people on remand, and women). People are managed in accordance with their sentence/remand status, security classification, segregation requirements, and specific needs. A person's risk factors (including offending history) are assessed to determine their security classification. While a person is in prison, we are responsible for their safety, healthcare, and wellbeing, and for assisting in their rehabilitation and reintegration.

The threat of violence in prisons must be a constant consideration for us and we take a zero-tolerance approach to any instances of violence, but the threat cannot be eliminated entirely. Several complex factors contribute to violence, and we are continually reviewing these and implementing controls to mitigate the risk of future assaults (see pages 56-57 for our staff safety work).

There has been a concerted focus on recording violence in prisons. The amount of time a person can spend outside their cell has increased compared to previous years (as we recover from COVID-19 and staffing pressures), which means there is an increased opportunity for assaults to occur.

On occasions, incidents can result in a serious injury, and this financial year there were 52 victims of serious prisoner-on-prisoner assault (0.57 per 100 prisoners), compared to 35 victims (0.43 per 100 prisoners) in 2022/23. There were also 1,310 non-serious/no injury prisoner-on-prisoner assaults recorded across the prison network during the same period [2022/23: 1,014].

There is a connection between remand status and incidents of serious prisoner-on-prisoner assault, with around 70% of all perpetrators of serious prisoner-on-prisoner assaults in 2023/24 being on remand at the time the assault occurred. We continue to experience increases in the proportion of our population who are on remand. As at 30 June 2024, remand prisoners accounted for around 44% of the onsite prison population (compared to 37% as at 30 June 2021).

The table below outlines how Corrections performed against the relevant audited measure used to assess performance in the Prison-based Custodial Services appropriation category.

AUDITED MEASURE	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
Assessment of performance	Actual	Actual	Actual	Actual	Budget (unaudited)	Forecast (unaudited)
Number of prisoner-on-prisoner assaults that are serious, as a rate per 100 prisoners <sup>16</sup>	0.43	0.31	0.43	0.57	Less than or equal to 0.50	Less than or equal to 0.50

16. Serious assaults are acts of violence that include one or more of the following: bodily harm requiring medical intervention by medical staff followed by overnight hospitalisation (beyond initial assessment or medical observation) in a medical facility, bodily harm requiring extended periods of ongoing medical intervention, or sexual assault of any form and degree where Police charges have been laid. Assaults are reported as a rate per 100 prisoners rather than an absolute number as it allows for fluctuations in the prison population, thereby providing more comparable year-on-year results.

***We are focused on the effective operation of prisons, while safely progressing important work to achieve better outcomes for people we manage***

Continually developing and focusing on capability uplift enables us to meet our legislative responsibilities, provides a strong platform for meaningful changes, and helps to maintain confidence in our operations. This is particularly important as our frontline workforce is increasing and new staff are learning how to do the job well.

For frontline staff, this means complying with our core systems and processes, exercising sound judgement (considering whether an action is reasonable, necessary, and proportionate), and treating the people we manage with dignity and respect.

For managers, this means leading teams to perform in a professional and safe manner. It also means leading in a culturally skilled and responsive manner that acknowledges the identity, culture, and language of the people we manage, and building these ways of working in teams. This approach aligns with the partnership and leadership pou in Hōkai Rangī.

Our Custodial Practice Manual contains the 'how to' of the core duties of corrections officers. The purpose of this manual is to have an easy reference for all staff, setting clear parameters to ensure we are consistently performing our basic duties to a high standard. Given the nature of the work we do, our custodial workforce is subject to ongoing and intense scrutiny. We are constantly reflecting on what we do and how we can work better, this means listening to feedback and making changes where they are necessary.

***At times, staffing shortages have impacted access to visits, unlock hours, and programmes or services***

Like many other organisations, we have faced ongoing challenges related to our staffing levels. We fully acknowledge the pressure this has placed on staff working in prisons and the impact on those we manage and their whānau. At times, these circumstances have impacted access to in-person visits, unlock hours, rehabilitation programmes, and mental health and addiction services.

We have worked as quickly as possible to safely increase unlock hours and access to in-person visits, with in-person visits having now resumed at all prisons, but with limited access at two. We recognise the importance of people in prison maintaining strong relationships with those who support them. As such, the decision to suspend in person visits at our prison sites was not made lightly, and it was critical we spent time ensuring appropriate processes and procedures were in place prior to their resumption. As staffing levels have increased, we have reintroduced visits in all sites following careful planning and consultation, to ensure everyone's safety and minimal disruption to our operational needs and processes.

We continue to provide alternative means of staying in contact with family and friends, including free phone calls and audio-visual link visits if family and friends are unable to attend in-person visits. These options were also facilitated while in-person visits were not possible.

## **We remain committed to ensuring the secure accommodation and movement of people in prisons**

We are responsible for ensuring the safe containment of those who are in our custody while in prison. This includes while people are being transferred between prisons or being escorted outside the prison perimeter for court hearings, medical reasons and rehabilitation purposes. Every year we carry out tens of thousands of escorts between prisons, courts, medical facilities and rehabilitation providers. The overwhelming majority of escorts occur without incident.

Public safety is our top priority, and no escape is acceptable. If a prisoner escapes from custody, we immediately contact Police, who are responsible for locating and returning the individual to custody as soon as possible. A person who is convicted of escaping lawful custody can receive a maximum sentence of five years' imprisonment.

In 2023/24, there were no breakout escapes from prison [2022/23: 1]. Over the same period, there were three non-breakout escapes [2022/23: 3], all of which occurred during escorts outside the prison perimeter.

Two incidents occurred during transportation for a court appearance and medical appointment respectively, and the third whilst under supervision in hospital. All three individuals were apprehended and have been subject to court proceedings as a result.

The table below outlines how Corrections performed against the relevant audited measures used to assess performance in the Prison-based Custodial Services appropriation category.

AUDITED MEASURES	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
Assessment of performance	Actual	Actual	Actual	Actual	Budget (unaudited)	Forecast (unaudited)
Number of breakout escapes <sup>17</sup>	Nil	1	1	Nil	Nil	Nil
Number of non-breakout escapes <sup>18</sup>	6	1	3	3	Less than or equal to 5	Less than or equal to 5

## **Keeping contraband items out of prison is important for maintaining the safety of these environments**

We are committed to preventing and detecting contraband in prisons. Contraband includes alcohol, communication devices, drugs, drug paraphernalia, tattoo equipment, tobacco, tobacco paraphernalia, weapons, and other miscellaneous items that people in prison could use in inappropriate ways to jeopardise the safety of prisons. To support this work, we have continued to conduct alcohol and drug testing, the most common testing category being general random testing<sup>19</sup>. In addition, we have updated the way we undertake searches of individuals as they are received into prison, in a way which aligns with *Hōkai Rangī*, and we are continuing to strengthen the searching capabilities of frontline staff through training opportunities. We also continue to operate specialist detector dog teams across our prisons. The teams have a range of searching capabilities and can detect drugs, mobile phones, tobacco, and illicitly brewed alcohol.

17. A breakout escape is when a prisoner breaches the area contained by the outermost perimeter security fence, or if there is no such fence, from the prison building.
18. Corrections has three categories of non-breakout escapes: from escort, absconding, and breach of temporary release conditions. Instances where an individual fails to return from court-imposed bail are excluded from this measure on the basis that they are not under the custody of Corrections.
19. All individuals who have been in prison for more than 30 continuous days are eligible to be selected for general random drug testing, except for those who are within 10 days of their release date.



In 2023/24, more than 7,800 incidents involving contraband were reported [2022/23: 6,012]. During the same period, 1,821 general random drug tests were undertaken in prisons [2022/23: 1,211] to detect the use of contraband. Of these tests, 95.2% returned a negative result [2022/23: 95.8%]. The increase in incidents involving contraband, and the slight increase in general random drug tests that returned a positive result, can in part be attributed to a growing prison population and a rise in in-person visits across prison sites as staffing levels have increased.

The table below outlines how Corrections performed against the relevant audited measure used to assess performance in the Prison-based Custodial Services appropriation category.

AUDITED MEASURE	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
Assessment of performance	Actual	Actual	Actual	Actual	Budget (unaudited)	Forecast (unaudited)
Percentage of general random drug tests undertaken by prisoners that have a positive result	3.8%	4.2%	4.2%	4.8%	Less than or equal to 5%	Less than or equal to 5%

### ***In some situations, it can be necessary to place someone on directed segregation***

In accordance with sections 58 to 60 of the *Corrections Act 2004*, the people we manage in prisons can be lawfully denied association with others if:

- Their behaviour presents a risk to the security of the prison or the safety of others.
- The prison's health centre manager considers that it is necessary to assess or ensure their mental or physical health (including the risk of self-harm).
- The general manager of a prison feels it is the only reasonable way to keep someone safe from themselves or others.

The option to place a person on directed segregation is a preventative measure to a known or potential risk. Being placed on directed segregation is to ensure the safety of the individual and others and does not serve as a punishment.

We are committed to the safe and humane management of people in prisons. We operate prison facilities in accordance with New Zealand legislation and based on other agreements, such as the United Nations Standard Minimum Rules for the Treatment of Prisoners.

At all times, people on segregation are provided with minimum entitlements as set out in the *Corrections Act 2004*. They also have regular and ongoing contact with our staff, including custodial management, health services staff and mental health professionals as required.

Importantly, we have processes in place which provide continued assurance that the use of segregation is appropriate. A use of segregation is a regularly reviewed process to ensure the safety of the prisoner as well as staff and people in prison, by the General Manager Custodial, Health Centre Manager, Director Office of the Commissioner Custodial Services, and a Visiting Justice. A prisoner on segregation under section 58(1) (a or b) or 59(1)(b) can also request a review of their segregation direction at any time.

The table below outlines the number of occasions, duration and individuals who have been managed as segregated or at risk during their period of imprisonment in 2023/24. It also includes reporting on age, gender of the prison the individual was held in, and the ethnicity of individuals who have been managed as segregated or at risk.<sup>20</sup>

Measure	Number of different people
<b>Total number of people managed as segregated or at-risk</b>	<b>2,916</b>
<b>Number of times a person was managed as segregated or at-risk</b>	
1	1,919
2	539
3	254
4	105
5	46
6	29
7	12
8	4
9	4
10	1
11	2
12	1
<b>Number of people segregated under each segregation type</b>	
SEG58 1A Directed security good order	661
SEG58 1B Directed safety of others	1,753
SEG59 1B Directed prisoner safety	437
SEG60 1A Directed physical health	578
SEG60 1B Directed mental health	108
<b>Average number of days a person was managed as segregated or at-risk</b>	<b>16</b>
<b>Gender of the prison the person was held in</b>	
Female	167
Male	2,749
<b>Ethnicity</b>	
European	1,774
Māori	563
Other (incl. Asian)	420
Pacific	93
Unknown	66

20. This is reporting in response to recommendations set out in the Inspectorate's [Separation and Isolation report](#). The physical or intellectual disability or other vulnerability (including pregnancy) of a person managed as segregated or at-risk cannot currently be reported due to a lack of available data. Work is in progress to facilitate the recording of this information for future reporting. Figures provided represent the number of people who ended a period of segregation or at-risk in 2023/24.

**Age of people managed as segregated or at-risk**

Under 20	96
20-24	397
25-29	639
30-39	1,118
40-49	422
50-59	171
60 and over	69
Not recorded	4

**Instances of self-harm or death while a person was managed as segregated or at risk**

Self harm – no threat to life	104
Self harm – threat to life	10

**Instances of death while a person was managed as segregated or at risk**

Apparent natural causes	1
Apparent suicide	1





***Through the year, our detector dogs have been working to keep our prisons safe***

## ***Preventing the introduction of contraband into prisons is a constant challenge and something we take extremely seriously***

A range of methods are used across all prisons to prevent drugs and other prohibited items from entering including the deployment of 24 specialist detector dog teams across the country.

Corrections' detector dogs are trained to sniff out various illicit drugs, tobacco, and cell phone components. They search visitors, vehicles, and work in and around the prison site checking for items that should not be inside the prison wire. In the year to 30 June 2024, our dogs and handlers have discovered 561 unauthorised items in prisons across the country.

Some of the successes our detector dog teams have had over the year are included below.

### **Detector dog Kato sniffs out contraband**

In November 2023, detector dog Kato disrupted a visitor attempting to bring contraband into Spring Hill Corrections Facility.

During a routine search of visitors entering the site, Kato became suspicious of a particular individual and after further questioning, the visitor admitted to carrying a quantity of white powder and what appeared to be cannabis.

The matter was referred to Police for further investigation and consideration of charges. The visitor was also issued a 12-month ban from visiting the prison.

"This was great work by Kato and the rest of the team," says Prison Director Scott Walker. "Together they successfully stopped the drugs from getting into the prison and to the prisoner they were intended for."

### **Detector dogs Bindi and Baz on the case**

Detector dogs Bindi and Baz intercepted two electric desk fans containing suspicious substances.

At Rimutaka Prison, during a routine mail search, detector dog Bindi indicated to handler Clinton that there was something suspicious inside a box containing a fan.

Further investigation found two bags of either MDMA or methamphetamine, one 4.16 gram and one 4.98 gram in the fan. Nearly 20 grams of tobacco and rolling papers were also found.

At Whanganui Prison, detector dog Baz found a similar box in the mail. X-ray technology revealed 33.65 grams of a crystal substance, similar to MDMA or methamphetamine, and 8.77 grams of a brown paste smelling of cannabis concealed in the fan.

"They successfully stopped these drugs from getting into prison where they could have created a more dangerous working environment for our staff, and prevented prisoners from engaging in rehabilitation, education and employment opportunities," says Manager Specialist Search, Jay Mills.

### **Detector dog Bart's determination leads to a find**

Handler John and detector dog Bart recently foiled an attempt to smuggle methamphetamine and cocaine into Rimutaka Prison.

In March 2024, during a routine search of inbound property, Bart gave a strong indication on a box of trainers.

Handler John manually searched the shoes alongside an adamant Bart and located bags of white powder within the padding of the shoes.

The incident was immediately reported to Police and the substances were collected to be tested.

Police have since confirmed the contraband as two small bags of methamphetamine, and four larger bags of cocaine.

### **Detector dog team's vigilance pays off**

Detector dog Kaos was front and centre when the detector dog team at Christchurch Men's Prison nabbed a visitor acting suspiciously. During a routine search of vehicles entering the prisons, staff noticed a vehicle attempting to evade the checkpoint by driving into the visitor car park. Staff acted quickly and redirected the driver to the checkpoint area to be searched.

Drug detector dog Kaos subsequently alerted staff to a bag inside the vehicle containing contraband, including cash, cannabis, and empty small ziplock bags. Staff completed a further search of the vehicle and found drug paraphernalia and a firearm.

Police were contacted, who took a person into custody and seized the items found.

## We have introduced full body scanners at five prison sites which provides a more dignified way to effectively detect contraband

In February 2024, Mt Eden Corrections Facility became the fifth prison site to introduce full body scanning as an alternative to strip searches on arriving prisoners. Auckland Region Women's Corrections Facility, Spring Hill Corrections Facility, Rimutaka Prison, and Christchurch Women's Prison have also largely replaced strip searches with full body scanners. This is an example of how we can do things differently in the context of *Hōkai Rangi*, while keeping safety at the forefront of what we do. Our experience shows that the use of full body scanners also serves as a deterrent to bringing contraband into prison. Full body scanning reduces the current risks to staff safety when it comes to suspected concealments.

## We are appropriately using our legislative authority to monitor prisoner phone calls

While most phone calls from prisons are appropriate and made for legitimate purposes, a small proportion are not. Under section 113 of the *Corrections Act 2004*, we have the legislative authority to, for safety purposes, monitor phone calls made by people in prison, and we undertake this monitoring to maintain the safety of the public, staff, people in prison, and their whānau<sup>21</sup>.

The information we obtain from monitored phone calls is used to detect and prevent crime such as threats of violence, contraband offences, breaches of non-contact conditions imposed by courts, and coercion. We share relevant information with partner agencies, such as the Police, where appropriate.

Prior to using the phones in prison, every person is advised that personal phone calls are recorded and that a portion of these are monitored. Phone calls to legal advisers, some government organisations, Crime Stoppers, monitoring agencies, and members of Parliament are not recorded or monitored. We have recently added a new function to prison self-service kiosks so people can manage/ make requests regarding their phone numbers digitally. These updates will help speed up processing times and allow staff to undertake other work.

We do not centrally record how many phone calls are disclosed internally and externally (for example, to Police) under sections 117(1) and 117(2) of the *Corrections Act 2004*. Nevertheless, we take care when disclosing any such phone calls, and know these disclosures are often used to prevent crimes or progress prosecutions. Within Corrections, these disclosures may be used to support incident and misconduct charges, identify risks to safety of staff and other people in prison, and prevent illicit activity.

The table below shows the total phone calls made and monitored in 2023/24.

Prisoner phone calls (excluding Auckland South Corrections Facility)	2022/23	2023/24
Total phone calls made	4,116,817	5,638,540
Phone calls monitored	63,198	64,724

21. This is a report under section 190(1)(c)(d)(e) of the *Corrections Act 2004* on the processes and systems in place to supervise and control the monitoring of prisoner phone calls, including statistics on the proportion of prisoner calls monitored (otherwise than merely being recorded), and the number and percentage of calls disclosed under sections 117(1) and (2) of the Act.



## Community-based sentences and orders

### As at 30 June 2024, we managed 25,938 people across 10 different community-based sentences and orders

Community Corrections staff are trained to manage people in a way that maintains public safety (as well as their own safety), through building effective relationships with the person and their whānau, supporting them to successfully complete their sentence or order, and holding them to account if they breach requirements.

We manage people differently depending on the specific conditions imposed by the courts or the New Zealand Parole Board.

Responding appropriately to instances of non-compliance is a key lever for maintaining safety. We take instances of non-compliance with community-based sentences and orders seriously. Potential penalties can include breach action, increased reporting to Community Corrections, or formal prosecution potentially resulting in imprisonment. Other agencies, including the Police, are also involved in monitoring, and mitigating the risk of non-compliance.

The table below outlines how Corrections performed against the relevant audited measures used to assess performance in the Sentences and Orders Served in the Community appropriation category.

AUDITED MEASURES	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
Assessment of performance	Actual	Actual	Actual	Actual	Budget (unaudited)	Forecast (unaudited)
Percentage of community-based offenders who successfully complete their sentence or order	76%	79%	79%	79%	Greater than or equal to 75%	Greater than or equal to 75%
Percentage of community-based offenders being held to account by probation staff for non-compliance	97%	96%	97%	97%	Greater than or equal to 90%	Greater than or equal to 90%

### Electronic monitoring helps us to monitor people's compliance with the conditions imposed on them by the courts and the Parole Board

Electronic monitoring is a tool used to monitor compliance with the conditions, sentences, or orders imposed by the courts or the New Zealand Parole Board. We provide electronic monitoring services for the Police under a shared-service model, including managing and operating the electronic monitoring infrastructure.

We use two types of electronic monitoring, radio frequency (RF), or global positioning system (GPS) to monitor people. RF monitoring technology communicates through radio waves to a home unit installed at a person's address to determine whether they are in range of the home unit and are at home when required. For GPS monitoring, the tracker connects to a series of satellites to determine a person's location. If an alert is generated, our staff determine the action required, which may include staff contacting the person or their family directly, dispatching a field officer to the person's address or location, and/or contacting Police if non-compliance has been confirmed, or there are safety concerns for any person.

Our national electronic monitoring team operates 24/7, 365 days a year from our operations centres in Auckland, Upper Hutt, Christchurch, and Dunedin. Over the past decade, there has been an increase in the number of people this team monitors. This growth has been particularly rapid for electronically monitored bail (EM bail).

In 2023/24, we electronically monitored a daily average of 4,314 people on sentences and orders, excluding those on EM bail [2022/23: 3,995].

EM bail is an alternative to remand in custody or ordinary bail and provides increased monitoring to support public safety. To inform decision-making, Corrections carries out assessments for courts about a defendant's suitability for EM bail, and the technical feasibility of their address for electronic monitoring. If someone is granted EM bail, they may have several conditions they must adhere to, such as abstinence from alcohol or drugs, or not contacting victims and witnesses. Police are responsible for ensuring compliance with these conditions. We support the Police to do this by providing reporting on non-compliance with whereabouts and curfew conditions. The Police are responsible for acting on any instances of non-compliance with electronic monitoring conditions, including when a person absconds from their approved address. In 2023/24, we electronically monitored a daily average of 2,181 people on EM bail [2022/23: 2,062].

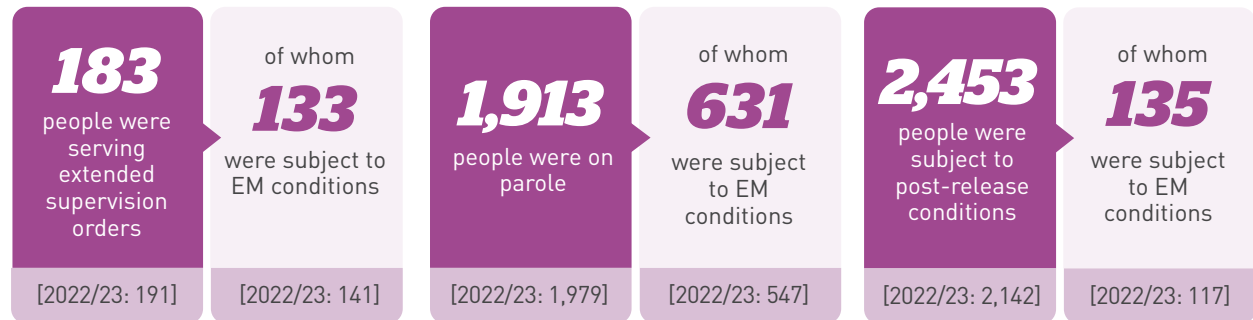
## People on extended supervision and parole, or with post-release conditions, may also be electronically monitored<sup>22</sup>

When a person is granted parole by the New Zealand Parole Board or is subject to post-release conditions, they may be subject to electronic monitoring. Electronic monitoring can also be imposed as a condition for someone on an extended supervision order (ESO). An ESO is a post-sentence community-based order that can be imposed by the courts on application from Corrections. It is used to monitor and manage people who have been assessed as having a high risk of sexual offending, or very high risk of violent offending, and who meet the legislative criteria. The orders can be imposed for up to 10 years at a time.

The purpose of an electronic monitoring condition imposed under section 15(3)(f) of the *Parole Act 2002* is to deter the offender from breaching conditions that relate to their whereabouts, and to monitor compliance with those conditions.

Where a person has not complied with any condition of their community-based order (including an electronic monitoring condition), their probation officer may pursue formal prosecution. In 2023/24, we commenced a total of 331 prosecutions for non-compliance with an extended supervision order, 1,004 for parole, and 3,005 for post-release conditions [total for all categories: 2023/24: 4,340, 2022/23: 3,675].

### As at 30 June 2024:



### In 2023/24, the average number of people per day who were electronically monitored as a condition of:

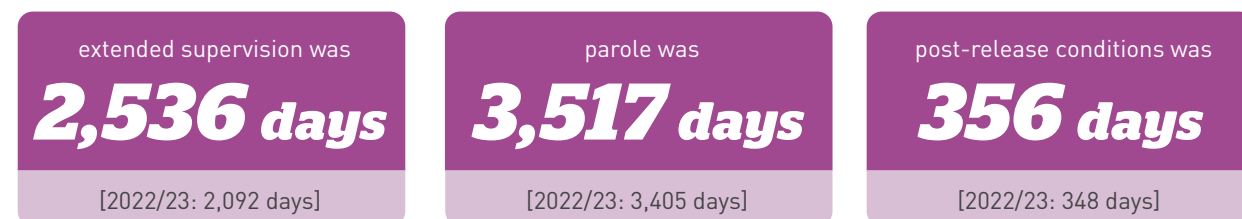


22. This is a report under section 15A of the *Parole Act 2002* about the use of electronic monitoring specific to people on parole or who are subject to extended supervision.

During 2023/24, the total number of different individuals subject to an electronic monitoring condition as a condition of:



The average length of electronic monitoring conditions attached to:<sup>23</sup>



***Intensive supervision is imposed by the courts to reduce the likelihood of reoffending, and we monitor people subject to it<sup>24</sup>***

Intensive supervision is a community-based rehabilitation sentence imposed if the court deems that this would reduce the likelihood of someone offending again. People will have standard and special conditions imposed under intensive supervision, and this can include electronic monitoring.

As at 30 June 2024, 4,756 people were serving an intensive supervision sentence [2022/23: 4,618] of whom 134 [2022/23: 89] were subject to electronic monitoring conditions. Over the course of 2023/24, 240 different individuals [2022/23: 180] were subject to an electronic monitoring condition while serving an intensive supervision sentence.

The daily average number of people serving an intensive supervision sentence who were subject to an electronic monitoring condition during 2023/24 was 104 [2022/23: 93]. The average length of time an individual was electronically monitored as a condition of intensive supervision was 461 days [2022/23: 434 days].

Where a person has not complied with any condition of their community-based sentence or order (including an electronic monitoring condition), their probation officer may pursue formal prosecution. In 2023/24, we commenced 1,955 prosecutions for non-compliance with an intensive supervision sentence [2022/23: 1,588].

Corrections cannot provide aggregated data that establishes whether breaches were specifically related to a breach of electronic monitoring conditions, or to other conditions associated with the sentence or order. Individual case file review is the only method we can use to establish that information, but we are unable to provide this level of information in this report.

**In some situations Corrections will assess the suitability of a residential address**

There are a number of reasons why Corrections might assess the suitability of a residential address, such as for electronic monitoring purposes, the provision of advice to courts or the parole board, and for people serving a sentence for a child sex offence charge. Our top priority is the safety of communities, we only deem an address as suitable if we think any risks can be safely managed and public safety upheld.

23. Previously the average length of electronic monitoring conditions was based on the average duration of conditions that had ended in the reporting period. However, this is now based on the average duration of all active conditions during the reporting period, to comply with the *Parole Act 2002*. It should be noted that accurate average length of time metrics is difficult to provide for individuals subject to electronic monitoring conditions with no specified end date.
24. This is a report under section 541A of the *Sentencing Act 2002* – Intensive supervision about the use of electronic monitoring.



We also acknowledge that the location of people who have offended can be a concern for victims and communities, particularly if someone has convictions for offending sexually against children. Accommodation approval/non approval decisions must be supported with clear rationale and reflect all mitigations in respect to specific risks and needs.

For our most high-risk people, such as those on an extended supervision order, we carry out an extensive and robust process to assess the suitability of every address proposed. A range of factors are considered, including the location of victims, proximity to places designed for children, physical factors such as shared access, location of support services, and, where the person is subject to electronic monitoring, the ability to always ensure a clear GPS signal. Alongside this, we consider any factors present that reduce an offender's risk, for example, strong pro-social support from others at the property.

### **We are working effectively to reduce the harm that can be caused by and within gang communities**

Corrections is continuing important work to contain the negative influence of gangs in prisons, disrupt the efforts and capabilities of gang members to organise and commit crime, and reduce the reoffending rates and harm caused by, and within, gang communities. We are achieving this by upskilling our workforce and building their capability when working with different gangs and gang-connected people, supported by strong intelligence and effective working relationships with our agency counterparts.

We are working to support people towards prosocial behaviours that will become incompatible with a gang lifestyle. One way we do this is by providing programmes and opportunities that support people to disassociate themselves from gangs, in addition to support for addressing addiction, offending, and reintegration needs. We also do this by creating prison and community-based environments that are safe and committed to a zero-tolerance for violence and intimidation.

We continue to support the government's Resilience to Organised Crime in Communities (ROCC) work programme. ROCC is an initiative supporting and enabling communities to respond to locally identified harms and social conditions associated with organised crime. Activities are framed on four strategic focus areas:

- **Supply** – Target organised crime and supply of illicit drugs through investigations and law enforcement.
- **Demand** – Reduce harm from organised crime and the illicit drug trade.
- **Resilience** – Strengthen whānau wellbeing and build community resilience to the conditions that enable organised crime to operate.
- **Enable** – Centrally enabled leadership focused on removing barriers, and evidence-based decision making.

On 7 June 2024, the ROCC work programme was officially launched on the West Coast. The expansion of this initiative was also announced and an allocation of \$2.6m of funding to support initiatives that create community resilience to organised crime.

The ROCC programme already had initiatives being implemented in the following areas:

- Bay of Plenty
- Eastern (East Coast)
- Manukau/Counties
- Southern.

Me Mahi Tahi Tātou is a reintegration and addiction support initiative created specifically for hard to engage individuals with confirmed gang memberships and their whānau. The initiative has seen specifically selected community service providers working closely with our custodial and community staff to achieve better outcomes for people with strong gang affiliations. This approach has seen significant success, with a low rate of reoffending by those engaged with the initiative.

The role that tattooing plays in gang recruitment and the barriers that gang tattoos pose for reintegration into the community has been a focus in recent years. Our tattoo removal initiative works with local providers who provide tattoo removal at significantly reduced rates. This is for selected individuals who have shown commitment to addressing antisocial behaviour, and who have highly visible gang tattoos that are significantly impacting their ability to attain employment and reintegrate into their whānau and communities.

We are also supporting New Zealand's Transnational Organised Crime (TNOC) Strategy. The TNOC strategy brings together government agencies to strengthen capability, improve understanding, and raise awareness across relevant government agencies and other partners (including the private sector and local communities) to unify, prevent, detect, and dismantle organised crime. It sets out a framework for greater coordination and prioritisation of government responses to transnational organised crime across a wide range of crime types, with a focus on the sophisticated global network of organised criminal groups which target New Zealand, driving the supply of drugs and other illicit commodities.

## We have helped people on returning offenders orders with reintegration support

The *Returning Offenders (Management and Information) Act 2015* enables us to obtain information about people being deported back to New Zealand. This supports us to manage potential risks to public safety, while supporting their rehabilitation and reintegration. The legislation applies regardless of whether an individual is deported, removed, or returns voluntarily. People deported to New Zealand are predominately made up of two cohorts classed as either Returning Offenders or Returning Prisoners.

Returning Prisoners have been sentenced to a term/s of imprisonment of more than one year in another country and they are the cohort who will be subject to conditions and oversight from us on their return to New Zealand. On average, Returning Prisoners (those managed on a Returning Offender Order) make up approximately 77% of the total number of people deported to New Zealand. The remaining 23% are deemed Returning Offenders (not managed on a Returning Offender Order) or do not fall under the *Returning Offenders (Management and Information) Act 2015*. Since 2015, we have managed 2,157 people on a Returning Offender Order.

Regardless of whether someone is classed a Returning Offender or Returning Prisoner, they will have access to social support providers contracted by us to support them to resettle in New Zealand.

In the past year, we have made a concerted effort to improve pre-arrival information flow for returning offenders and prisoners. We are aware that the transition can be difficult and have created two videos that have been shared with Australian prisons to assist with the process. The videos explain to returnees what to expect when they arrive into New Zealand, in particular the airport arrival process as well as the health support and services available.

## We provide advice and information to the courts and Parole Board to assist them in their decision making

### The Parole Board considers when people in prison can be released on parole

The Parole Board is an independent statutory body that considers when people in prison can be released on parole and sets release conditions for people released from prison once their entire sentence has been served. It also considers requests for compassionate release and considers applications to recall to prison people who are on parole.

As an independent statutory body, the Parole Board cannot be directed by Corrections or the Minister of Corrections when making decisions. The Parole Board members are appointed by the Governor General on the recommendation of the Attorney General, and the current Chair is Sir Ron Young.

Once people in prison are eligible for parole, they are entitled to a hearing every two years. In the 2023/24 financial year there were 5,517 parole hearings involving 3,776 prisoners.

Corrections prepares parole assessment, psychologist and parole progress reports, recommends conditions for release on parole, helps prepare people for parole hearings (including assisting candidates with their release plans), and provides administrative support for victim notification services (more about this on page 84).

The information we provide is critical for the Parole Board to make informed decisions about the safety of the community.

Parole report timeliness ensures efficient decision-making, enhances public safety, supports rehabilitation efforts, and upholds legal rights. It is essential for maintaining a fair and effective parole system.

Offenders have a right to timely parole consideration. Delays can infringe upon their legal rights and prolong their incarceration unnecessarily. The reports provide critical information about a person's behaviour, progress, and risk assessment. Delays in receiving these reports can hinder the decision-making process, potentially affecting an offender's release date.

In 2023/24, we prepared just over 6,000 parole reports for the Parole Board [2022/23: 5,577]. Of which 93% of parole reports were provided to the Parole Board within agreed timeframes (93% for parole assessment reports, 83% for parole progress reports, and 95% for psychological reports) [2022/23: 85%].

The year-on-year improvement primarily reflects an agreement reached with the Parole Board (in December 2023) to reassess the performance of records where the timeliness failure had occurred due to Board hearings being rescheduled, or individuals being transferred between prisons, within short timeframes prior to a scheduled Board hearing occurring. Overall, despite a year-on-year improvement, staffing pressures continued to affect performance against the Budget Standard.

## Pre-sentence reports help inform sentencing decisions

Once a person has been convicted of an offence, a judge may ask a probation officer to provide more information to inform the sentencing decision. The probation officer may:

- Interview the person.
- Make enquiries with their whānau/family, friends, and others.
- Gather information from agencies such as the police and Corrections.

After the probation officer has all the information, they will consider the person's needs, and what the law says about sentencing for the particular offence, then make a recommendation on what the most appropriate sentence would be. This is the pre-sentence or Provision of Advice to Courts (PAC) report.

The table below outlines how Corrections performed against the relevant audited measures used to assess performance in the Information and Administrative Services to the Judiciary and New Zealand Parole Board appropriation category.

AUDITED MEASURES	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
Assessment of performance	Actual	Actual	Actual	Actual	Budget (unaudited)	Forecast (unaudited)
Percentage of parole reports provided to agreed timeframes pursuant to New Zealand Parole Board requirements <sup>25</sup>	66%	87%	85%	93%	Greater than or equal to 95%	Greater than or equal to 95%
Percentage of pre-sentence reports provided to court within agreed timeframes before sentencing <sup>26</sup>	97%	97%	96%	96%	Greater than or equal to 95%	Greater than or equal to 95%

## We are continuing to improve our notification timeframes for victims and people who have committed offences

By ensuring that offenders and victims receive notifications of upcoming hearings and outcomes in a timely manner, all parties have sufficient time to make submissions and prepare for the hearings.

During 2023/24, there has been an improvement in compliance with notification timeframes for both offenders and registered victims compared to the previous year. In 2023/24, 72% of offenders [2022/23: 68%] and 85% of active registered victims [2022/23: 79%] were notified as per the agreed timeframes. Timeliness failures for both offender and victim notifications are primarily due to late provision of decision outcomes (as opposed to notifications for upcoming hearings).

For those instances when we are not able to confirm notification delivery through signed evidential documentation, the notification is deemed not to have been delivered as per the agreed timeframes for performance measurement purposes. However, this does not necessarily indicate that the notification was not delivered within the agreed timeframes. In 2023/24, 56% of the timeliness failures for offender notifications, and 18% for victim notifications, were due to an absence of delivery evidential support.

Recruitment into several vacant roles within the Parole Board Administration Team during 2023/24 has contributed to the improved year-on-year performance, reducing individual staff workload. It is reasonable to assume that a change in methodology, implemented in 2023/24 has also partially contributed to the improvement in this year's calculated performance for the victim notification measure.

25. Parole reports are provided to the New Zealand Parole Board within an agreed set of timeframes - parole assessment reports are due between 18-24 days prior to the hearing date; parole progress reports are due at least 14 days prior to the hearing date; and psychological reports are due at least 21 days prior to the hearing date. Where necessary, revised timeframes are agreed with the Parole Board.

26. Pre-sentence reports are provided to court within an agreed set of timeframes - probation reports are completed to timeframes as set out in the Integrated Practice Framework, and psychological reports are due at least two working days before sentencing. Where necessary revised timeframes are agreed with the court.



We remain committed to improving the service experience (of both offenders and victims), by ensuring we have robust quality assurance processes in place and that our staff are trained and supported in this work.

The table below outlines how Corrections performed against the relevant audited measures used to assess performance in the Information and Administrative Services to the Judiciary and New Zealand Parole Board appropriation category.

AUDITED MEASURES	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
Assessment of performance	Actual	Actual	Actual	Actual	Budget (unaudited)	Forecast (unaudited)
Percentage of offenders who are notified as per New Zealand Parole Board requirements <sup>27</sup>	87%	82%	68% <sup>28</sup>	72%	Greater than or equal to 98%	Greater than or equal to 98%
Percentage of victims who are notified as per New Zealand Parole Board requirements <sup>27</sup>	87%	86%	79%	85% <sup>29</sup>	Greater than or equal to 98%	Greater than or equal to 98%
Percentage of cases heard by the New Zealand Parole Board that are scheduled within the timeframes specified by the Parole Act 2002 <sup>30</sup>	100%	100%	100%	99%	Greater than or equal to 98%	Greater than or equal to 98%

27. Offenders and active registered victims are notified of an impending Parole Board hearing and of a Parole Board outcome decision within agreed timeframes. These measures are calculated on a random sample of parole hearings that have occurred in the reporting period.
28. The calculation methodology for this measure was refined for the 2022/23 financial year. From 1 October 2022 a new documentation receipt process was implemented to assist in providing evidential support that individuals in prison have received the necessary documentation notifying them of an impending Parole Board hearing and of a Parole Board outcome decision. Performance for 2021/22 was assessed using a combination of evidential support, allowing time for the new documentation process to be fully embedded. For 2022/23 performance was based solely on the assessment of signed receipt documentation. It is reasonable to assume that this change in methodology contributed to the reduction in the 2022/23 calculated performance. The actual impact of this change has not been quantified. Prior year actuals have not been restated.
29. The calculation methodology for this measure was refined for the 2023/24 financial year. The assessment process was expanded to include notifications made to victims by phone following a parole hearing. For 2022/23 performance was based solely on the assessment of notification letters provided to registered victims following a parole hearing. The impact of this change has not been quantified and prior year actuals have not been restated.
30. The *Parole Act 2002* specifies that parole hearings are scheduled 16 weeks ahead of the parole eligibility date to give the various parties involved sufficient time to prepare. This measure is calculated on a random sample of parole hearings that have occurred in the reporting period.



***Reducing reoffending  
by establishing the right  
foundations for participation***

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## ***By establishing the right foundations for participation, we can help reduce reoffending rates***

To us, the right foundations means people leaving our management with an improvement in their ability to participate in society and to live offence-free lives. We can do this by providing effective programmes to address offending behaviour, supporting people to engage fully in society, addressing barriers to participation in the community, providing for health needs, educating and upskilling the people we manage, and helping people to transition back into the community. Doing this work well also supports the long-term safety of our communities.

### **Case managers and probation officers develop offender plans to guide people through our system in a way that supports reduced reoffending**

The purpose of the case manager is to contribute to reducing reoffending and improving public safety, by taking a multi-disciplinary approach to people management and working individually with people to develop a plan for their time on sentence.

Probation officers work with people on community-based sentences or orders to understand their rehabilitation needs, connect them with the right support that will help reduce the likelihood of reoffending, ensure they comply with their sentence conditions, and help them to make positive changes in their lives. They often connect with whānau, as well as social service agencies, to do this.

In 2023/24, case managers and probation officers prepared more than 34,000 offender plans (10,135 for people in prison, and 24,159 for people in the community). Each person presents with a diverse background and range of needs. The completion of these plans in a timely manner enables the best possible opportunity for people to participate in activities that will contribute to addressing their identified needs.

This year 77% of all plans were received within the recommended timeframes (comprised of 75% in prison, 77% in the community), compared to 78% in 2022/23 (comprised of 75% in prison, 79% in the community).

Acknowledging staffing challenges in recent years, particularly in prisons, performance against this measure has been gradually declining. We continue to focus on the recruitment of frontline roles, including case managers; and as a result, staffing numbers have steadily increased. It is worth noting that even when sites are fully staffed there is a lag associated with onboarding and supporting new staff as they transition to taking on full caseloads.

Integrated Pathways (see more on page 42) will impact how offender plans look in the future, as we seek to develop a simplified pathway for people in the corrections system.

The table below outlines how Corrections performed against the relevant audited measure used to assess performance in the Reoffending is Reduced appropriation.

AUDITED MEASURE	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
Assessment of performance	Actual	Actual	Actual	Actual	Budget (unaudited)	Forecast (unaudited)
Percentage of offenders entitled to receive an offender plan that received one within Standards of Practice timeframes	82%	81%	78%	77%	Greater than or equal to 85%	Greater than or equal to 85%



## Health and disability, mental health and addiction services

### We have a new operational group called Pae Ora (Healthy Futures) that brings together our health services and offence-focused rehabilitation services.

Pae Ora (Healthy Futures) was created as a new operational group through our recent Te Ara Whakamua change process. This was to address the fact that, while often supporting the same individuals, our delivery of psychological, mental, and physical health services has often been siloed, both from each other and the custodial workforce. This has also been identified by the Ombudsman as an area for improvement. Pae Ora brings together these services and will also help ensure that people remain connected to the broader health and social wellbeing system (inclusive of whānau) through pathways of support that extend back into communities. Providing for people's physical and mental health needs helps them to engage more fully in offence focused and alcohol or other drug rehabilitation.

At the centre of *Hōkai Rangī* is the concept of wellbeing (oranga), of which a key component is good physical and mental health. People often come into prison with significant health, disability, mental health, and addiction-related needs. When a person enters prison, Corrections' will assess their health needs, including any mental health needs they have, and whether they require a referral to a prison medical officer, dentist, allied health practitioner, or our prison-based mental health service.

### Health and disability services

#### We maintained health centre accreditation for all prisons

Each prison has a health centre with a manager and a team of nurses. Our nurses provide a range of primary healthcare services including for acute illnesses and injuries, health promotion and education, management of long-term conditions, medication management, screening, and the administration of immunisations.

All prisons have a medical officer (general practitioner) service that manages acute and chronic health needs in addition to services such as mental health and addictions, dental care, physiotherapy, podiatry, and other allied health services where necessary. We also refer people in prison to public hospital services where necessary and appropriate.

We require all health centres (run by our nursing teams) to be certified against the Foundation Standard programme of the Royal New Zealand College of General Practitioners, as is the case for general practices in the community. This involves external auditors reviewing our individual health services to make sure they meet the legislation, regulations and standards expected of a health service.

In 2020, the Royal New Zealand College of General Practitioners updated their certification programme and introduced the Foundation Standard Certification. The certification is the preceding step to Cornerstone Accreditation which now includes the requirement to complete two additional modules. The Foundation Standard Certification contains the same standards we previously completed to gain Cornerstone Accreditation, as such we have transitioned to this programme upon expiration of our accreditation. We are committed to achieving health equity and improving health outcomes for people in prison, and the quality of our health care centres remains an important focus.

As at 30 June 2024, all 18 prisons had maintained Foundation Standard Certification. The table below outlines how Corrections performed against the relevant audited measure used to assess performance in the Prison-based Custodial Services appropriation category.

AUDITED MEASURE	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
Assessment of performance	Actual	Actual	Actual	Actual	Budget (unaudited)	Forecast (unaudited)
Percentage of Health Centres in prisons that retained their Cornerstone accreditation status following completion of an annual review <sup>31</sup>	100%	88%	94%	100%	100%	100%

31. The measure wording for 2024/25 has been updated to reflect the transition from Cornerstone Accreditation to Foundation Standard Certification.

## We are improving our data system to ensure we are providing the health services that are required

A quarterly health dashboard has been developed to provide insights into waiting times for access to medical officers, nurses, and dentists, and for assessments. New processes have been developed to ensure those that have the most urgent need for a health appointment are seen as soon as possible, and the dashboard enables us to track the average wait times and ensure timely access to health care.

Corrections has undertaken audits of some health services, including for breast, bowel, and cervical screening, treating sexually transmitted and blood-borne infections, and managing disabilities and diabetes. The audits occur quarterly and are a collaboration between the Pae Ora Data and Insights Team and the team with oversight of the focus area.

The most recent audit has looked at cardiovascular disease with the goal of exploring our performance against expected standards, and to identify areas to strengthen how we manage people at the greatest risk from cardiovascular disease. This means ensuring people have their level of risk assessed within 8-weeks of entering prison and follow up management is in place to support their ongoing wellbeing, this may include education, blood pressure monitoring, diet and exercise advice, and medication.

## Consultations with health providers

We continue to work to ensure timely access to health services, noting there has been an increase in the need for consultations with medical officers and dentists. The table below (excludes ASCF) shows how access to all health professionals has increased in 2023/24.

Category	2019/20	2020/21	2021/22	2022/23	2023/24
Number of face-to-face consultations with medical officers	21,028	29,963	34,119	39,974	45,553
Number of healthcare consultations with dentists	6,075	6,764	6,454	6,449	8,003
Number of face-to-face consultations with nurses	137,522	147,246	206,896	181,676	191,320

## We are improving our health services through Te Matatiki o te Oranga

Te Matatiki o te Oranga (the Spring of Wellbeing) is the name of our health services improvement programme. It aims to identify key areas of change and improvement in how health services are to be designed, delivered, and monitored for all people in prison. This programme of work has and continues to be developed with Māori, frontline staff, stakeholders, and external partners to ensure we are providing culturally responsive healthcare, with a particular focus on Māori outcomes.

Te Matatiki o te Oranga is currently being tested in several prisons and following this, will be implemented into business-as-usual practice across the prison system. To achieve this, we have two workstreams that will look to build on and strengthen our current service delivery model:

- Te Ara Oranga – Optimising our health service delivery. This is focused on addressing health issues facing all people in prisons by fostering cultural connection, empowering people in prison, and reducing health inequities. This includes increasing access, options, and choice through service delivery.
- Te Ara Rongoā – Improving our health service delivery through Māori ways of practice. This includes establishing a rongoā (a Māori traditional healing system) protections framework aimed to provide measures to protect mātauranga Māori (Māori knowledge) in prison, and supporting access to rongoā Māori, that focuses on wairua (the spiritual dimension), whānau (family), hinengaro (mind), and tinana (physical health).

## It is important that we can meet the health needs of vulnerable people in our management

A range of different people come into our management and require support, including vulnerable people, this includes tāngata whaikaha Māori/disabled people, older people, and people that have been impacted by family violence and sexual violence.

## ***We have made progress on our Disability and Ageing Well Action Plans***

Our Disability Action Plan 2023-2027 sets the strategic direction for an oranga-centred approach to supporting tāngata whaikaha Māori and disabled people in prison to experience better health and wellbeing outcomes, and to achieve their goals and aspirations.

Corrections' Ageing Well Action Plan 2023-2026 was launched in August 2023. Corrections' Ageing Well Assessment is designed to address age-related changes (such as mobility risks, functional independence, and cognition).

We have made progress implementing these plans, including the recruitment of four dedicated Social Worker Disability and Older Persons roles to enable greater access to support and services and improve continuity of care for disabled and older persons in prison. We have also established a joint Disability and Older Persons Advisory Group to oversee the implementation of both of Corrections Disability Action Plan and Ageing Well Action Plan.

## ***We are now in the second year of our Te Aorerekura Implementation Plan***

Te Aorerekura is the National Strategy and Action Plan setting out a collective path for government, tangata whenua, specialist sectors, and communities to eliminate family violence and sexual violence (FVSV).

Corrections plays a critical role in addressing family violence and sexual violence (FVSV) through safely managing people in prison and in the community, and through the delivery of rehabilitation and treatment programmes in both community and custodial settings. This work is of critical importance to Corrections as many people in prison have physical or sexual violence as their most serious offence.

Corrections continues to work on delivering against our FVSV Implementation Plan. We have implemented the essential level FVSV training Part 1: Hoake he Manaakitanga module and continue to embed the family violence entry to enhanced capability frameworks across our workforce. We expect to release Part 2: Hoake he Manaakitanga module later in 2024. We are currently working alongside Te Puna Aonui and other agencies on the development of the second Te Aorerekura Action Plan and continue to look at our approaches to strengthening multi-agency responses to family violence.

## ***We continue to monitor and manage long-term health conditions***

We are working to ensure the best possible healthcare is available to support the wellbeing of people in prison. In particular, we have been:

- Updating our assessment processes and tools to ensure early identification and timely management of health conditions.
- Working to address and support people who have long-term conditions such as diabetes and cardiovascular and respiratory disease.
- Supporting access to immunisations.
- Supporting screening programmes such as the National Screening Programmes for Breast, Bowel, and Cervical Cancer.
- Providing screening for sexually transmitted/ and or blood-borne infections such as syphilis, chlamydia, hepatitis B and C and HIV), and ensuring timely access to the most appropriate treatment where these have been identified.

We also have two key information technology upgrades that are well underway, namely the introduction of a new electronic health records system, which is used by all our health centres and health staff, and the replacement of the paper-based systems supporting the administration of medications with a digital product. These changes will support the more efficient delivery of health services and free up more staff time to focus on the health needs of people in prison.

## ***We supported the roll-out of a new human papillomavirus self-test***

In September 2023, there was a national roll-out across New Zealand of a new human papillomavirus (HPV) self-test which screens for the viruses that have the potential to cause cervical cancer. In New Zealand, 85% of people who develop cervical cancer have never been screened or are under-screened. Corrections has supported nurses to be trained and facilitate the HPV self-test to women in prison. This has led to more nurses being able to offer the screening, and a subsequent increase in the uptake of cervical screening. It is important to note that many women in prison have chosen not to be screened in the past.

Between 1 July 2023 and 30 June 2024, 646 cervical screening tests were completed. Of these tests 427 (66%) were HPV self-tests (noting that these tests became available from October 2023). The new test is proving to be a more acceptable option for women in prison with good uptake among women who did not want to undergo cervical screening in the past. Forty percent of all cervical screening tests were for Māori, 30% for Pasifika women and 30% for non-Māori or Pasifika women.



## **Mental health**

### **Many of the people we manage have significant mental health needs, and we are identifying how to better address those needs**

While our prison-based services were not historically designed to support people with serious mental illness, we are proactively ensuring people in prison have access to specialist mental health support. The Ministry of Health – Manatū Hauora and Health New Zealand – Te Whatu Ora are involved in this work.

We have identified both long and short-term actions that will improve the care provided for people in prison who require specialist support, including inpatient care. One action was a comprehensive review of Corrections' prison-based mental health services that was completed in early 2024. This was to better understand the challenges of delivering mental health services in New Zealand prisons, and to provide a suite of recommendations for future service development and delivery.

A report outlining the review's findings and recommendations is currently being finalised and will be shared with stakeholders following this process.

### **What we are doing to support people with mild-to-moderate mental health needs**

Improving Mental Health Services are contracted at the majority of prison sites and some Community Corrections sites to deliver interventions for people with mild-to-moderate mental distress. We use the Kessler Psychological Distress Scale (K-10) as a self-report measure of psychological distress, and have found statistically significant positive results.

During 2023/24, 4,947 referrals were received by the Improved Mental Health (IMH) Services [2022/23: 3,881]. A total of 14,291 hours of face-to-face clinical contact were delivered by IMH clinicians for people with mild-to-moderate mental health needs [2022/23: 12,729].

We have continued to focus on delivering mental health training to Community Corrections and custodial staff through Mental Health 101 workshops specifically designed to equip staff with the skills to identify and respond to someone who may be struggling with their mental health.

In 2023/24, 16 workshops were completed in the community attended by 316 staff. We also continued to deliver MH101 as part of the Corrections Officer Development Pathway for newly hired custodial staff. In 2023/24, 1,004 new custodial staff completed MH101, making the 2023/24 total 1,320 staff who completed during the year. The total number of staff attending the workshops since their launch in May 2021 is 2,022.

### **What we are doing to support people with moderate-to-severe mental health needs**

Our seven Intervention and Support Practice Teams (ISPT) and seven Clinical Nurse Specialist – Mental Health roles (who work in prisons without ISPTs) continued to support people with moderate-to-high mental health needs. These teams were established at locations with the highest need at the time, but the expansion of these functions is being considered in light of the mental health service review. Their work has included risk assessments and providing early intervention in the Intervention and Support Units, mental health screens, brief interventions, therapy, and working with Forensic Mental Health Services to ensure people in our management who have severe and enduring mental health needs receive timely support.

In 2023/24 Intervention and Support Practice Teams and Clinical Nurse Specialists provided mental health input for 5,574 people in prison [2022/23: 5,956].

An additional ISPT is in the early stages of being established at Waikeria Prison, and staff recruitment is underway.

## We are focused on preventing self-harm and suicide in prisons

We are committed to preventing incidents of self-harm and suicide (reported as 'unnatural deaths') in prison. The causes of suicide are complex, and people in prison are a known high-risk group, so we make every effort to ensure people's mental wellbeing and physical safety during their time in custody.

In 2023/24, we made further progress on the actions outlined in our *Suicide Prevention and Postvention Action Plan 2022-2025*. Some of the work we have been doing includes:

- Delivering training for frontline staff on how to recognise and support people experiencing mental distress, or those who may be contemplating suicide or self-harm.
- Offering online training sessions to health and custodial staff on recognising withdrawal and addictions, including withdrawal management training for nurses.
- Working to refurbish residential areas in all prison sites to remove fixtures and furnishings that can be used as ligature points.
- Working to implement recommendations contained within the Office of the Inspectorate's Thematic Report *Suspected Suicide and Self-Harm Threat to Life Incidents in New Zealand Prisons 2016-2021*, which was released publicly on 29 February 2024.

Suicide is the most common cause of unnatural death in prisons. We acknowledge that each and every death by suicide is tragic and has an immeasurable effect on the person's family, whānau and friends, and often on our staff who get to know the people they are supporting.

In 2023/24, there were 13 unnatural deaths in prisons [2022/23: 5], 12 as a result of apparent suicide and one apparent homicide. The unnatural deaths reported for this financial year, includes the death of an individual following an apparent self-harm incident whilst in Police custody. The individual was taken to hospital, where custody was transferred to Corrections, and died shortly thereafter.

In 2023/24, there were 61 incidents of serious self-harm (where they posed a threat to a person's life) in prisons [2022/23: 62].

The table below outlines how Corrections performed against the relevant audited measure used to assess performance in the Prison-based Custodial Services appropriation category.

AUDITED MEASURE	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
Assessment of performance	Actual	Actual	Actual	Actual	Budget (unaudited)	Forecast (unaudited)
Number of unnatural deaths	11	12	5	13	Nil	Nil

The number of deaths in custody attributed to suicide each year can fluctuate. Research, both here in New Zealand and internationally, shows that suicide is a complex and relatively rare event. Caution should be exercised when attempting to infer a particular explanation for an increase or decrease year on year.

All deaths in prison are subject to an internal incident review, investigation by the Inspectorate (see page 51), and are also referred to the Coroner who is responsible for confirming the cause of death.

## Alcohol or other drug disorders<sup>32</sup>

Alcohol and other drug (AOD) misuse and addiction is a common condition for many of the people in the corrections system. One study found that 60% of people on a community-based sentence or order, and 87% of people in prison, have an identified alcohol or other drug disorder.<sup>33</sup>

Substance misuse can impact wellbeing, and contribute to offending. It can also limit success in other offence-focused rehabilitation programmes and wellbeing interventions.

Our Alcohol and Other Drugs strategy 2021-2026 sets out the plan for how we will support better outcomes for people in the community and prison who have problematic use of alcohol and other drugs. The strategy reflects what we have learned about achieving better health outcomes for the people we manage.

Under this strategy, we are contributing to enhanced self-management, healthier lifestyle choices, and protective factors such as participation in Te Ao Māori that will benefit individuals, whānau, and communities. We have completed 83% of the identified actions in this strategy.

Some key components of the strategy are to:

- Prioritise alcohol and other drugs as an important oranga and wellbeing issue and treat it as such in policy and practice, while recognising any connections with offending.
- Take a strategic approach that complements our work in prisons to detect and reduce the supply of and demand for alcohol and other drugs.
- Demonstrate our commitment to partnership under Te Tiriti by sharing design and delivery functions and responsibilities with Māori, and to support and enable communities to look after themselves.
- Restore oranga tāngata, and to deliver equitable health outcomes for Māori, guided by our obligations under Te Tiriti.
- Develop a workforce that uses mātauranga Māori as a normal part of their everyday therapeutic practice.

Fifty eight percent of the providers of prison AOD programmes are now kaupapa Māori providers or partnerships between kaupapa Māori and mainstream providers, an increase from 50% in 2022/23.

A total of 889 [2022/23: 767] people in prison and 257 [2022/23: 242] people in the community started a core alcohol or other drug programme in 2023/24.

All prison-based treatments and interventions have been impacted by staffing challenges over the past year, and some programmes have been operating with reduced numbers. As at 30 June 2024, most are back to full intake numbers.

## Drug Treatment Programmes (DTP)

During 2023/24, nine DTPs were offered in eight prisons, including two at Hawkes Bay Regional Prison.

The programmes are offered in therapeutic residential environments and are delivered by experienced addiction practitioners. Participants develop an understanding of the links between their substance use and their offending, as well as the impact these have on their whānau and the community. With the support of our practitioners, participants develop a plan that helps them manage the risks related to their substance use and offending and supports them to maintain their recovery.

In 2023/24, 522 people started a DTP [2022/23: 592], while 476 people completed the programmes during the same period [2022/23: 543]. The completion rates for six-month and 12-month DTPs were 91% and 78% respectively. The overall completion rates for these programmes was 89% [2022/23: 87%].

The six-month DTP at Otago Corrections Facility ended in 2023, reflecting a change in the population mix from mostly low-medium security to a predominantly high security population, including an increase in remand. In response, a day programme (facilitated onsite in programme rooms) for high security men was run in 2024, along with a brief intervention programme for those in remand (established in 2023).

32. This section includes reporting under section 190(1)(f) of the Corrections Act 2004.

33. Indig D, Gear C, Wilhelm K. (2016) Comorbid substance use disorders and mental health disorders among New Zealand prisoners. New Zealand Department of Corrections, Wellington



## ***AOD Intensive Treatment Programmes***

The Intensive Treatment Programme (ITP) was delivered in five of our prisons. This is an eight-week long intervention that provides participants with the knowledge, attitudes, and skills required to address their substance use. The programme includes a comprehensive assessment and incorporates kaupapa Māori and aftercare components to ensure participants remain supported during and upon completion of the programme.

In 2023/24 276 people started the Alcohol and Drug Intensive Treatment Programme (ITP) [2022/23: 147] while 234 people completed the programme [2022/23: 118] during the same period. The completion rate for the ITP was 84% [2022/23: 84%].

### **We have established a new pathway of care that extends the range and reach of AOD interventions**

We have considered how to meet the AOD needs of a large and complex prison population, ensuring access and choice of services across different security classifications, locations, and demographics. This led to the development of a new way of providing AOD treatment and support (called He Ara Whakapiki), to extend the range and reach of AOD interventions. This does the following:

- Creates more access to education and treatment, including harm reduction and health promotion, comprehensive AOD assessment, treatment, and continuing care (aftercare) to assist with the maintenance of recovery goals post programme, transition back into the community, and ongoing recovery support.
- Provides consistency with effectiveness literature (for reducing recidivism and reducing AOD related harm).
- Acknowledges the need for treatment of varying duration and intensity to best address low, moderate, and high AOD need, and health promotion for those on remand.
- Emphasises substance use as a wellbeing issue, as well as something that impacts reoffending.

As the first steps to implementing these changes we conducted a procurement process during 2023/24, to replace our drug treatment programmes with AOD Services (residential) for moderate to high AOD needs at five sites. These replacement services will begin in the 2024/25 year at Auckland, Waikeria, Whanganui, and Christchurch Men's prisons, and the Hawkes Bay Regional Prison.

In 2024/25, we will continue to implement the pathway of care by replacing our Intensive Treatment Programmes (ITPs) at seven sites with AOD Services (Day Programmes) for those with low AOD needs. We also aim to establish modular AOD brief education sessions in remand at a further five sites.

### **We provided aftercare support to help people stay free from alcohol and other drug misuse**

Aftercare services help people who have already completed an AOD programme in prison or the community to maintain the positive gains they have made in addressing their substance use. The service was introduced in 2016 as an optional service for those who have successfully completed either a drug treatment or intensive treatment programme. It includes group and one-on-one sessions to support participants to maintain the changes they achieved during their treatment and avoid triggers for relapse. This support is available for up to 12 months.

We have 18 full-time equivalent aftercare workers [2022/23: 20] based across 14 prisons [2022/23: 12]. In 2023/24, aftercare workers provided services for more than 530 people in prison and after release.

A new service, Oranga Whānau, has been established in collaboration with kaupapa Māori AOD service providers in provincial and rural locations. This service works alongside local community Corrections sites to improve access to and choice of AOD interventions for those we manage, while supporting the recovery journeys of those who have previously undertaken AOD treatment in prison. The services are located at Kaitaia, Whakatane, Wairoa, Gisborne, East Coast, Hastings, Marton, Nelson, Blenheim, and Invercargill.

## Rehabilitation

### ***With effective rehabilitation programmes, we can help people leave our management with an improved ability to participate in society and live offence-free***

We promote desistance from crime by addressing the rehabilitative needs of people in prison through evidence-based and culturally responsive interventions that, alongside reintegration services, build the foundations for participation in society. The suite of programmes we provide enable people to address their offending, including violence and sexual offending, in a way most appropriate and suited for them, in addition to individual treatment delivered by psychologists.

Research has shown that evidence-based, well-designed, and well-delivered programmes can successfully reduce reoffending. We offer a range of rehabilitation programmes that vary in length from a few days to several months. Some involve working one on one with a psychologist, while others are delivered to small groups by specialist facilitators and psychologists. We have programmes tailored for those aged under 20, programmes for women, and others with a cultural focus that cater to Māori and Pacific peoples.

Our programmes focus on those at greatest risk of reoffending to ensure a maximum impact on community safety, and those factors shown through research to be most strongly related to offending. We do our own research, and we contribute to international studies to ensure what we do remains grounded in evidence.

We continue to provide programmes both individually and in group settings for people at medium to high risk of reoffending. Due to the higher need in the custodial areas, prison programmes were a priority in 2023/24. Although staffing levels impacted our full delivery of rehabilitation programmes over the course of the year, where access was limited, our teams worked with case managers/or prison staff so that other support pathways could be made available.

Other support includes health services, mental health and addiction services, cultural support services, educational opportunities, vocational and employment training, wrap-around whānau support, reintegration services, and transitional accommodation support to people in prison.

Psychologists develop tailored treatment plans to address the offending of individuals which consider their development stage, experiences of trauma, personal functioning, and any other barriers to treatment.

Not everyone who has offended is willing to change. We work to motivate individuals with specific programmes and through everyday interactions with our frontline staff. Some people will need help to quit alcohol or other drugs before they are ready and able to take the next step, which is why we have a strong focus on addressing alcohol and other drug abuse – more on this at pages 93-94.

The table below outlines how Corrections performed against the relevant audited measures used to assess performance in the Reoffending is Reduced appropriation.

AUDITED MEASURES	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
Assessment of performance	Actual	Actual	Actual	Actual	Budget (unaudited)	Forecast (unaudited)
Percentage of rehabilitation programmes completed in prisons	88%	80%	84%	85%	Greater than or equal to 85%	Greater than or equal to 85%
Percentage of rehabilitation programmes completed in the community	68%	58%	69%	68%	Greater than or equal to 65%	Greater than or equal to 65%

People at a high risk of violent or sexual reoffending may be eligible to engage in treatment in one of our Special Treatment Units (STUs). These are separate units that accommodate our most intensive psychologist-led programmes for people with a history of serious violent or sexual offending. People at risk of serious reoffending can also access a range of other programmes targeted at specific offence types or particular groups.

Kaupapa Māori Practitioner roles have also been integrated into the structure of the STUs to allow for more access to cultural support/expertise for people in our management. STUs are the most effective intervention we provide, demonstrating consistent and significant impacts on reoffending rates. In 2023/24, 217 people started a programme in one of six prison-based STUs around the country [2022/23: 200].

Research shows that these programmes contributed to significant self-reported improvements in a wide range of symptoms including anxiety, trauma, and drug dependence/alcohol use.

The Non-Violence Programme for perpetrators of family violence (NVP) is an offence focused programme for people with an identified family violence need in the low-medium risk category. It is delivered by community-based family violence specialist providers. Providers can be flexible in how and what they deliver in accordance with the Code of Practice framework jointly developed by Ministry of Justice and Corrections. This includes group and individual delivery options, and support sessions alongside whanau and other agencies involved.

Tai Aroha is a violence prevention programme. It offers a therapeutic community in Hamilton for men of all cultures and nationalities, providing residents with an intensive therapeutic programme and other positive activities such as team building, educational activities, and work programmes.

Target participants are high-risk male offenders serving community sentences of Home Detention or Intensive Supervision, who have multiple treatment needs related to violent and non-violent offending.

The overall focus is to support participants to gain skills to address their dynamic risk factors, such as emotional dysregulation, relationship difficulties, and violence propensity. They will also develop a comprehensive safety plan prior to graduating. The programme incorporates Tikanga Māori and Kaupapa Māori. Participants are followed up and supported post programme by the team to help ensure a smoother integration back into the community.

Kia Rite is a culturally responsive information and skills training programme designed for wāhine who are new to prison. The programme is designed and delivered by Corrections to help women learn the skills and coping strategies they need during their time in prison. These are skills they can also use when they are in the community. In 2023/24, 143 people completed the programme [2022/23: 49]. The completion rate for Kia Rite was 68% [2022/23: 92%].

Tikanga Māori Motivational Programme (Tikanga Programme) is a culturally responsive programme for people serving sentences with Ara Poutama Aotearoa, both in Prison and in the Community. Tikanga programmes are delivered by externally contracted Providers across the country. The programme aims to motivate participants to change their behaviour and to engage in rehabilitation programmes by supporting them to understand their cultural identity and encouraging them to embody the kaupapa and tikanga of their tipuna. In 2023/24, a total of 1,427 people completed the programme in prison and the community [2022/23: 1,143].

The completion rate for the Tikanga Programme in prison was 87% [2022/23: 91%], and in the community was 81% [2022/23: 87%].



*Case study:*

# ***New Zealand's first therapeutic community for women in prison gets underway in Canterbury***



## **Te Waihora, a new therapeutic 'Community of Change' is underway at Christchurch Women's Prison (CWP) thanks to the hard work of the Canterbury psychological staff, with support from custodial staff**

Te Waihora, a new therapeutic 'Community of Change' is underway at Christchurch Women's Prison (CWP) thanks to the hard work of the Canterbury psychological staff, with support from custodial staff.

At its foundation, the community incorporates te ao Māori values and tikanga, with the support of a kaupapa Māori practitioner, and aims to replicate Special Treatment Unit's (STUs), where individuals reside together in a unit while participating in intensive rehabilitative programmes and are supported by staff to develop prosocial thinking, behaviours, and identities.

Te Waihora is one of two places in the country running the high intensity 30-week Kimihia programme for women, a bicultural rehabilitation treatment programme which weaves together te ao Māori and western approaches to rehabilitative treatment.

Manager Psychological Services Joanna Browne says, "in the unit, women participate in group and/or individual therapy, as well as other activities specifically targeted to help them create healthy, pro-social and crime-free lifestyles upon release".

There is a focus on assisting women to connect with their culture and whakapapa, as well as strengthening links to the community and iwi.

The intention is for the space to emulate as much as possible, the kind of lives the women will lead in the community and will give them opportunities to practice and refine the skills they are learning in treatment before they are released.

Te Waihora officially opened in May 2024, with 26 women residing in the unit by 30 June 2024.

## Education, training and employment

### ***We provide education, training, qualifications, and employment experience that will help set people up for success when they leave our management***

Supporting people in prison with education, training, and employment helps them to return to their communities well-equipped to integrate and thrive. People serving a sentence can receive support in developing a career plan and finding sustainable employment through Employment and Training Consultants who work both within the prison and in the community. Employment and Training Consultants help identify the individuals' education and training needs as part of the career planning process. Their role includes assisting individuals in obtaining the relevant education and training to achieve their career goals.

As at 30 June 2024, there were 7,058 people in prison with a learning pathway plan (58% of the remand population and 85% of the sentenced population), as well as 5,245 people in the community (20% of people on community sentences). In 2022/23, 5,644 learning pathway plans were completed in prison, covering 51% of the remand population and 78% of the sentenced population).

Currently only 30% of people in prison have a qualification at NCEA Level 1 or above so we are focusing on strengthening foundation and vocational qualifications. We support people in prison to gain an NCEA qualification through distance learning with Te Aho o Te Kura Pounamu, or to gain a Level 1 or Level 2 Foundation Skills qualification through our partnerships with a range of tertiary education providers. Learners who meet eligibility criteria are supported to enrol in higher level certificate, diploma, or degree courses.

To further support people's employment prospects, we offer a range of vocational training through industry qualification training, and short course certificates and licensing.

Our intensive literacy and numeracy support service is available for people in prison with emerging literacy and numeracy needs (as identified through the Literacy and Numeracy Assessment Tool for Adults (LNAAT)). We provide a culturally responsive curriculum delivered by contracted tutors who are both qualified in embedding literacy and numeracy with adult learners, but who also hold qualifications in te reo and/or tikanga. Currently, about 10% of the prison population requires intensive literacy and numeracy support.

In 2023/24, 407 people participated in an intensive literacy and numeracy programme in prison [2022/23: 648]. The reduction in the number of participants in an intensive literacy and numeracy programme in 2023/24 can largely be attributed to a change in the programme's eligibility criteria. From 1 July 2023, individuals identified as step 1 and step 2 of the LNAAT are considered as having a critical need and are therefore eligible to participate in an intensive literacy and numeracy programme. Previously, individuals identified as step 3 of the LNAAT were also eligible. For individuals placed on step 3 of the LNAAT, we have introduced a self-directed literacy and numeracy workbook to further support strengthening of their skills.

In 2023/24, 65% of programme participants that were assessed, had achieved a statistically significant increase in their reading or numeracy score [2022/23: 72%].

At the beginning of October 2023, the basis and timing of assessments was changed. This has had an effect on the statistically significant gain rate compared to previous years. Since October 2023, participants are no longer assessed after 25 hours of learning as standard, instead they are being assessed once it appears they are ready, based on classroom observations and informal assessments. The basis for assessments has been adjusted to reflect the skill level of participants based on changes to the programme's eligibility criteria.

The table on the following page outlines how Corrections performed against the relevant audited measures used to assess performance in the Reoffending is Reduced appropriation.

AUDITED MEASURES	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
Assessment of performance	Actual	Actual	Actual	Actual	Budget (unaudited)	Forecast (unaudited)
Percentage of prisoners who demonstrate statistically significant gains through an intensive literacy and numeracy programme	70%	72%	72%	65%	Greater than or equal to 35% <sup>34</sup>	Greater than or equal to 35%
Percentage of target hours prisoners are engaged in industry, treatment and learning activities <sup>35</sup>	86%	48%	74%	Removed from 2023/24	Removed from 2023/24	Removed from 2023/24

## People can receive industry qualifications and gain employment opportunities while in the corrections system

We promote desistance from crime by addressing We have more than 330 industry instructors who provide industry training for those working in prison industries, and we partner with a variety of education providers who accredit our industry training qualifications. This enables people working in our prison industries to gain vocational training and employment experience that supports both self-determination and employment prospects on release back into the community.

The industry qualifications on offer range from building and construction, to manufacturing and engineering, horticulture, farming, and hospitality. Vocational short courses include first aid, health and safety, scaffolding, and forklift operation.

We also operate a Release to Work programme that allows people classified as minimum security, and assessed as suitable, to engage in paid employment in the community.

Our This Way for Work employment service helps people with an offending history find and maintain employment, alongside supporting the employers who hire them. In 2023/24, 619 people [2022/23: 948] were placed into employment.

Placing people into long term sustainable employment has declined in 2023/24 due to several contributing factors. The economic situation has led to fewer employers hiring staff and the increasing unemployment rate has meant fewer roles available for those in our management. There has also been an increase in the number of higher risk/complex needs prisoners being referred to the This Way for Work employment service, which requires a lot more time and effort to get them to a point where they are work ready.

Since the inception of the service in November 2016, the programme has worked with more than 2,900 small, medium, and large businesses, and has placed more than 8,000 people into employment.

We continued to ensure staff have what they need to deliver employment outcomes to people with an offending history. In 2023/24, we continued to monitor and maintain the employment strategy to ensure service delivery continues to meet the needs of our jobseekers. We continued to engage at a local and regional level with industry groups, training providers, and employers to educate and source opportunities for our jobseekers.

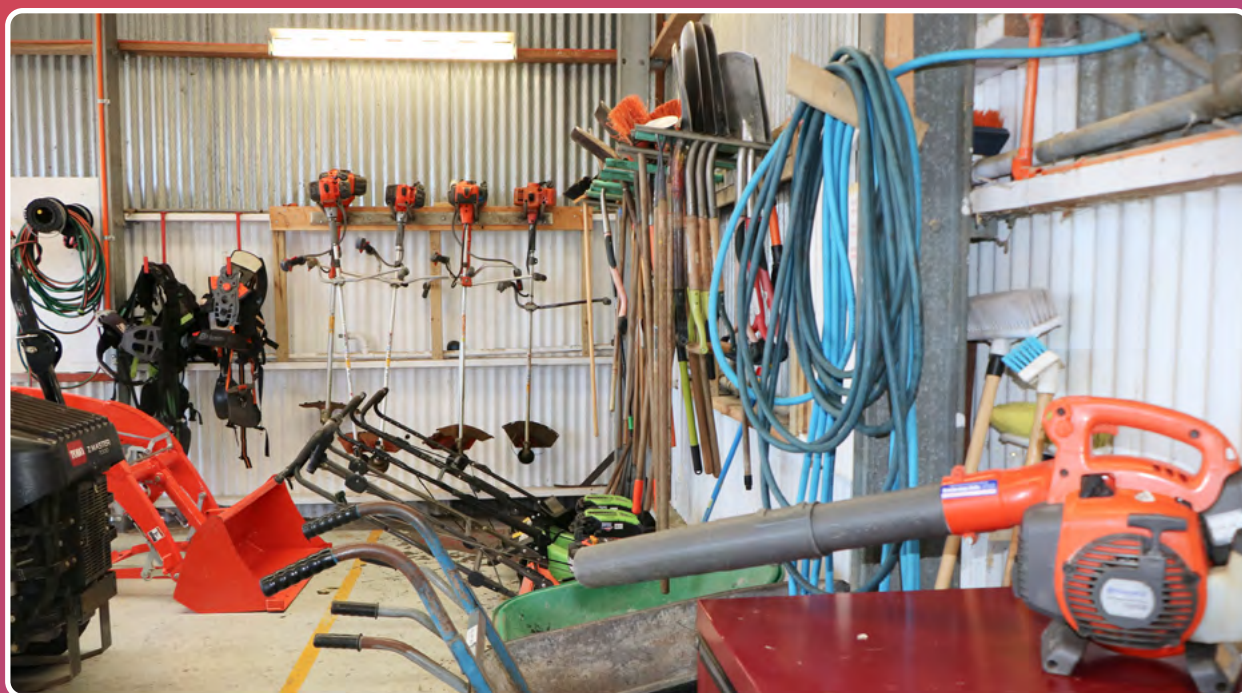
34. The Budget of 35% reflects the contracted performance standard agreed between the Department of Corrections and Te Wānanga o Aotearoa for the delivery of the Te Ara Hihiri Literacy and Numeracy Programme.

35. The decision to remove this performance measure is reflective of a qualitative shift in our intervention focus – ensuring people in our management receive the right services, at the right time, that address their needs and therefore contribute to the achievement of our Reoffending is Reduced outcome. Other performance measures in this appropriation, such as the percentage of rehabilitation programmes completed, and the percentage of prisoners who demonstrate statistically significant gains through an intensive literacy and numeracy programme, are better indicators of the impact of our services. For prior year comparative purposes, engagement attributed to unit employment and self-directed learning activities was restricted to predefined limits to encourage participation in more structured interventions (unit employment hours were capped at five hours per day, self-directed learning at three hours per day). These limits were applied by Corrections to acknowledge the difficulty in corroborating unit activities.



*Case study:*

# ***Auckland Prison opens new doors to potential job opportunities***



**Auckland Prison recently celebrated its first New Zealand Certificate in Infrastructure Works Level 2 graduation ceremony, opening the door to potential job opportunities for graduates**

The programme is an introduction to working on an infrastructure worksite and runs for 16 weeks, comprising six theoretical and five practical unit standards.

“Topics covered include whakawhanuanga [relating well to others], communication, workplace health and safety, and using some basic tools and equipment. With this certificate, people can gain a foot in beginner roles in the site maintenance and construction industries,” says Manager Industries Alan Dobbie.

The programme at Auckland Prison is gaining momentum and going from strength to strength. At the end of June 2024 four courses had been completed with 29 participants graduating.

## Reintegration

### *It is important that people can maintain positive changes when transitioning back into the community*

We have a wide range of reintegration services to help people maintain positive changes in their lives and break the cycle of reoffending. These include navigation services, supported accommodation, employment services, and longer-term intensive residential services involving wrap-around support.

Our Out of Gate reintegration service is delivered by externally contracted providers who support people on short sentences and remand to reintegrate back into the community. The service works towards addressing a person's reintegrative needs identified in their reintegration plan. It is based on six pillars of reintegration:

- Employment
- Accommodation
- Education and training
- Oranga/health and wellbeing
- Skills for life
- Whānau and community support.

In 2023/24, there were 2,660 starts for our Out of Gate reintegration service [2022/23: 2,266]. This service accounts for over half of all reintegration service starts for the year and has contributed to the favourable variance to budget and prior year.

The table below outlines how Corrections performed against the relevant audited measure used to assess performance in the Reoffending is Reduced appropriation.

AUDITED MEASURE	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
Assessment of performance	Actual	Actual	Actual	Actual	Budget (unaudited)	Forecast (unaudited)
Number of referrals made to reintegration services that resulted in a start	4,398	2,943	3,670	4,744	Greater than or equal to 4,000	Greater than or equal to 4,000

## Helping people who have served longer sentences to transition back into their community

People serving prison sentences of more than two years require dedicated support to carefully manage their transition back into the community. This can involve pre-release planning with case managers, probation officers, and external partners. It can also include placement in internal or external self-care units to provide people with an intermediate step between prison and life in the community.

The self-care environment teaches people independent living skills by enabling them to take control of their day-to-day needs. People serving a long prison sentence who are nearing their release date can also apply to leave prison for short periods to access guided reintegration activities.

Through our guided reintegration, we supported people in prison to access reintegration activities that help their safe transition into the community. These activities include participating in pre-release meetings with probation officers, organising bank accounts, registering with a local doctor, visiting potential accommodation providers, and meeting with future employers. Every person is strictly vetted prior to undertaking guided reintegration activities and equipped with an electronic monitoring anklet.

## Our Housing Support Service has helped establish more housing and community-based reintegration pathways for people being released from prison

Not every person we manage requires accommodation and support services, but where this is needed, we help people find a place to live so they can better reintegrate back into the community. We have approximately 430 supported accommodation beds across the country.

Our Housing Support Service (HSS) was a six-year programme to deliver new services, often in partnership with iwi, to increase the amount of safe and suitable housing options for the broad range of people in our management.

Under our programme of housing development, a 15-bed service opened in Te Puke in November 2023. This is run by Manaaki Support Services and offers wrap-around support as well as a tikanga programme. A Community Liaison Group continues to operate, connecting local people into the service.

A further service was established in April 2024, Hāpai Ō, which opened in Glenfield, Auckland. This 8-bed service was developed by Te Hā Oranga, an experienced service provider operating under Te Rūnanga o Ngāti Whātua. Split across two neighboring properties, one house is dedicated to men aged 24 and under whilst the other is for those aged 25 and upwards.

*Case study:*

# ***Iwi-led reintegration service making a difference***



## **June 2024 marked the two-year anniversary of Te Whare Whakaruruhau o Raumanuka, the iwi-led supported accommodation service in Lower Hutt**

The 26-bed service was one of the first initiatives to be established following the Tākai Here Agreement - a partnership agreement between Te Rūnanga o Ngāti Toa Rangatira, Te Rūnanganui o Te Āti Awa and Corrections.

Since its opening, the service has supported 21 men and offers a safe space to allow individuals to continue their journey of rehabilitation and reintegration. The staff say they've seen people go through some incredible change during their time at the service.

The service has also strengthened its relationships with the community, with the men helping neighbours with tasks such as gardening and moving furniture. Staff say the work they do is not just for the men residing there, instead what they learn, they take back to their whanau and continue to build on.





***Partnering for  
equitable outcomes***

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## Our relationships, partnerships, and volunteers are crucial in helping us provide rehabilitation and reintegration support

We work closely in a range of areas with community groups, councils, other government agencies, and non-profit organisations.

The top five volunteer activities that have been delivered are:

- religious and spiritual services
- cultural services
- literacy services
- arts and crafts
- recreational activities.

## Partnerships with Māori enable us to deliver interventions developed by Māori, and made specifically for Māori

Developing, improving, and strengthening relationships with Māori is an important part of *Hōkai Rangi*.

Corrections holds 19 partnership agreements and has 343 crown commitments to iwi through 21 Deeds of Settlement (Waitangi Tribunal). We have nine mana whenua partnership agreements with nine different prison sites, one mana whenua partnership agreement with eight iwi across three community sites, three 'all of sector' Social Accord partnership agreements, two Justice sector Relationship agreements, three regional cross sector collective partnership agreements, and one kaupapa specific relationship agreement.

Current projects include the drafting of two new kaupapa specific partnership agreements, three Deeds of Settlement Justice Sector relationship agreements and the development of a replacement mana whenua partnership agreement at one of our prison sites. One of the kaupapa specific partnership agreements is likely to lead to a commercial arrangement with the Iwi Entity that aligns to one of the social accords.

Tēnei Au, Tēnei Au is a codesigned Māori trauma informed approach that aims to address intergenerational trauma through exploring cultural norms and Kahungunutanga. It was developed in partnership with Ngāti Kahungunu Iwi Inc and is delivered by an iwi provider. It is delivered in the high security at Hawke's Bay Regional Prison.

## We are reporting our Treaty settlement commitments under new requirements

He Korowai Whakamana, a Cabinet agreed framework, enhances the Crown's accountability for its Treaty settlement commitments, and requires core Crown agencies to record and track the status of their settlement commitments and report annually on this. The Office for Māori Crown Relations – Te Arawhiti is the lead agency and is responsible for tracking the Crown's overall progress delivering on Treaty settlement commitments.

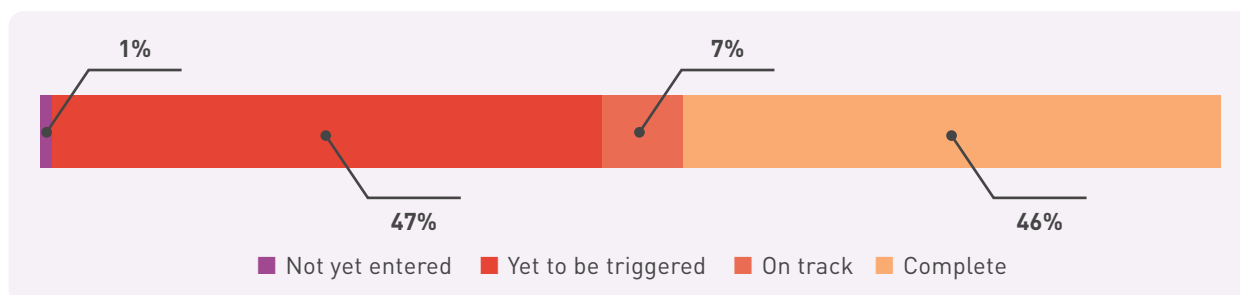
Commencing in 2023, core Crown agencies use Te Haeata – the Settlement Portal to record whether each of their commitments is complete, on track, yet to be triggered, or has delivery issues.

He Korowai Whakamana requires Corrections to report on the status of our settlement commitments from financial year 2023/24, using the portal to aggregate our commitments into the required disclosure format below.

## The status of Te Arawhiti Treaty settlement commitments

We are responsible for implementing a variety of settlement commitments on behalf of the Crown, including commitments relating to cultural and relationship redress and properties, which form part of commercial redress.

As at 30 June 2024, Corrections was responsible for 414 Treaty settlement commitments, and the status of these commitments is summarised below.



Most of the commitments we are responsible for have been completed (46%) or are yet to be triggered (47%). Corrections is one of the Crown's largest landholding agencies, and as such the Right of First Refusal (RFR) over departmental properties is denoted as 'yet to be triggered' and forms a large component of the overall total commitments.

Of the 18 cultural commitments, nine have been completed, six are on-track, and three are yet to be assigned.





# ***Part C***





## ***Infrastructure and environment***



***We have been developing plans to ensure there is capacity in our network for a growing prison population, with different management needs***

We have a responsibility to develop and deliver a safe, secure, fit-for-purpose prison network. Our network also needs to meet the needs of a rising prison population that is dynamic and complex, with different management needs (particularly for the growing remand population). We are developing new capacity and upgrading older capacity to meet emerging pressures and ensure resilience across the prison network. Longer-term plans are also being developed to ensure we can continue to meet future capacity requirements across the whole prison network. This will ensure suitable accommodation where there is need and provide resilience for changes in the number and makeup of people we manage.

These plans include refurbishing old and unused accommodation units, provide additional capacity to meet any surge in demand, as well as longer-term plans to provide new capacity over time, such as the Waikeria Prison development programme.

***Our collection of assets ranges in condition from excellent to approaching end-of-life***

We own \$5.2 billion of non-current assets. This includes prisons and Community Corrections sites, along with site-supporting infrastructure, such as waters assets, electronic security, and fleet assets.

Our assets are managed to meet our legislative obligations and requirements of the Cabinet Office Circular CO (23) 9<sup>36</sup> *Investment Management and Asset Performance in Departments and Other Entities*. Please refer to this link: <https://www.dpmc.govt.nz/publications/co-23-9-investment-management-and-asset-performance-departments-and-other-entities>

We apply the CO (23) 9 asset management principles in our Corporate Asset Management Policy, and follow the Āpōpō Guide, which incorporates best asset management practice, aligns with international standards, and is bespoke to New Zealand. Please refer to this link: <https://apopo.co.nz/apopo-guide/>

Please see Appendix five for our property assessment criteria.

The recent condition assessment of our water infrastructure has been completed, and scoping and design is in place for priority sites to enable the provision of safe, reliable, and compliant waters services.

36. Previously CO (19) 6.

Community Corrections buildings we own continue to meet our asset condition performance budget standards.

However, the condition of our prisons building assets remain below budget standards overall. Continued investment through immediate and longer-term initiatives is required to address the deteriorating condition of ageing elements of our prison estate.

The table below outlines how Corrections performed against the relevant audited measures used to assess performance in the Department of Corrections Capital Expenditure appropriation.

AUDITED MEASURES	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
Assessment of performance	Actual	Actual	Actual	Actual	Budget (unaudited)	Forecast (unaudited)
Percentage of prison buildings with an excellent/ good condition <sup>37</sup>		80%	80% <sup>38</sup>	81%	Greater than or equal to 85%	Greater than or equal to 85%
Percentage of prison buildings with a poor/ very poor condition <sup>37</sup>		9%	9% <sup>38</sup>	8%	Less than or equal to 4%	Less than or equal to 4%
Percentage of community corrections buildings with an excellent/ good condition <sup>39</sup>		92%	92% <sup>38</sup>	92%	Greater than or equal to 85%	Greater than or equal to 85%
Percentage of community corrections buildings with a poor/very poor condition <sup>39</sup>		3%	3% <sup>38</sup>	2%	Less than or equal to 4%	Less than or equal to 4%
Number of new Community Corrections sites and existing site refurbishments completed	2	4	1	Removed from 2023/24 <sup>40</sup>	Removed from 2023/24	Removed from 2023/24
Prison Capacity Programme – permanent beds added	557	488	Nil	Removed from 2023/24 <sup>40</sup>	Removed from 2023/24	Removed from 2023/24

37. Old Mt Eden Heritage Building and any uncompleted new builds (for example, Waikeria Prison new facility) are not included in this measure.

38. These were new Statement of Performance measures for 2022/23. Corrections reports against these measures in accordance with the expectations as set out in the Cabinet Office Circular CO (23) 9. Condition ratings are based on cost of asset replacement, which provides a reasonable insight to the level of investment required to improve condition. The measure wording for 2024/25 has been updated to better represent the associated calculation and will read 'asset values' instead of 'buildings'.

39. These measures account for our 33 owned community sites, as the remainder are leased.

40. These performance measures have been removed from 2023/24 reflecting a change in the Departments' focus to continue improving the quality of its existing asset footprint and modernising prison infrastructure to support the safety and wellbeing of Corrections' staff and people in prison.

## Asset measures

The table below outlines how Corrections performed against our other unaudited asset performance measures in accordance with Cabinet Office Circular CO 23 (9) requirements.

Corrections consistently meets the utilisation target but does not meet either functionality target, as the number of reactive calls per prisoner has increased, as well as the number of those calls that affect normal operations.

There is a slight improvement in the number of calls affecting operations compared to 2023, due to investment in more resilient asset components, combined with a proactive maintenance approach.

Assessment of performance	Indicator	2021/22 Actual	2022/23 Actual	2023/24 Actual	2023/24 Target	2024/25 Target
Percentage of prison service capacity available at 30 June	Utilisation	99%	99%	99%	99%	99%
Number of reactive calls as a rate per prisoner <sup>41</sup>	Functionality	4.99	4.80	4.93	≤4.4	≤4.4
Number of reactive calls affecting normal operations, as a rate per prisoner <sup>41</sup>	Functionality	2.09	1.76	1.66	≤1.08	≤1.08

Under the new CO (23) 9 requirements, at a minimum we are required to measure asset performance in terms of asset:

- Utilisation
- Condition
- Fitness for purpose/functionality.

We are currently developing and collecting data for additional utilisation metrics, to better support this requirement in future.

## Waters infrastructure assets

The table below outlines how Corrections performed against the relevant audited measure used to assess performance in the Transfer of Three Waters Assets appropriation.

AUDITED MEASURE	2022/23 Actual	2023/24 Actual
Performance will be assessed by the execution of the agreement relating to the transfer of Three Waters Assets at Auckland Prison to Watercare Services Limited.	<p>The agreement has not yet been executed due to ongoing delays impacted by resourcing constraints.</p> <p>An in-principle expense transfer has been pre-approved to transfer funding to 2024.</p>	<p>Execution of the agreement has been further delayed due to ongoing variations to terms, and resourcing constraints. A Heads of Agreement with Watercare Services Limited is however in its final stages, and is currently being reviewed by Corrections internal legal team.</p> <p>An in-principle expense transfer has been pre-approved to transfer funding to 2024/25.</p>

41. This measure relates only to calls made to our main AM/ FM contracted provider (15 out of 18 prison sites). Reactive calls require unscheduled maintenance works and excludes intentional damage incidents.



## ***Work continues on the Waikeria Prison Development Programme***

Construction of the Waikeria Prison facility is scheduled for completion and due to be operational in 2025. This includes a period of time that will be spent preparing staff to work in this new environment. Recruitment and training of new staff is going well, and the facility is still expected to be fully operational by late 2025.

This development includes Hikitia, a dedicated mental health and addiction service which will operate out of Te Wai o Pure, a 96 bed (plus four dry cells) mental health and addiction unit within Waikeria Prison. Non-residential mental health and addiction services will also be delivered at Spring Hill Corrections Facility and Tongariro Prison.

Te Wai o Pure will be the first facility of its kind in New Zealand. It represents a significant investment in strengthening mental health services to meet the significant need we are seeing. In turn, this can improve rehabilitation and reintegration outcomes for people in prison.

In May 2024, the Government announced a further expansion to provide additional capacity for up to 810 prisoners.

## ***Digital assets are used to support our staff to manage people in the corrections system***

Digital tools have become an essential way to support our staff to manage people in prison or community settings across the country.

We completed modernisation of our network infrastructure starting at Hawke's Bay Regional Prison, Christchurch Women's Prison, Waikeria Prison Low Security, and Northland Region Corrections Facility, providing diverse connectivity and wi-fi at those sites. Information Technology Operations contracts changed from a single to multiple providers, delivering improved services, better solution flexibility and cost savings.

Our work in cyber security and information management is focussed on growing information and security capability, including forensic analysis to identify possible device misuse, capability to identify rogue networks, and system improvements for our patient records management.

Full body imaging technology is now in place at Christchurch Women's Prison, Rimutaka Prison, Spring Hill Corrections Facility, Mt Eden Corrections Facility, and Auckland Region Women's Corrections Facility. Full body imaging provides a more dignified and safe experience, improving the wellbeing of staff and those we manage. Plans are in place for introducing this technology in the remaining prisons over the next 24 months (dependent on building regulations and capacity).

A portable prisoner payphone pilot was completed at Auckland Prison. This provided a secure phone for use in cells with the same controls as existing wall-mounted phones. The aim was to connect men with whānau, with a possible benefit being the reduction in violence and aggression. The pilot had a positive impact: by increasing phone access, decreasing call-related staff movements, and reducing tensions, it therefore reduced risk of violence, aggression and tension in the yard. We will be implementing five of these phones permanently at Auckland Prison by the end of 2024.

Work is underway for a new Parole Board Hearing System that will transform how hearings are managed and contribute to a more efficient and effective system, using modern and fit-for-purpose tools.

*Case study:*

# ***Small changes making a big difference at Otago Corrections Facility***



## **Our Asset Management recently developed dedicated health triage rooms in the High Security and Intervention and Support units at Otago Corrections Facility (OCF)**

The team worked closely with the onsite health team to plan and design the fit for purpose spaces, which provide “a therapeutic, functional, and safe place” says Health Centre Manager Tracey Smart.

As a result of the work completed, members of the health team can now see more patients. People residing in the units will be seen and have their health needs met in their unit, instead of having to be escorted to the other end of the prison for appointments.

This is increasing our efficiency and freeing up frontline staff to support other operations within the site.

The project also included upgrades to security features and amenities within the interview room in ISU to enable contact and non-contact interviews to occur and strengthened cell fittings and removed ligature risks to improve safety. In addition, telephone and kiosk enclosures were installed to create more privacy for prisoners to communicate with their whānau.

The table below outlines how Corrections performed against our other unaudited performance measures in accordance with Cabinet Office Circular CO (23) 9.

Assessment of Performance	Indicator	2021/22 <sup>42</sup>	2022/23 <sup>42</sup>	2023/24	2023/24	2024/25
		Actual	Actual	Actual	Target	Target
Percentage of time our core systems are available	Availability	100%	99.99%	99.92%	>99.5%	>99.5%
Percentage of our ICT assets with a condition rating of poor	Condition	16%	16%	18%	<20%	<20%
Number of online Kiosks available within the prison environment for offender self-service	Utilisation	287	272	249 <sup>42</sup>	>300	>300
Percentage of Community Corrections staff accessing information through mobile technology	Utilisation	100%	100%	100%	>90%	>90%
Percentage of our storage that is available/hosted within a Public Cloud	Functionality	33%	100%	55%	>35%	>35%

42. Figures for 2021/22 and 2022/23 have been restated to reflect a clearer data collection methodology.



## Our commitment to environmental sustainability

### We have launched several initiatives including a fleet decarbonisation plan to transition our fleet of motorised vehicles to 28% fully electric vehicles by June 2026, and low-emission boiler feasibility studies across the network

Around a quarter of Corrections' greenhouse gas emissions come from gas, diesel, and coal boilers which provide space and hot water heating.

As a participant of the Carbon Neutral Government Programme (CNGP) we are required to:

- measure, verify, and report our emissions annually;
- set gross emissions reduction targets and longer-term reduction plans;
- introduce a plan to reduce our organisations' emissions;
- offset remaining gross emissions from 2025 to achieve carbon neutrality.<sup>43</sup>

### Measuring and reporting our emissions

Corrections' operational emissions include those generated by the prison network, national and regional offices and community sites, and our industries that provide rehabilitation and training opportunities toward employment post-release. Since 2020/21, our total emissions have been measured and externally verified by Toitū Envirocare in accordance with ISO 14064-1.

Our 2020/21 base year emissions totalled 63,399 metric tonnes of carbon dioxide equivalent units (tCO<sub>2</sub>-e).

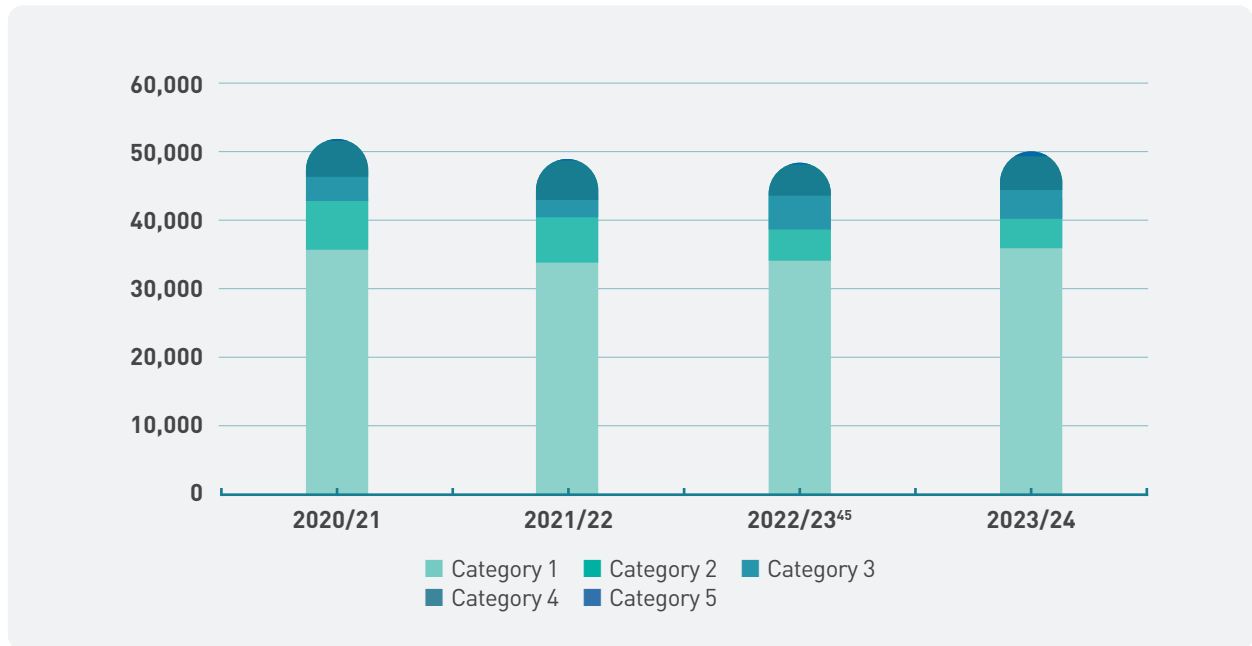
In 2023/24 our emissions totalled 65,009 tCO<sub>2</sub>-e. Stationary combustion, agriculture, and food remain our largest emission sources. There has been a 4% decrease in emissions that are subject to reduction targets compared to our base year primarily due to a change in the Ministry for the Environment – Manatū Mō Te Taiao's electricity emission factor. Partially offsetting this, there has been an increase in air travel and staff accommodation compared to the base year.

Corrections' emissions that are subject to reduction targets are displayed in Figure 12. Emissions from purchased food, beverages, and personal care items have been excluded from these targets despite their significance. Their calculation, based on spend-based factors,<sup>44</sup> poses unique challenges in targeting reductions while ensuring essential provisions for a growing prison population.

43. A carbon neutrality date for the CNGP is under review and has not been confirmed as at 30 June 2024.







44. Motu emission factors ([https://motu-www.motu.org.nz/wpapers/14\\_05.pdf](https://motu-www.motu.org.nz/wpapers/14_05.pdf)) – not adjusted for inflation.

Figure 12: Emissions subject to reduction targets by year



45. All emissions from third-party owned livestock have been recategorized as Category 5 in-line with CNGP guidance.

## Total emissions by category

	Description	Emission Sources	2020/21 tCO <sub>2</sub> -e	2023/24 tCO <sub>2</sub> -e
Category 1 	Direct emissions	<b>Fuel</b> (stationary combustion, transport fuel, biofuel and biomass (methane and nitrous oxide only)) <b>Fugitive and other gases</b> <b>Agriculture</b> (enteric fermentation, manure management, agriculture soils, fertiliser use)	35,871	35,916
Category 2 	Indirect emissions from imported energy	<b>Purchased electricity</b>	7,143	4,459
Category 3 	Indirect emissions from transportation	<b>Travel</b> (land and air travel, accommodation) <b>Distribution of goods</b> (freight and couriers)	3,422	4,156
Category 4 	Indirect emissions from products and services used by the organisation	Working from home, purchased goods, electric vehicle charge, transmission and distribution losses, water supply and wastewater, waste to landfill	5,181	4,649
Category 5 <sup>46</sup> 	Indirect emissions from other sources	Agriculture (enteric fermentation, manure management, agricultural soils) <sup>47</sup>	274	832
<b>Emissions that are subject to reduction targets</b>			<b>51,891</b>	<b>50,012</b>
% reduction from 2020/21 base year			-	<b>(4%)</b>
Category 4 	Indirect emissions from products and services used by the organisation	Food and beverages, personal care products	11,508	14,997
<b>Emissions that are not subject to reduction targets</b>			<b>11,508</b>	<b>14,997</b>
<b>Total emissions (tCO<sub>2</sub>-e)</b>			<b>63,399</b>	<b>65,009</b>

46. All emissions from third-party owned livestock have been re-categorized as Category 5 in-line with CNGP guidance.

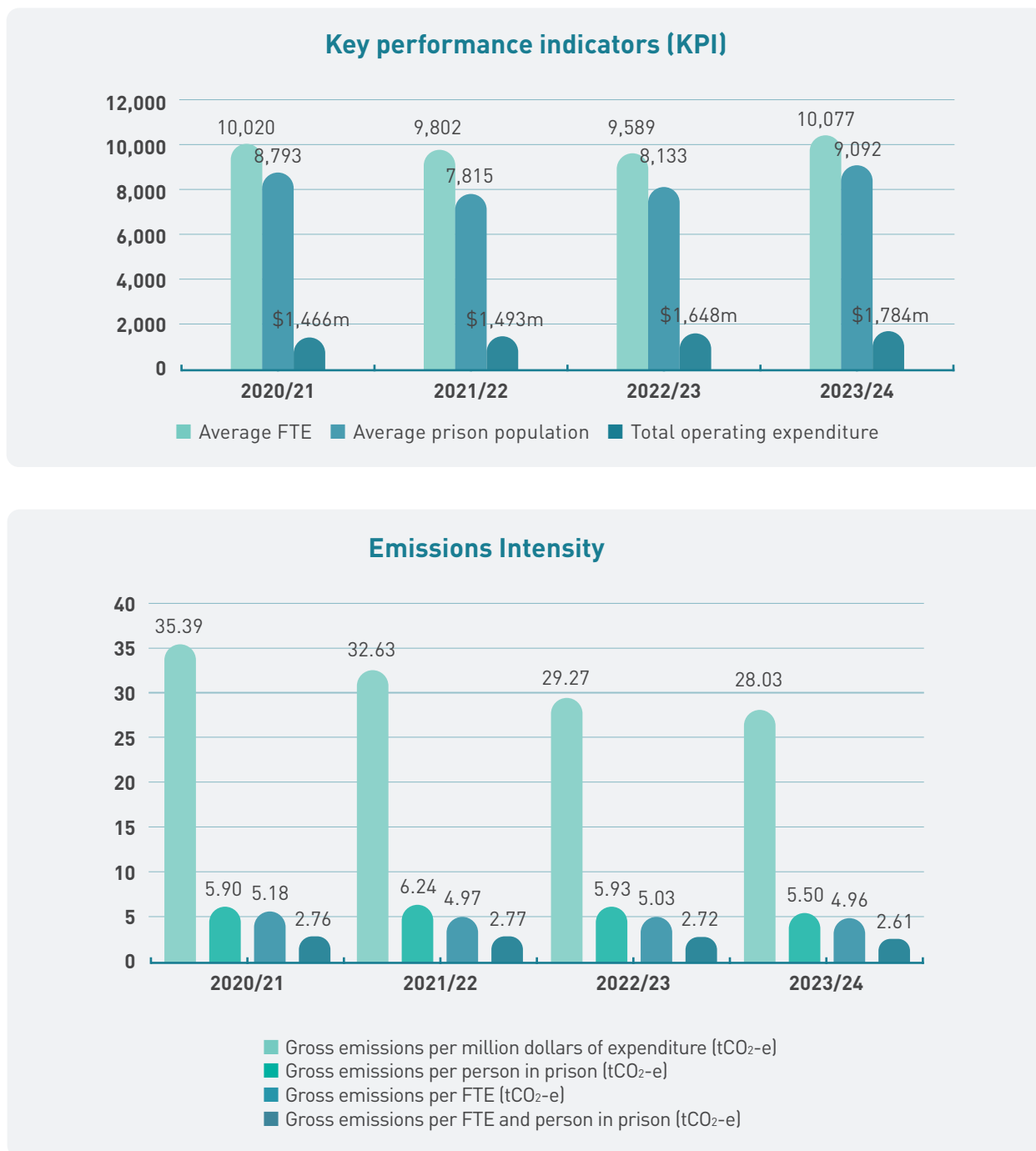
47. Livestock owned by third parties grazing on Corrections-owned land.



### Emissions intensity

While emissions per full time equivalent (FTE) is a frequent measure for organisations to use, it does not account for the people being managed within our prisons and in the community. Therefore, we have included the prison population to more accurately reflect the context in which we operate.

**Figure 13: Emissions intensity by average FTE, average prison population and total operating expenditure<sup>48</sup>**



48. Total operating expenditure excluding capital charge and depreciation and amortisation.

## We have set emission reduction targets

Corrections has adopted emission reduction targets from our base year of 21% by 2025 and 42% by 2030, as recommended by the Ministry for the Environment – Manatū Mō Te Taiao, in line with the Science Based Targets Initiative.<sup>49</sup> However, funding constraints and trade-offs with front-line initiatives have delayed our emission reduction progress. As a result, Corrections is unlikely to meet the 2025 target, and uncertain about meeting the 2030 target.

## We are laying the groundwork for future emission reductions

Corrections is working on several initiatives to reduce our emissions.

Highlights of the progress we have made this year include:

- Completed low-emission boiler transition feasibility studies at 13 prisons.
- Continued our fleet electrification programme
- Integrated 1,168 fleet assets with GPS devices into the Smart Vehicle Fleet System to enable right-sizing of our fleet.
- Transitioned eight plantrooms from gas to electric across two sites.
- Completed investigations into heat recovery from wastewater at two prison sites to assess energy savings.
- Released Mahi Kaitiakitanga, Corrections' first environmental sustainability policy for formal consultation.
- Continued to partner with Waste Management to divert waste.

## As part of our commitment to making a positive impact we:



Replaced **297** fossil cars with fully electric vehicles and installed **315** EV chargers across the network since 2021.



We tracked **314,016 hours** from **4,684** individuals from both prison and community work on projects including manufacturing traps, nursery planting, track maintenance, recycling/repurposing, and weed control.



Provided **150,713** plants as well as five tonnes of fresh produce to the community from Northland Regional Corrections Facility.



Fenced **1.5 kms** of water races at Christchurch Men's Prison.



Diverted **497** tonnes of waste in partnership with Waste Management NZ.



Installed solar panels on **40** self-care units across six sites since 2022, and additionally on a staffing block at Hawke's Bay Regional Prison, and a management unit at Christchurch Women's Prison.

49. <https://sciencebasedtargets.org/resources/legacy/2019/04/foundations-of-SBT-setting.pdf>

## **Fleet**

Corrections' fleet includes more than 1,900 vehicles, ranging from light commercial vehicles and prisoner escort vehicles to trucks and various industrial and agricultural mobile plant assets and towable equipment.

In November 2021, Corrections launched the Fleet Decarbonisation Optimisation and Transition Plan, aiming to achieve a zero-carbon fleet by 2030, depending on the availability of suitable zero-carbon options and funding. This year, we replaced 133 fossil fuelled vehicles with fully electric vehicles and installed 124 EV charging stations across our network. Currently, our light commercial fleet consists of 297 fully electric vehicles (BEVs), nine plug-in hybrid electric vehicles (PHEVs), and 111 petrol hybrid vehicles across 80 sites supported by 315 chargers.

This year, we focused on improving fleet utilisation and efficiency through the Smart Vehicle System introduced last year. This dynamic digital fleet asset management platform consolidates fleet-related information from multiple sources into a single, accessible interface, enabling effective decision-making. To date, we have successfully integrated 1,168 fleet assets with GPS devices into the system. Additionally, we implemented a universal pool car booking system to optimise fleet size. This technology will help Corrections meet its statutory responsibilities and obligations by ensuring the fleet remains safe, reliable, and compliant.

## **Waste minimisation**

Corrections is leading the Collaborative Waste Minimisation Procurement Project, which aims to replace the current Waste Management NZ contract. Initiated last year, this project integrates both commercial and sustainability perspectives and involves more than 40 government agencies, including new participants such as the Ministry of Social Development – Te Manatū Whakahiato Ora and the New Zealand Police – Ngā Pirihimana o Aotearoa. The project's goal is to enhance sustainable waste practices across the government sector.

Currently under development, phase one of this two part project targets completion of by June 1, 2025, to ensure uninterrupted waste management services. A key focus is creating an open supplier panel that prioritises sustainability. We encourage suppliers, particularly small and medium-sized enterprises and non-profit organisations, to showcase their sustainability strategies and the positive impacts they are having on their employees, stakeholders and communities. This initiative seeks to significantly reduce landfill waste, increase recycling and re-use, cut carbon emissions, optimise supplier value, and promote the circular economy and behavioural change.

Corrections, alongside other member agencies, generates a diverse range of waste, including technical, medical, compostable, recyclable, and general waste, all of which this initiative aims to manage more effectively. As active members of the WasteMINZ Recycling & Resource Recovery Sector Group steering committee, Corrections is committed to driving environmental improvements and fostering a culture of sustainability.

*Case study:*

# ***We're recycling to help Kiwis stay warm***



**People on community work sentences at seven Community Corrections sites, as well as men at Auckland Prison, are working in partnership with the Chip Packet Project NZ (CPPNZ), a volunteer-led charitable organisation, to make thermal blankets from recycled chip packets**

The survival blankets as they have become known are distributed through social service agencies to New Zealanders struggling to stay warm, whether they are sleeping rough, in garages, or in their cars.

The Community Corrections sites involved in the partnership, along with Auckland Prison, are Panmure, New Lynn, Māngere, Ōtara, Whangārei, Christchurch and Blenheim.

Over the past year, these sites have produced altogether 172 blankets – over one-third of the total of 500 blankets the CPPNZ has distributed across New Zealand in the past financial year. The number of blankets made at the Corrections sites equates to more than 4,300 pieces of foil saved from landfill, which would otherwise take 80 years each to decompose.

The initiative not only reduces waste by recycling chip packets, but it also fosters collaboration with external community groups that collect chip packets and help distribute the blankets.



## ***Sustainability Policy and Design Standards***

We are also making significant progress on a comprehensive set of Design Standards, which include Guidelines for Energy Efficiency, Sustainability and Building Management Systems. These guidelines will offer clear methodologies to enhance the environmental impact of our buildings. While new buildings must fully comply with all Standards and Guidelines, upgrades to existing buildings are also required to demonstrate sustainable initiatives, particularly focusing on reducing operational emissions and minimising waste. These guidelines provide physical infrastructure solutions, and set mandated targets for infrastructure projects which align with departmental policies such as Mahi Kaitiakitanga.

We have received an exemption from the requirement to achieve Green Star Certification, a voluntary sustainability rating system for non-residential buildings, fitouts and communities, for custodial buildings. However, we remain committed to targeting the most impactful areas to reduce our embodied and operational carbon.

## ***Conservation and restoration work***

We have collaborated with iwi and hapū members of the Whanganui Prison Tangata Whenua Engagement Group on the development of a taiao (nature) plan for an area of land adjacent to the stormwater outlet at Whanganui Prison. The accepted plan proposes revegetation of 9,000m<sup>2</sup> of land with approximately two thousand native species.

Conservation efforts also extend to the community with prison and community work activities such as tree planting, weeding, pest and disease control, and waterways restoration in collaboration with councils, iwi and NGO's.

Our partnerships with the 'Trees that Count' charity and the 'Good to Grow' programme with the Department of Conservation – Te Papa Atawhai have collectively resulted in 314,016 hours spent on projects by people in prison and in community work. These hours were dedicated to activities such as making trap, planting nurseries, maintaining tracks, recycling, and controlling weeds. Additionally, people in prison grow significant amounts of fresh produce, which are then donated to local food banks, rescue organisations, and schools.

The Northland Region Corrections Facility's horticulture initiative, Papa Oranga, has donated 5,050kg of produce to community organisations. Another 16,500kg have been produced from the community gardens. To use water sustainably, three 33,000-litre water tanks have been installed to collect rainwater from buildings. Moreover, food scraps are composted in two worm bins that produce organic fertilizer.

Papa Oranga started in 2016 with just 1,000 trees and is now close to reaching half a million trees grown and donated to the community. The initiative can propagate 91 species and varieties of native plants. In the past 12 months alone, 150,713 plants have been produced and used in various restoration projects around Te Tai Tokerau, including tributary and river projects.

## ***We will continue to refine our data***

We expect emissions will change in some areas as our assumptions, data, and reporting continues to mature. Future reporting may also include new emission sources as planned changes across our network are implemented.



***Governance,  
policy advice and  
ministerial services***

## Our external assurance and oversight

### **Corrections has robust governance, assurance, and oversight arrangements to ensure the people we manage are treated fairly, the corrections system is operating effectively, and we use public funds appropriately**

As discussed in more detail on page 41, Te Ara Whakamua made changes to parts of our organisational structure to improve clarity of roles and related accountability, including our Executive Leadership Team. This will allow us to build a more effective platform for continuing our delivery of *Hōkai Rangi* and achieving our organisational outcomes.

Our Executive Leadership Team meets regularly to discuss strategic performance and risks, and operational challenges and opportunities. Governance structures at every level of Corrections provide clear escalation channels to ensure critical issues are visible at the highest levels of the organisation.

Key governance groups are outlined on this page. Many other advisory groups and boards meet regularly to oversee specific areas of our operations.

#### **Key executive governance groups**

- The Executive Leadership Team Strategy Committee sets and executes our long-term strategic direction, in line with *Hōkai Rangi*, the wider justice sector, and the Government's strategic priorities.
- The Finance and Investment Committee governs and monitors financial performance and directs investment and resources to carry out Corrections' and the Government's strategic objectives.
- The Organisational Performance Committee provides organisation-wide oversight and governance of the integrated performance of Corrections through the Performance Framework, and governance over assurance activities. This committee also reviews recommendations from the Office of the Inspectorate – Te Tari Tirohia and the Office of the Ombudsman – Kaitiaki Mana Tangata.
- The Business Committee approves the settings and architecture for Corrections integrated management system and monitors its performance.
- The Audit and Risk Committee is independently chaired and provides advice on our risk management, control, and governance systems.
- We have portfolio committees which oversee the operating performance and business change aspects of specific assets, programmes, and projects.
- Te Poari Hautū Rautaki Māori - our Māori Leadership Board.

#### **Key operational and policy-based governance groups**

- The Health, Safety and Wellbeing Risk Governance Group focuses on serious risks to health and safety, supporting effective hazard identification and risk management.
- The Wellness and Wellbeing Insights and Advisory Group for People in the Care of Ara Poutama Aotearoa includes seven independent members and offers advice on areas where improvements to welfare and wellbeing can be considered and achieved. It also considers how to address issues raised through inspections undertaken by the Office of the Ombudsman – Kaitiaki Mana Tangata and the Office of the Inspectorate – Te Tari Tirohia.
- The Security Reference Group is a cross-functional group of senior management representatives supporting the Chief Security Officer to establish the Department's strategic system settings in relation to the Government's Protective Security Requirements. It focusses on coordination of security controls, security incidents, and recommend appropriate process improvements that enable critical functions to operate.
- The Speak Up Oversight Group is an advisory group to the Chief Executive, that supports Corrections to fulfil its public service duties as it relates to Positive and Safe Workplaces and Speaking Up. The group's purpose is to help ensure a consistent and risk-based approach to integrity and speak up matters concerning wrongdoing and the conduct of staff.

### **We are committed to the principles of transparency and openness as vital aspects of being accountable to the people of New Zealand**

The *Official Information Act 1982* (OIA) is a key mechanism for promoting transparency and openness. The OIA aims to make official information more available to the public to enable their participation in the making and administration of laws and policies. It also aims to promote the accountability of Ministers of the Crown and officials, thereby enhancing respect for the law and supporting the good governance of New Zealand. Our positive record of meeting our OIA obligations highlights our commitment to these important principles.

In 2023/24, our National Office responded to 12,792 OIA requests from people we are managing, members of the public, media, and Members of Parliament [2022/23: 10,043]. Of those received, 98.7% were responded to within legislated timeframes. In 2023/24, we proactively released 40 responses to OIA requests, and nine Cabinet papers [2022/23: 34 responses to OIA requests and four Cabinet papers].



Total number of Ombudsman investigations in 2023/24 is 62 and final investigations in 2023/24 is 32.

Official Information Act	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Received	5,335	6,824	7,638	8,986	10,250	12,865
Sent	5,057	6,392	7,491	8,856	10,043	12,792
Timeliness	98.5%	98.2%	96.8%	99.2%	99.3%	98.7%
% released in full	88.6%	93.1%	94.2%	91.0%	91.8%	91.9%
Average days to respond	6.3	5.5	8.5	6.0%	9.2	8.8
Approx. OIA to staff ratio	381:1	487:1	424:1	529:1	603:1	757:1

The table below outlines how Corrections performed against the relevant audited measures used to assess performance in the Policy Advice and Ministerial Services multi-category appropriation.

AUDITED MEASURES	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
Assessment of performance	Actual	Actual	Actual	Actual	Budget (unaudited)	Forecast (unaudited)
Satisfaction of the Minister of Corrections with the quality of policy advice, and draft Ministerial correspondence, provided <sup>50</sup>	93%	95%	94%	94%	Greater than or equal to 85%	Removed for 2024/25
Technical quality of policy advice papers assessed in line with the Policy Quality Framework <sup>51</sup>	78%	77%	73%	76%	At least an average of 70%	At least an average of 70%
Satisfaction of the Minister of Corrections with the quality of policy advice provided <sup>52</sup>	86%	92%	90%	90%	Greater than or equal to 80%	Greater than or equal to 80%

50. This measure is based on a combination of the underlying data for the following two measures – ‘Satisfaction of the Minister of Corrections with the quality of policy advice provided’ [Refer to footnote 52] and ‘Percentage of Ministerial draft correspondence signed without changes’. The calculation methodology for the first of these two measures takes a weighted approach to the responses of some questions, whereas the calculation approach for the aggregate measure recognises each of the survey question responses, resulting in an unweighted total of 86 out of a possible 95, across 19 questions in 2023/24. For the other measure in 2023/24 all 50 pieces of draft correspondence submitted to the Minister’s office were signed without changes. Thereby, the aggregate measure performance result of 94% for 2023/24 reflects a combined score of 136 out of 145. Given its calculation methodology, it is deemed this aggregate measure provides no additional value to users of the information in assessing Corrections’ service performance. As such it has been removed for 2024/25.
51. This measure provides a standardised score for the policy technical quality reviews undertaken by the third-party assessor, in this case the New Zealand Institute of Economic Research. The result is based on reviews of a selection of analytical and research papers that represent the breadth of policy advice provided, which are independently assessed on a five-point scale (1 = unacceptable, 2 = poor, 3 = acceptable, 4 = good, 5 = outstanding). For 2023/24 the annual result reflects an average of the scores for 20 reviews.
52. This measure is a quantitative representation of the Minister of Corrections’ satisfaction with the services provided by the policy function on a Likert scale from never to always, where never means unsatisfied and always means extremely satisfied. The review uses the Department of Prime Minister and Cabinet’s Policy Quality Framework.



AUDITED MEASURES	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
Assessment of performance	Actual	Actual	Actual	Actual	Budget (unaudited)	Forecast (unaudited)
Percentage of Ministerial draft correspondence signed without changes	99%	99%	100%	100%	Greater than or equal to 95%	Greater than or equal to 95%
Percentage of responses to parliamentary questions completed within agreed timeframes <sup>53</sup>	100%	100%	100%	100%	Greater than or equal to 98%	Greater than or equal to 98%
Percentage of responses to Ministerial draft correspondence completed within required timeframes <sup>54</sup>	99%	99%	98%	94%	Greater than or equal to 98%	Greater than or equal to 98%

Of the 50 pieces of draft correspondence submitted to the Minister's office in 2023/24, three failed to meet the agreed timeframes mostly due to administrative errors.

53. Responses to parliamentary questions are generally required to be completed within five working days; however, where necessary, revised timeframes are agreed with the Minister's office.

54. Draft responses to Ministerial correspondence are generally required to be completed within 20 working days; however, where necessary, revised timeframes are agreed with the Minister's office.

A close-up photograph of a hand holding a red pen, positioned over a laptop keyboard. The laptop screen in the background shows a globe logo. The image is overlaid with a blue gradient and a white circuit-like pattern at the bottom.

# *Statement of responsibility*

## Statement of Responsibility Ara Poutama Aotearoa

I am responsible, as Chief Executive of the Department of Corrections for:

- the preparation of Corrections' financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them;
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting;
- ensuring that end-of-year performance information on each appropriation administered by Corrections is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this annual report; and
- the accuracy of any end-of-year performance information prepared by Corrections, whether or not that information is included in the annual report.

In my opinion:

- the annual report fairly reflects the operations, progress, and the organisational health and capability of the Department;
- the financial statements fairly reflect the financial position of Corrections as at 30 June 2024 and its operations for the year ended on that date; and
- the forecast financial statements fairly reflect the forecast financial position of Corrections as at 30 June 2025 and its operations for the year ending on that date.

Signed,



**Jeremy Lightfoot**

**Secretary for Corrections and Chief Executive**

*Te Tumu Whakarae mō Ara Poutama Aotearoa*

**Date:** 30 September 2024





***Annual  
financial  
statements***



## Statement of comprehensive revenue and expense

For the year ended 30 June 2024

2023 Actual	Note	2024 Actual	2024 Budget (unaudited)	2024 Supp. Estimates (unaudited)	2025 Forecast (unaudited)
\$000		\$000	\$000	\$000	\$000
<b>REVENUE</b>					
2,021,366		2,207,906 <sup>55</sup>	2,120,279	2,209,775	2,347,326
214		449	-	235	289
33,159	2	39,897	34,189	36,526	36,389
<b>2,054,739</b>		<b>2,248,252</b>	<b>2,154,468</b>	<b>2,246,536</b>	<b>2,384,004</b>
<b>EXPENSES</b>					
931,763	3	1,055,810	981,366	1,066,201	1,232,314
673,393	4	684,393	669,537	704,152	634,020
205,205		216,256	215,165	210,859	213,995
184,722	5	220,099	191,563	220,099	233,526
43,239	15	43,914	96,837	45,225	70,149
<b>2,038,322</b>		<b>2,220,472</b>	<b>2,154,468</b>	<b>2,246,536</b>	<b>2,384,004</b>
<b>16,417</b>		<b>27,780</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REMEASUREMENTS</b>					
143	10	84	-	-	-
408		(367)	-	-	-
1,808		691	-	-	-
50,645	20	(571)	10,716	9,583	7,169
<b>53,004</b>		<b>(163)</b>	<b>10,716</b>	<b>9,583</b>	<b>7,169</b>
<b>69,421</b>		<b>27,617</b>	<b>10,716</b>	<b>9,583</b>	<b>7,169</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>					
472,851	16	-	-	-	-
<b>472,851</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>542,272</b>		<b>27,617</b>	<b>10,716</b>	<b>9,583</b>	<b>7,169</b>

The accompanying notes form part of these financial statements. For information on major variances against budget refer to Note 22.

55. The Actual Revenue Crown was recognized lower than entitlement (Supplementary Estimates) reflecting the transfer of funding to out-years relating to pre-approved in-principle expense transfers.

56. Unrealised gain in fair value of discount rates for retiring leave, long service leave, and ACC Accredited Employers' Programme.

## Statement of changes in taxpayers' funds

For the year ended 30 June 2024

2023		Note	2024	2024	2024	2025
Actual			Actual	Budget	Supp. Estimates	Forecast
			(unaudited)	(unaudited)	(unaudited)	(unaudited)
\$000			\$000	\$000	\$000	\$000
<b>3,689,801</b>	<b>Taxpayers' funds at 1 July</b>		<b>4,414,863</b>	<b>3,988,788</b>	<b>4,414,863</b>	<b>4,643,726</b>
69,421	Net surplus/(deficit)		27,617	10,716	9,583	7,169
	<b>Adjustment for flows to and from the Crown</b>					
201,576	Add capital injection from the Crown	16	219,280	85,767	219,280	56,028
472,851	Revaluation gain	16	-	-	-	-
-	Reversal of revaluation reserves on disposal	16	951	-	-	-
(10)	Other movements	16	-	-	-	-
(18,776)	Provision for payment of surplus to the Crown	14	(26,058)	-	-	-
<b>655,641</b>	<b>Total adjustments for flows to and from the Crown</b>		<b>194,173</b>	<b>85,767</b>	<b>219,280</b>	<b>56,028</b>
<b>4,414,863</b>	<b>Taxpayers' funds at 30 June</b>		<b>4,636,653</b>	<b>4,085,271</b>	<b>4,643,726</b>	<b>4,706,923</b>

The accompanying notes form part of these financial statements. For information on major variances against budget refer to Note 22.

## Statement of financial position

As at 30 June 2024

2023 Actual	Note	2024 Actual	2024 Budget	2024 Supp. Estimates	2025 Forecast
\$000		\$000	(unaudited) \$000	(unaudited) \$000	(unaudited) \$000
<b>ASSETS</b>					
<b>Current assets</b>					
109,595		31,968	50,000	50,000	50,000
13,727		13,801	23,025	25,247	17,567
755,978	6	938,655	444,657	854,912	820,958
7,674		5,497	4,000	7,674	7,674
2,600	7	2,600	-	-	-
<b>889,574</b>	<b>Total current assets</b>	<b>992,521</b>	<b>521,682</b>	<b>937,833</b>	<b>896,199</b>
<b>Non-current assets</b>					
4,265		3,318	4,750	4,265	4,265
62,276	15	61,519	35,425	55,698	52,862
5,032,135	8	5,094,176	4,842,180	5,138,575	5,187,462
35,809	9	33,668	136,038	35,940	37,084
8,904	10	8,962	7,975	8,903	8,903
16,000		16,000	-	-	-
<b>5,159,389</b>	<b>Total non-current assets</b>	<b>5,217,643</b>	<b>5,026,368</b>	<b>5,243,381</b>	<b>5,290,576</b>
<b>6,048,963</b>	<b>Total assets</b>	<b>6,210,164</b>	<b>5,548,050</b>	<b>6,181,214</b>	<b>6,186,775</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
183,106	11	143,639	135,000	167,454	150,961
178,331	12	172,251	117,869	178,331	178,331
15,858	15	30,080	31,910	56,760	39,179
56,149	13	47,730	6,000	39,048	39,048
18,776	14	26,058	-	-	-
<b>452,220</b>	<b>Total current liabilities</b>	<b>419,758</b>	<b>290,779</b>	<b>441,593</b>	<b>407,519</b>
<b>Non-current liabilities</b>					
18,630	12	34,229	20,518	18,630	18,630
3,981	15	3,795	8,733	-	-
1,159,269	15	1,115,729	1,142,749	1,077,265	1,053,703
<b>1,181,880</b>	<b>Total non-current liabilities</b>	<b>1,153,753</b>	<b>1,172,000</b>	<b>1,095,895</b>	<b>1,072,333</b>
<b>1,634,100</b>	<b>Total liabilities</b>	<b>1,573,511</b>	<b>1,462,779</b>	<b>1,537,488</b>	<b>1,479,852</b>
<b>TAXPAYERS' FUNDS</b>					
2,237,468	16	2,458,307	2,380,734	2,466,331	2,529,528
2,177,395	16	2,178,346	1,704,537	2,177,395	2,177,395
<b>4,414,863</b>	<b>Total taxpayers' funds</b>	<b>4,636,653</b>	<b>4,085,271</b>	<b>4,643,726</b>	<b>4,706,923</b>
<b>6,048,963</b>	<b>Total liabilities and taxpayers' funds</b>	<b>6,210,164</b>	<b>5,548,050</b>	<b>6,181,214</b>	<b>6,186,775</b>

The accompanying notes form part of these financial statements. For information on major variances against budget refer to Note 22.



## Statement of cash flows

For the year ended 30 June 2024

2023 Actual	Note	2024 Actual	2024 Budget	2024 Supp. Estimates	2025 Forecast
\$000		\$000	(unaudited) \$000	(unaudited) \$000	(unaudited) \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<b>Cash provided from:</b>					
1,914,143	Receipts from Crown	2,050,195	2,234,076	2,123,747	2,383,051
570	Receipts from departments	457	-	235	289
34,121	Receipts from other revenue	38,456	40,389	39,106	36,371
5,095	GST received/(paid)	(46,182)	-	(28,557)	(12,064)
<b>Cash disbursed to:</b>					
(922,519)	Payments for employees	(1,049,848)	(978,232)	(1,063,087)	(1,229,200)
(646,268)	Payments to suppliers	(688,119)	(674,473)	(719,886)	(639,678)
(184,722)	Payments for capital charge	(220,099)	(191,563)	(220,099)	(233,526)
<b>200,420</b>	<b>Net cash flows from operating activities</b>	<b>17</b>	<b>84,860</b>	<b>430,197</b>	<b>131,459</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<b>Cash provided from:</b>					
310	Receipts from interest and dividends	657	-	18	18
1,220	Receipts from sale of physical, biological, and intangible assets	4,327	-	-	-
-	Receipt from sale of shares	580	-	-	-
<b>Cash disbursed to:</b>					
(203,680)	Purchase of physical and biological assets	(232,810)	(320,278)	(279,603)	(240,081)
(13,625)	Purchase of intangible assets	(17,793)	(81,617)	(7,240)	(8,400)
<b>(215,775)</b>	<b>Net cash flows from investing activities</b>	<b>(245,039)</b>	<b>(401,895)</b>	<b>(286,825)</b>	<b>(248,463)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
<b>Cash provided from:</b>					
201,576	Capital injections	219,280	85,767	219,280	56,028
<b>Cash disbursed to:</b>					
(45,532)	Interest payment	(44,375)	(96,837)	(45,225)	(70,149)
(55,996)	Repayment of financial liabilities	(73,577)	(45,732)	(59,508)	(42,659)
(41,262)	Return of operating surpluses	(18,776)	-	(18,776)	-
<b>58,786</b>	<b>Net cash flows from financing activities</b>	<b>82,552</b>	<b>(56,802)</b>	<b>95,771</b>	<b>(56,780)</b>
<b>43,431</b>	<b>Net increase/(decrease) in cash</b>	<b>(77,627)</b>	<b>(28,500)</b>	<b>(59,595)</b>	<b>-</b>
66,164	Cash at the beginning of the year	109,595	78,500	109,595	50,000
<b>109,595</b>	<b>Cash at the end of the year</b>	<b>31,968</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>

The accompanying notes form part of these financial statements. For information on major variances against budget refer to Note 22.

## Statement of commitments

As at 30 June 2024

2023		2024
Actual		Actual
\$000		\$000
<b>CAPITAL COMMITMENTS</b>		
232,501	Buildings	133,155
239	Computer hardware	0
669	Motor vehicles	1,362
427	Plant and equipment	2,736
12,405	Intangibles	16,484
<b>246,241</b>	<b>Total capital commitments</b>	<b>153,737</b>
<b>NON-CANCELLABLE OPERATING LEASE COMMITMENTS</b>		
19,778	Less than one year	21,558
58,651	One to five years	62,891
55,664	More than five years	58,699
<b>134,093</b>	<b>Total non-cancellable operating lease commitments</b>	<b>143,148</b>
<b>380,334</b>	<b>Total commitments</b>	<b>296,885</b>

### Capital commitments

Capital commitments are the aggregate amount of capital expenditure contracted for the acquisition or construction of buildings, service concession arrangements, motor vehicles, plant and equipment, and intangible assets that have not been paid for or not recognised as a liability at balance date.

### Non-cancellable operating lease commitments

Corrections leases premises at many locations throughout New Zealand. The annual lease rentals are subject to regular reviews, usually ranging from two years to three years. The amounts disclosed above as future commitments are based on current rental rates.

*The accompanying notes form part of these financial statements.*

## Statement of contingent liabilities and contingent assets

As at 30 June 2024

### Quantifiable contingent liabilities

2023 Actual \$000		2024 Actual \$000
6,392	Related to Offenders	5,531
1,195	Employees and Contractors	1,115
<b>7,587</b>	<b>Total quantifiable contingent liabilities</b>	<b>6,646</b>

### Legal proceedings

As at 30 June 2024 Corrections was defending 45 court claims and proceedings which were assessed and had a value for contingent liability (2023: 67). Filed mostly by prisoners, the proceedings included applications for Judicial Review and claims for breach of the New Zealand Bill of Rights Act 1990 and sought compensation or other redress for perceived/alleged instances of wrongful action or decision-making by Corrections and individuals.

### Personal grievances

Corrections was defending 16 employment and contractor-related claims, made mostly by staff members as at 30 June 2024 (2023: 19).

### Unquantifiable contingent liabilities

#### Waikeria Prison Development Public Private Partnership project

In August 2022, the Builder (CPB) for the PPP consortium (Cornerstone Infrastructure Partners - CIP) submitted an updated "without prejudice" claim relating to the alleged "effects" of COVID-19. This claim extends to effects to 30 June 2022 (i.e. covering the Omicron variant). The Builder initially sought an extension of time of 793 calendar days and monetary relief in the order of \$430m, which includes amounts claimed by the contractor and its sub-contractors.

In April 2023, Corrections, the Contractor and the construction sub-contractor entered into a Project Support Agreement (PSA). The PSA looks to settle certain matters between the parties, however, the CPB's own-account claim in relation to COVID-19 is largely carved out, with one important exception. Neither the Contractor or the construction sub-contractor are able to "double-count" in respect of relief available under the PSA and amounts claimed in any subsequent dispute resolution process (noting that a substantial proportion of the COVID-19 claim relates to issues associated with sub-contractors, and that many of these are met through the PSA payments).

In December 2023, the Builder (CPB) for the PPP consortium (Cornerstone Infrastructure Partners/CIP) submitted an updated "without prejudice" claim relating to the alleged effects of COVID-19. This claim extends to alleged events and effects through to September 2023; an earlier iteration in August 2022 contained claims through to June 2022. This updated claim seeks an extension of time of 948 calendar days and monetary relief in the order of \$227 million.

A number of the components of the Builder's claim have been the subject of independent determination by the Independent Reviewer (IR). The IR has largely dismissed relief sought by the Builder.

On 2 August 2024, Corrections received an updated "open" claim from CIP for the amount of \$229 million (excluding possible interest). This claim is currently being assessed.

Claim discussions are ongoing with uncertainties to be resolved before an agreement can be reached.

At this stage it is not possible to reliably estimate the impact on Corrections' operations, or its financial position for future periods, in relation to this matter.

### Contingent assets

Corrections has no contingent assets (2023: Quantifiable \$nil).

*The accompanying notes form part of these financial statements.*

## Statement of trust monies

As at 30 June 2024

	As at 1 July 2023	Contribution	Distribution	As at 30 June 2024
	\$000	\$000	\$000	\$000
Trust accounts	2,285	24,157	(23,813)	2,629
<b>Total trust accounts</b>	<b>2,285</b>	<b>24,157</b>	<b>(23,813)</b>	<b>2,629</b>

Money held in trust is not included in Corrections' reported bank balances. Trust money is held on behalf of prisoners and residents in the bank accounts maintained by each prison (one bank account per prison) and residence respectively.

Trust accounts mainly represent funds held in trust on behalf of prisoners, to account for prisoner earnings, reduced by purchases while in prison and other receipts/withdrawals of prisoner funds.

Other trust accounts represent funds held in trust on behalf of the residents subject to either a Substantive Detention Order or an Interim Detention Order, to account for resident earnings and/or benefits, reduced by purchases and other receipts/ withdrawals of resident funds.

*The accompanying notes form part of these financial statements.*



# Notes to the financial statements

For the year ended 30 June 2024

## Note 1: Statement of accounting policies

### Reporting entity

The Department of Corrections (Corrections) is a government department as defined by section 5 of the Public Service Act 2020. It is domiciled and operates in New Zealand. The relevant legislation governing Corrections' operations includes the *Public Finance Act 1989*, the *Corrections Act 2004*, *Corrections Regulations 2005*, the *State Sector Act 1988*, the *Sentencing Act 2002*, the *Parole Act 2002*, the *Public Safety (Public Protection Orders) Act 2014*, the *Bail Act 2000*, the Public Service Act 2020 and the Returning Offenders (Management and Information) Act 2015.

Corrections is a wholly owned entity of the New Zealand Crown whose primary objective is to administer New Zealand's corrections system in a way that is designed to improve public safety, reduce reoffending and contribute to the maintenance of a fair and just society.

In addition, Corrections has reported on Crown activities that it administers in the non-departmental statements and schedules on pages 176 to 181.

### Statutory authority

The financial statements for Corrections have been prepared in accordance with the requirements of the Public Finance Act 1989 (PFA). For the purposes of financial reporting, Corrections is classified as a Public Benefit Entity (PBE).

### Reporting period

The reporting period for these financial statements is the year ended 30 June 2024 with comparative figures for the year ended 30 June 2023.

The financial statements were authorised for issue by the Chief Executive of the Department of Corrections on 30 September 2024.

### Basis of preparation

The financial statements have been prepared on a going concern basis and the accounting policies have been consistently applied throughout the year.

### Statement of compliance

These financial statements, including comparatives, have been prepared in accordance with Public Sector Public Benefit Entity (PBE) Accounting Standards (PBE accounting standards) – Tier 1. These standards are based on International Public Sector Accounting Standards (IPSAS).

### Measurement base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain non-current assets, actuarial valuations of certain liabilities, and the fair value measurement of certain financial instruments.

### Presentation currency and rounding

The financial statements are presented in New Zealand dollars, rounded to the nearest thousand dollars (\$000). The functional currency is New Zealand dollars.

## **Note 1: Statement of accounting policies (continued)**

### ***New or amended standards adopted***

#### **2022 Omnibus Amendment to PBE Standards, issued June 2022**

The 2022 Omnibus Amendments issued by the External Reporting Board (XRB) include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards, effective for reporting period starting 1 January 2023. Corrections has adopted the revised PBE standards, and the adoption did not result in any significant impact on Corrections' financial statements.

### ***Other changes in accounting policies***

There have been no other changes to accounting policies since the date of the last audited financial statements.

### ***Standards issued and not yet effective and not early adopted***

Standards and amendments that have been issued but are not yet effective, and that have not been early adopted, and that are relevant to Corrections are:

#### **Disclosure of Fees for Audit Firms' Services – Amendments to PBE IPSAS 1**

The amendments to PBE IPSAS 1 aim to address concerns about the quality and consistency of disclosures an entity provides about fees paid to its audit or review firm for different types of services. The enhanced disclosures are expected to improve the transparency and consistency of disclosures about fees paid to an entity's audit or review firm. The amendments are effective from periods beginning on or after 1 January 2024, with early adoption permitted.

These amendments are not expected to have significant impact.

### **Critical judgments and estimates**

The preparation of financial statements in conformity with PBE accounting standards requires judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### ***Retiring and long service leave***

An independent actuarial valuation is undertaken annually to estimate the present value of long service and retiring leave liabilities. The calculations are based on:

- » likely future entitlements accruing to staff, years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlements information; and
- » the present value of the estimated future cash flows.

*Note 12 provides an analysis of the exposure and assumptions in relation to estimates and uncertainties surrounding these liabilities.*

## **Note 1: Statement of accounting policies (continued)**

### **Critical judgments and estimates (continued)**

#### **Revaluation of land and buildings**

Critical judgments in determining the remaining useful lives of land and buildings have been made by Corrections. Assessing the appropriateness of useful lives and residual values of land and buildings requires consideration of a number of factors such as the physical condition, expected period of use by Corrections, and expected proceeds from any disposal.

*Any property revaluations are certified by an appropriately qualified valuer. Refer to Note 8 for further details.*

### **Budget and forecast figures**

The budget figures are for the year ended 30 June 2024 and were published in the 2022/23 Annual Report. They were included in the Estimates of Appropriations for the Government of New Zealand for the year ended 30 June 2023, which are consistent with the financial information in the Main Estimates. In addition, the financial statements also present the updated budget information from the 2023/24 Supplementary Estimates.

The forecast figures are for the year ending 30 June 2025, and are consistent with the best estimate financial forecast information submitted to the Treasury for the Budget Economic and Fiscal Update (BEFU) 2024. Actual results achieved for the forecast period are likely to vary from the information presented, and some variations may be material.

The forecast financial statements have been prepared as required by the Public Finance Act 1989 to communicate forecast financial information for accountability purposes. The information in these financial statements may not be appropriate for purposes other than described.

The forecast figures have been prepared in accordance with PBE FRS 42 Prospective Financial Statements. The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The forecast financial statements were authorised by the Chief Executive of the Department of Corrections on 12 April 2024. The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.

Corrections may update the forecast subsequent to the publication of these statements as a result of baseline update exercises required by the Treasury, but the subsequent updates will not be published.

#### **Significant assumptions used in preparing the forecast financial statements**

The forecast figures contained in these financial statements reflect Corrections' purpose and activities and are based on a number of assumptions regarding what may occur during the 2024/25 year. The forecast figures have been compiled on the basis of existing government policies and ministerial expectations at the time the budget was finalised.

#### **The main assumptions adopted as at 12 April 2024 were as follows:**

- » Corrections' activities and output expectations will focus on the Government's priorities aligned to Corrections' Hokai Rangī strategy.
- » Personnel costs reflect planned capacity movements and anticipated remuneration changes.
- » Remuneration is based on current wages and salary costs agreements.
- » Operating costs are based on historical experience and other factors that are believed to be reasonable in the circumstances and are Corrections' best estimate of future costs that will be incurred.
- » No revaluation of land and buildings required in 2024 financial year, therefore no impact of revaluation has been forecast.
- » Capital commitments are expected to be realised as planned.
- » Service concession assets for Auckland South Corrections Facility (ASCF) and Auckland Prison are operating in accordance with unitary charge profiles and priced into the forecast. The Waikeria Prison service concession asset is still under construction.
- » Prison population/demand levels reflect expected population levels in line with the Justice Sector projection as available at the time of preparation of the financial statements.

## **Note 1: Statement of accounting policies (continued)**

### **Significant accounting policies**

#### **Revenue**

##### **Revenue – exchange transactions**

###### **Revenue - Department and third party**

Revenue earned in exchange for the provision of outputs (products or services) to third parties is recorded as operating revenue.

Revenue from the supply of services is measured at the fair value of consideration received, recognised on a straight-line basis over the specified period for the services unless an alternative method better represents the stage of completion of the transaction.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer (usually on delivery of the goods), when the amount of revenue can be measured reliably, and it is probable that the economic benefit or service potential associated with the transaction will flow to the entity.

###### **Interest revenue**

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment.

###### **Dividend revenue**

Dividend revenue relates to investments arising from Corrections' business dealings with companies in the farming industry. Dividend revenue is recognised when the right to receive payment has been established.

###### **Rental revenue**

Rental revenue arising from residential property leases is accounted for on a straight-line basis over the lease term and included in revenue.

##### **Revenue – non-exchange transactions**

###### **Revenue Crown**

Revenue from the Crown is measured based on Corrections' funding entitlement for the reporting period.

The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised considers any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding from the Crown. However, Corrections can incur expenses only within the scope and limits of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

###### **Donated or subsidised assets**

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue when control of the asset is transferred to Corrections.

###### **Insurance proceeds**

Insurance proceeds are recognised when a settlement agreement has been reached which establishes the right to receive payment.



## **Note 1: Statement of accounting policies (continued)**

### **Significant accounting policies (continued)**

#### **Personnel costs**

##### **Salaries and Wages**

Salaries and wages are recognised as an expense as employees provide services.

##### **Capital charge**

The capital charge is recognised as an expense in the period to which the charge relates.

##### **Finance costs**

Finance costs are recognised in relation to the repayment of the liability associated with the service concession arrangement assets over the contract term as an expense in the financial year in which they are incurred.

Finance costs during the construction period of the service concession asset are considered the private sector partners costs that are built into the agreed purchase price and therefore are not a finance cost of the department.

##### **Derivative financial instruments**

Corrections enters into interest rate swap derivative financial instruments with the New Zealand Debt Management Office (NZDMO). These instruments are used to manage Corrections' exposure to fluctuating market interest rates that arise from its Public Private Partnership arrangements.

Derivatives are initially recognised at their fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The resulting gain or loss is recognised within remeasurements in surplus or deficit. The fair value of derivatives is determined using the New Zealand Dollar swap curve that is based on the New Zealand Official Cash Rate, bank bill rates and swap rates.

An interest rate swap derivative is classified as current if the contract is due to mature within 12 months of balance date. Otherwise, the full fair value is classified as non-current.

##### **Cash and cash equivalents**

Cash includes cash on hand, cash held in bank accounts and deposits with a maturity of no more than three months. Corrections is required by the Treasury to maintain a positive balance in its bank accounts at all times. Corrections is permitted to expend its Cash and Cash equivalents only within the scope and limits of its appropriations.

##### **Debtors and other receivables**

Debtors and other receivables comprise the Debtor Crown together with non-Crown trade debtors and other receivables balances where Corrections has an entitlement to receive payment within 12 months following balance date.

Other than Debtor Crown, which is a statutory receivable, the non-Crown debtors and other receivables are financial assets governed by various contractual arrangements and include amounts due to Corrections from other entities within the Crown Reporting Group.

The Debtor Crown represents the balance of Crown appropriation available to Corrections and is recognised at the nominal amount receivable.

Non-Crown Debtors and other receivables are recognised at the nominal amount due, less an allowance for credit losses. Corrections applies the simplified expected credit loss model of recognising lifetime expected credit losses for debtors and other receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there are no reasonable expectations of recovery. Indicators that there are no reasonable expectations of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

## **Note 1: Statement of accounting policies (continued)**

### **Significant accounting policies (continued)**

#### **Inventories**

Inventories held for resale are measured at the lower of cost (calculated using the weighted average method) and net realisable value. Inventories consumed in providing a service are measured at cost or replacement cost.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition. The amount of any write-down for the loss of service potential, or from cost to net realisable value, is charged to surplus or deficit in the period of the write-down.

Corrections' inventory consists of supplies that are available for prisoner purchases, operational supplies and inventory held for use in prisoner employment. No inventories are pledged as security for liabilities.

All inventories are expected to be realised within 12 months and are therefore classified as current.

#### **Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets held for sale (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

#### **Property, plant, and equipment**

Items of property, plant and equipment are recognised at cost or valuation, less accumulated depreciation, and impairment losses.

##### **Land and buildings**

Land and buildings are stated at fair value as determined by an independent registered valuer. Fair value is determined using market-based evidence, except for prison buildings, which are valued at optimised depreciated replacement cost. Land and buildings are revalued at least every three years or whenever the carrying amount differs materially to fair value. Additions between revaluations are initially recorded at cost.

Unrealised gains and losses arising from changes in the value of property, plant and equipment are recognised as at balance date. To the extent that a gain reverses a loss previously charged to surplus or deficit for the asset class, the gain is credited to surplus or deficit. Otherwise, gains are credited to an asset revaluation reserve for that class of asset. To the extent that there is a balance in the asset revaluation reserve for the asset class, any loss is debited to the reserve. Otherwise, losses are reported in the Statement of Comprehensive Revenue and Expense.

Accumulated depreciation at the revaluation date is eliminated against the gross carrying amount so that the carrying amount after revaluation equals the revalued amount.

##### **Other property, plant and equipment**

Other property, plant and equipment assets are recognised at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to Corrections and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

Cost incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Corrections and the cost of the item can be measured reliably.

## **Note 1: Statement of accounting policies (continued)**

### **Significant accounting policies (continued)**

#### **Property, plant, and equipment (continued)**

##### **Disposals**

Realised gains and losses arising from disposal of property, plant and equipment are recognised in the Statement of Comprehensive Revenue and Expense in the period in which the transaction occurs. When revalued assets are sold or derecognised, the amounts included in asset revaluation reserves in respect of those assets are transferred to general funds.

##### **Service concession arrangements**

Service concession arrangements are recognised as assets under construction within property, plant and equipment until the in-service date. Such service concession arrangement assets are capitalised under each asset class to which the nature of the asset relates to in accordance with Corrections' policies, which comply with PBE IPSAS 17 Property, Plant and Equipment.

Service concession assets are recognised initially at cost being the fair value of the amount owed to the concession operator for the construction of the asset at the time the asset becomes operational.

Subsequently, service concession assets are measured in accordance with Corrections' policy relevant to each class of asset.

Payments made to the contractor for the provision of services are recognised as an expense as incurred. Payments relating to the capital component reduce the financial liability when they are made. Finance costs are incurred in relation to the repayment of the service concession liability over the contract term and are recognised as an expense in the period in which they are incurred.

##### **Depreciation**

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant, and equipment, less any residual value, over its estimated useful life. Motor vehicles that have been classified as non-heavy duty have a residual value of 20%.

Typically, the depreciation rates for classes of property, plant and equipment are as follows:

<b>Class of asset</b>	<b>Useful life</b>	<b>Residual value</b>
Land	Not depreciated	Not applicable
Buildings	3 - 95 years	Nil
Plant and equipment	3 - 10 years	Nil
Furniture and fittings	3 - 5 years	Nil
Computer hardware	3 - 10 years	Nil
Motor vehicles	5 - 8 years	20%

The useful life of buildings is reassessed following any revaluation.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful life of the leasehold improvement, whichever is the shorter.

#### **Intangible assets**

##### **Software acquisition and development**

Acquired computer software licenses are capitalised, where appropriate, on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software and training staff are recognised as an expense when incurred.

## **Note 1: Statement of accounting policies (continued)**

### **Significant accounting policies (continued)**

#### **Intangible assets (continued)**

Direct costs that are associated with the development of software for internal use by Corrections are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of the relevant indirect costs.

#### **Amortisation**

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Revenue and Expense.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

<b>Class of asset</b>	<b>Useful life</b>	<b>Residual value</b>
Acquired/internally generated software	3 - 10 years	Nil

#### **Software-as-a-Service (SaaS) arrangements**

SaaS arrangements are service contracts providing Corrections with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of these costs incurred are for the development of software code that enhances or modifies or creates additional capability to existing on-premises systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

#### **Biological assets**

Corrections' biological assets consist of sheep, beef and dairy cattle, and pigs farmed at various locations throughout New Zealand.

Biological assets are recorded at fair value less costs associated with the sale or disposal of those assets. Gains or losses due to changes in the per head value of livestock and changes in livestock numbers, are recognised in the Statement of Comprehensive Revenue and Expense.

#### **Investments**

Investments comprise listed and unlisted equity investments that arise from Corrections' business arrangements with entities in the farming sector, principally shares in Fonterra Co-Operative Group Limited.

Investments are initially and subsequently measured at their fair value with gains and losses from changes in fair value recognised in remeasurements in surplus or deficit.

When sold, any gain or loss on sale is recognised in surplus or deficit.



## **Note 1: Statement of accounting policies (continued)**

### **Significant accounting policies (continued)**

#### **Impairment of non-financial assets**

##### **Cash-generating assets**

Corrections does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return. Corrections holds some commercial assets with the primary objective of providing employment-training opportunities to prisoners as part of rehabilitation and reintegration programmes.

##### **Non-cash-generating assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. An intangible asset that is not yet available for use at balance date is tested for impairment annually.

Assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or its value in use.

Value in use is the depreciated replacement cost for an asset where the future economic benefits or service potential of the asset is not primarily dependent on the asset's ability to generate net cash inflows and where Corrections would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

#### **Employee entitlements**

##### **Short-term employee entitlements**

Employee entitlements that are expected to be settled wholly before 12 months after the end of the reporting period in which the employees provide the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date, and sick leave.

##### **Long-term employee entitlements**

Employee entitlements that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employees provide the related service, such as long service and retirement leave have been calculated on an actuarial basis. The calculations are based on:

- » likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information; and
- » the present value of the estimated future cash flows.

##### **Termination benefits**

Termination benefits are recognised in the Statement of Comprehensive Revenue and Expense only when there is a demonstrable commitment to either terminate employment prior to normal retirement date or to provide such benefits as a result of an offer to encourage voluntary redundancy. Termination benefits expected to be settled within 12 months are reported at the amount expected to be paid. Termination benefits not expected to be settled within 12 months are reported as the present value of the estimated future cash outflows.

##### **Defined contribution schemes**

Obligations for contributions to KiwiSaver, the Government Superannuation Fund, and other defined contribution superannuation schemes are recognised as an expense in the Statement of Comprehensive Revenue and Expense as they are incurred.

##### **Parental leave**

Corrections provides an ex-gratia payment to employees (approximating six weeks' pay) who return to Corrections for a period of time (as specified in contracts, typically three to six months) after being on parental leave. Corrections anticipates that this provision will be realised within 12 months.

## **Note 1: Statement of accounting policies (continued)**

### **Significant accounting policies (continued)**

#### **Foreign currency**

Transactions in foreign currencies are translated at the foreign exchange rate at the date of the transaction. Foreign exchange gains or losses resulting from the settlement of these transactions are recognised in the Statement of Comprehensive Revenue and Expense.

Monetary assets and liabilities denominated in foreign currencies at balance date are translated to New Zealand dollars at the foreign exchange spot rate at balance date. Foreign exchange gains or losses arising from translation of monetary assets and liabilities are recognised in the Statement of Comprehensive Revenue and Expense.

#### **Financial instruments**

Corrections is a party to various types of financial instrument as part of its usual operations. These financial instruments comprise cash and cash equivalents, debtors and other receivables, investments, creditors and other payables, and other financial liabilities.

Financial instruments are held in order to collect contractual cash flows and not for trading purposes.

#### **Initial measurement**

All financial instruments are initially recognised at their fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case any associated transaction costs are recognised in surplus or deficit.

#### **Subsequent measurement**

After initial recognition, financial assets that give rise to receipts of principal and interest only are measured at amortised cost less an allowance for expected credit losses where there is a risk that these may arise. Corrections' financial assets that are subsequently measured at amortised cost comprise cash and cash equivalents, debtors and other receivables.

Investments are subsequently measured at fair value through surplus or deficit.

Creditors and other payables and service concession arrangement liabilities maturing within 12 months following the balance date are measured at amortised cost.

Service concession arrangement liabilities maturing later than 12 months after balance date are subsequently measured at amortised cost using the effective interest rate method.

Financial instrument derivatives are measured at fair value through surplus or deficit.

#### **Financial assets impairment**

Corrections recognises a loss allowance for expected credit losses when it considers that the credit risk on a financial asset has increased significantly since initial recognition.

Changes in the amount of the loss allowance are recognised as an impairment gain or loss in surplus or deficit.

#### **Provisions**

Corrections recognises a provision for future expenditure of uncertain amount or timing when:

- » there is a present obligation (either legal or constructive) as a result of a past event;
- » it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- » a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for net deficits from future operating activities. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Any increases in the provision due to the passage of time would be recognised as a finance cost.

## ***Note 1: Statement of accounting policies (continued)***

### **Significant accounting policies (continued)**

#### ***Provisions (continued)***

##### **Accident Compensation Corporation (ACC) Accredited Employer Programme**

Corrections belongs to the ACC Accredited Employer Programme whereby Corrections accepts the management and financial responsibility of work-related illnesses and accidents of employees.

Under the programme, Corrections is liable for the costs of all claims for a period of five years. At the end of the five year period, Corrections pays a premium to ACC for the value of residual claims, and the liability for ongoing claims passes to ACC from that point.

The liability for the programme is measured at the present value of expected future payments to be made in respect of the employee injuries and claims up to the reporting date using actuarial techniques. Consideration is given to expected future wage and salary levels and experience of employee claims and injuries. Expected future payments are discounted using market yields at the reporting date on government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

##### **Onerous contracts**

When the expected benefits or service potential to be derived from a contract are lower than the unavoidable costs of meeting the obligations under the contract, a provision is recognised. The provision is measured at the present value of the future net cash outflows expected to be incurred in respect of the contract.

#### ***Taxation***

##### **Income tax**

Government departments are exempt from income tax as public authorities. Accordingly, no provision has been made for income tax.

##### **Goods and services tax (GST)**

All statements are GST exclusive, except for creditors and other payables and debtors and other receivables within the Statement of Financial Position. These amounts are shown as GST inclusive.

The net amount of GST payable to, or recoverable from, Inland Revenue at balance date is included in creditors or debtors as appropriate. The net amount of GST paid to or received from Inland Revenue, including GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

### **Operating leases**

Leases, where the lessor substantially retains the risks and rewards of ownership, are recognised in a systematic manner over the term of the lease.

Leasehold improvements are capitalised and the cost is depreciated over the unexpired period of the lease, or the estimated remaining useful life of the leasehold improvements, whichever is shorter.

### **Commitments**

Future expenses and liabilities to be incurred on capital contracts and non-cancellable operating leases that have been entered into at balance date are disclosed as commitments to the extent they represent unperformed obligations.

### **Contingent liabilities**

Contingent liabilities are disclosed in the Statement of Contingent Liabilities at the point at which the contingency is evident. Contingent liabilities are not disclosed if the possibility of an outflow of resources embodying economic resources is remote.

### **Contingent assets**

Contingent assets are disclosed in the Statement of Contingent Assets at the point at which an inflow of economic benefits or service potential is probable.

### **Cost allocation accounting policies**

Corrections has determined the costs of outputs using the cost allocation system outlined below.

Costs that are driven by prisoner or offender related activities are recognised as direct costs and assigned to outputs. Direct costs are charged to outputs based on actual consumption or activity analysis. Pre-established ratios have been used in some instances, which are reviewed at regular intervals.

Indirect costs are driven by organisational support functions and are not directly related to prisoner or offender activities. Indirect costs are allocated to outputs based on appropriate resource consumption and/ or activity analysis.

There have been no changes to cost allocation methodology during the period.



**Note 2: Other revenue**

2023		2024
Actual		Actual
\$000		\$000
27,887	Sale of goods	29,824
2,588	Board and rents	3,199
905	Profit on sale of assets	1,686
1,779	Revenue other	5,188
<b>33,159</b>	<b>Total other revenue</b>	<b>39,897</b>

Sale of goods mainly comprises revenue from offender employment activities such as farming, distribution, and other industries.

Profit on sale of assets includes the net profit from the sale of a property in Dunedin with a carrying value of \$1.5 million for a cash consideration of \$2.0 million.

Following a High Court decision, Corrections were awarded a settlement claim for \$3.9 million for wasted expenditure (2023: nil). The income from settlement claim is recognised as part of Revenue other.

**Note 3: Personnel costs**

2023		2024	2024	2025
Actual		Actual	Budget	Forecast
\$000		\$000	(unaudited)	(unaudited)
			\$000	\$000
906,229	Salaries and wages	1,010,063	955,014	1,201,267
4,544	ACC Accredited Employer Programme	3,284	1,501	3,114
152	Government Superannuation Fund contribution expense	91	1,098	1,065
24,427	State Sector Retirement Savings Scheme and KiwiSaver employer contribution	27,835	23,421	24,226
(3,589)	Retiring and long service leave	14,537	332	2,642
<b>931,763</b>	<b>Total personnel costs</b>	<b>1,055,810</b>	<b>981,366</b>	<b>1,232,314</b>

### Note 4: Operating costs

2023 Actual		2024 Actual	2024 Budget (unaudited)	2025 Forecast (unaudited)
\$000		\$000	\$000	\$000
24,777	Operating lease rentals	24,753	23,530	24,098
540	Audit fees for audit of the financial statements	581	524	574
67	Fees to auditors for other services	85	-	-
107,769	Facilities maintenance	116,249	99,514	72,792
94,502	Offender management costs	108,058	92,449	107,422
74,883	Information technology costs	75,392	54,247	74,949
176,264	Contract management	186,988	170,646	185,888
51,381	Administration	47,376	45,886	47,097
10,728	Inventory expenses	11,751	11,040	11,627
108,560	Other operating costs	110,223	171,701	109,573
14,100	Demolition costs	-	-	-
9,822	Loss on sale or write off of assets	2,937	-	-
<b>673,393</b>	<b>Total operating costs</b>	<b>684,393</b>	<b>669,537</b>	<b>634,020</b>

Fees to auditors for other services in the year ended 30 June 2024 were for probity assurance services and review of Corrections' procurement policies (2023: probity assurance services).

### Note 5: Capital charge

Corrections pays a capital charge to the Crown on its taxpayers' funds as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2024 was 5% per annum (2023: 5% per annum).

**Note 6: Debtors and other receivables**

2023		2024
Actual		Actual
\$000		\$000
<b>CURRENT PORTION</b>		
<b>Exchange transactions</b>		
2,673	Trade debtors – external	3,814
464	Sundry receivables	640
<b>3,137</b>	<b>Trade debtors – external and employees</b>	<b>4,454</b>
254	Trade debtors – other government entities	246
<b>3,391</b>	<b>Total debtors and receivables from exchange transactions</b>	<b>4,700</b>
<b>Non-exchange transactions</b>		
752,587	Debtor Crown	933,955
<b>752,587</b>	<b>Total debtors and receivables from non-exchange transactions</b>	<b>933,955</b>
<b>755,978</b>	<b>Total debtors and other receivables</b>	<b>938,655</b>

The carrying value of trade debtors approximates their fair value.

The Debtor Crown of \$933.9 million (2023: \$752.6 million) consists of operating and capital funding (GST inclusive) not drawn down as a result of the timing of cash requirements.

There is minimal credit risk with respect to other external receivables. Corrections' standard terms of credit are that payment is due on the 20th of the month following the date of invoice.

Corrections classifies Debtor Crown as current because it can be realised in cash within three working days.

As at 30 June 2024 and 30 June 2023, all overdue receivables were assessed for impairment and appropriate expected credit loss provisions applied.

The expected credit loss rates for receivables at 1 July 2023 and 30 June 2024 are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the recoverability of receivables. Given the short period of credit risk exposure, the effect of macroeconomic factors is not considered significant.

There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance.

### Note 6: Debtors and other receivables (continued)

The allowance for credit losses at 30 June 2024 and 1 July 2023 was determined as follows:

30 June 2024	Debtors and other receivables days past due					Total
	Current	1-30 days	31-60 days	61-90 days	More than 90 days	
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	0.0%	-
Gross carrying amount (\$000)	937,888	149	100	34	484	938,655
Lifetime expected credit loss (\$000)	-	-	-	-	-	-

1 July 2023	Debtors and other receivables days past due					Total
	Current	1-30 days	31-60 days	61-90 days	More than 90 days	
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	0.0%	-
Gross carrying amount (\$000)	755,500	76	111	2	289	755,978
Lifetime expected credit loss (\$000)	-	-	-	-	-	-

Corrections has no provision for impairment of debtors and other receivables as at 30 June 2024 and 30 June 2023.

### Note 7: Non-current assets held for sale

2023		2024
Actual		Actual
\$000		\$000
	<b>Non-current assets held for sale comprise:</b>	
2,600	Land	2,600
<b>2,600</b>	<b>Total non-current assets held for sale</b>	<b>2,600</b>

Corrections classifies property, plant, and equipment assets expected to be sold in the next 12 months as assets held for sale. The land at Barrowcliffe Place in Manukau has been reclassified as held for sale in 2021 at the carrying value of \$2.6 million as it forms Treaty settlement commercial redress under which a Notice of Interest has been submitted. The sale is expected to be completed by December 2024.

The accumulated property revaluation reserve recognised in equity for the property at 30 June 2024 is \$0.6 million (2023: \$0.6 million).



## **Note 8: Property, plant, and equipment**

An independent valuer, Beca Limited (Beca), performed the most recent valuation of freehold land and buildings effective as at 30 June 2023. The opinion of value was arrived at by Divya Patel, Registered Valuer (Full Member Property Institute of New Zealand). The total fair value of freehold land and buildings assessed by Beca at 30 June 2023 was \$3,905.4 million. In line with Corrections' accounting policy, land and buildings must be revalued at least once in three years unless the current carrying value of Corrections' land and/ or buildings assets is considered to differ materially from their fair value, in which case a revaluation will be undertaken. Until the earlier of these revaluation events, the valuation undertaken in 2023 is considered to be fair and reasonable.

The valuation undertaken by Beca was completed in accordance with PBE IPSAS 17 Property, Plant and Equipment, with reference to the International Valuation Standards, effective 31 January 2022 (IVS) and Property Institute of New Zealand "Guidance Papers for Valuers & Property Professionals", specifically NZVGP502 – Valuations of Real Property, Plant and Equipment for use in New Zealand Financial Reports.

In completing the valuation, assets which have a known and visible market have been valued using the following appropriate methods:

- » Community Corrections site land and buildings have been valued in accordance with Income and Market valuation approaches. Community Corrections site buildings without a land component have been valued using a Cost approach. Seismic strength of the buildings has been an important consideration in assessing the value of these properties.
- » Prison complex assets that are considered to be specialised assets have been valued using the depreciated replacement cost method with the land component valued using a market sales evidence approach.
- » Land is valued at fair value using market-based evidence based on its highest and best use. Restrictions on title have been reflected in the valuation through making allowances based on comparable sales.
- » Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions used in the 30 June 2023 valuation include:
  - The replacement cost of the specific assets is adjusted where appropriate for optimisation due to over-design or surplus capacity.
  - The replacement cost is derived from recent construction costs. The specialised construction requirements of prison and correctional facility buildings result in construction rates being higher than other similar types of buildings.
  - The remaining useful life of assets is estimated after considering factors such as age, condition, functional obsolescence, technological obsolescence, environmental considerations, future maintenance and replacement plans, and experience with similar buildings.
  - The standard lives for different building components have been revised based on BECA's understanding of the use and performance of Corrections assets across the portfolio.

Corrections currently holds residential properties that were purchased in the 1960s within its property portfolio. These properties are held to provide accommodation to staff working in prisons in rural areas or for future operational purposes. The rental revenue that is received from these properties is incidental, as opposed to being held for investment purposes. The net carrying amount of these properties is \$6.7 million (2023: \$6.4 million).

Corrections constructs prison buildings, including associated items of property, plant, and equipment, which are classified as assets under construction during the construction period and are capitalised to the appropriate property, plant and equipment class at the in-service date. Assets under construction include buildings \$1,107.7 million (2023: \$968.3 million), leasehold improvements \$1.5 million (2023: \$4.4 million), and other assets \$16.9 million (2023: \$21.6 million).

## **Note 8: Property, plant, and equipment (continued)**

### **Capitalisation of finance costs**

Finance costs incurred during the period, including any that could be allocated as a cost of completing and preparing assets for their intended use are expensed rather than capitalised as the borrowings are generally not directly attributable to individual assets.

Finance costs during the construction period of a service concession asset are considered the private sector partners costs that are built into the agreed purchase price and therefore are not finance cost of the department and are not considered in the revaluation of the service concession assets.

### **Held for sale**

Corrections classifies property, plant and equipment assets expected to be sold in the next 12 months as assets held for sale. The land at Barrowcliffe Place has been reclassified as Held for Sale at the carrying value of \$2.6 million (refer to Note 7).

### **Heritage assets**

Corrections holds the old prison at Mt Eden Corrections Facility as a heritage asset. This is currently disused and no value has been attributed to it in the Beca valuation.

There are other heritage classified buildings within Corrections' property portfolio. Where the buildings are in use, they have been valued by Beca on a depreciated cost basis.

### **Restrictions on title**

Corrections has land holdings that are subject to Treaty of Waitangi claims and therefore there may be restrictions on disposal. No adjustment has been made to the value of Corrections' land holdings to reflect these restrictions. There are no other restrictions over the title of Corrections' property, plant and equipment, nor are there any property, plant and equipment assets pledged as security for liabilities.

## **Note 8: Property, plant, and equipment (continued)**

### **Public Private Partnership (PPP) arrangements**

#### ***Auckland South Corrections Facility***

Operations at the 960 bed Auckland South Corrections Facility (ASCF) commenced in May 2015. The facility was designed, financed, and built through a PPP with SecureFuture Wiri Limited (SFWL) as contractor. Under the agreement, Corrections provided existing department owned land, adjacent to Auckland Region Women's Corrections Facility, to the SFWL on which to build the prison. SFWL will continue to operate and maintain the prison for a period of 25 years, after which responsibility for on-going maintenance and operations will revert to Corrections. The Chief Executive of the Department of Corrections will be responsible for the safe, secure, and humane containment of prisoners on that site.

The carrying values of PPP assets relating to ASCF comprise land \$43.4 million (2023: \$43.4 million), buildings \$329.4 million (2023: \$340.4 million), and plant and equipment \$0.5 million (2023: \$0.5 million).

Under this agreement Corrections pays a monthly unitary charge to SFWL from service commencement. This charge covers, and is allocated between:

- » Construction of the facility – these costs are not repriced and are recognised as a reduction against the service concession arrangement liability. Repayment of the service concession arrangement liability will be over a term of 25 years from service commencement at an effective interest rate of 8.65% per annum (2023: 8.65%). Certain major capital expenditure incurred (such as re-roofing, replacement of heating units) during the term of the agreement is paid for by Corrections at the time it is provided by SFWL, and the unitary charge is adjusted at this time for these amounts.
- » Finance costs – finance costs are repriced every five years and the amount Corrections pays to SFWL is adjusted. Finance charges are recognised as an expense using the effective interest rate method.
- » Service costs – these costs cover operation of the facility as well as routine repairs and maintenance required to keep the facility operational and in good condition. A portion of these costs is indexed to the Consumer Price Index and the Labour Cost Index. Any change in these service costs will result in a change to the amount Corrections pays to SFWL. Service costs are recognised as an expense in the period incurred.
- » Lifecycle costs – these costs are additional to routine repairs and maintenance carried out during the contract lifetime which is agreed upfront.

The agreement provides for cancellation under certain circumstances, including for specified non-performance. There is no right of renewal at the end of the contracted 25-year term.

In September 2022, SFWL refinanced the existing debt facility which was in line with the scheduled refinancing date. Corrections has contracted an interest rate swap with the New Zealand Debt Management Office (NZDMO) to mitigate exposure to interest rate risk (refer to Notes 15 and 20).

## **Note 8: Property, plant, and equipment (continued)**

### **Public Private Partnership (PPP) arrangements (continued)**

#### **Auckland Prison**

Construction of the new maximum-security facility at Auckland Prison was completed in July 2018. While the total maximum prisoner capacity has remained unchanged, the new modern facility will continue to ensure the safe containment of prisoners and allow prisoners who have high and complex needs to receive care in an environment that supports them and the delivery of high quality rehabilitative and reintegrative services.

The facility was designed, financed, built, and will be maintained through a PPP with Next Step Partners LP (NSP) as contractor. Under the agreement, Corrections continues to undertake custodial operations and NSP will maintain the prison, including the integrated Auckland West facility, for a period of 25 years following construction completion. After this, responsibility for ongoing maintenance will revert to Corrections.

The land under the new maximum-security facility was provided by Corrections. The carrying values of PPP assets relating to Auckland Prison comprise land \$3 million (2023: \$3.0 million), buildings \$344.5 million (2023: \$354.3 million), plant and equipment \$1.8 million (2023: \$1.8 million), and other equipment \$0.1 million (2023: Nil).

Under the agreement Corrections pays a monthly unitary charge to NSP from service commencement. This charge covers, and is allocated between:

- » Construction of the facility – these costs are not repriced and are recognised as a reduction against the service concession liability. Repayment of the service concession liability will be over a term of 25 years from service commencement at an effective interest rate of 5.88% per annum (2023:5.88%).
- » Finance costs – finance costs are repriced every five years and the amount Corrections pays to NSP is adjusted. Finance charges are recognised as an expense using the effective interest rate method.
- » Service costs – these costs cover maintenance of the facility required to keep the facility operational and in good condition. A portion of these costs is indexed to the Consumer Price Index and the Labour Cost Index. Any change in these service costs will result in a change to the amount Corrections pays to NSP. Service costs are recognised as an expense in the period incurred.
- » Lifecycle costs – these costs are additional to routine repairs and maintenance carried out during the contract lifetime which is agreed upfront.

The agreement provides for cancellation under certain circumstances, including for specified non-performance. There is no right of renewal at the end of the contracted 25-year term.

NSP refinanced the existing debt facility in July 2022, two months ahead of the scheduled Refinancing date. Corrections has contracted two interest rate swaps with NZDMO to mitigate exposure to interest rate risk (refer to Notes 15 and 20).



## **Note 8: Property, plant, and equipment (continued)**

### **Public Private Partnership (PPP) arrangements (Continued)**

#### ***New Facility at Waikeria Prison***

Construction on the new facility at Waikeria Prison commenced in September 2018. Built on Corrections land adjacent to the existing Waikeria Prison, the new facility will develop an additional 600 beds, including 96 beds in a dedicated mental health treatment unit aimed at delivering a more effective and resilient prison network, and increased capability and capacity for mental health treatment.

The facility was designed, financed, built, and will be maintained through a PPP with Cornerstone Infrastructure Partners LP (CIP) as contractor. Under the agreement, custodial operations will continue to be carried out by Corrections and CIP will maintain the new facility for a period of 25 years following construction completion. After this, responsibility for ongoing maintenance will revert to Corrections.

The land under the new facility is owned by Corrections. The carrying value of PPP assets relating to Waikeria Corrections and Treatment Facility within assets under construction is \$1,056.8 million (2023: \$916.1 million).

Under the agreement Corrections pays a monthly unitary charge to CIP from service commencement. This charge covers, and is allocated between:

- » Construction of the facility – these costs are not repriced and are recognised as a reduction against the service concession liability. Repayment of the service concession liability will be over a term of 25 years from service commencement at an effective interest rate of 4.99% per annum (2023: 4.99%).
- » Finance costs – finance costs are repriced every five years and the amount Corrections pays to CIP is adjusted. Finance charges are recognised as an expense using the effective interest rate method. Corrections has contracted an interest rate swap with NZDMO to mitigate exposure to interest rate risk (refer Notes 15 and 20).
- » Service costs – these costs cover maintenance of the facility required to keep the facility operational and in good condition. A portion of these costs is indexed to the Consumer Price Index and the Labour Cost Index. Any change in these service costs will result in a change to the amount Corrections pays to CIP. Service costs are recognised as an expense in the period incurred.
- » Lifecycle costs – these costs are additional to routine repairs and maintenance carried out during the contract lifetime which is agreed upfront.

In April 2023, Corrections entered into a Project Support Agreement with Cornerstone Infrastructure Partners and its subcontractors on project completion dates and contractual costs. As part of the agreement, the debt component of the quarterly unitary charges will continue to be paid ahead of the proposed project completion. The repayment of debt component of the quarterly unitary charges totalled \$69.1 million in 2023/24 financial year (2023: \$44.8 million). These payments result in the value of the PPP asset being greater than the PPP liability at 30 June 2024.

The agreement provides for cancellation under certain circumstances, including for specified non-performance. There is no right of renewal at the end of the contracted 25-year term.

**Note 8: Property, plant, and equipment (continued)**

	Land \$000	Buildings \$000	Leasehold improvements \$000	Plant and equipment \$000	Furniture and fittings \$000	Computer hardware \$000	Motor vehicles \$000	Assets under construction \$000	Total Property, plant, and equipment \$000
<b>COST OR VALUATION</b>									
Balance at 1 July 2022	220,984	3,433,939	75,086	134,964	28,803	35,917	62,058	925,255	4,917,006
Additions	-	17,675	1,497	6,294	1,730	2,640	8,482	170,249	208,567
Disposals/write-offs	-	-	(1,915)	(1,022)	(6)	(8)	(4,330)	(9,084)	(16,365)
Transfers	-	63,770	7,057	16,958	836	3,491	-	(92,112)	-
Revaluation increase/(decrease)	33,200	135,844	-	-	-	-	-	-	169,044
<b>Cost or valuation at 30 June 2023</b>	<b>254,184</b>	<b>3,651,228</b>	<b>81,725</b>	<b>157,194</b>	<b>31,363</b>	<b>42,040</b>	<b>66,210</b>	<b>994,308</b>	<b>5,278,252</b>
<b>Add: Movements</b>									
Additions	-	10,854	-	4,708	1,049	8,492	17,646	234,319	277,068
Disposals/write-offs	(684)	(2,116)	-	(4,559)	-	-	(6,512)	(7,563)	(21,434)
Transfers	-	33,881	-	57,257	2,149	1,635	34	(94,956)	-
<b>Cost or valuation at 30 June 2024</b>	<b>253,500</b>	<b>3,693,847</b>	<b>81,725</b>	<b>214,600</b>	<b>34,561</b>	<b>52,167</b>	<b>77,378</b>	<b>1,126,108</b>	<b>5,533,886</b>
<b>Accumulated depreciation and impairment losses</b>									
Balance at 1 July 2022	-	(148,443)	(32,603)	(91,619)	(24,379)	(27,926)	(37,228)	-	(362,198)
Depreciation expense	-	(155,364)	(6,487)	(17,235)	(1,881)	(7,538)	(5,694)	-	(194,199)
Disposals/write-offs	-	-	1,914	878	-	4	3,677	-	6,473
Transfers	-	-	-	-	-	-	-	-	-
Revaluation increase/(decrease)	-	303,807	-	-	-	-	-	-	303,807
<b>Accumulated depreciation and impairment losses at 30 June 2023</b>	<b>-</b>	<b>-</b>	<b>(37,176)</b>	<b>(107,976)</b>	<b>(26,260)</b>	<b>(35,460)</b>	<b>(39,245)</b>	<b>-</b>	<b>(246,117)</b>
<b>Add: Movements</b>									
Depreciation expense	-	(163,560)	(5,525)	(19,099)	(2,118)	(5,383)	(7,376)	-	(203,061)
Disposals/write-offs	-	218	-	3,424	-	-	5,826	-	9,468
Transfers	-	-	-	4	-	-	(4)	-	-
<b>Accumulated depreciation and impairment losses at 30 June 2024</b>	<b>-</b>	<b>(163,342)</b>	<b>(42,701)</b>	<b>(123,647)</b>	<b>(28,378)</b>	<b>(40,843)</b>	<b>(40,799)</b>	<b>-</b>	<b>(439,710)</b>
Carrying amounts per asset class									
<b>At 30 June 2024</b>	<b>253,500</b>	<b>3,530,505</b>	<b>39,024</b>	<b>90,953</b>	<b>6,183</b>	<b>11,324</b>	<b>36,579</b>	<b>1,126,108</b>	<b>5,094,176</b>
<b>At 30 June 2023</b>	<b>254,184</b>	<b>3,651,228</b>	<b>44,549</b>	<b>49,218</b>	<b>5,103</b>	<b>6,580</b>	<b>26,965</b>	<b>994,308</b>	<b>5,032,135</b>

**Note 9: Intangible assets**

	Acquired software	Internally generated software	Assets under construction	Total Intangible assets
	\$000	\$000	\$000	\$000
<b>COST OR VALUATION</b>				
Balance 1 July 2022	21,993	82,149	11,695	115,837
Additions	-	1,778	11,846	13,624
Disposals/write-offs	(10,319)	(5,178)	(271)	(15,768)
Transfers	99	3,414	(3,513)	-
<b>Cost or valuation at 30 June 2023</b>	<b>11,773</b>	<b>82,163</b>	<b>19,757</b>	<b>113,693</b>
<b>Add: Movements</b>				
Additions	-	1,475	16,318	17,793
Disposals/write-offs	-	-	(6,739)	(6,739)
Transfers	3,593	18,672	(22,265)	-
<b>Cost or valuation at 30 June 2024</b>	<b>15,366</b>	<b>102,310</b>	<b>7,071</b>	<b>124,747</b>
<b>Accumulated amortisation and impairment losses</b>				
Balance 1 July 2022	(20,882)	(61,243)	-	(82,125)
Amortisation expense	(1,040)	(9,966)	-	(11,006)
Disposals/transfers	10,319	4,928	-	15,247
<b>Accumulated amortisation and impairment losses at 30 June 2023</b>	<b>(11,603)</b>	<b>(66,281)</b>	<b>-</b>	<b>(77,884)</b>
<b>Add: Movements</b>				
Amortisation expense	(1,249)	(11,946)	-	(13,195)
Disposals/transfers	-	-	-	-
<b>Accumulated amortisation and impairment losses at 30 June 2024</b>	<b>(12,852)</b>	<b>(78,227)</b>	<b>-</b>	<b>(91,079)</b>
<b>Carrying amounts</b>				
<b>At 30 June 2024</b>	<b>2,514</b>	<b>24,083</b>	<b>7,071</b>	<b>33,668</b>
<b>At 30 June 2023</b>	<b>170</b>	<b>15,882</b>	<b>19,757</b>	<b>35,809</b>

Corrections develops and maintains internally generated software, which is classified as an asset under construction and capitalised at the in-service date.

There are no restrictions over the title of Corrections' intangible assets, nor are any intangible assets pledged as security for liabilities.

## Note 10: Biological assets

2023		2024
Actual		Actual
\$000		\$000
<b>COST OR VALUATION</b>		
9,251	Balance at 1 July	8,904
84	Purchases	126
8,412	Net gain due to regeneration, maturation, and changes in unit values	9,995
(8,843)	Sales/harvest	(10,063)
<b>8,904</b>	<b>Cost or valuation at 30 June</b>	<b>8,962</b>
<b>(347)</b>	<b>Net change</b>	<b>58</b>
(490)	Change due to movement in quantity	(26)
143	Change due to movement in fair value	84
<b>8,904</b>	<b>Carrying amounts at 30 June</b>	<b>8,962</b>

Corrections farms sheep, beef and dairy cattle, and pigs at various locations throughout New Zealand. The valuation of livestock is based on the active market price and was undertaken by various independent livestock valuers. There are no restrictions over the title of Corrections' biological assets, nor are any biological assets pledged as security for liabilities.

Corrections has assessed the impact of Mycoplasma Bovis on its biological assets. Based on testing to date there is a very low risk of stock being impacted and therefore no adjustments to the carrying value of these assets is necessary.

## Note 11: Creditors and other payables

2023		2024
Actual		Actual
\$000		\$000
<b>CURRENT PORTION</b>		
<b>Exchange transactions</b>		
7,246	Trade creditors	9,605
129,547	Accrued expenditure	110,895
2,103	Income in advance	1,636
<b>138,896</b>	<b>Total creditors and other payables from exchange transactions</b>	<b>122,136</b>
<b>NON-EXCHANGE TRANSACTIONS</b>		
44,210	GST payable	21,503
<b>44,210</b>	<b>Total creditors and other payables from exchange transactions</b>	<b>21,503</b>
<b>183,106</b>	<b>Total creditors and other payables</b>	<b>143,639</b>

Creditors and other payables are non-interest bearing and are normally settled within 30 days. Therefore, the carrying value of creditors and payables approximates their fair value.

In 2020/21, Corrections received \$6.9 million relating to business continuity insurance to cover future operational costs, reported as income in advance in the statement of financial position. In the current period, \$385k was recognised as revenue (2023: \$400k (restated)), with a remaining balance as at 30 June 2024 of \$1.6 million (2023: \$2.1 million). Corrections classifies creditors and other payables that are expected to be settled within 12 months as current.



## Note 12: Employee entitlements

2023		2024
Actual		Actual
\$000		\$000
<b>CURRENT LIABILITIES</b>		
15,676	Retiring and long service leave	12,107
107,214	Annual leave	121,302
4,266	Sick leave	4,785
46,302	Accrued salaries and wages	32,552
1,172	Parental leave	1,003
3,701	Holidays Act provision	502
<b>178,331</b>	<b>Total current portion</b>	<b>172,251</b>
<b>Non-current liabilities</b>		
18,630	Retiring and long service leave	34,229
<b>18,630</b>	<b>Total non-current portion</b>	<b>34,229</b>
<b>196,961</b>	<b>Total employee entitlements</b>	<b>206,480</b>

Employee entitlements, expected to be settled within 12 months of balance date, are measured at nominal values based on accrued entitlements at current rates of pay.

Corrections classifies employee entitlements as current:

- » That are expected to be settled within 12 months after the balance date; and
- » Where Corrections does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

### Retiring and long service leave

The present value of the retiring and long service leave obligations depends on multiple factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability are the discount rates and the salary inflation factors. Any changes in these assumptions will impact on the carrying amount of the liability.

Independent valuer David Chamberlain (Fellow of the New Zealand Society of Actuaries) from Melville Jessup Weaver valued the retiring and long service leave as at 30 June 2024.

The major assumptions used in the 30 June 2024 valuation are that future salary growth rates of 3.2% in 2025 and an average of 3.2% thereafter (2023: 6.1% in 2024 and 3.6% thereafter) per annum and discount rates ranged from 4.25% to 5.36% (2023: 4.19% to 5.43%) per annum for the next 10 years. The discount rates used are those advised by Treasury and the long-term salary inflation assumption in the public sector.

If the discount rate were to increase/decrease by 1% from Corrections' estimates, with all other factors held constant, the carrying amount of the liability and the surplus/(deficit) would be an estimated \$3 million lower/\$3.4 million higher respectively.

If the salary inflation factor were to increase/decrease by 1% from Corrections' estimates, with all other factors held constant, the carrying amount of the liability and the surplus/(deficit) would be an estimated \$3.4 million higher/\$3 million lower respectively.

## Note 12: Employee entitlements (continued)

### Holidays Act 2003 provision

Corrections has worked to comply with an Enforceable Undertaking (EU) issued under the Employment Relations Act 2000 to modify our payroll system to be fully compliant and completed the work in calculating any liabilities due and owing to current employees (completed in November 2019). Further work to fulfil our obligation to remediate past employees is still in progress.

Corrections has estimated the amount of the obligation under the Act to remediate the past employees and recognised a provision in the financial statements. The provision as at 30 June 2024 represents Corrections' best estimate of remediation costs and Corrections has received specific funding to fully cover this provision amount. Corrections will make payments to past employees whose information is provided and validated.

### Note 13: Provisions

2023		2024	2024	2024
Total provisions		Employee accidents	Other provisions	Total provisions
Actual		Actual	Actual	Actual
\$000		\$000	\$000	\$000
<b>CURRENT PROVISIONS</b>				
42,743	Balance at 1 July	13,600	42,549	56,149
27,822	Additional provisions made during the year	3,255	36	3,291
(14,416)	Charged against provision for the year	(1,285)	(10,425)	(11,710)
<b>56,149</b>	<b>Total current provisions</b>	<b>15,570</b>	<b>32,160</b>	<b>47,730</b>
<b>56,149</b>	<b>Total provisions</b>	<b>15,570</b>	<b>32,160</b>	<b>47,730</b>

### Employee accidents

The provision relates to the estimation of Corrections' outstanding claims liability under the ACC Accredited Employer's Programme. An independent valuer, Craig Lough (Fellow of the New Zealand Society of Actuaries) from Melville Jessup Weaver, provided an estimate of the outstanding claims liability as at 30 June 2024 and 30 June 2023.

#### Key assumptions

The key assumptions used in determining the value of outstanding claims are:

- » the development pattern of claims payments is the same for all loss periods. That is, the future claims pattern will reflect that which occurred in the past;
- » the assumed loss ratios were determined by considering the observed loss ratios for developed loss quarters and having regard to the general trend in claims costs;
- » the discount rates were based on government bond yields published by the Reserve Bank of New Zealand; and
- » Corrections will remain in the ACC Accredited Employer's Programme (ACC AEP) for the foreseeable future. If Corrections were to exit immediately, a risk margin of approximately 11% (2023: 11.0%) per annum would be added by ACC.

The estimated ACC AEP outstanding claims liability as at 30 June 2024 included a provision for future claims handling expenses of 6.6% (2023: 6.0%) per annum of expected future claim costs.

## Note 13: Provisions (continued)

### Employee accidents (continued)

#### Key assumptions (continued)

Corrections manages its exposure arising from the programme by promoting a safe and healthy working environment through:

- » implementing and monitoring health and safety policies;
- » providing health and safety induction training;
- » actively managing workplace injuries to ensure employees return to work as soon as practicable;
- » recording and monitoring workplace injuries and near misses to identify risk areas and implementing mitigating actions; and
- » identifying workplace hazards and implementing appropriate safety procedures.

### Other provisions

#### Waikeria incident

Following the Waikeria Riot in December 2020, a provision for demolition of the top jail was recognised in the 2020/21 financial year. As at 30 June 2024, there is a remaining provision for demolition cost of \$3.3 million. This demolition is expected to be completed in November 2024.

#### Waikeria Prison Development PPP Project

The Waikeria Prison PPP provision of \$7.9 million relates to estimates for expected contractual claims for compensation for time and productivity losses incurred due to the COVID-19 pandemic, where it is probable that Corrections will be liable to meet these claims. Actual costs may vary from the provision estimates.

Corrections has also recognised an unquantified contingent liability as there are matters still to be resolved. Refer to the Statements of Contingent Liabilities and Contingent Assets for further details.

#### Christchurch Men's Prison demolition costs

An End of Life (EOL) assessment was completed on the Matai, Kauri and Rawhiti High Security accommodation units (MKR) in 2021, which showed these were no longer 'fit for purpose' to house or hold prisoners. Following decommissioning of these buildings, a provision for demolition of the accommodation units was recognised in the 2022/23 financial year. As at 30 June 2024, there is a remaining provision for demolition cost of \$16.8 million. The demolition work is planned to be completed within 24 months from 30 June 2024.

#### Restructuring provision

In May 2023, Corrections released a consultation document proposing an organisational restructure as part of the ongoing Hokai Rangi Pathway Forward (HRPF) changes. The restructure proposes changes to the management structure and the way the organisation is set up to deliver on its outcomes. A provision of \$6.4 million for restructuring costs relating to the HRPF organisational change has been recognised as at 30 June 2023.

Following the final decision document, the change management process resulted in a successful re-assignment of impacted employees, which led to a significant reduction of \$6.2 million in the original restructuring provision. As at 30 June 2024, there is a remaining provision for restructuring costs of \$228K.

## Note 14: Provision for repayment of surplus to the Crown

2023		2024
Actual		Actual
\$000		\$000
69,421	Net surplus/(deficit)	27,617
	<b>Add</b>	
-	Retention of Surplus	(2,130)
(50,645)	Unrealised gain in fair value of derivative financial instruments	571
<b>18,776</b>	<b>Adjusted net surplus</b>	<b>26,058</b>
<b>18,776</b>	<b>Provision for repayment of surplus to the Crown</b>	<b>26,058</b>

The return of any surplus to the Crown is repaid by 31 October of each year.

### Note 15: Other financial liabilities

2023		Note	2024	
Actual			Actual	
\$000			\$000	
1,175,127	Service concession arrangements	20	1,145,809	
(58,295)	Derivative financial instruments	20	(57,724)	
<b>1,116,832</b>	<b>Total net financial liabilities/(assets)</b>		<b>1,088,085</b>	
<b>Non-current assets</b>				
(62,276)	Derivative financial instruments		(61,519)	
<b>Current liabilities</b>				
15,858	Service concession arrangements		30,080	
<b>Non-current liabilities</b>				
1,159,269	Service concession arrangements		1,115,729	
3,981	Derivative financial instruments		3,795	
<b>1,116,832</b>	<b>Total net financial liabilities/(assets)</b>		<b>1,088,085</b>	

### Reconciliation of movements in liabilities arising from financing activities

2023		2024		2024		2024	
Total		Service concession arrangements		Derivative Financial Instruments		Total	
Actual		Actual		Actual		Actual	
\$000		\$000		\$000		\$000	
<b>1,220,879</b>	<b>BALANCE AT 1 JULY 2023</b>	<b>1,175,127</b>		<b>(58,295)</b>		<b>1,116,832</b>	
(55,997)	Net Cash flows	(73,577)		-		(73,577)	
(50,645)	Fair value movements	-		571		571	
2,595	Other changes	44,259		-		44,259	
<b>1,116,832</b>	<b>Balance at 30 June 2024</b>	<b>1,145,809</b>		<b>(57,724)</b>		<b>1,088,085</b>	

#### Service concession arrangements

Other financial liabilities include Corrections' liabilities under service concession arrangements (refer to note 8).

Each liability will be repaid over a term of 25 years from its service commencement. Service concession arrangement liabilities that Corrections expects to be settled within 12 months of balance date are classified as current.

Corrections has no securities against other financial liabilities.



## **Note 15: Other financial liabilities (continued)**

### **Derivative financial instruments**

Corrections uses derivative financial instruments in the form of interest rate swaps entered into with the New Zealand Debt Management Office (NZDMO) to manage its exposure to fluctuating market interest rates arising from its Public Private Partnership (PPP) arrangements.

At 30 June 2024 the total notional principal amount outstanding for Corrections' interest rate swap derivatives was \$1,181.7 million (2023: \$1,215.2 million).

Corrections has four (2023: four) interest rate swaps with the NZDMO and these derivatives are classified as non-current.

For the arrangement with Next Step Partners, the first interest rate swap derivatives is calculated at a fixed interest rate of 4.78% and the second at 2.60% per annum and the maturity dates range from 2022 to 2042.

For the arrangement with SecureFuture Wiri Limited the interest rate swap derivative is calculated at a fixed rate of 3.78% per annum and the maturity dates range from 2019 to 2039.

For the arrangement with Cornerstone Infrastructure Partners the interest rate swap derivative is calculated at a fixed rate of 3.91% per annum and the maturity dates range from 2023 to 2046.

These derivatives are measured at fair value determined as at the balance date using the New Zealand Dollar swap curve, which is made up of the New Zealand Official Cash Rate, bank bill rates and swap rates.

As a result of a lower interest rate environment, the fair value of the derivatives has decreased. The resulting unrealised loss in fair value of derivative financial instruments between 30 June 2023 and 30 June 2024 of \$0.6 million (2023: unrealised gain \$50.6 million) is recognised within remeasurements in the net surplus or deficit in the Statement of Comprehensive Revenue and Expense.

Derivatives are reported in the Statement of Financial Position as assets when their fair value is positive and as a liability when their fair value is negative.

## Note 16: Taxpayers' funds

Taxpayers' funds comprise general funds and revaluation reserves.

2023		Note	2024	
Actual			Actual	
\$000			\$000	
<b>GENERAL FUNDS</b>				
<b>1,985,262</b>	<b>Balance at 1 July</b>		<b>2,237,468</b>	
69,421	Net surplus		27,617	
201,576	Capital contribution from the Crown		219,280	
(15)	Other movements		-	
<b>270,982</b>	<b>Total movement in general funds</b>		<b>246,897</b>	
(18,776)	Provision for repayment of surplus to the Crown	14	(26,058)	
<b>2,237,468</b>	<b>Balance at 30 June</b>		<b>2,458,307</b>	
<b>REVALUATION RESERVES</b>				
<b>1,704,539</b>	<b>Balance at 1 July</b>		<b>2,177,395</b>	
472,851	Revaluation gains		-	
-	Reversal of revaluation reserves on disposal		951	
5	Other movements		-	
<b>2,177,395</b>	<b>Balance at 30 June</b>		<b>2,178,346</b>	
<b>4,414,863</b>	<b>Total taxpayers' funds at 30 June</b>		<b>4,636,653</b>	

2023			2024	
Actual			Actual	
\$000			\$000	
<b>REVALUATION RESERVES</b>				
<b>Land</b>				
<b>168,491</b>	<b>Balance at 1 July</b>		<b>201,691</b>	
33,200	Revaluation gains		-	
-	Reversal of revaluation reserves on disposal		(308)	
<b>201,691</b>	<b>Balance at 30 June</b>		<b>201,383</b>	
<b>Buildings</b>				
<b>1,536,048</b>	<b>Balance at 1 July</b>		<b>1,975,704</b>	
439,651	Revaluation gains		-	
5	Reversal of revaluation reserves on disposal		1,259	
<b>1,975,699</b>	<b>Balance at 30 June</b>		<b>1,975,704</b>	
<b>2,177,395</b>	<b>Total revaluation reserves at 30 June</b>		<b>2,178,346</b>	

Corrections has no restricted reserves.

**Note 17: Reconciliation of net surplus/(deficit) to net cash flow from operating activities**

2023		2024	
Actual		Actual	
\$000		\$000	
<b>69,421</b>	<b>Net Surplus</b>		<b>27,617</b>
	<b>Add/(less) non-cash items</b>		
205,205	Depreciation and amortisation		216,255
-	- Asset write off		14,302
(50,645)	Derivative financial instrument increase		571
(408)	Gain on retiring and long service leave		-
(1,808)	Biological assets revaluation loss/(gain)		(84)
(143)	Share fair value (increase)/decrease		-
-	- Other non-cash items		367
<b>152,201</b>	<b>Total non-cash items</b>		<b>231,411</b>
	<b>(Increase)/decrease in working capital</b>		
(120,446)	Debtors and other receivables		(182,677)
559	Inventories		2,177
(1,735)	Prepayments		(74)
26,755	Creditors and other payables		(39,459)
13,406	Provisions		(8,419)
5,630	Employee entitlements		9,519
<b>(75,831)</b>	<b>Working capital movements – net</b>		<b>(218,933)</b>
	<b>Add/(less) items classified as investing or financing activities</b>		
490	Biological assets decrease		-
(310)	Interest and dividends received		(657)
8,917	Net loss on sale or disposal of non-current assets		99
-	- Reversal of revaluation reserves on disposal		948
2,293	PPP refinancing movements		-
43,239	Interest on other financial liabilities		44,375
<b>54,629</b>	<b>Total investing or financing activity items</b>		<b>44,765</b>
<b>200,420</b>	<b>Net cash flow from operating activities</b>		<b>84,860</b>

### **Note 18: Related party disclosure**

Corrections is a wholly owned entity of the New Zealand Crown. The government significantly influences the strategic direction, operating intentions and business operations of Corrections as well as being its major source of revenue.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship, on terms and conditions no more or less favourable than those that it is reasonable to expect Corrections would have adopted in dealing with the party at arms' length in the same circumstances. Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Corrections has determined key management personnel as the Chief Executive and the individual members of the Executive Leadership Team. Remuneration applicable to key management personnel is disclosed under Note 19.

There were no related party transactions or commitments to disclose (2023: Nil).

The Treasury advises that responsible Minister Hon Mark Mitchell has certified that he has no related party transactions for the year ended 30 June 2024 (2023: Minister Hon Kelvin Davis - Nil).

### **Note 19: Key management personnel compensation**

Corrections' key management personnel are the seven members of the Executive Leadership Team, which includes the Chief Executive, five Deputy Chief Executives and the Commissioner Custodial Services (2023: seven - Chief Executive, Deputy Chief Executives and the National Commissioner).

2023	2024
Actual	Actual
\$000	\$000
3,075	3,062
7.60	7.40
Executive Leadership Team Remuneration	
Full-time equivalent staff	



## Note 20: Financial instruments

### Categories of financial instruments

Corrections is party to financial instrument arrangements as part of its everyday operations. These include instruments such as cash and cash equivalents, investments, debtors and other receivables, creditors and other payables, and other financial liabilities.

The carrying amounts of financial assets and financial liabilities in each of the financial instrument categories are as follows:

2023 Actual \$000	Note	2024 Actual \$000
<b>FINANCIAL ASSETS</b>		
<b>Financial assets measured at amortised cost</b>		
109,595	Cash and cash equivalents	31,968
755,978	Debtors and other receivables	938,655
<b>865,573</b>	<b>Total financial assets measured at amortised cost</b>	<b>970,623</b>
<b>Financial assets mandatorily measured at fair value through surplus or deficit</b>		
62,276	Derivative financial instruments	61,519
4,265	Investments	3,318
<b>932,114</b>	<b>Total financial assets</b>	<b>1,035,460</b>
<b>FINANCIAL LIABILITIES</b>		
<b>Financial liabilities measured at amortised cost</b>		
183,106	Creditors and other payables	143,645
1,175,127	Service concession arrangements	1,145,809
<b>1,358,233</b>	<b>Total financial assets measured at amortised cost</b>	<b>1,289,454</b>
<b>Financial liabilities mandatorily measured at fair value through surplus or deficit</b>		
3,981	Derivative financial instruments	3,795
<b>1,362,214</b>	<b>Total financial liabilities</b>	<b>1,293,249</b>

The liability for the repayment of surplus to the Crown is not a financial liability as defined by PBE IPSAS 28 Financial Instruments: Presentation, as the obligation to pay arises from statute.

## Note 20: Financial instruments (continued)

### Fair value hierarchy

Corrections uses various methods in estimating the fair value of a financial instrument. Fair values are determined according to the following hierarchy:

- » Level 1: Quoted market price – financial instruments with quoted market prices for identical instruments in active markets.
- » Level 2: Valuation technique using market observable inputs – financial instruments with quoted prices for similar instruments in active markets, or quoted prices for identical or similar instruments in inactive markets, and financial instruments valued using models where all significant inputs are observable.
- » Level 3: Valuation technique with significant non-observable inputs – financial instruments valued using models where one or more significant inputs are not observable.

		2023			2024		
		Valuation technique			Valuation technique		
		Quoted market price	Significant non-observable inputs	Total	Quoted market price	Significant non-observable inputs	Total
		Level 1	Level 3		Level 1	Level 3	
		Note	\$000	\$000	\$000	\$000	\$000
<b>FINANCIAL ASSETS</b>							
Derivative financial instruments	15	-	62,276	62,276	-	61,519	61,519
Investments		4,265	-	4,265	3,318	-	3,318
<b>Total financial assets</b>		<b>4,265</b>	<b>62,276</b>	<b>66,541</b>	<b>3,318</b>	<b>61,519</b>	<b>64,837</b>
<b>FINANCIAL LIABILITIES</b>							
Derivative financial instruments	15	-	3,981	3,981	-	3,795	3,795
<b>Total financial liabilities</b>		<b>-</b>	<b>3,981</b>	<b>3,981</b>	<b>-</b>	<b>3,795</b>	<b>3,795</b>

### Valuation techniques with significant non-observable inputs (level 3)

The fair values of Corrections' financial assets and liabilities classified in level 3 (being the interest rate swaps with New Zealand Debt Management Office) are calculated using valuation techniques based on significant inputs that are not based on observable market data.

Market inputs used for these swaps are NZD-SWAP and ICAP Australia as a pricing source for the 1-20 year portion of the NZD-SWAP curve. However, as there is no market data beyond 20 years for NZD-SWAP point, the valuation technique uses smooth continuous extrapolation techniques out to 50 years.

## Note 20: Financial instruments (continued)

### Fair value hierarchy (continued)

The table below provides a reconciliation from the opening balance to the closing balance for fair value measurements in level 3:

2023		Note	2024	
Actual			Actual	
\$000			\$000	
(7,650)	Balance at 1 July	15	(58,295)	
(50,645)	Gain recognised in surplus or deficit		571	
<b>(58,295)</b>	<b>Balance at 30 June</b>	<b>15</b>	<b>(57,724)</b>	

### Financial instrument risk

#### Market risk

##### Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

Corrections is exposed to other price risk on its investments that are held to facilitate some of its farming supply arrangements, principally with Fonterra. These investments are held in support of continuing business operations and not for trading purposes, and the shareholdings are not a significant proportion of total financial assets. Therefore, while Corrections is fully exposed to short-term fluctuations in the fair value of its investments, the resulting gains or losses are unrealised and are expected to be immaterial in aggregate across the long-term investment holding duration.

##### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

Corrections engages in few overseas transactions and has no foreign currency denominated assets or liabilities at balance date (2023: Nil). Therefore, Corrections has a negligible exposure to currency risk.

##### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Corrections' other financial liabilities mainly relate to its service concession arrangements which are interest bearing.

For the arrangement with Next Step Partners LP the effective interest rate was fixed at 5.90% until 26 August 2022, and the interest rate becomes floating thereafter. Corrections has entered into two interest rate swaps with New Zealand Debt Management Office (NZDMO) to mitigate its interest rate risk exposure. The interest rate on the swaps is fixed at 4.78% and 2.60%.

For the arrangement with SecureFuture Wiri Limited the effective interest rate was fixed at 8.79% until 12 August 2019, and the interest rate becomes floating thereafter. Corrections has entered into an interest rate swap with NZDMO to mitigate its interest rate risk exposure. The interest rate on the swap is fixed at 3.78%.

## Note 20: Financial instruments (continued)

### Financial instrument risk (continued)

For the arrangement with Cornerstone Infrastructure Partners LP, the effective interest rate was fixed at 6.15% until 25 August 2023, the interest rate becomes floating thereafter. Corrections has entered into an interest rate swap with NZDMO to mitigate its interest rate risk exposure. The interest rate on the swap is fixed at 3.91%. Corrections has obtained ministerial approval for borrowing in relation to its service concession arrangements and to enter into its interest rate swaps derivatives with the NZDMO.

### Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at balance date.

The table below sets out the difference in net surplus/(deficit) had interest rates been 1% higher or lower than the year-end market rate, with all other variables remaining constant.

Any change in the net surplus/(deficit) for the period would result in a corresponding movement in the financial liability at balance date.

2023		Change in interest rate (basis points)	2024	
Impact on net surplus/ (deficit)			Impact on net surplus/ (deficit)	
\$000			\$000	
99,423	Interest rate swap derivatives	+100	92,037	
(109,305)	Interest rate swap derivatives	-100	(100,602)	

### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. In the normal course of business, Corrections is exposed to credit risk from trade debtors, transactions with financial institutions and the NZDMO.

Corrections is only permitted to deposit funds with Westpac New Zealand Limited, or with the NZDMO, as these entities have high credit ratings. For other financial instruments, Corrections does not have significant concentrations of credit risk.

Corrections' maximum credit risk exposure for each class of financial instrument is represented by the total carrying amount presented in the Statement of Financial Position.

There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

### Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.



**Note 20: Financial instruments (continued)****Credit quality of financial assets (continued)**

2023		Note	2024	
Actual			Actual	
\$000			\$000	
<b>Cash and cash equivalents</b>				
109,595	AA-		31,968	
<b>109,595</b>	<b>Total cash and cash equivalents</b>		<b>31,968</b>	
<b>Debtors and other receivables</b>				
752,584	AAA		933,955	
3,394	Counterparties without credit ratings		4,700	
<b>755,978</b>	<b>Total debtors and other receivables</b>	<b>6</b>	<b>938,655</b>	
<b>Investments</b>				
4,265	AA+		3,318	
<b>4,265</b>	<b>Total investments</b>		<b>3,318</b>	

**Debtors and other receivables**

Debtors and other receivables are mainly comprised of Debtor Crown and NZDMO (both Standard and Poor's credit rating of AAA), receivables from external parties and other government entities. For its receivables from external parties and other government entities, Corrections does not have significant concentrations of credit risk.

**Liquidity risk**

Liquidity risk is the risk that Corrections will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, Corrections closely monitors its forecast cash requirements with expected cash drawdowns from the NZDMO. Corrections maintains a target level of available cash to meet liquidity requirements.

**Contractual maturity analysis of financial liabilities**

The table on the next page shows Corrections' financial liabilities that will be settled based on the remaining period at the balance date to the contractual maturity date. The amounts below are contractual cash flows that will sometimes differ from the carrying amounts of the relevant liability in the statement of financial position.

## Note 20: Financial instruments (continued)

### Liquidity risk (continued)

#### Contractual maturity analysis of financial liabilities (continued)

As the interest rate fluctuate, Corrections' interest rate swap derivatives may sometimes become financial assets and would not be included in the table below (refer to Note 15).

	Note	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	5-10 years \$000	More than 10 years \$000	Total \$000
<b>As at 30 June 2023</b>							
Creditors and other payables	11	138,896	-	-	-	-	138,896
Service Concession arrangements	15	114,441	126,917	375,147	623,988	1,285,429	2,525,922
Derivative financial instruments	15	(2,413)	(944)	4,103	4,610	460	5,816
<b>Total financial liabilities</b>		<b>250,924</b>	<b>125,973</b>	<b>379,250</b>	<b>628,598</b>	<b>1,285,889</b>	<b>2,670,634</b>
	Note	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	5-10 years \$000	More than 10 years \$000	Total \$000
<b>As at 30 June 2024</b>							
Creditors and other payables	11	143,645	-	-	-	-	143,645
Service Concession arrangements	15	126,917	125,726	373,474	623,973	1,136,117	2,386,207
Derivative financial instruments	15	(1,486)	448	4,343	2,161	(973)	4,493
<b>Total financial liabilities</b>		<b>269,076</b>	<b>126,174</b>	<b>377,817</b>	<b>626,134</b>	<b>1,135,144</b>	<b>2,534,345</b>

## Note 21: Capital management

Corrections' capital is its taxpayers' funds, which comprise general funds and revaluation reserves. Taxpayers' funds are represented by net assets.

In accordance with the Public Finance Act 1989 (PFA) Corrections manages its revenue, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the New Zealand public.

Corrections has in place asset management plans for major classes of assets detailing renewal and maintenance programmes.

The PFA requires Corrections to make adequate and effective provision in its long-term capital expenditure plans and act in accordance with financial delegations from Cabinet to the Chief Executive through the responsible Minister. The PFA also requires that Corrections complies with the requirements of the Public Service Act 2020, Treasury Instructions and any other legislation governing its operations, when incurring any capital expenditure.

The objective of managing taxpayers' funds is to ensure Corrections effectively achieves the goals and objectives for which it was established, while remaining a going concern.

## **Note 22: Explanation of significant variances against budget**

Explanations for significant variances from Corrections' budget are as follows:

### **Statement of Comprehensive Revenue and Expense**

Revenue from the Crown was higher than budget by \$87.6 million. This overall increase is mainly due to increased funding for Public Safety for the Waikeria Development Project, wage pressures and capital charge to reflect revaluation of assets.

Other Revenue was higher than budget by \$5.7 million due to income from litigation settlement received during the year and higher than budgeted dividends from farming operations.

Personnel costs were higher than budget by \$74.4 million mainly due to increased workforce and pay settlements and adjustments for Collective Employment Agreements reached at the end of 2022/23 and in 2023/24, resulting in higher pay rate in the current year.

Operating costs were higher than budget by \$14.9 million mainly due to a combination of inflationary cost increases and increases in recruitment costs, domestic travel costs and insurance premiums.

Capital charge was higher than budget by \$28.5 million due to the unrealised gain in fair value of derivative financial instruments and the revaluation of land and buildings in the prior year.

Finance costs were lower than budget by \$52.9 million mainly due to the capitalisation of the finance costs for Waikeria Development Project during construction but reported as an operating expenditure in the budget.

The unrealised loss in fair value of derivative financial instruments were lower than budget by \$11.2 million due to decrease in forward interest rates across the interest rate swaps' maturity profiles at reporting date. Further information on Corrections derivative financial instruments is contained in Note 15 and 20.

### **Statement of Financial Position**

Cash and cash equivalents were lower than budget by \$18.0 million due to the timing of cash drawdowns.

Prepayments were higher than budget by \$6.8 million largely due to the prepayment for information technology costs.

Debtors and other receivables were higher than budget by \$494.0 million mainly due to an increase in Debtor Crown, reflecting increase in Crown revenue and lower than expected cash drawdowns.

Property, plant and equipment was \$252.0 million higher than budget due to the impact of revaluation gains on land and buildings recognised in the prior year excluded from the budget due to timing of when budget was finalised, offset by lower than budgeted asset acquisitions primarily due to the timing of payments associated with the Project Support Agreement for the Waikeria Development Project.

Intangible assets were \$102.3 million lower than budget mainly due to the treatment of Software as a Service costs as a capital expenditure in the budget.

Employee entitlements were higher than budget by \$68.0 million mainly due to annual leave owed to employees which were yet been taken.

**Note 22: Explanation of significant variances against budget (continued)**

Other financial liabilities as disclosed in Note 15 were lower than budget by \$59.8 million. This relates to Corrections' service concession arrangement liabilities and the interest rate swap derivatives entered into with the NZDMO. The variance is mainly due to delays in construction of the new facility at Waikeria Prison under a PPP arrangement.

General funds were higher than budget by \$77.6 million. This was mainly due to higher capital injections from the Crown for the Waikeria Development Project.

Reserves were higher than budget by \$473.8 million mainly due to the recognition of revaluation gains on Corrections' land and building assets in prior financial year..

**Note 23: Post-balance date event**

There is no known event at this date.



## Non-departmental statements and schedules

### Schedule of Non-departmental expenses

For the year ended 30 June 2024

2023 Actual		2024 Actual	2024 Budget (unaudited)	2024 Supp. Estimates (unaudited)	2025 Forecast (unaudited)
\$000		\$000	\$000	\$000	\$000
<b>EXPENSES</b>					
16	Waikeria Corrections and Treatment Facility	14	50	86	620
3	GST input expense	1	14	13	93
<b>19</b>	<b>Total non-departmental operating expenses</b>	<b>15</b>	<b>64</b>	<b>99</b>	<b>713</b>

### Schedule of Non-departmental assets

As at 30 June 2024

2023 Actual	Note	2024 Actual	2024 Budget (unaudited)	2024 Supp. Estimates (unaudited)	2025 Forecast (unaudited)
\$000		\$000	\$000	\$000	\$000
<b>CURRENT ASSETS</b>					
50	Cash and cash equivalents	3	127	152	35
50	Total current assets		127	152	35
<b>50</b>	<b>Total non-departmental assets</b>		<b>127</b>	<b>152</b>	<b>35</b>

### Schedule of Non-departmental liabilities

As at 30 June 2024

2023 Actual	Note	2024 Actual	2024 Budget (unaudited)	2024 Supp. Estimates (unaudited)	2025 Forecast (unaudited)
\$000		\$000	\$000	\$000	\$000
<b>Current liabilities</b>					
2	Creditors and other payables	2	8	-	-
2	Total current liabilities		8	-	-
<b>2</b>	<b>Total non-departmental liabilities</b>		<b>8</b>	<b>-</b>	<b>-</b>

### ***Schedule of Non-departmental commitments***

#### **As at 30 June 2024**

Corrections, on behalf of the Crown, has no non-departmental commitments as at 30 June 2024 (2023: Nil).

### ***Schedule of Non-departmental contingent liabilities and contingent assets***

#### **As at 30 June 2024**

#### ***Contingent liabilities***

Corrections, on behalf of the Crown, has no non-departmental contingent liabilities as at the 30 June 2024 (2023: Nil).

#### ***Contingent assets***

Corrections, on behalf of the Crown, has no non-departmental contingent assets as at the 30 June 2024 (2023: Nil).

## ***Notes to the non-departmental schedules***

For the year ended 30 June 2024

### ***Note 1: Statement of accounting policies***

#### **Reporting entity**

These non-departmental schedules present financial information on public funds managed by Corrections on behalf of the Crown.

These non-departmental balances are consolidated into the Financial Statements of the Government (FSG). For a full understanding of the Crown's financial position and results of its operations for the year reference should be made to the FSG.

#### **Basis of preparation**

The non-departmental schedules have been prepared in accordance with the accounting policies of the consolidated FSG, Treasury Instructions and Treasury Circulars.

Measurement and recognition rules applied in the preparation of these non-departmental statements and schedules are consistent with New Zealand generally accepted accounting practice (Tier 1 Public Sector Public Benefit Entity Accounting Standards) as appropriate for public benefit entities.

The non-departmental statements and schedules are presented in New Zealand dollars (NZ dollars) and all values are rounded to the nearest thousand dollars (\$000).

#### **New standards and amendments issued and effective for the year ended 30 June 2024**

Standards and amendments issued and that are effective as at 30 June 2024 are:

##### ***2022 Omnibus Amendment to PBE Standards, issued June 2022***

The 2022 Omnibus Amendments issued by the External Reporting Board (XRB) include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards, effective for reporting period starting 1 January 2023. Corrections has adopted the revised PBE standards, and the adoption did not result in any significant impact on Corrections' financial statements

##### **Other changes in accounting policies**

There has been no other changes in accounting policies since the date of the last audited financial statements

##### ***Standards issued and not yet effective and not early adopted***

Standards and amendments that have been issued but are not yet effective and that have not been early adopted and that are relevant to Corrections are:

##### **Disclosure of Fees for Audit Firms' Services – Amendments to PBE IPSAS 1**

The amendments to PBE IPSAS 1 aim to address concerns about the quality and consistency of disclosures an entity provides about fees paid to its audit or review firm for different types of services. The enhanced disclosures are expected to improve the transparency and consistency of disclosures about fees paid to an entity's audit or review firm. The amendments are effective from periods beginning on or after 1 January 2024, with early adoption permitted.

These amendments are not expected to have significant impact.

## Note 1: Statement of accounting policies (continued)

### Significant accounting policies

#### Goods and Services Tax (GST)

All items in the non-departmental schedules are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. GST is returned on revenue received on behalf of the Crown, where applicable. However, an input tax deduction is not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense and eliminated against GST revenue on consolidation into the FSG.

#### Budget figures

The 2024 budget figures are for the year ended 30 June 2024, which are consistent with the best estimate financial information submitted to the Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ended 30 June 2024.

#### Cash and cash equivalents

Cash includes cash on hand and cash held in bank accounts and deposits with a maturity of no more than three months. Corrections, on behalf of the Crown, is required by the Treasury to maintain a positive balance in its bank accounts at all times. Corrections, on behalf of the Crown, and in relation to these non-departmental funds, maintains a single on demand bank account with Westpac New Zealand Limited solely in relation to these funds and no interest is payable to the Treasury.

#### Financial instruments

Corrections, on behalf of the Crown, is party to financial instruments as part of its normal operations. These financial instruments consist of cash and cash equivalents that are held in order to collect contractual cash flows and not for trading purposes, and creditors and other payables.

All financial instruments are recognised in the schedule of non-departmental assets and the schedule of non-departmental liabilities, initially at their fair value plus any transaction costs and subsequently at amortised cost. All revenue and expenses in relation to financial instruments are recognised in the schedule of non-departmental expenses.

#### Financial assets impairment

Corrections, on behalf of the Crown, recognises a loss allowance for expected credit losses when it considers that the credit risk on a financial asset has increased significantly since initial recognition.

## Note 2: Creditors and other payables

2023	2024
Actual	Actual
\$000	\$000
<b>EXCHANGE TRANSACTIONS</b>	
2 Accrued expenses	8
<b>2 Total creditors and other payables</b>	<b>8</b>



### Note 3: Financial instruments

The carrying amounts of the financial assets and financial liabilities in each of the financial instrument categories are as follows:

2023 Actual \$000	2024 Actual \$000
<b>FINANCIAL ASSETS</b>	
<b>Financial assets measured at amortised cost</b>	
50	127
50	127
<b>FINANCIAL LIABILITIES</b>	
<b>Financial liabilities measured at amortised cost</b>	
2	8
2	8

#### Fair value

The fair value of financial assets and liabilities is equivalent to the carrying amount disclosed in the schedule of non-departmental assets and the schedule of non-departmental liabilities.

#### Market risk

##### **Other price, currency and interest rate risks**

Corrections, on behalf of the Crown, has no exposure to interest rate risk, other price risk or currency risk on its financial instruments, as there were no foreign currency balances at balance date and Corrections, on behalf of the Crown, does not hold any interest-bearing financial instruments or financial instruments subject to other price risk.

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. In relation to these funds managed by Corrections on behalf of the Crown, credit risk arises solely on the cash and cash equivalents balance deposited with banks.

It is a requirement of the Crown that funds must be deposited with Westpac New Zealand Limited (Westpac Bank), a registered bank in New Zealand.

The maximum credit exposure for the cash and cash equivalents class of financial instruments is represented by the total carrying amount. There is no collateral held as security against these financial instruments. All credit risk exposure is to Westpac Bank.

##### **Credit quality of financial assets**

Westpac Bank has an AA- Standard and Poor's credit rating (2023: AAA Standard and Poor's) and, as a registered bank in New Zealand, is also subject to the Reserve Bank of New Zealand prudential oversight and regulatory reporting regime. It is therefore considered low risk for the purposes of assessing expected credit losses and accordingly, no loss allowance has been provided for on cash and cash equivalents balances.

### Note 3: Financial instruments (continued)

#### Credit risk (continued)

Standard and Poor's credit ratings against cash and cash equivalents carrying amounts are as follows:

2023	2024
Actual	Actual
\$000	\$000
<b>CASH AND CASH EQUIVALENTS</b>	
50 AA-	127

#### Liquidity risk

Liquidity risk is the risk that Corrections, on behalf of the Crown, will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, Corrections, on behalf of the Crown, closely monitors its forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office. Corrections, on behalf of the Crown, maintains a target level of available cash to meet liquidity requirements.

#### Contractual maturity analysis of financial liabilities

The table below shows Corrections' non-departmental financial liabilities that will be settled based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

2023	Note	2024
Actual		Actual
\$000		\$000
<b>Creditors and other payables</b>		
2	Less than six months	2
<b>2 Total contractual cash flows</b>		<b>8</b>

### Note 4: Explanation of significant variances against budget

Explanations for major variances from Corrections non-departmental budget figures are as follows:

#### Schedule of non-departmental assets and liabilities

Cash and cash equivalents were lower than budget by \$0.03 million due to timing of cash drawdowns.

Waikeria Corrections and Treatment Facility expenses were minimal (\$0.01 million) due to the delay in completion of easement works impacted by the delay in construction of the Public Private Partnership project.

Creditors and other payables were higher than budget by \$0.01 million due to timing difference between budget and actual payment. Non-Department appropriation is expected to conclude in 2024/25 financial year; hence all creditors and other payables are expected to be cleared by 30 June 2025.

## Statement of budgeted and actual expenses and capital expenditure incurred against appropriations

For the year ended 30 June 2024

2023		2024	2024	2024	2024	2025
Expenditure after remeasurements		Expenditure before remeasurements	Remeasurements	Expenditure after remeasurements	Supp. Estimates	Forecast
\$000		\$000	\$000		(unaudited) \$000	(unaudited) \$000
	<b>VOTE: CORRECTIONS</b>					
	<b>Departmental output expenditure</b>					
1,249,065	Prison-based Custodial Services	1,387,997	(1,793)	1,386,204	1,430,511	1,560,177
336,967	Sentences and Orders Served in the Community	342,568	-	342,568	313,547	313,368
97,876	Information and Administrative Services to the Judiciary and New Zealand Parole Board	105,870	-	105,870	97,778	106,035
<b>1,683,908</b>	<b>Total public safety is improved MCA</b>	<b>1,836,435</b>	<b>(1,793)</b>	<b>1,834,642</b>	<b>1,841,836</b>	<b>1,979,580</b>
<b>346,568</b>	<b>Reoffending is reduced</b>	<b>376,136</b>	<b>-</b>	<b>376,136</b>	<b>394,930</b>	<b>397,104</b>
3,615	Policy Advice	3,903	-	3,903	7,221	4,565
3,629	Ministerial Services	3,734	-	3,734	2,549	2,755
<b>7,244</b>	<b>Total policy advice and Ministerial Services MCA</b>	<b>7,637</b>	<b>-</b>	<b>7,637</b>	<b>9,770</b>	<b>7,320</b>
<b>2,037,720</b>	<b>Total departmental output expenditure</b>	<b>2,220,208</b>	<b>(1,793)</b>	<b>2,218,415</b>	<b>2,246,536</b>	<b>2,384,004</b>
	<b>Departmental other expenditure</b>					
-	Transfer of Three Water assets	264	-	264	1,000	5,200
<b>-</b>	<b>Total departmental other expenditure</b>	<b>264</b>	<b>-</b>	<b>264</b>	<b>1,000</b>	<b>5,200</b>
	<b>Department capital expenditure</b>					
222,191	Corrections Capital Expenditure - Permanent Legislative Authority	294,861	-	294,861	317,429	264,026
<b>222,191</b>	<b>Total departmental capital expenditure</b>	<b>294,861</b>	<b>-</b>	<b>294,861</b>	<b>317,429</b>	<b>264,026</b>
	<b>Non-departmental other expenses</b>					
16	Waikeria Corrections and Treatment Facility	14	-	14	86	683
<b>16</b>	<b>Total Non-departmental other expenses</b>	<b>14</b>	<b>-</b>	<b>14</b>	<b>86</b>	<b>683</b>

Refer to the Estimates of Appropriations Performance Measures Summary table on pages 21-23, which also includes further references to detailed performance against each category.

## Changes in appropriation structure

There have been no changes to appropriation structure in 2023.

## Statement of capital injections

For the year ended 30 June 2024

2023 Actual	2024 Actual	2024 Budget (unaudited)	2024 Supp. Estimates (unaudited)	2025 Forecast (unaudited)
\$000	\$000	\$000	\$000	\$000
<b>VOTE: CORRECTIONS</b>				
72,477 Capital Injections	219,280	85,767	219,280	56,028

## Statement of capital injections without, or in excess of, authority

For the year ended 30 June 2024

Corrections has not received any capital injections during the year without, or in excess of, authority (2023: Nil).

## Statement of expenses and capital expenditure incurred without, or in excess of, authority

For the year ended 30 June 2024

Corrections has no expenses and capital expenditures incurred without appropriation or other authority or in excess of an existing appropriation or other authority, in relation to out activates (2023: \$649).





# ***Independent Auditor's Report***

## Independent Auditor's report

### To the readers of Department of Corrections annual report for the year ended 30 June 2024

The Auditor-General is the auditor of Department of Corrections (the Department). The Auditor-General has appointed me, Andrew Clark, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- the financial statements of the Department on pages 128 to 175, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2024, the statement of comprehensive revenue and expense, statement of changes in taxpayers' funds, statement of cash flows and statement of trust monies for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information for the appropriations administered by the Department for the year ended 30 June 2024 on pages 21 to 29, 45, 51, 52, 55, 56, 70, 72, 73, 79, 83 to 88, 92, 95, 98, 99, 101, 109, 110, 124, 125, 195 and 196;
- the statements of expenses and capital expenditure of the Department for the year ended 30 June 2024 on pages 182 and 183;
- the schedules of non-departmental activities which are managed by the Department on behalf of the Crown on pages 176 to 181 that comprise:
  - » the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2024;
  - » the schedules of expenses for the year ended 30 June 2024; and
  - » the notes to the schedules that include accounting policies and other explanatory information.

## Opinion

In our opinion:

- the financial statements of the Department:
  - » present fairly, in all material respects:
    - its financial position as at 30 June 2024; and
    - its financial performance and cash flows for the year ended on that date; and
  - » comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the performance information for the appropriations administered by the Department for the year ended 30 June 2024:
  - » presents fairly, in all material respects:
    - what has been achieved with the appropriation; and
    - the actual expenses or capital expenditure incurred as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
  - » complies with generally accepted accounting practice in New Zealand; and
- the statements of expenses and capital expenditure of the Department are presented, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- the schedules of non-departmental activities which are managed by the Department on behalf of the Crown present fairly, in all material respects, in accordance with the Treasury Instructions:
  - » the assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2024; and
  - » expenses for the year ended 30 June 2024.

Our audit was completed on 30 September 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw attention to the Waikeria Prison Development Project additional cost claims for the impact of Covid-19. In addition, we outline the responsibilities of the Chief Executive and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

## **Emphasis of matter - Waikeria Prison Development Project: additional cost claims for the impact of Covid-19**

Without modifying our opinion, we draw attention to the statement of contingent liabilities and contingent assets on page 134, which outlines that the Department has received claims from the main contractor of the Waikeria Prison Development Project for additional costs due to Covid-19 related matters. Other than for some elements of the claims which were recognised as a provision in the prior years, at this stage it is not possible for the Department to reliably estimate the impact of this matter. However, the impact may be significant.

### **Basis for our opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of the Chief Executive for the information to be audited**

The Chief Executive is responsible on behalf of the Department for preparing:

- Financial statements that present fairly the Department's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- Performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand.
- Statements of expenses and capital expenditure of the Department, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989.
- Schedules of non-departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by the Department on behalf of the Crown.

The Chief Executive is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Chief Executive is responsible on behalf of the Department for assessing the Department's ability to continue as a going concern. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Department, or there is no realistic alternative but to do so.

The Chief Executive's responsibilities arise from the Public Finance Act 1989.

## Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Department's Statement of Intent 2022 – 2026, Estimates of Appropriation and Supplementary Estimates of Appropriation 2023/24 for Vote Corrections, and the 2023/24 forecast financial figures included in the Department's 2022/23 Annual Report.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive.
- We evaluate the appropriateness of the reported performance information for the appropriations administered by the Department.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Chief Executive and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Department to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.



## Other information

The Chief Executive is responsible for the other information. The other information comprises the information included on pages 1 to 20, 30 to 44, 46 to 50, 53, 54, 57 to 69, 71, 74 to 78, 80 to 82, 89 to 91, 93, 94, 96, 97, 100, 102 to 108, 111 to 123, 126, 127, 189 to 194, 197 to 217, but does not include the information we audited, and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Report by the Minister of Corrections on non-departmental appropriations on pages 218 and 219 in the Department's annual report is not part of the Department's annual report. The Public Finance Act 1989 does not require the information in the Minister's report to be audited and we have performed no procedures over the information in the Minister's report.

## Independence

We are independent of the Department in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we have carried out engagements in the areas of probity assurance, which are compatible with those independence requirements. Other than the audit and these engagements, we have no relationship with, or interests in, the Department.



## Andrew Clark

*Audit New Zealand*

*On behalf of the Auditor-General  
Wellington, New Zealand*







# Our prison network

As at 30 June 2024



## Northland Region Corrections Facility (est. 2005)

Gender ♂ Custody status   
 Security classification ●●●●



## Auckland Prison (est. 1968)

Gender ♂ Custody status   
 Security classification ●●●●●●



## Mt Eden Corrections Facility (est. 2011)

Gender ♂ Custody status   
 Security classification ●●●●●●



## Auckland Region Women's Corrections Facility (est. 2006)

Gender ♀ Custody status   
 Security classification ●●●●●●



## Auckland South Corrections Facility (est. 2015)

Gender ♂ Custody status   
 Security classification ●●●●●●



## Spring Hill Corrections Facility (est. 2007)

Gender ♂ Custody status   
 Security classification ●●●●●●



## Waikeria Prison (est. 1911)

Gender ♂ Custody status   
 Security classification ●●●●●●



## Tongariro Prison (est. 1978)

Gender ♂ Custody status   
 Security classification ●●●●●●



## Hawke's Bay Regional Prison (est. 1989)

Gender ♂ Custody status   
 Security classification ●●●●●●





**J Whanganui Prison** (est. 1978)  
 Gender ♂ Custody status   
 Security classification ●●●●●

**K Manawatu Prison** (est. 1979)  
 Gender ♂ Custody status   
 Security classification ●●●●●

**L Rimutaka Prison** (est. 1967)  
 Gender ♂ Custody status   
 Security classification ●●●●●

**M Arohata Prison** (est. 1944)  
 Gender ♀ Custody status   
 Security classification ●●●●●

**N Christchurch Men's Prison** (est. 1915)  
 Gender ♂ Custody status   
 Security classification ●●●●●

**O Christchurch Women's Prison** (est. 1974)  
 Gender ♀ Custody status   
 Security classification ●●●●●

**P Rolleston Prison** (est. 1958)  
 Gender ♂ Custody status   
 Security classification ●●●●●

**Q Otago Corrections Facility** (est. 2007)  
 Gender ♂ Custody status   
 Security classification ●●●●●

**R Invercargill Prison** (est. 1910)  
 Gender ♂ Custody status   
 Security classification ●●●●●

**KEY**

Custody Status Remand Sentenced

Security Classification **MINIMUM** **LOW** **LOW-MEDIUM** **HIGH** **MAXIMUM**



KEY

-  Apiculture
-  Asset Maintenance
-  Bakery
-  Barista
-  Cafe
-  Carpentry
-  Coffee Cart
-  Community Gardens
-  Community Initiative
-  Composting
-  Concrete Production
-  Construction
-  Dairy
-  Distribution
-  Engineering
-  Farming
-  Forestry
-  Grounds Maintenance

# Our prison industries and vocational education

As at 30 June 2024

**A Northland Region Corrections Facility** (est. 2005)  
 Industry and Training Categories:



**F Spring Hill Corrections Facility** (est. 2007)  
 Industry and Training Categories:



**B Auckland Prison** (est. 1968)  
 Industry and Training Categories:




**G Waikeria Prison** (est. 1911)  
 Industry and Training Categories:



**C Mt Eden Corrections Facility** (est. 2011)  
 Industry and Training Categories:



**H Tongariro Prison** (est. 1978)  
 Industry and Training Categories:



**D Auckland Region Women's Corrections Facility** (est. 2006)  
 Industry and Training Categories:



**I Hawke's Bay Regional Prison** (est. 1989)  
 Industry and Training Categories:



**E Auckland South Corrections Facility** (est. 2015)  
 Industry and Training Categories:










**J Whanganui Prison** (est. 1978)  
 Industry and Training Categories:



KEY

-  Horticulture/  
Nursery
-  Hospitality
-  Joinery/  
Catering
-  Kitchen
-  Landscaping
-  Laundry/Hub
-  Manufacturing
-  Painting
-  Piggery
-  Plastering
-  Pre-Industry  
Training
-  Printing/  
Design
-  Recycling
-  Social  
Initiative
-  Stores
-  Textiles
-  Timber/Wood  
Processing
-  Welding
-  Whakairo  
(Wood Carving)


**K** **Manawatu Prison**  
(est. 1979)  
Industry and Training Categories:

- 
- 
- 
- 
- 
- 
- 

**P** **Rolleston Prison**  
(est. 1958)  
Industry and Training Categories:

- 
- 
- 
- 

**L** **Rimutaka Prison**  
(est. 1967)  
Industry and Training Categories:

- 
- 
- 
- 
- 
- 
- 
- 

**Q** **Otago Corrections Facility**  
(est. 2007)  
Industry and Training Categories:

- 
- 
- 
- 
- 
- 
- 
- 

**M** **Arohata Prison**  
(est. 1944)  
Industry and Training Categories:

- 
- 
- 
- 


**R** **Invercargill Prison**  
(est. 1910)  
Industry and Training Categories:

- 
- 
- 
- 
- 

**N** **Christchurch Men's Prison**  
(est. 1915)  
Industry and Training Categories:

- 
- 
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- 
- 

**O** **Christchurch Women's Prison**  
(est. 1974)  
Industry and Training Categories:

- 
- 
- 
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# ***Appendices***

## Appendix one: Rehabilitation Quotient

Corrections uses the Rehabilitation Quotient (RQ) to measure the impact that our interventions have on reoffending. Reoffending is measured in terms of reimprisonment rates and rates of re-sentencing to a Corrections' managed sentence. The RQ compares the reimprisonment and resentencing rates of people who have participated in an intervention, with the reoffending rates of similar people (matched through a range of factors) who have not participated in either that specific intervention or a similar type of intervention.

The RQ is one of a several measures of reoffending used by Corrections. Desistance research has consistently shown that people rarely stop offending immediately. Typically, people who desist from crime reveal a gradual decline in offending, including a reduction in the seriousness and increase in the time elapsed between offences over time. It is therefore useful to consider a combination of reoffending measures when assessing programme effectiveness. The RQ does not measure changes in the seriousness of offending, nor does it measure how long people went without reoffending after being released from prison or completing an intervention in the community.

In recent years a range of improvements have been made to the RQ method, including using additional information to accurately match participants to the control group, using three years' worth of intervention data to strengthen reliability, improving the quality of the base data used. This means that results for the last three years are not compatible with those published in previous Annual Reports. The results are limited to the core rehabilitation programmes with sufficient volumes of participants to enable reliable statistical analysis.

The reimprisonment and resentencing rates used to calculate the RQ are measured over a 12-month follow-up period. When measuring the impact of prison-based interventions, the follow-up period begins when a participant is released from prison. For community-based interventions, the follow-up period begins when the participant has completed the intervention.

After the 12-month follow-up period ends, Corrections waits three months before preparing the RQ results. This allows more time for any reoffending that occurred during the follow-up period to progress through the courts. Only after this period ends can Corrections calculate the reimprisonment and resentencing rates of intervention participants and compare them with non-participants.

The scores assigned to each intervention represent percentage point reductions in reimprisonment or resentencing. For example, if the resentencing rate of a specific intervention's participants was 30% and the equivalent rate for non-participants was 35%, the RQ would be -5.0%. A negative score means the intervention successfully reduced the rate at which participants were resentenced for new offences during the follow-up period compared to non-participants.

Scores which have been shaded indicate that the difference in recidivism outcomes between intervention participants and non-participants was statistically significant at the 95% level. Results which do not reach statistical significance are more likely to be the result of chance. Caution should be exercised when using these results in isolation from other sources of information on intervention effectiveness.

For historical results, please see Corrections' previous Annual Reports:  
[https://www.corrections.govt.nz/resources/strategic\\_reports/annual-reports](https://www.corrections.govt.nz/resources/strategic_reports/annual-reports)



## Rehabilitation Quotient - 2023/24

### Prison-based interventions

Interventions	Reimprisonment	Resentenced
<b>Addictions programmes</b>		
Intensive AOD Treatment Programme (8 weeks)	0.6	0.3
DTP6 Drug Treatment Programme	-0.6	-0.1
DTP12 Drug Treatment Programme	2.6	1.7
<b>Rehabilitation programmes</b>		
Medium Intensity Rehabilitation Programme	-1.0	-1.0
Mauri Tū Pae	-1.1	-1.7
Short Rehabilitation Programme - Men	0.1	-1.7
Short Rehabilitation Programme - Women	-2.5	-5.4
<b>Psychology programmes</b>		
Special Treatment Unit - Violent Offending	-11.5	-13.4

### Community-based interventions

Interventions	Imprisonment	Resentenced
<b>Addictions programmes</b>		
Community Residential AOD Treatment Programme	-0.9	-4.4
<b>Rehabilitation programmes</b>		
Medium Intensity Rehabilitation Programme	-1.3	-0.3
Non-Violence Programmes for Male Perpetrators of Family Violence	-0.5	-1.7
Non-Violence Programmes for Female Perpetrators of Family Violence	-0.8	-0.8
Short Rehabilitation Programme - Men	-2.7	-3.8
Short Rehabilitation Programme - Women	-0.3	-2.5

In the table above, the shading indicates that the difference between the treated and untreated groups was statistically significant at the 95% level.

A number of other interventions were considered for RQ analysis, however owing to small sample sizes the models were unable to be sufficiently balanced to enable the RQ analysis to be performed.

All programmes are calculated over three years.

## ***Appendix two: Recidivism Indices***

The Recidivism Indices (RI) is the percentage of people in our management in any given cohort who are reconvicted within a set period of time (the follow-up period), and who receive either a prison sentence (reimprisoned) or any Corrections-administered sentence (resentenced).

RI rates relate to recent cohorts of people released from prison, or who started a community sentence, during a full 12-month period ending 15 months ago. While each individual has a 12- and 24-month long follow-up period set, during which any new offences are counted, three additional months are allowed after the follow-up period to allow for capture of conviction and sentencing for new offences to be recorded by the courts.

Due to changes made to how the RI is calculated in 2019/20, these figures are only comparable to the last four years.

## Recidivism Indices - 12-month follow-up period (percentages) for 2022/23

Category	Group	Released from prison		Beginning community-based sentence	
		Reimprisoned	Resentenced	Imprisoned	Resentenced
<b>All (2022/23)</b>	All	26.5	38.2	5.4	19.0
<b>Gender</b>	Female	20.7	33.3	3.1	15.6
	Male	27.0	38.7	6.0	19.9
<b>Ethnicity</b>	Māori	29.9	42.3	7.8	24.0
	European	22.8	34.3	4.8	18.6
	Pacific	17.6	26.5	4.3	13.6
	Other	15.0	24.8	2.7	13.6
<b>Age (at the time the follow-up period began)</b>	Under 20 years	26.5	47.1	5.9	28.2
	20 - 24 years	33.1	47.9	4.1	20.2
	25 - 29 years	31.9	45.2	6.0	21.7
	30 - 39 years	28.3	40.5	6.7	20.9
	40 years and over	19.9	29.5	4.2	14.2
<b>Gang status</b>	Gang affiliated	32.9	45.4	13.5	30.1
	Not gang affiliated	22.5	33.7	4.2	17.3
<b>Offence (most serious offence for original sentence; ANZSOC system)</b>	Abduction, harassment	26.2	39.1	7.2	20.8
	Acts intended to cause injury	25.5	36.8	4.8	16.5
	Dangerous or negligent acts	11.4	28.6	2.1	15.9
	Fraud, deception	30.1	40.7	6.5	19.3
	Homicide	10.4	14.9	2.0	7.8
	Illicit drug offences	12.5	17.7	4.7	14.7
	Miscellaneous offences	16.7	33.3	0.0	10.9
	Offences against justice	38.0	51.2	8.3	23.1
	Prohibited and regulated weapons	28.0	38.0	7.6	21.7
	Property damage	33.3	45.2	6.0	23.4
	Public order	38.7	50.0	10.5	28.4
	Robbery, extortion	18.1	33.0	7.0	14.4
	Sexual assault	6.1	7.3	1.4	5.8
	Theft	44.1	61.5	11.7	32.2
	Traffic	19.4	35.0	2.5	15.6
Unlawful entry with intent/burglary	30.1	46.3	10.2	26.7	
<b>Community sentence</b>	Community work	-	-	5.3	20.0
	Supervision	-	-	3.9	18.8
	Intensive supervision	-	-	8.7	23.4
	Community detention	-	-	3.7	16.2
	Home detention	-	-	7.6	14.5
Returning offender order	-	-	1.6	5.6	

### Recidivism Indices - 12-month follow-up period (percentages) for 2022/23

Category	Group	Released from prison		Beginning community-based sentence	
		Reimprisoned	Resentenced	Imprisoned	Resentenced
<b>Prisoner security classification (at release)</b>	Maximum	31.6	42.1	-	-
	High	36.1	49.4	-	-
	Low medium	31.2	45.6	-	-
	Low	24.2	35.8	-	-
	Minimum	8.3	14.3	-	-
<b>Release type</b>	Parole	10.1	15.6	-	-
	Post-release conditions	32.2	47.1	-	-
<b>Sentence length</b>	6 months or less	39.7	54.3	4.8	16.6
	> 6 months to 1 yr	34.6	49.6	5.0	18.3
	>1 to 2yrs	27.6	41.4	9.7	25.3
	>2 to 3yrs	14.6	22.2	-	-
	>3 to 5yrs	10.5	16.8	-	-
	More than 5yrs	5.1	7.8	-	-



## Recidivism Indices - 24-month follow-up period (percentages) for 2021/22

Category	Group	Released from prison		Beginning community-based sentence	
		Reimprisoned	Resentenced	Imprisoned	Resentenced
<b>All (2021/22)</b>	All	36.8	54.5	10.4	33.7
<b>Gender</b>	Female	22.9	45.0	5.0	27.0
	Male	38.1	55.4	11.8	35.4
<b>Ethnicity</b>	Māori	41.6	60.8	14.0	40.2
	European	31.0	47.5	8.7	31.8
	Pasifika	29.0	42.5	7.2	29
	Other	19.6	31.5	5.7	20.4
<b>Age (at the time the follow-up period began)</b>	Under 20 years	62.5	75.0	10.5	40.2
	20-24 years	42.7	66.2	8.9	36.4
	25-29 years	42.1	61.2	12.5	38.3
	30-39 years	41.6	61.5	12.4	37.0
	40 years and over	26.0	38.9	7.5	25.4
<b>Gang status</b>	Gang affiliated	47.0	65.7	26	54.9
	Not gang affiliated	30.6	47.7	7.8	30.2
<b>Offence (most serious offence for original sentence; ANZSOC system)</b>	Abduction, harassment	42.5	58.0	14.1	37.2
	Acts intended to cause injury	38.0	55.8	9.6	31.2
	Dangerous or negligent acts	26.4	47.2	5.2	30.4
	Fraud, deception	35.1	56.1	10.7	32.7
	Homicide	13.4	18.1	2.3	11.6
	Illicit drug offences	17.6	33.0	7.5	24.3
	Miscellaneous offences	16.7	16.7	3.8	15.4
	Offences against justice	52.5	70.4	13.2	39.1
	Prohibited and regulated weapons	44.2	66.0	14.5	37.8
	Property damage	34.5	53.6	13.6	42.3
	Public order	35.1	51.4	14.3	35.4
	Robbery, extortion	29.8	47.6	17.5	40.4
	Sexual assault	11.0	16.2	4.0	10.6
	Theft	49.6	75.0	19.5	49.7
	Traffic	34.6	57.8	5.2	28.4
	Unlawful entry with intent/burglary	43.6	64.5	21.2	47.7
<b>Community sentence</b>	Community work	-	-	9.2	33.6
	Supervision	-	-	6.8	31.1
	Intensive supervision	-	-	17.4	41.3
	Community detention	-	-	7.7	30.7
	Home detention	-	-	16.0	33.5
	Returning offender order	-	-	9.3	19.8

## Recidivism Indices - 24-month follow-up period (percentages) for 2021/22

Category	Group	Released from prison		Beginning community-based sentence	
		Reimprisoned	Resentenced	Imprisoned	Resentenced
<b>Prisoner security classification (at release)</b>	Maximum	53.3	70.0	-	-
	High	54.1	71.8	-	-
	Low medium	43.6	62.6	-	-
	Low	36.2	55.5	-	-
	Minimum	13.8	26.4	-	-
<b>Release type</b>	Parole	18.9	31.2	-	-
	Post-release conditions	46.2	67.6	-	-
<b>Sentence length</b>	6 months or less	49.9	71.0	10.3	32.7
	>6 months to 1 yr	48.1	69.2	9.6	32.5
	>1 to 2yrs	43.0	63.2	19.9	43.1
	>2 to 3yrs	25.3	39.9	-	-
	>3 to 5yrs	18.9	33.4	-	-
	More than 5yrs	12.2	19.7	-	-

## Appendix three: Security contracts

### **A report on the operation of every security contract that is in force for the whole, or any part, of the year, including:**

- » A summary of reports forwarded to the Chief Executive under section 171(2) or 171(3) of the Corrections Act 2004, and a summary of reports made to the Chief Executive under section 172(2)(b) of the Act
- » A summary of actions taken in relation to the operation of security contracts as a result of matters raised in any reports provided to the Chief Executive.

### **Training provided to security officers employed by the contractor:**

The contractor's security officers received the following current training as required:

- » Class Two Driver training
- » Advanced Driver training
- » Control and Restraint (including refresher course)
- » First Aid Certification (including refresher course)
- » Tactical Options (including refresher course)
- » Prisoner Escort and Courtroom Custodial Services modular training
- » Mental Health First Aid
- » Hazard reporting
- » Assessor training
- » Health and Safety toolbox talks.

### **The number and nature of complaints made by persons in relation to the carrying out, by security officers employed by the contractor, of escort duties in respect of those persons, and how those complaints were resolved:**

During the year, there were two complaints [2022/23: two] made by persons in relation to the carrying out, by security officers employed by the Contractor, of escort duties in respect of those persons between July 2023 and June 2024. These were:

- » One complaint from a prisoner against Prisoner Escort and Courtroom Custodial Services (PECCS) officers, accusing them of not turning on the air-conditioning during escort causing him to feel unwell. The complaint was investigated, and findings identified that the air-conditioning was left off after consultation with all prisoners on board due to the low outside temperature that morning, and that there was no request at any time from the prisoner to turn it on. He also did not advise the PECCS Officers he was feeling unwell
- » One complaint from the MT Eden Corrections Facility (MECF) Security Manager regarding the conduct of a PECCS Officer, detailing unwillingness to comply with search instructions and aggressive behaviour toward the MECF Gatehouse Officer. An apology was issued, and it was agreed the PECCS Officer would not return to MECF. A disciplinary process was undertaken with the PECCS Officer.

### **The number and nature of any incidents involving violence by, or against, prisoners while in the custody of security officers employed by the contractor:**

There were no reported incidents [2022/23: nil] involving violence by or against prisoners (excluding those outlined elsewhere) while in the custody of security officers employed by the contractor.

**The number and nature of any incidents involving violence against security officers employed by the contractor while carrying out escort duties or courtroom custodial duties:**

There were no reported incidents [2022/23: three] involving violence by prisoners against a security officer employed by the contractor while carrying out escort duties or courtroom custodial duties.

**The number and nature of any incidents involving self-inflicted injuries to prisoners while in the custody of security officers employed by the Contractor:**

There were two reported incident [2022/23: one] involving self-inflicted injuries by a prisoner while in the custody of security officers employed by the contractor:

- » Prisoner punched himself resulting in a potential hand injury.
- » Attempted suicide via strangulation requiring hospitalisation.

**The compliance, by security officers employed by the contractor, with the requirements of sections 83, 84, 85, 87 and 88 of the Corrections Act 2004:**

A total of four incidents were recorded in this area [2022/23: four]. All incidents were investigated and determined to be compliant with the requirements as specified in the Corrections Act 2004.

**The exercise, by security officers employed by the contractor, of powers conferred by sections 98 and 101 of the Corrections Act 2004:**

A total of 36,203 searches [2022/23: 29,117] were recorded by security officers employed by the contractor during the reporting year. There were two strip searches recorded.

**The number and nature of any disciplinary actions taken against security officers employed by the contractor, and the reasons for, and outcomes of, those actions, including any penalties imposed:**

Disciplinary action was taken against 10 security officers employed by the contractor [2022/23: 11].

- » Disciplinary action taken against a security officer for showing frustration and aggression following derogatory comments and threats from a prisoner.
- » Five instances of failure to turn up for rostered shifts. Disciplinary action was taken for each of the security officers.
- » Disciplinary action taken as a result of the complaint noted above relating to the conduct of a PECCS Officer while at MECF.
- » Disciplinary action taken against one security officer involved in an escort whereby one prisoner escaped from the prisoner escort vehicle.
- » Disciplinary action taken against a security officer who failed to provide a medical certificate following absence from work.
- » Disciplinary action taken against a security officer who allegedly fell asleep while in court.



## **Appendix four: Auckland South Corrections Facility**

**A report on the operation of every contract prison that was in operation for the whole, or any part, of the year, including:**

- » A summary of reports forwarded to the Chief Executive under sections 199D(1A), 199D(2) and 199D(3) of the Act during the year.
- » A summary of the reports made to the Chief Executive under section 199E(3)(b) during the year.
- » A summary of any action taken, during the year, in relation to the management of contract prisons as a result of any matters raised in any reports provided to the Chief Executive.

On 10 September 2012, Corrections engaged in a Public Private Partnership with SecureFuture Wiri Limited to design, build, finance, operate, and maintain Auckland South Corrections Facility (ASCF). SecureFuture subcontracted the operation of the prison to Serco.

ASCF is Aotearoa New Zealand's only privately managed prison and has been operating since May 2015. It is located at Wiri in Auckland and provides 960 beds for men. The prison can accommodate security classifications from minimum security to high security.

### ***The contract***

The contract between SecureFuture and Corrections includes a range of key performance indicators (KPIs) which support the safe, secure, and effective operation of the prison, as well as the rehabilitation and reintegration of the people being held there. It takes an outcomes-based approach by rewarding any reductions in reoffending assessed as being stronger than the reductions delivered by publicly managed prisons.

The contract's KPIs measure both the custodial performance and the rehabilitation performance of ASCF. They form the basis of the prison's performance framework which includes financial and contractual mechanisms that are utilised to ensure performance.

Corrections receives monthly, quarterly, and annual reports on performance at ASCF. These reports include custodial and rehabilitation/reintegration information. In addition, the Prison Director at ASCF is a member of Corrections' Northern Region Management Team and meets regularly with the Northern Regional Commissioner.

### ***Prison monitors***

Corrections has a team of site-based monitors who oversee operations at ASCF and ensure it is meeting the expected standards. Their monitoring role includes inspections of prison operations against contractual and legislative requirements.

Special monitors are appointed by Corrections, on an as-needed basis, to investigate specific risks or performance concerns.

## Prison inspectors

Prison inspectors are empowered under the Corrections Act 2004 and the Corrections Regulations 2005 to undertake prison inspections, to investigate complaints, and to report on the treatment of people in the corrections system. This includes ASCF.

## Contractual deductions for 2023/24

Schedule 16 – Performance regime KPI breach	Number of KPI breaches
1.03 - Unnatural Death of a Prisoner	1
2.01 - Assault of Prisoner by Staff Member	1
2.02 - Serious Assault – Prisoner on Prisoner	2
2.03 - Serious Assault – Prisoner on Staff Member, Visitor or others	2
2.04 - Self-harm – threat to life	2
2.12 - Failure to comply with the terms of temporary release or temporary removal	1
2.16 - Breach of Corrections Services Requirements (SFP Only)	8
2.22 - Failure to investigate or self-report	13
2.26 - Prisoners attend planned appointments	3

During the 2023/24 year, ASCF received financial deductions amounting to \$269,160. A breakdown of the breaches is shown below. There are no breaches during this period which are in dispute.

- » **Category 1 KPIs (Chargeable events)**  
There was 1 chargeable event in 2023/24, resulting in a financial deduction of \$99,820. The KPI breach related to Unnatural Death of a prisoner.
- » **Category 2 KPIs (Key operational incidents)**  
There were 32 Category 2 KPI breaches in 2023/24, resulting in a financial deduction of \$169,340. These KPI breaches related to: as above table indicated.
- » **Category 3 KPIs (Custodial performance – operational incidents)**  
These KPIs are measured quarterly as green (favourable), amber, or red. In 2023/24, the custodial performance trend report tracked as green throughout all four quarters resulting in no financial deduction being incurred.
- » **Category 4 KPIs (Rehabilitation and reintegration)**  
These KPIs are measured quarterly as green (favourable), amber, or red. In 2023/24, the rehabilitation and reintegration performance trend report tracked as green throughout all four quarters resulting in no financial deduction being incurred.

## Legislative reporting

The training provided to staff members of the prison (including the amount and quality of that training), and the level of training achieved by those staff members:

Type of training	Total number of staff attending training	Quality of training	Contact hours per staff member
Control & Restraint	119	Delivered by certified C&R instructors, who go to yearly Tactical Instructor Revalidation courses, run by Corrections staff.	6
First Aid	76	Delivered by First Aid NZ. Refreshes First Aid NZQA Units 6401, 6402 & 6400	6
Hostage	62	Compliance	2.5
First Responder	100	Compliance	1.5
Suicide Prevention Awareness	46	Compliance	2.5
Oleoresin Capsicum Spray	131	Compliance, Delivered by Corrections	6
Fire	83	Delivered by Safety n Action. Refreshes NZQA Units 3271 and 4647	4
Health & Safety Training	18	NZQA Standard	6
Safe Driving Declaration	456	Serco Online LMS	0.5
Control and Restraint	170	Serco Online LMS	0.5
Anti-Bullying Harassment and Discrimination	1360	Serco Online LMS	0.5
Modern Slavery - iExpress	168	Serco Online LMS	0.5
First Aid (apply)	84	Serco Online LMS	0.5
ASPAC Health Issues and Infection Control	284	Serco Online LMS	0.5
ASPAC Unknown Hazardous Substances	257	Serco Online LMS	0.5
ASPAC Fire Awareness	287	Serco Online LMS	0.5
Biohazard Spill Kit	286	Serco Online LMS	0.25
Critical Risk: Standard Operating Procedures - Introduction	282	Serco Online LMS	0.2
Critical Risk: Electrical Safety Awareness	295	Serco Online LMS	0.2
Critical Risk: Fatigue Management Awareness	287	Serco Online LMS	0.2
Critical Risk: Hazardous Substances Awareness	285	Serco Online LMS	0.2
Critical Risk: Manual Tasks Awareness	292	Serco Online LMS	0.2

Type of training	Total number of staff attending training	Quality of training	Contact hours per staff member
Critical Risk: Remote and Isolated Work Awareness	293	Serco Online LMS	0.2
Critical Risk: Vehicles and Driving Awareness	289	Serco Online LMS	0.2
Critical Risk: Violence and Aggression Awareness	276	Serco Online LMS	0.2
Environmental Awareness at Serco	231	Serco Online LMS	0.5
Facility Security	225	Serco Online LMS	1
Updating Personal Details in SAP	91	Serco Online LMS	0.5
Phishing Awareness	108	Serco Online LMS	0.5
Fire Extinguisher	123	Serco Online LMS	0.5
Donning and Removal of PPE	74	Serco Online LMS	0.5
NZ Privacy Act 2020 Video	147	Serco Online LMS	0.5
Toolbox Talk: Respect@Work	380	Serco Online LMS	0.5
Oleoresin Capsicum (OC) Spray	154	Serco online LMS – DoC module	0.5
Working with Transgender prisoners	96	Serco Online LMS	0.5
Other Online Training	626	Serco online LMS – DoC module	0.5
First Responding Officer	73	Serco Online LMS	0.5



## The number and nature of complaints made by prisoners at the prison, and how those complaints were resolved

### The following is a description of the complaint resolution process at ASCF:

- » A staff member will attempt to resolve the complaint at the lowest level if possible. This resolution does not include a complaint form if the complaint is straight-forward.
- » If resolution at the lowest level is not possible, or the person wishes to record the complaint, they will complete a PC.01 Formal Complaint form and hand it to a staff member.
- » A Supervisor or Operations Manager will meet with the person who made the complaint and discuss their issue(s).
- » A plan will be made of what action(s) should be taken (if any), and once they have taken place then the person is informed of the outcome.
- » When a resolution is achieved, the complaint is closed.
- » If a resolution is not achieved, the person can refer their complaint to the Office of the Inspectorate - Te Tari Tirohia or other relevant/appropriate monitoring agencies, for example the Office of the Ombudsman –Kaitiaki Mana Tangata.
- » A person may complete any number of complaint forms. They may contact the previously mentioned external agencies at any point.

### A total of 1,144 complaints were made by people in ASCF relating to the following broad categories:

Communications	Food services	Health services
Misconduct	Personal and official visitors	Prisoner conditions
Prison work and pay	Prisoner management	Prisoner property
Prisoner requests	Prisoner welfare	Recreation, exercise and sport
Security classification	Sentence management	Staff conduct and attitude
Transfers and movements	Temporary release and temporary removal	Other

## The number and nature of any incidents in the prison involving violence against any person

A total of 227 violent incidents were recorded under the following categories:

Violence between prisoners:

- » 124 incidents of fighting
- » 36 incidents of assault no injury
- » 29 incidents of assault non-serious
- » 4 incidents of assault serious (including alleged sexual assaults)

Violence against staff/others:

- » 21 incidents of assault no injury
- » 10 incidents of assault non-serious
- » 3 incidents of assault serious (including alleged sexual assaults).

The number and nature of any incidents in the prison involving self-inflicted injuries to prisoners of the prison.

There were 23 reported incidents involving self-inflicted injuries by people in prison. Thirteen incidents were categorised as self-harm no threat to life, and one was categorized as self-harm threat to life.

## The programmes provided for prisoners at the prison

A total of 12,425 attendances were recorded for various programmes and recreational activities. Employment is excluded within this measure. Each attendance at a unique activity is counted once per month.

For example, in June an individual attended art four times, budgeting skills once, and was enrolled for financial literacy (but did not attend). This would be counted as follows: this unique prisoner attended two programmes/activities in June 2024.

Programmes and activities attended are as follows:

Academic support	Alcohol and Other Drug/Gambling – Brief	Alcohol and Other Drug/Gambling – Intermediate
Art	Asian Family Services Level 1 – Public Health	Asian Family Services Level 1 – Clinical
Barbering	Basic Computer Skills	Basketball Academy
Bible Studies	Budgeting Skills	Building Awesome Whānau (Parenting)
Community Alcohol and Drug Services Pre-release Group	Certificate in Papa Ako (Learning skills)	Certificate in Papa Whairawa (Financial literacy)

## The programmes provided for prisoners at the prison (continued)

Children and Family Activities Planning Group	Church Choir	Community Engagement
Community Reintegration Services Assessment	Creative Writing	Drug Treatment Programme – Aftercare Group
Dynamics of Whānaungatanga (relationship, kinship)	Employability Passport	English as a Second Language Support
Family Group Conference	Field	Final Pathway Assessment – Offender Plan
Financial Literacy	Graduation	Grounds Maintenance
Gym	He Papa Tikanga (Your Cultural Foundation)	Health Referral
Healthier Futures	Holy Communion	Individual Assessment
Individual Treatment	Individual Treatment – Medium	Individual Treatment – High
Initial Pathway Assessment Offender – Plan	Kaiwhakamana (Kaumātua who have access to prisons)	Kapa haka
Kick for the Seagulls (uses sporting language to teach prisoners reading, writing, and maths)	Learners Driver's License	Literacy Support
	Living The Change	Mahi Toa – Elective 3 – Getting a job
Mahi Toa – Certificate in Employment Skills	Medium Intensity Rehabilitation Programme (MIRP)	Mentoring Programme
Motivational Interviewing	Multi-Purpose Court	Music

## The programmes provided for prisoners at the prison (continued)

National Certificates of Educational Achievement (NCEA)	NZ Breakers	Papa Kupu (Adult Learning Skills)
Parole Interview Assessment	PE Activity (Whare Ora)	Performing Arts
Positive Steps	Potaetanga/Graduations	Pōwhiri/Whakatau
Prisoner Games/Olympics	Pro-Social Support Connection	Pūwhakamua wānanga
Radical Fitness	Rehabilitation Yoga	Reintegration Services Contact
Religious or Cultural activity	Review Pathway Assessment – Offender Plan	Short Rehabilitation Programme
Short Violence Prevention Programme	Siva Ma Pese (Samoa Dancing & Singing)	Special Visit
Sports Academy	Sunday Service	Talk to my Case Manager
Te Reo Class	Tonga Language/Culture	Tuākana/Teina (Relationships between an older person (tuākana) and a younger person (teina))
Vasega Samoa (Samoa language class)	Visual Arts 1	
Whānau Awhi (Family Support)	Whānau Day	Whānau Day Planning Group
Whānau Hui	Whānau Liaison Meeting	Where Are You At? – High
Where Are You Going? – High	Where Are You Going? – Medium	Young at heart

## The employment provided for prisoners by, or at, the prison had 3844 attendees in 2023/24



## The skills gained by prisoners as a result of employment or education provided by or at the prison

NZQA Qualifications gained by prisoners as a result of employment or education provided by/or at the Prison 2023/2024	Number of prisoners
Kick for the Seagulls Level 2 (UCOL/Lowie Foundation)	13
NZ Certificate in Foundations Skills Level 1 (Open Polytechnic)	1
Certificate of Achievement in Small Business Level 4 (Open Polytechnic)	10
Trade Start Level 2 (MIT)	31
Trade Start Level 3 (MIT)	20
NZ Certificate in Baking Level 3 (UCOL)	3
NZ Certificate in Creativity Level 4 (TLC)	7
NZ Certificate in Creativity Level 5 (TLC)	1



Skills gained by prisoners as a result of employment or education provided by/or at the prison 2023/24	Number of prisoners
Intensive Literacy and Numeracy (MIT)	28
1:1 Literacy & Numeracy	2
Literacy Book Club (Book Discussion Scheme)	24
Employment Skills	84
Budgeting and Financial Literacy	69
Men's Barbering	17
Take2 Computing and Programming	10
Foundations 101 (Life 101)	13
Futures 202 (Life 101)	14
Kai and Wellbeing	9

NCEA Credits gained by prisoners as a result of employment or education provided by/or at the prison 2023/24	Number of credits
Te Kura NCEA Credits	34

### The compliance, by staff members of the prison, with the requirements of sections 83, 84, 85, 87, and 88 of the Corrections Act 2004

Section of the Corrections Act 2004	Number of occurrences
<b>83 – Use of force</b>	<b>96</b>
Control and restraint	8
Non-threatening physical contact	7
Spontaneous use of force	81
<b>84 – Provoking prisoners</b>	<b>0</b>
<b>85 – Use of non-lethal weapons</b>	<b>28</b>
Pepper spray drawn, not used	0
Pepper spray	28
Pepper spray planned use	0
<b>87 – Restraint of prisoners</b>	<b>22</b>
Handcuffs – other than on escort	22
<b>88 – Reporting on use of force, weapons, and mechanical restraints</b>	<i>All incidents with Notifiable were notified via the Integrated Offender Management System.</i>
<b>TOTAL</b>	<b>146</b>

In all occurrences, staff were compliant with the Corrections Act 2004.

### The exercise, by officers of the prison, of the powers conferred by sections 98 to 101 of the Corrections Act 2004

There was a total of 4,539 searches conducted in 2023/24 [2022/23: 4,314].

## **The number and nature of any disciplinary proceedings taken against prisoners at the prison**

**There were 1,397 misconducts given to people in prison in 2023/24 [2022/23: 1,152] due to the following reasons:**

- » Disobeys lawful order
- » Deliberately mismanages work
- » Behaves in an offensive, threatening, abusive, or intimidating manner
- » Communicates with a person in an unauthorised manner
- » Leaves, or is absent from, cell or place of work
- » Unauthorised items in possession
- » Assaults or fights with another person
- » Obstructs any officer in the execution of his or her duty
- » Combines with other prisoners for a purpose that is likely to endanger the security or good order of the prison
- » Tattoos another prisoner
- » Receives a tattoo with his or her consent
- » Uses any drug without the authority of a medical officer
- » Smokes tobacco or any other substance
- » Refuses to comply with requirement of submitting to a drug or alcohol test
- » Fails to comply with requirement (alcohol or drug testing)
- » Tampers with drug or alcohol samples.

## **The number and nature of any disciplinary actions taken against staff members of the prison**

**A total of 28 disciplinary actions were taken against staff. The cause of these actions was due to:**

- » Alleged breach of Serco Code of Conduct
- » Alleged breach of Serco Policy and Procedures
- » Serious misconduct.

## **The reasons for, and outcomes of, disciplinary proceedings or disciplinary actions, including any penalties imposed:**

Outcomes of disciplinary actions are as follows:

- » Absence Management Plan
- » Formal written warning
- » No further action required
- » Termination
- » Closure (employee resigned before case was resolved)
- » Verbal warning
- » Coaching and mentoring
- » Posted to new area.

### **The operation of random testing programmes in the prison**

The names of people in prison are randomly selected on a weekly basis by a Corrections' computer programme that uses a pre-defined algorithm for random drug testing purposes. This programme also selects extra people each week, and they are only tested (in descending order) if the randomly selected person is unavailable. This list of people for testing is then sent to ASCF which administers the tests. Of the 412 tests sampled [2023/24: seven (1.7%)] returned a positive result [2022/23: 355 vs 11 (3.1%)].

### **Any matters relating to the financial management of the prison, that the Chief Executive from time to time determines, which may include the provision of financial forecasts and audited accounts**

Nil.

### **Any other matters in respect of which the Chief Executive reasonably considers that information is necessary to enable the Chief Executive to carry out his or her responsibilities under this Act or any other enactment**

Nil.

## Appendix five: Property assessment criteria

Rating	Description	Asset category/criteria			
		External	Internal	Services	Fittings
1	<b>Excellent</b>	Sound structure.	Fabric constructed with sound materials, true to line and level. No evidence of deterioration and discolouration.	All components are operable and well maintained and clean.	Excellent/as new.
2	<b>Good</b>	Functionally sound structure.	Showing minor wear and tear and minor deterioration of surfaces.	All components operable. Increased maintenance inspection required.	Operational and functional. Minor wear and tear.
3	<b>Standard</b>	Adequate structure. Some evidence of foundation movement, minor cracking.	Appearance is afflicted by minor cracking, staining, or minor leakage, some dampness or mildew. Minor damage to wall/ ceiling finishes.	Occasional outages, breakdowns or blockages. Increased maintenance required. Regular and programmed maintenance inspections essential.	Generally operational. Minor defects.
4	<b>Poor</b>	Structure functioning but with problems due to foundation movement. Some significant cracking.	Fabric damaged, weakened or displaced. Appearance affected by cracking, straining, overflows or breakages. Breaches of waterproofing evident.	Failures of plumbing component commonplace. Frequent maintenance inspections essential. Short term element replacement/ refurbishment.	Components of poor quality and appearance, often inoperable and damaged.
5	<b>Very poor/ end of life</b>	Structure has serious problems and concern is held for the integrity of the structure.	Fabric badly damaged or weakened. Appearance affected by cracking, staining, leakage.	Plumbing components are unsafe or inoperable. Minimum life expectancy requiring urgent rehabilitation or replacement.	Significant damage, risk of imminent failure or life has expired.

Rating	Description	Asset category/criteria		
		Furnishings	Maintenance	Client Impact
1	<b>Excellent</b>	Well secured and operational, good function and appearance.	Well maintained and clean.	No client complaints.
2	<b>Good</b>	Operational and functional. Minor wear and tear.	Increased maintenance inspection required.	Deteriorations cause minimal influence on occupational uses. Occasional client concerns.
3	<b>Standard</b>	Generally operational. Minor breakages.	Regular and programmed maintenance essential.	Some deterioration beginning to be reflected in minor restrictions on operational uses. Client concerns.
4	<b>Poor</b>	Fittings of poor quality and appearance, often inoperable and damaged.	Frequent maintenance inspection essential. Short term element replacement/refurbishment.	Regular client complaints.
5	<b>Very poor/ end of life</b>	Most are inoperable or damaged.	Minimum life expectancy requiring urgent rehabilitation or replacement.	Generally not suitable for use by client.



A photograph of a modern office hallway with a large digital display in the foreground. The display is tilted and shows a blurred image of a building. The hallway has a white wall and a grey carpet. In the background, there is a blue chair and an orange traffic cone. The bottom of the page features a blue background with a white circuit board pattern.

***Report by the Minister of Corrections  
on Non-departmental  
Appropriations***

## ***Appropriation: Waikeria Corrections and Treatment Facility***

The table below outlines how Corrections performed against the relevant measure used to assess performance in the Waikeria Corrections and Treatment Facility appropriation.

<b>AUDITED MEASURE</b>	<b>2022/23</b>	<b>2023/24</b>
<b>Assessment of performance</b>	<b>Actual</b>	<b>Actual</b>
Completion of infrastructure improvements required to enable the development of the Waikeria Prison Development including the Waikeria Mental Health and Addiction Service Facility, and the continued implementation of designation conditions.	<p>Corrections, on behalf of the Crown, has completed the upgrade to the wastewater network.</p> <p>An in-principle expense transfer has been pre-approved to transfer funding to 2024 and 2025.</p> <p>Corrections, on behalf of the Crown, will complete roading works once construction of the new facility is complete. Works completion is currently anticipated for November 2024.</p>	<p>Corrections, on behalf of the Crown, will complete roading works once construction of the new facility is complete. Construction of the Waikeria Prison facility is scheduled for completion and due to be operational in 2025.</p> <p>An in-principle expense transfer has been pre-approved to transfer funding to 2024/25.</p>



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