E.61 (2025)

*2024 - 2025*

# Annual Report

*For the year ended 30 June 2025 and Report by the Minister of Corrections on Non-departmental Appropriations for the year ended 30 June 2025*

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*.

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

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# Introduction from our Chief Executive

***With an increasing prison population, this past year has seen a continued focus on not only our recruitment, but on our infrastructure.***

Our ongoing success in the recruitment space is delivering great results.

As at 30 June 2025, we have the highest number of corrections officers on the frontline [4,619], 890 more corrections officers since the prison population last peaked in March 2018.

What is even more promising is the turnover rate has continued to fall further to 8.3% – almost half of the 15.4% it was three years ago in 2022.

Notwithstanding our work in the recruitment space, we have a critical focus on increasing prison capacity to meet the projected prison population.

The Justice Sector Projections released in June 2025 are predicting a higher than previously forecasted prison population. Public safety has to be our top priority and we have been working to ensure we remain well-placed to accommodate any prisoner that the court has directed be held in Corrections custody.

Since November 2023, Corrections has reopened almost 2,000 beds across the network, which has resulted in approximately 11,600 beds being available across the network as at 30 June 2025.

We are also taking a longer-term view to our infrastructure needs. In October 2024, Cabinet endorsed our Long-Term Network Configuration Plan which sets out our expected key projects over the coming 20 years to ensure we have a fit-for-purpose prison network.

This plan includes the addition of the 500-beds coming online at Waikeria Prison in the second half of 2025, along with the 810-bed expansion at Waikeria Prison announced last year and the redevelopment of Christchurch Men's Prison which will see an additional 240 high-security beds being delivered by 2029.

An increase in the prison population has seen an increase in the number of people on remand who are awaiting sentencing. This has been a key concern for Corrections, as until a person is found guilty – or admits their guilt – the available rehabilitation options are limited when it comes to addressing the underlying causes of their offending.

Over the last year, Corrections has been working to further increase access to rehabilitation for people on remand who have been found guilty (or admitted their guilt). This has included looking at what services we have available across the prison estate, and how these could be expanded or changed to meet the remand population.

From 1 July 2025, Corrections can draw down funding set aside in Budget 2024 for the wider delivery of rehabilitation for those on remand, with initial programmes being delivered in the second half of 2025.

Finally, the last year has been significant in our Community Corrections space, with heightened awareness of the very real risk posed to our frontline probation and community work staff.

In April 2025, one of our probation officers was stabbed by an offender in the community during a report in at our Whanganui Community Corrections site. With great relief, the injuries our probation officer sustained were not life threatening, but the impact it has had is profound.

Each and every day – regardless of where you work or the role you hold – you should be able to go about your work without the fear of being seriously injured.

Corrections is, by its nature, a workplace where risk cannot be mitigated completely. But we do learn from incidents and are constantly working to make our workplaces safer for all our staff, no matter where they work.

To the 11,000 staff we have across New Zealand, working in all areas of our organisation, I thank you for the work you do each and every day. I thank you for leading from the front, for doing what's right even when it's difficult, and for keeping each other and our communities safe.

## Ngā mihi maioha.

**Jeremy Lightfoot**
**Secretary for Corrections and Chief Executive**
*Te Tumu Whakarae mō Ara Poutama Aotearoa*

# *Statement of responsibility*

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 2025 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 2026 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:** 29 September 2025

# The Department of Corrections

***With a team of approximately 11,000 staff, we are one of New Zealand's largest core Government agencies.***

Our overarching purpose is to make the community safer by supporting people to leave us better and with brighter prospects. Consistent with this purpose, we have continued to focus on our three interconnected organisational outcomes: improved public safety, reduced reoffending, and reduced Māori overrepresentation. *Hōkai Rangi* is our organisational strategy and guides how we are working towards these outcomes (see pages 17-18).

This purpose is supported by our legislation, which provides the legal framework for how we manage and operate the corrections system.

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

- 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.
- 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.
- 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.

Four main pieces of legislation govern our work: the *Corrections Act 2004*, *Parole Act 2002*, *Sentencing Act 2002*, and the *Bail Act 2000*. There is also secondary legislation associated with these primary Acts that determines how we function. This includes the *Corrections Regulations 2005,* and the *Public Safety (Public Protection Orders) Act 2014*.

See our website for more information on the relationship between these different pieces of legislation: https://www.corrections.govt.nz/resources/policy_and_legislation/overview_of_key_legislation.

Our work comes with challenges, and enabling change is not something we can do alone. The people we manage are some of the most complex and vulnerable people in society and many of the factors that contribute to someone committing a crime sit beyond the direct influence of the corrections system.

We remain committed to supporting and enabling the people we manage to make positive changes in their lives. This work could not be done without our dedicated staff, and the support of those we partner with.

## Legislation enacted in 2024/25

Parliament passed the *Corrections Amendment Act 2024*, which came into force on 1 October 2024. The changes implemented through the Act support Corrections to achieve its core purpose of improved public safety (including rehabilitation and reintegration outcomes), as well as managing sentences safely, securely, and effectively. The amendments in the Act enable best-practice operations by ensuring that the Act is updated to respond to Corrections' changing and increasingly complex environment. Some of the key changes include:

- Changes to the powers of intelligence staff to monitor prisoner communications and information sources for intelligence purposes, to better support staff, prisoner, and public safety. There are also restrictions on these powers to protect prisoner privacy and other rights.
- Changes to the disciplinary process in prisons to ensure it is effective and incentivises good behaviour.
- Strengthening processes for the use of non-lethal weapons in prisons. This includes replacing the term 'non-lethal weapons' with 'less-lethal weapons', in response to guidance from the United Nations that all weapons can potentially be lethal.
- Changes to the management of prisoners who are at risk of self-harm and segregated for medical oversight. These changes will ensure Corrections reviews prisoners' separation from other prisoners on a regular basis, and that staff have clear powers to segregate these prisoners.
- Enabling the limited mixing of remand accused and convicted prisoners for non-offence-based programmes to extend rehabilitation to remand prisoners.
- Making other miscellaneous amendments, such as expanding the use of body imaging technology to improve prison safety and prisoner wellbeing.

The *Corrections (Victim Protection) Amendment Act* was a member's bill that came into force on 17 June 2025. The Amendment Act protects victims of crime from unwanted contact with prisoners by strengthening existing operational practice and introduces a new offence against prison discipline to contact a person or solicit anyone else to contact a person who they reasonably knew did not want to be contacted. Operationally, these legislative amendments support Corrections' responsibility of maintaining public safety and considering victims' interests.

*The Sentencing (Reinstating Three Strikes) Amendment Act*, which also came into force on 17 June 2025, fulfils the Government's commitments to restore law and order by reinstating the 3-stage sentencing regime that was repealed in 2022 (also known as 'Three Strikes'). While the Ministry of Justice led this work, this required close collaboration with Corrections to ensure that the new modified regime was reflected in our practice. In addition, the *Sentencing (Reform) Amendment Act* came into force on 29 June 2025, which aims to strengthen the consequences of offending and ensure offenders take personal responsibility for the harm they cause. This work was also led by the Ministry of Justice, who closely collaborated with Corrections throughout the process.

## *Who we serve*

### Victims

We continue to be focused on helping people who have offended to change their attitudes and behaviour, but victims remain at the centre of our concern. We want to prevent further harm to those who have been victimised, and stop others being harmed by new offending. 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.

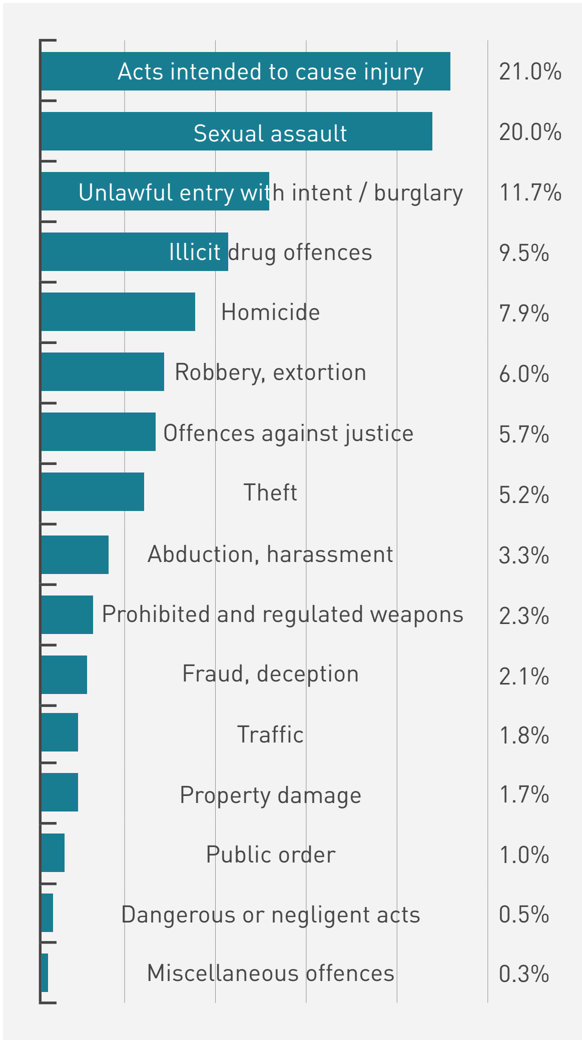
We have an ongoing work programme focused on improving the experiences of victims in the justice system. In the past year, this work has involved a range of system changes to enable more victim-related information to be captured and providing victims with an 0800 number to ensure there is one central contact point for all queries. We have also identified opportunities to make more proactive phone contact with victims and reduce the number of letters they get, particularly when a victim registers against multiple offenders at the same time. Our victims working group also met with the Government's Chief Victim Advisor regularly throughout the year.

### People serving sentences or orders in prison or in the community

We have a responsibility to ensure people in prison and those on community sentences or orders comply with the sentences and orders imposed by the courts and the New Zealand Parole Board, which helps keep the public safe.

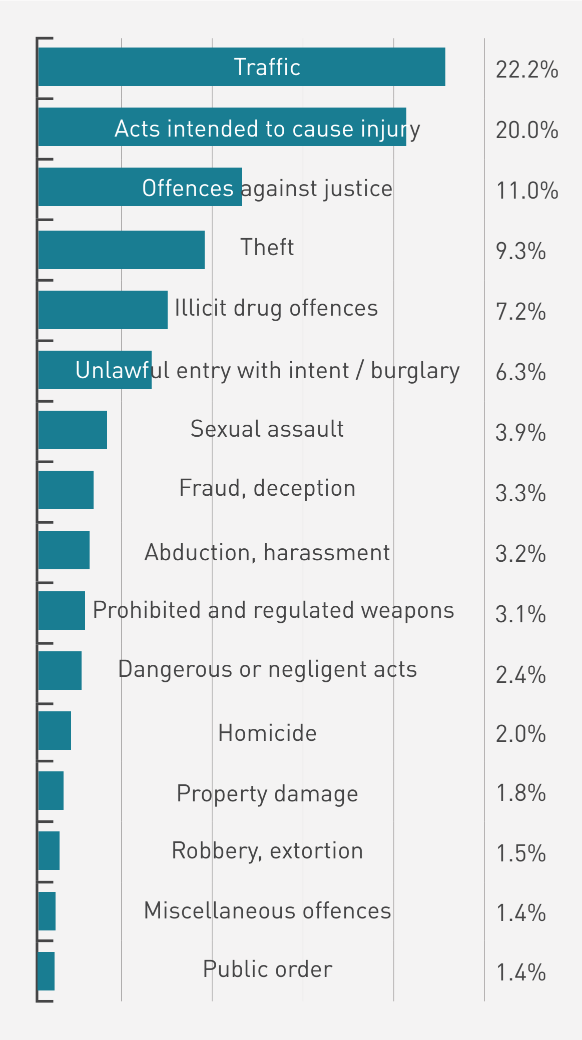
We also have a responsibility to treat people in the corrections system with humanity, dignity, and respect. Where possible, we provide people who have offended with opportunities to undertake rehabilitation programmes, education, and job training that can help them turn their lives around and break the cycle of reoffending. To do this effectively it is important to understand the needs and risks of the people we are managing.

*Prison population by offence type (as at 30 June 2025)**




**Prisoners may be convicted of offences across multiple categories. This information is based on the most serious offence for which a sentenced prisoner is convicted, or someone on remand is charged.*

*Community-based offenders by offence type (as at 30 June 2025)**




**Community-based offenders may be convicted of offences across multiple categories. This information is based on the most serious offence an offender is convicted of.*

**Past research suggests that:**

- 90% of people in prison are likely to have received a mental health or substance abuse diagnosis in their lifetime, including 62% in the past 12 months.
- 41% of people aged under 30 in prison are likely to have had an Oranga Tamariki family violence intervention in the past decade.
- 10% of people in prison have literacy and numeracy levels below an average 12-year-old.
- 65% of people in prison aged under 25 have no formal qualifications.

## Communities

We are committed to protecting the public from those who can cause harm, including by safely and securely managing people in prisons and monitoring compliance with community sentences and orders. There are also many other things we do that can improve public safety, such as our health, rehabilitation, and reintegration work, and facilitating community notifications.

We have been working in partnership with communities to support rehabilitation and reintegration outcomes. This includes delivering evidence-based programmes that aim to address the underlying causes of offending, such as addiction, trauma, and lack of education or employment skills.

Reintegration begins well before someone leaves custody. We collaborate with iwi, hapū, whānau, community organisations, and other government agencies to create pathways that support people to live offence-free lives. This includes access to housing, employment, cultural connection, and pro-social support networks.

We also play a key role in keeping communities informed and supported through our community notification processes. These ensure that relevant stakeholders are aware of the release of certain individuals who may pose a risk.

## Our operating environment

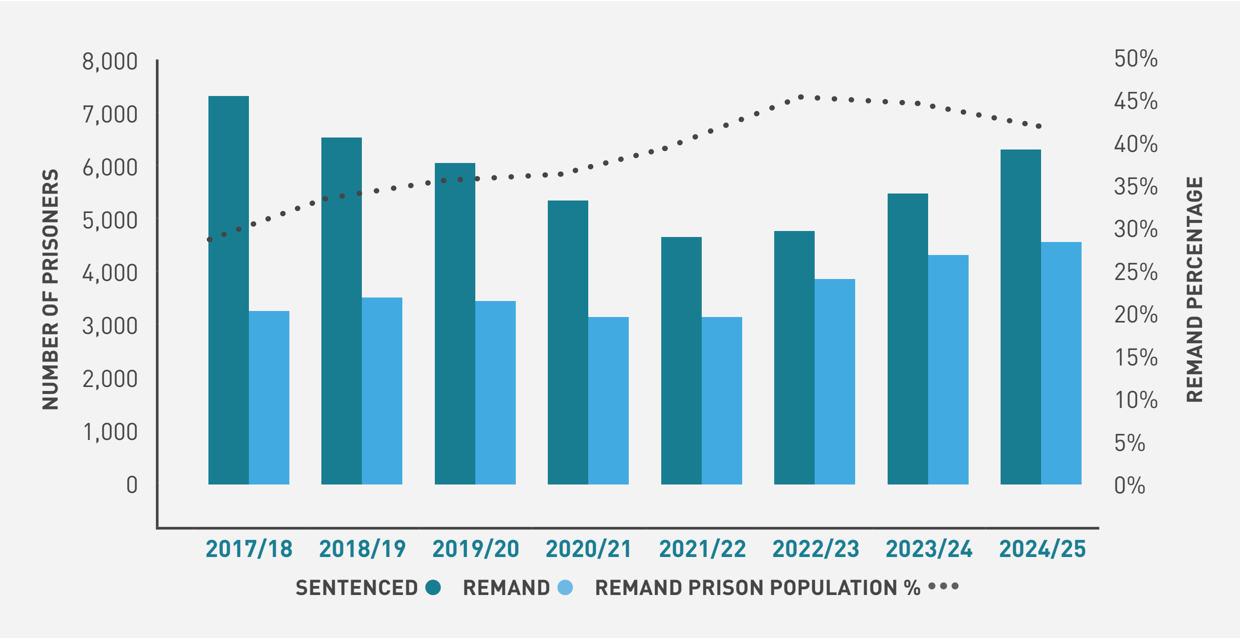
The corrections system must continue to be agile and adapt to change, trends, and challenges. This means being responsive to external influences outside our control and dealing with a changing custodial and Community Corrections dynamic, while keeping focused on our core functions and organisational outcomes. Where our population changes, it can make it more challenging to manage people safely and effectively and to plan for their time in the corrections system. As we are at the end point of the justice system, we also experience flow on effects from other agencies and sectors. While there are challenges, we remain committed to doing all that we can, and working effectively with others, to achieve better outcomes.

## *Key challenges and trends affecting the corrections system*

### Growth in the general population and remand

Historically, the corrections system was largely designed around managing sentences. Significant changes to the remand population have fundamentally altered how people move through the criminal justice system and access programmes and services. Lengthening court delays are driving these changes at a scale reflected in the statistics: On average, 20% of people in prison were on remand in 2014, rising to 36% in 2019 and 43% in 2025. Justice sector projections indicate that over 50% of the prison population will be on remand by 2050. For young people, Māori, and women this is already the case.

### Figure 1: Our prison population as at 30 June




### Table 1: Projected prison population over the next 10 years

| Prison population | 30 June 2025 | 5-year projection (June 2030) | 10-year projection (June 2035) |
|---|---|---|---|
| Remand | 4,452 | 5,537 | 6,525 |
| Sentenced | 6,229 | 7,378 | 7,705 |
| **Total** | **10,681**[1] | **12,915** | **14,230** |

The most recent justice sector projections indicate an increase in the prison population to 14,230 prisoners by June 2035. These projections provide a baseline that can be used to assess the collective impacts of future policy, legislative, and operational changes. Corrections' planning balances the projections with actual prison population trends, as analysis shows the projections are consistently more conservative, both in the absolute prison population number and in the rate of change.

Based on justice sector projections it is likely that the remand population will continue to grow faster than the sentenced population. Remand prisoners are generally managed in line with a high security classification, which has created additional staffing and infrastructure pressures, requiring us to be agile and adaptable, and to find new ways of working.

1. This number excludes 102 prisoners who were being held offsite at a hospital, in a mental health facility or in police cells.

### *More people subject to electronic monitoring*

An increase in the population subject to electronic monitoring is a longstanding trend and challenge in the justice sector. This growth has presented operational challenges for Corrections, including the need for enhanced monitoring infrastructure, higher staffing levels and workforce capability, and the relevant support services to ensure compliance and public safety.

In 2024/25, we electronically monitored a daily average of 4,496 people on sentences and orders [2023/24: 4,314] and an additional 1,906 people were electronically monitored on EM bail [2023/24: 2,181].

### *Ensuring capacity and stability across Corrections*

We have been focused on creating stability in the corrections system and having both the capacity and resilience to accommodate the growth that we are experiencing and anticipating.

We have developed a long-term plan that outlines the investment required to ensure sufficient quality high-security capacity in the prison network over the next 20 years. We also have plans in place to ensure that we can meet the current capacity pressures and have a prison network that is resilient to surges in demand and is able to respond in emergencies. Major projects, including the expansion at Waikeria Prison and the redevelopment at Christchurch Men's Prison, will add capacity over the next five years.

## We are part of the justice sector

Corrections is one of six agencies that make up the justice sector. Together, we provide services within the complex and interconnected criminal and civil justice system. We work with these agencies at operational, policy, and strategic levels, toward the shared vision of making New Zealand safer. We recognise that working together is necessary to find cross-sector solutions and this happens through sector leadership forums.

### *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*

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

**Ministry for Children**
*Oranga Tamariki*

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

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

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

# Implementing the Government's priorities

We have a responsibility to use taxpayers' money wisely and deliver a balanced budget, with a strong focus on delivering against Government priorities. Equally, we must manage our activities to ensure they deliver on our purpose and outcomes.

Corrections has been supporting the Government's commitment to restoring law and order by contributing to the delivery plan to achieve the Government's target to reduce violent crime. We also have a core focus on the Minister of Corrections' priorities for the Corrections portfolio. These are:

- Increase prison capacity
- Ensure staffing levels remain proportional to the prison population
- Improve staff safety
- Reduce reoffending through effective rehabilitation.

The Government has set a target (Government Target 4) that 20,000 fewer people are victims of an assault, robbery, or sexual assault by 2029. The Reduced Violent Crime Delivery Plan to reach this target includes three focus areas. Corrections' main contribution to the delivery of the Reduced Violent Crime target is action area 2 *(Strengthened rehabilitation and reintegration)* under focus area 3 *('Break the cycle of violence for repeat offenders and victims')*. We have also been contributing to Stronger Sentencing which sits under the focus area 'Increase the chance of being caught and held to account'.

Corrections has a range of actions and initiatives, both planned and underway, which aim to strengthen rehabilitation and reintegration outcomes. These include Optimising our Services, Integrated Pathways, and the expansion of rehabilitation programmes to people on remand (enabled through recent legislative change).

We are also doing work to support stronger sentencing through increased prison capacity. This includes staffing increases, accelerated capacity planning, the Waikeria Prison development (completed in 2024/25) and expansion (commenced in 2024/25), and the redevelopment of Christchurch Men's Prison.

## Budget 2024 and 2025

Major Budget decisions are subject to additional reporting requirements under Cabinet Minute ECO-24-MIN-0231. Corrections has one major Budget decision that requires a report for Budget 2025, and two major Budget decisions that require a progress report for Budget 2024 as at 30 June 2025.

### Prisoner Population[2]

To manage a growing prisoner population (largely driven by changes to justice sector policy settings) Corrections received $803.2 million over five years through Budget 2024, followed by an additional $492.2 million over five years in Budget 2025. These initiatives reflect the Government's commitment to maintaining public safety while responding to increasing demand across the prison network.

The initiatives address increased costs to manage the growth in the prisoner population, including additional frontline workforce to ensure staffing levels align with the capacity and service requirements of the prison system. A significant portion of the funding is allocated to increasing the number of corrections officers, which is why this workforce measure has been selected as a key indicator of progress, alongside actual prisoner population levels compared to funded growth.

This funding is critical to ensuring the prison network continues to operate safely, securely, and humanely. Performance will also be assessed against the expectations outlined in the Estimates of Appropriations, under the 'Public Safety is Improved' multi-category appropriation.

2. The title combines the Budget 2024 initiative, 'Prisoner Population – Responding to Increasing Prisoner Numbers', and the Budget 2025 initiative, 'Corrections Prisoner Population and Other Volume Pressures'.

## Budget 2025

**$492.2M** to manage an increasing prisoner population

**$8.6M** for minor capital expenditures

| 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 |
|---|---|---|---|---|
| $93M | $102M | $99M | $99M | $99M |

## Budget 2024

**$803.2M** to manage an increasing prisoner population

**$9.6M** for minor capital expenditures

| 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|---|---|---|---|---|
| $20M | $199M | $205M | $193M | $186M |

### *Our progress as at 30 June 2025*

At 30 June 2025 Corrections was managing 10,783 prisoners[3]. The actual prison population was 783 prisoners above the Budget 2024 planning assumption of 10,000.

The total actual corrections officer Full-Time Equivalents (FTEs) increased to 4,605 which is 170 FTEs higher than the corrections officer FTEs requirements based on a prison population of 10,000 prisoners to manage higher population level.

To manage a prison population above funded levels Corrections has made internal reprioritisation decisions and is operating with a level of custodial staffing resilience that is less than favourable, absorbing additional operating costs within existing baselines.

Budget 2025 adjusts the funding base for Corrections, based on justice sector projections of a prison population of 10,860.

3. This number includes 102 prisoners who were being held offsite at a hospital, in a mental health facility or in police cells.

## Population

As at 30 June 2025 Corrections managed

**10,783 prisoners**

(within an operational capacity of 11,496)

## Staff FTEs

As at 30 June 2025 Total actual CO FTEs increased to

**4,605**

(170 FTEs higher based on a prison population of 10,000 prisoners)

### Rehabilitation Programmes – Extending to Remand Prisoners

## Budget 2024

**$48M**

total Operating funding to provide services and interventions

Up to

**$30M**

total Capital funding to invest in infrastructure and digital assets, to allow access to programmes

| 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|---|---|---|---|---|
| - | - | $12M | $16M | $20M |

We have been focused on ensuring planning for the roll out of targeted and effective rehabilitation and reintegration for those on remand, as enabled by changes to the *Corrections Act 2004*. This will include enabling remand convicted prisoners to commence their offence focused rehabilitation, where appropriate. Corrections received $48 million total operating funding over five years through Budget 2024 to support this work.

### *Our progress as at 30 June 2025*

The review of all rehabilitation programmes has been completed, and a high-level plan for providing consistent and effective programmes and services to remand prisoners has been developed and approved by the Executive Leadership Team. Site-specific implementation will begin in the first quarter of the 2026 financial year and will roll out across all prison sites with remand populations.

The success of this initiative will be monitored through tracking the number of remand convicted prisoners attending offence-focused rehabilitation.

## Budget 2024 baseline saving

Corrections baseline was reduced by $106.7 million in 2024/25 because of the Budget 2024 Baseline Savings Exercise.

We achieved these savings by optimisation and scaling in the following areas: asset stewardship and management, back-office support, operations optimisation, and optimising core operations (through finding efficiencies - not through cuts).

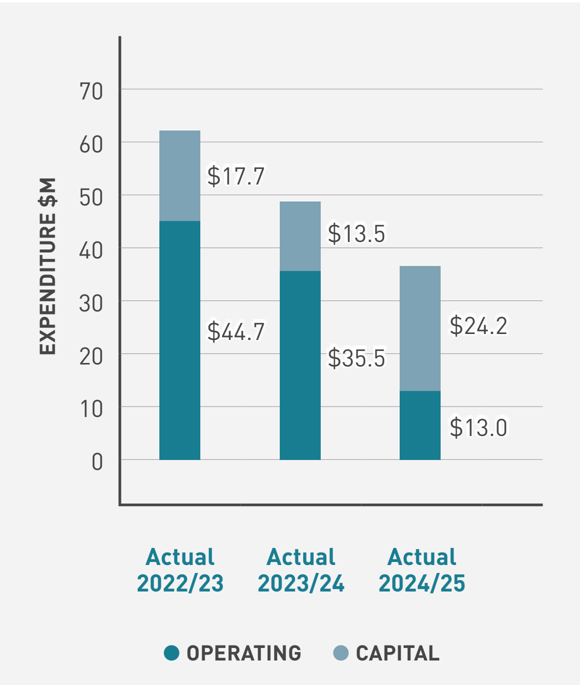
There was no savings initiative for non-departmental expenditure.

## Reduction in expenditure on contractors and consultants

Departments are required to reduce spending on contractors and consultants.

The below figure illustrates the composition of operating and capital spend on contractors and consultants.

## Figure 2: Contractor and consultant operating and capital spend




In 2024/25, Corrections spent a total of $37.2 million on contractors and consultants. This represents a reduction of $11.8 million in comparison to 2023/24, of which $22.5 million was due to a reduction in operating expenditure offset by an increase of $10.7 million in capital expenditure. The spend represents 3.3% of total departmental workforce expenditure in 2024/25 (and the reduction represents 1% of total departmental workforce expenditure in 2024/25).

The increase in capital spend is due to responding to Government priorities with spending on Waikeria Prison Development and Christchurch Men's Prison Redevelopment. The reduction in operating spend is due to lower engagement of contractors and consultants for projects and back-fill of vacant positions.

Corrections spent $62.4 million in 2022/23 and $49.0 million in 2023/24 on contractors and consultants, which represents 6.7% and 4.6% of total departmental workforce expenditure in these years respectively.

# Our strategic direction

## 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

### Organisational outcomes

- Improved public safety
- Reduced reoffending
- Reduced overrepresentation of Māori

### Our pou

*Guide us to do things differently and provide the foundations for change*

**PARTNERSHIP AND LEADERSHIP**

*We value strategic relationships and work collaboratively with Māori.*

**HUMANISING AND HEALING**

*We are a values-led organisation. Our staff support people in our management to access rehabilitation and reintegration while 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.*

**WHAKAPAPA**

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

**INCORPORATING A TE AO MĀORI WORLDVIEW**

*Access to culture is a fundamental right not a privlege, regardless of a person's circumstances.*

**FOUNDATIONS FOR PARTICIPATION**

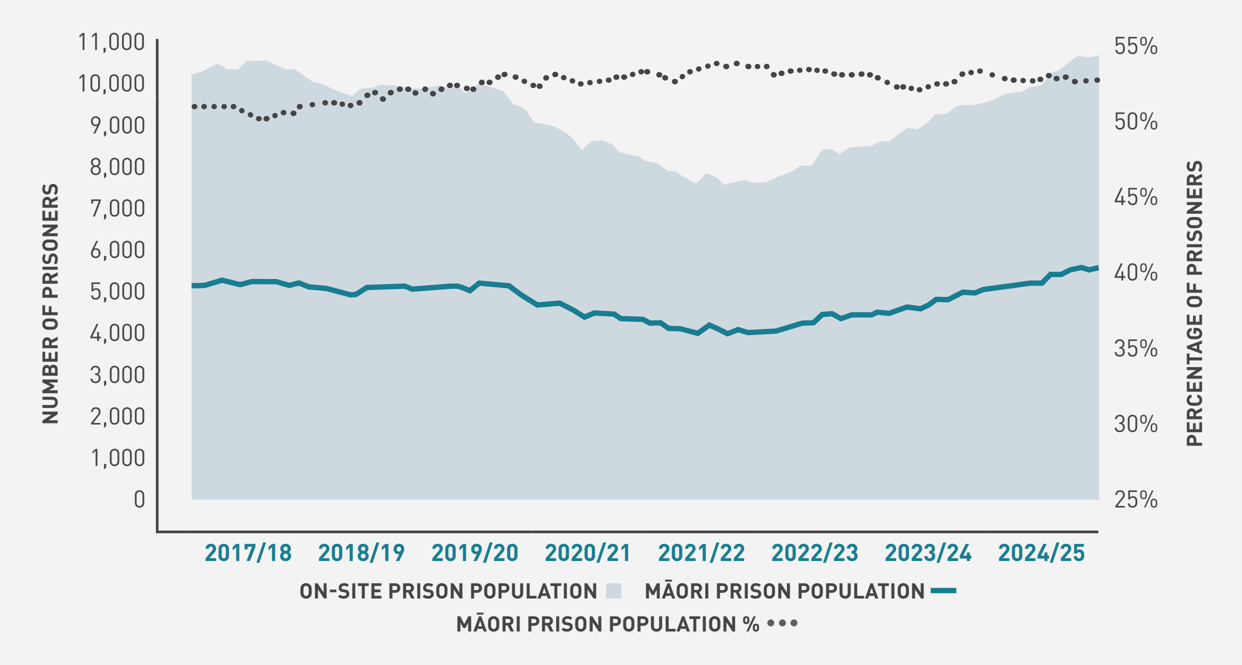
*We help people leave us better able to participate in society and lead offence free lives.*

Our **Organisational Roadmap** helps us identify, prioritise, and monitor key initiatives that contribute to our organisational outcomes and wider Government priorities

Our **Performance Framework** tracks our progress and defines the outcomes that we are working towards, which are informed by our strategy and wider Government priorities

## Māori overrepresentation data and trends

### Figure 3: Prison population trend




Our obligations under the Treaty of Waitangi/Te Tiriti are cornerstones of our actions and operations and underpin our strategy, *Hōkai Rangi*. We refreshed *Hōkai Rangi* in 2024, reaffirming our commitment to reducing Māori overrepresentation and upholding the six pou, which guide the way we work.

*Hōkai Rangi* has been Corrections' strategy since 2019 and continues to represent our long-term strategic direction. We have been focused on learning from piloted ways of working since this time and embedding and scaling up the changes that will be most effective. Research, data, and evidence also continues to inform what we do.

The *Hōkai Rangi* refresh is available here: https://www.corrections.govt.nz/__data/assets/pdf_file/0017/61901/Hokai_Rangi_-_Refresh_2024_FINAL.pdf

Since *Hōkai Rangi* was launched, we have made good progress but there is still work to be done. We are continually learning more about what works but have put in place many foundational building blocks and made important changes to service delivery. We have also changed our organisational structure with the intent to grow our capability, enhance service delivery, and support us to deliver a more effective and efficient corrections system.

We continue to be focused on responding to the unique needs of women and young people in our management. Since 64% 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. We also know that tailoring services to be responsive to the needs of women leads to better reoffending outcomes. We are committed to ensuring the safety and wellbeing of young people in our management and continue to work closely with Oranga Tamariki – Ministry for Children.

## Our Organisational Roadmap is helping us to strategically focus our work

Rather than having a list of actions to be undertaken, our refreshed strategy includes our Organisational Roadmap. The roadmap is a strategic planning tool that helps us to identify and communicate the initiatives of greatest importance to making progress towards our purpose and organisational outcomes. The roadmap organises these key initiatives against five focus areas, enabling us to prioritise and sequence our resources and efforts.

# Our Focus areas

| Focus area | Example intitiative | Explanation |
|---|---|---|
| **Purpose and performance - Enrolling our people in a collective and compelling 'why'.** | Integrated Organisational System | *The Integrated Organisational System refers to our future Integrated Business Management System (IBMS). This future system will focus on integrating and managing our overall organisation, including strategy, planning, assurance, learning performance, finance, HR, operations and other functional areas.* |
| **Leadership, capability,and culture – Investing in leaders that can fostera learning culture,and a capable, connected workforce** | Learning pathways | *Learning Pathways aims to construct tangible learning pathways for staff across portfolios, starting with Communities, Pathways and Partnerships and Custodial, to ensure that our people are provided with the foundational, core, specialist and elective learning required to enable them to fulfil their functions in a manner that is safe, compliant, and healing for the people in our management.* |
| **Pathways and services – Optimising our rehabilitation and reintegration pathways and partnerships, to deliver our organisational purpose for all people in our management.** | Optimising our Services and Integrated Pathways | *Corrections is focused on optimising its services to better serve the needs of the people Corrections manages, both in the prison and the community. This will continue to result in changes to Corrections' third-party services and service delivery approach to better connect people to the right services, at the right time. This is intended to promote gradual yet sustained improvements in rehabilitation and reintegration outcomes over the long term.*<br><br>*This work will also help ensure there is no unnecessary duplication, under-utilisation of services, or inefficiencies that use up resources that could be invested in effective treatment and support for those people who need it most. We intend to continually assess services against the evolving needs of the people we manage.*<br><br>*Integrated Pathways is an important part of optimising our services – helping to ensure people get the right support at the right time during their time in our management. Integrated Pathways aims to simplify our complex processes and systems and enable us to work more effectively with the people we manage and their whānau, to help people navigate the corrections system and more successfully reintegrate into the community.* |
| **Network health and capacity – Utilising connected population forecasting, asset management (physical and digital) and workforce planning to guide all investment – short/medium/long term horizons** | Waikeria (Stages 1- New Build and 2 - Expansion) | *Stage 1: Construction of new facility with 500 beds plus an additional 96 beds within a dedicated mental health and addiction services precinct inside the same secure perimeter. The new facility is being constructed adjacent to the existing low security facility.*<br><br>*Stage 2: Construction of an additional 810 beds and some supporting services to the west of the Phase 1 new build. Phase 2 will utilise the core infrastructure in Phase 1, therefore Phase 2 is primarily accommodation.* |
| **Organisational resilience** | Fiscal Sustainability Focus | *The fiscal landscape remains very challenging and for the public sector there remains a continued and clear drive to lower expenditure to adapt to more limited fiscal means. While the ability to identify further material savings is limited without compromising frontline service delivery, Corrections remains committed to identifying and progressing efficiency and effectiveness measures. This will be achieved primarily through our well-established organisational planning and fiscal management processes. This commitment remains alongside the required critical focus on progressing short, medium, and longer term actions to ensure sufficient capacity and resource is available to manage the forecast prison population in terms of both capital and operating expenditure requirements.* |

### Example initiatives on the Organisational Roadmap

We have been focused on optimising our services to better serve the needs of the people we manage, both in prison and the community. This will continue to result in changes to Corrections' third-party services and service delivery approaches to better connect people to the right services, at the right time. This is intended to promote gradual yet sustained improvements in rehabilitation and reintegration outcomes over the long-term. This work will also help reduce the possibility of unnecessary duplication of services or programmes, under-utilisation of services, or inefficiencies that use up resources that could be invested in effective treatment and support for those people who need it most. We intend to continually assess services against the evolving needs of the people we manage.

Integrated Pathways is an important part of optimising our services – helping to ensure people get the right support at the right time during their time in our management. Integrated Pathways is an initiative that aims to simplify our complex processes and systems and enable us to work more effectively with the people we manage and their whānau. This will help people navigate the corrections system and more successfully reintegrate into the community.

## Māori Crown relations capability

*Hōkai Rangi* recognises the value in strategic relationships, including with Māori, that will help to achieve better outcomes for everyone in the corrections system.

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), as they are set out below.

**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 by identifying communities significantly affected by our policies and practices giving them the platform to share their views, and taking these views into account. 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.

Our Communities, Partnerships and Pathways group is leading a collaborative approach to community-based service provision that is flexible and appropriately responds to local needs. Our Tumu Herenga group helps enhance our knowledge and application of tikanga Māori and mātauranga Māori and are focused on creating opportunities to be more effective and better respond to Māori and their whānau.

We have also been piloting the delivery of rongoā Māori at two sites, with the intention to implement this across our network in the future.

## Case Study

### Tākai Here Agreement signed in Hawke's Bay

In May 2025, Ngāti Pōporo Hapū and Corrections signed the Tākai Here Agreement at Hawke's Bay Regional Prison (HBRP).

Deputy Chief Executive Māori – Tumu Herenga Herewini Te Koha said the signing was a great step forward with the agreement formalising the relationship between Ngāti Pōporo and Corrections and laying the foundation for future collaboration.

The Agreement records the intent for Corrections and Ngāti Pōporo to work together to improve the cultural and social wellbeing of Māori who enter the corrections system within the area where Ngāti Pōporo has customary interests, which includes where HBRP is located.

"We're looking forward to what the future holds for the east coast region, HBRP and Ngāti Pōporo," says HBRP General Manager George Massingham.

Ngāti Pōporo have already begun to deliver the Tikanga Māori Motivational Programme at HBRP. They are also part of Te Rōpū Whanake, a working group established to test and implement the Pae Ora Health Service Delivery model at the prison.

**OUR PARTNERSHIPS**

## Reporting on Treaty settlement commitments

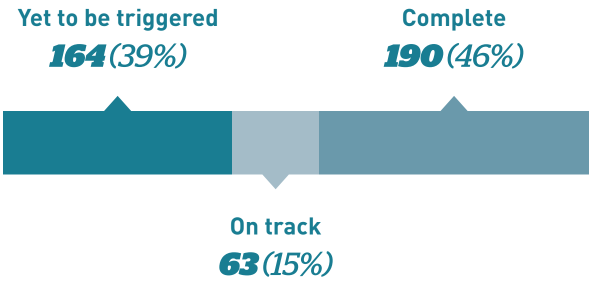
He Korowai Whakamana, a Cabinet agreed framework, enhances the Crown's accountability for its Treaty settlement commitments. He Korowai Whakamana requires core Crown agencies to record and track the status, and report annually on, their settlement commitments.

Commencing in 2023, core Crown agencies used Te Haeata – the Settlement Portal to record whether each of their commitments is complete, on track, yet to be triggered or has delivery issues.

### *The status of Corrections' Treaty settlement commitments*

Corrections is responsible for implementing a variety of settlement commitments on behalf of the Crown. This includes commitments relating to cultural and relationship redress and properties, which form part of commercial redress.

As of 30 June 2025, Corrections was responsible for 417 Treaty settlement commitments, and the status of these commitments is summarised below:




**The status of Corrections' Treaty settlement commitments as of 30 June 2025**

The commitments we have are a combination of cultural and commercial. Many of the cultural commitments relate to the various relationships we have with the settled entities, whereas our commercial commitments are primarily focused on property.

Many of our commitments fall under the category of "yet to be triggered". This is because a lot of our commitments relate to property, and the settled entities' Rights of First Refusal (RFR) or Deferred Selection Property (DSP) arise upon specific events occurring (i.e. are "triggered"). Other than commitments similar to these, Corrections is making sound progress through our commitments.

Settled entities now have viewing access to the portal on Te Haeata. In the portal, settled entities can track progress of their respective commitments and see the progress, comments, and status of each commitment.

## Uplifting our cultural 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.

We provide a range of online self-directed and in-person classroom cultural capability uplift opportunities 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, which focuses on the learning and practice of tikanga Māori. The workshop also covers 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. There were 1,423 staff that completed Ara Tika in the year to 30 June 2025.

Following on from Ara Tika, a number of staff then went on to complete more intensive initial learning pathways, including: 941 corrections officers, 108 probation officers, and 52 case managers.

# *Tracking our progress*

Measuring and tracking our progress is, and will continue to be, critically important to achieving our strategic aspirations and organisational outcomes. Our Performance Framework is a key organisational artefact we use to drive delivery of *Hōkai Rangi*. It describes the connection between our purpose and what we do day to day, defines the outcomes we are working towards, and the supporting measures to assess achievement against those outcomes.

Our Performance Framework enables us to measure, monitor and report on our overall performance, uncovering insights about what's working well and where we need to adjust or direct more effort.

Our Performance Framework is in the early stages of implementation, with development and testing of new measures still required. The Performance Framework measures will be refined over time as part of assessing our performance.

### *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

### *Outcomes*

| *Improved public safety* | *Reduced reoffending* | *Reduced overrepresentation of Māori* |
|---|---|---|
| We improve public safety by managing 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 | We reduce the risk of reoffending and causing further harm by supporting people to engage in rehabilitation interventions, reintegration, and support services that address the underlying causes of criminal offending | We help reduce overrepresentation by ensuring that the corrections system works for Māori. We work collaboratively with and deliver programmes and services with Māori |

### *Outcome measures*

- Rehabilitation Quotient
- Recidivism Indices
- Reoffending Seriousness Measure
- Proportion of people in our management that identify as Māori

# Performance for the 2024/25 financial year

**4,619**
THE HIGHEST NUMBER OF CORRECTIONS OFFICERS ON THE FRONTLINE

WITH
**922**
ADDITIONAL CORRECTIONS OFFICERS HIRED IN 2024/25

**90.4%**
OF OUR STAFF NOW WORK ON THE FRONTLINE

**8.3%**
STAFF TURNOVER
*(ALMOST HALF OF THE 15.4% IT WAS THREE YEARS AGO)*

APPROXIMATELY
**11,600**
BEDS AVAILABLE ACROSS THE NETWORK
*(AN INCREASE OF ALMOST 2,000 SINCE NOVEMBER 2023)*

**596**
BED DEVELOPMENT OPENED AT WAIKERIA PRISON
*(INCLUDING 96 DEDICATED BEDS FOR HIKITIA MENTAL HEALTH AND ADDICTIONS SERVICE)*

**36,525**
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*

AROUND
**24,000**
PEOPLE MANAGED IN THE COMMUNITY ON SENTENCES AND ORDERS

**6,402**
PEOPLE ON SENTENCES AND ORDERS, AND ON BAIL, ELECTRONICALLY MONITORED ON AVERAGE PER DAY

**10,592**
HOURS OF FACE-TO-FACE CLINICAL CONTACT WERE DELIVERED
*BY IMPROVING MENTAL HEALTH SERVICE CLINICIANS TO PEOPLE IN PRISON WITH MILD-TO-MODERATE MENTAL HEALTH NEEDS*

**10,865**
THE HIGHEST PRISON POPULATION WAS RECORDED ON 22 APRIL 2025

**16,236**
OFFICIAL INFORMATION ACT REQUESTS RESPONDED TO
*(WITH 99.2% RESPONDED TO ON TIME)*

# Financial performance

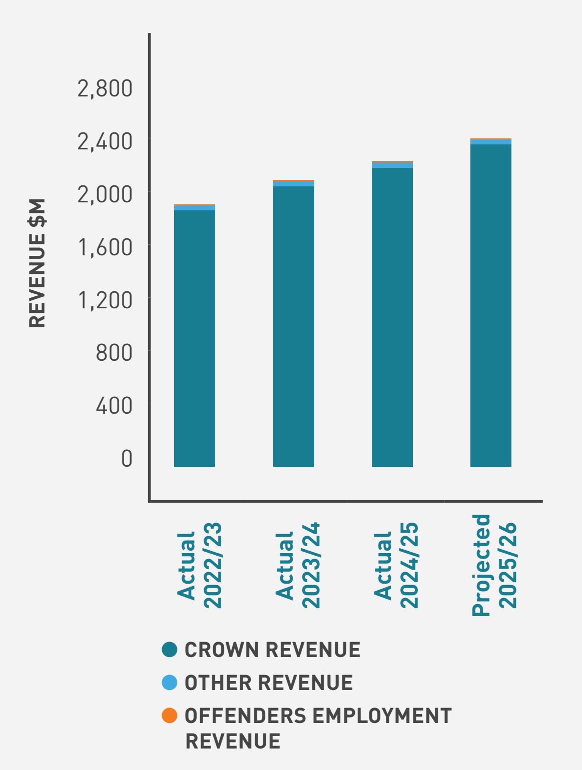
Our total operating expenditure for 2024/25 was $2.4 billion, which was $144.5 million higher than 2023/24, but 2% below our approved funding.

The year-on-year increase in expenditure was largely due to the increasing prisoner population, resulting in an increase in the number of frontline employees and associated operating expenditure.

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 4: Revenue trends

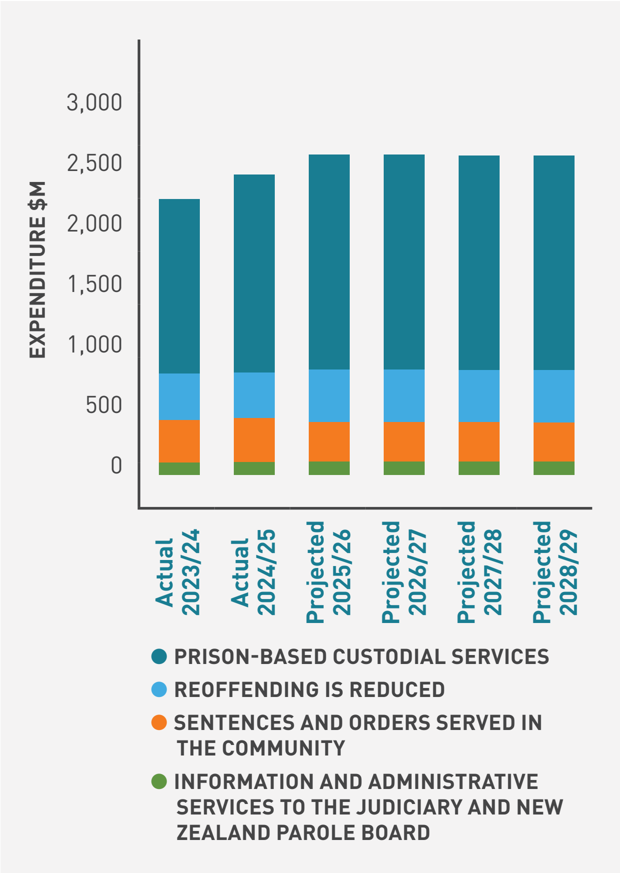



## Operating expenditure by appropriation

The increase in funding during 2024/25 was mainly due to the increasing prisoner population. This resulted in a $139.6 million increase in Prison-based Custodial Services to $1,525.8 million.

The below figure shows our funded Departmental operating expenditure to 2028/29.

### Figure 5: Expenditure appropriation projections to 2028/29

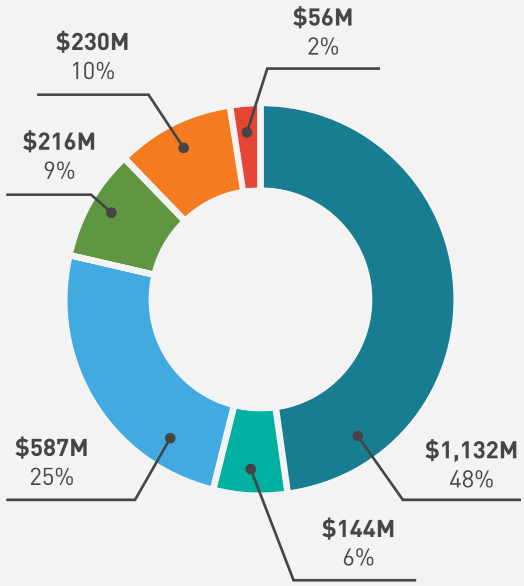


## Operating expenditure by category

75% of our $2.4 billion spend in 2024/25 related to personnel and asset ownership costs. Personnel costs were $1.1 billion in 2024/25, 48% of our total spend. Most of our workforce is deployed in frontline roles, which are highly specialised and require a considerable investment in upfront and ongoing training.

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

### Figure 6: Total departmental operating expenditure by major expense category




## Asset base

We own $5.1 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:

- $5,059.3 million of property, plant and equipment
- $15.1 million of assets related to prison-based employment activities, including farming
- $19.8 million of intangibles (software) including offender management systems
- $24.6 million of derivative financial instruments (interest rate swaps with the New Zealand Debt Management Office).
- $16.0 million of operating expenditure prepayment.

Depreciation and amortisation, capital charge, and finance costs represent 21% of our 2024/25 operating expenses.

Corrections' asset base, which includes 17 prisons and one remand centre managed by Corrections, one privately operated prison, and more than 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 2024/25 was $74.3 million lower than 2023/24 and $201.8 million lower than the Supplementary Estimates, primarily due to higher costs recognised for Waikeria Prison Development in 2023/24. The variance against Supplementary Estimates is lower due to expenditure for further work required on the Waikeria Prison Development post building completion that was expected to be made in the year and will now occur in 2025/26. There were also delays in the early work relating to the Waikeria Prison Expansion project.

Actual expenditure in 2024/25 was $14.8 million higher than Budget.

## Non-departmental appropriation

We received an appropriation of $0.355 million for this financial year to facilitate infrastructure improvements relating to the development of Waikeria Prison. Actual expenditure for 2024/25 was $0.016 million (excluding GST). The underspend is due to the reassessment of the infrastructure improvements required for the site relating to future expansion plans for the Waikeria Corrections and Treatment Facility.

# Service performance

## Estimates of appropriations performance measures

Due to a sustained focus on recruitment and retention, staff turnover has stabilised and current staffing levels remain strong. This has positioned the organisation well to respond to the demands of a growing population and the associated need for additional staffing.

This is evident in improved performance across several of our measures compared to 2023/24. Further contributions will also likely include an ongoing commitment to ensuring all staff are supported and equipped with the right training and skills to do their work safely and effectively, as well as a focus on process efficiency.

The table below provides a high-level summary of our performance against last year as well as the expectations set out in the Estimates of Appropriations 2024/25 and the Supplementary Estimates of Appropriations 2024/25 for Vote Corrections. Estimates documents are available here: https://www.treasury.govt.nz/sites/default/files/2024-06/est24-v6-corr.pdf

| Assessment against 2023/24 Actual | Appropriation / category scope | What is intended to be achieved | Performance measures achieved | Location of performance information |
|---|---|---|---|---|
| **Public Safety is Improved (MCA)[4]** | | | | |
| 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. | | | | |
| **Category: Prison-based Custodial Services** | | | | |
| **8/10 better than or equal to** | 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. | **6/10 ACHIEVED** | Pages 37, 49, 68 |
| **Category: Sentences and Orders Served in the Community** | | | | |
| **1/2 equal to** | 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 people serving sentences and orders in the community and the ability to hold them to account for failing to complete their sentence or order. | **2/2 ACHIEVED** | Page 43 |
| **Category: Information and Administrative Services to the Judiciary and New Zealand Parole Board** | | | | |
| **5/6 better than** | 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 Corrections' management, and victims regarding the outcomes of the processes, to enhance rehabilitative outcomes. | **3/6 ACHIEVED** | Page 46 |

**How much did it cost?**

Actual expenditure for the MCA was $1,990.8 million (2023/24: $1,834.6 million), $11.2 million higher than Budget (2024/25: $1,979.6 million). In 2024/25 Corrections drew down funding from the Waikeria Corrections and Treatment Facility tagged contingency for the Waikeria Claim Settlement, which is offset by a funding transfer from operating expenses to capital expenditure for Waikeria Prison Development.

Actual expenditure was $26.5 million below Supplementary Estimates.

4. 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.

| Assessment against 2023/24 Actual | Appropriation / category scope | What is intended to be achieved | Performance measures achieved | Location of performance information |
|---|---|---|---|---|
| ***Reoffending is Reduced*** | | | | |
| **4/5 better than or equal to** | 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 addressing the needs 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 the management of Corrections 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 which support wellbeing and enable desistance from reoffending. | **4/5 ACHIEVED** | Page 53 |
| **How much did it cost?**<br>Actual expenditure was $367.9 million (2023/24: $376.1 million), $29.2 million lower than Budget (2024/25: $397.1 million), due to back-office personnel vacancies and strict controls on hiring in line with government savings targets agreed in Budget 2024. Actual expenditure was $16.4 million below Supplementary Estimates. | | | | |
| ***Policy Advice and Ministerial Services (MCA)[4]***<br>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. | | | | |
| **Category: Policy Advice** | | | | |
| **1/2 better than** | 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. | **2/2 ACHIEVED** | Page 66 |
| **Category: Ministerial Services** | | | | |
| **2/3 better than or equal to** | 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 1982*. | **2/3 ACHIEVED** | Page 66 |
| **How much did it cost?**<br>Actual expenditure for the MCA was $6.1 million (2023/24: $7.6 million) which was $1.2 million lower than Budget (2024/25: $7.3 million), due to the transfer of the behavioural science function and funding to Ministry of Justice. Actual expenditure was $2.2 million below Supplementary Estimates. | | | | |

*Continued over the following page.*

4. 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.

| Assessment against 2023/24 Actual | Appropriation / category scope | What is intended to be achieved | Performance measures achieved | Location of performance information |
|---|---|---|---|---|
| ***Department of Corrections Capital Expenditure (PLA)*** [5] | | | | |
| **2/4 equal to** | This appropriation is limited to the purchase or development of assets by and for the use of the Department of Corrections, as authorised by section 24(1) of the *Public Finance Act 1989*. | 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. | **1/4 ACHIEVED** | Page 60 |

**How much did it cost?**

Actual expenditure was $278.8 million (2023/24: $353.1 million*), $14.8 million higher than Budget (2024/25: $264.0 million).

Actual expenditure was $201.8 million lower than the Supplementary Estimates, primarily due to higher cost recognised for Waikeria Prison Development in 2023/24, and expenditure for further work required on the Waikeria Prison Development post building completion that was expected to be made in the year will now occur in 2025/26. There were also delays in the early work relating to the Waikeria Prison Expansion project.

| Assessment against 2023/24 Actual | Appropriation / category scope | What is intended to be achieved | Performance measures achieved | Location of performance information |
|---|---|---|---|---|
| ***Transfer of Three Waters Assets*** | | | | |
| **1/1 equal to** | 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. | **0/1 ACHIEVED** | Page 60 |

**How much did it cost?**

Actual expenditure was $0.1 million (2023/24: $0.3 million), $5.1 million lower than Budget (2024/25: $5.2 million). Work for this project will continue into the 2025/26 financial year.

Actual expenditure was $2.8 million lower than the Supplementary Estimates. An in-principle expense transfer has been pre-approved to transfer funding to 2025/26.

| Assessment against 2023/24 Actual | Appropriation / category scope | What is intended to be achieved | Performance measures achieved | Location of performance information |
|---|---|---|---|---|
| ***Waikeria Corrections and Treatment Facility*** [6] | | | | |
| **1/1 better than** | 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 Waikeria Prison Development including the Waikeria Mental Health and Addiction Service Facility. | **1/1 ACHIEVED** | Page 166 |

**How much did it cost?**

Actual expenditure (excluding GST) was $0.016 million (2023/24: $0.014 million), $0.667 million lower than Budget (2024/25: $0.683 million), due to the future expansion plans for the Waikeria Corrections and Treatment Facility, resulting in reassessment of the infrastructure improvements required for the site.

Actual expenditure was $0.339 million lower than the Supplementary Estimates. An in-principle expense transfer has been pre-approved to transfer funding to 2025/26.

** The comparatives figure has been restated to reflect a correction of the prior year. Refer to Note 8 under Annual Financial Statements - Waikeria PPP asset and liability increase relating to recognition of service concession arrangement prior period 'error correction' with no impact on net assets.*

5. 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.
6. Performance information for Non-departmental Other Expenses is reported in the Report by the Minister of Corrections on Non-departmental Appropriations on pages 165-166.

## Statement of Intent performance measures

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

**Rehabilitation Quotient (RQ)** – pages 30, 132

**Recidivism Indices (RI)** – pages 31-32, 133-136

**Reoffending Seriousness Measure** – page 32

Our Statement of Intent is available here: https://www.corrections.govt.nz/__data/assets/pdf_file/0020/46604/Statement_Of_Intent_2022-2026.pdf

## Basis of preparation

The service performance information for the year ended 30 June 2025, 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 2024/25 and the Supplementary Estimates of Appropriations 2024/25 for Vote Corrections.

## Reporting judgements

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[7] 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 RQ, RI, 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 pages 29-32.

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 87.

## Measuring our impact on reoffending

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

We also offer people interventions to address cultural, educational, employment, housing and health needs. People often access multiple types of interventions 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.

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

## 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 four 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.

### *2024/25 results*

Overall, most interventions evaluated for the 2024/25 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 demonstrated an increased reduction in imprisonment or resentencing compared to results from last year.

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 2024/25 RQ measures the impact of interventions that were completed in the three years prior to 31 March 2024. The follow-up period extends to 30 June 2025. The delivery time frame includes a period where COVID-19 impacted programme delivery in prisons. Changes made to the programme suite since March 2024 will not be reflected, nor will the totality of changes made between March 2021 and March 2024.

## Prison interventions

As has been the case for the last 10 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 12.4 percentage points while reimprisonment rates were reduced by 9.3 percentage points. While lower than last year, these results remain very positive.

## Community interventions

While almost all community programmes reported favourable results, only the imprisonment rate related to Non-Violence Programmes for Female Perpetrators of Family Violence and the Short Rehabilitation Programme for Men reached 95% significance, showing a reduction of 1.5 and 3.8 percentage points respectively.

For the full table of results for prison and community interventions, see Appendix Three on page 132.

## 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 7 and Figure 8 (page 32) show the 12- and 24-month recidivism rates for people released from prison, and people who started community sentences since 2014.

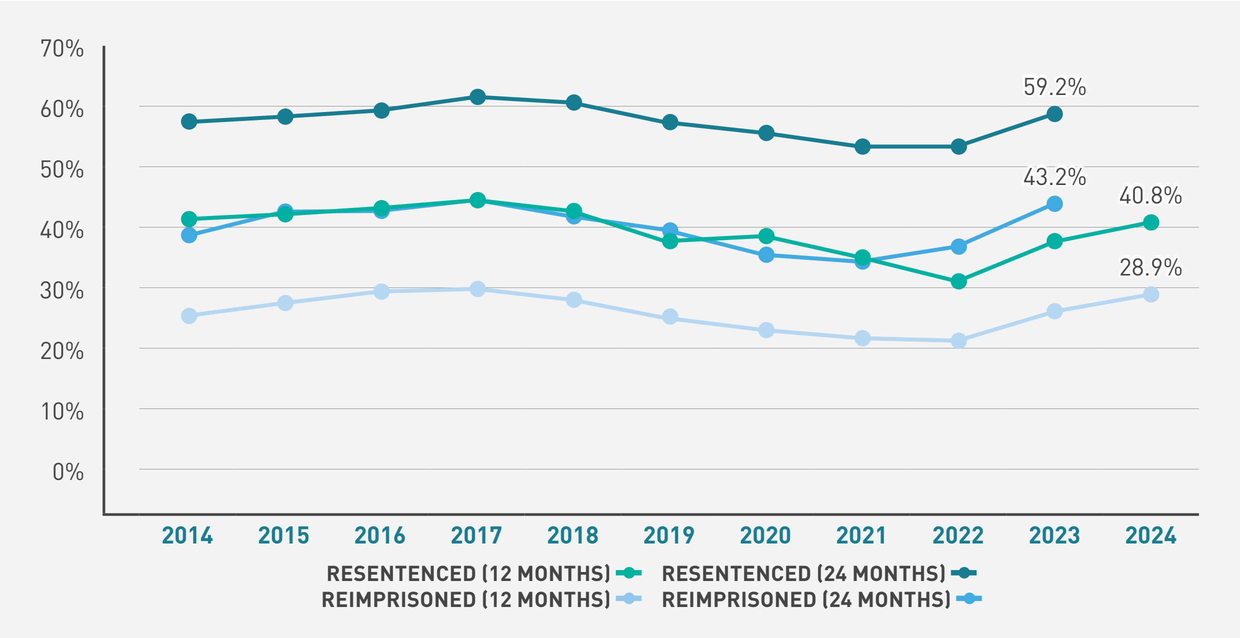
The graphs are organised by the period of time in which the person was released or started a community sentence. The time periods run for 12 months from 1 April to 31 March. For the 24-month measures, the last data point is the year ended 31 March 2023 and for 12 months the year ended 31 March 2024.

The results for this year continue the upward trend that began last year, with increases in resentencing and reimprisonment across almost every category.

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.

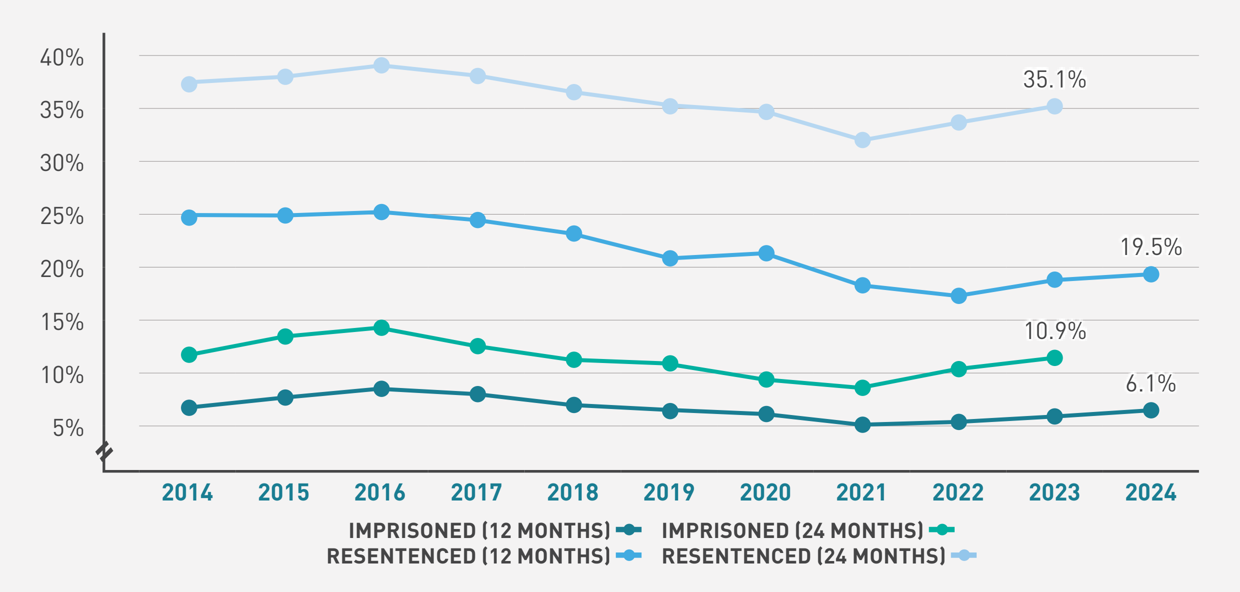
For a detailed view of the most recent Recidivism Indices, see Appendix Four on pages 133-136.

**Figure 7: 12- and 24- month resentencing and reimprisonment rates for people released from prison in the years ending 31 March 2014 to 2024[8]**




*8.* This chart is prepared using the methodology current from 2019/20 onwards, and results do not match those in earlier annual reports.

## Figure 8: 12- and 24- month resentencing and imprisonment rates for people starting community sentences in the years ending 31 March 2014 to 2024[9]




## 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.

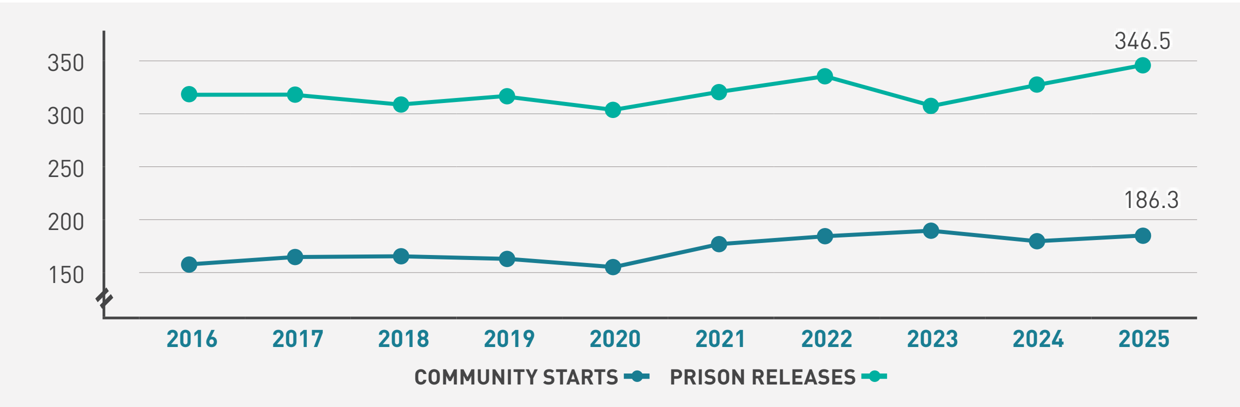
The measure is calculated using offence-based scores from the Justice Sector Seriousness Score. The Justice Sector Seriousness Score[10] is based on actual sentences imposed on people for different categories of offence over a five-year period.

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

In 2024/25, the reoffending seriousness score for people released from prison was 346.5 [2023/24: 327.3], while reoffending by people on a community-based sentence or order had a seriousness score of 186.3 [2023/24: 180.9].

The reoffending seriousness score can be impacted by a number of factors, which include changes in the proportion of people committing different levels of reoffending, or even changes in charging practice leading to convictions for offences with higher average seriousness. Read in conjunction with the Recidivism Index it shows that this year the proportion of people reoffending and the seriousness of reoffending have both increased.

## Figure 9: Reoffending seriousness measure for prison and community-based sentences from 2016 to 2025




*9.* This chart is prepared using the methodology current from 2019/20 onwards, and results do not match those in earlier annual reports.

*10.* 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.

POUTAMA

# What we do to achieve our organisational outcomes

# We have a responsibility to focus on Corrections' core outcome of improved public safety

***We manage offenders serving custodial and community-based sentences and orders, and people on remand in a manner so as to improve the safety of staff, victims, offenders, and the public.***

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 imposed by the courts and the New Zealand Parole Board and for operating the corrections system in a way that is safe, secure, and humane.

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.

## We manage people serving custodial-based sentences and people on remand

Corrections is responsible for 18 prisons across New Zealand. The 18 prisons span the length of New Zealand from Kaikohe to Invercargill. One prison, Auckland South Corrections Facility, is operated by a private provider. We have specific prisons for men and women. People are managed according to their sentence/remand status, security classification, segregation requirements, and specific needs. A person's risk factors are assessed to determine their security classification.

We are responsible for ensuring the safe containment of those who are in our custody. 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 2024/25, there were no breakout escapes from prison [2023/24: Nil]. Over the same period, there were two non-breakout escapes [2023/24: 3], both of which occurred during medical escorts. Both individuals were apprehended and have been subject to court proceedings as a result. For more information refer to the audited performance measures table on page 37.

## We are focused on maintaining and improving safety in custodial environments

Prisons are complex environments and 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 38% have a gang affiliation, which is a known predictor of prison violence. 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 higher rates of neurocognitive diversity than the general population.

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. However, the threat cannot be eliminated entirely. It is critically important that we have the tools and systems in place to manage risks and create the safest possible environment for staff, people in prison, and visitors to our sites. While a person is in prison, we are responsible for their safety, healthcare, and wellbeing, and for assisting in their rehabilitation and reintegration.

In 2024/25, there were 24 victims of serious prisoner on staff assault [0.24 per 100 prisoners], compared to 26 victims [0.29 per 100 prisoners] in 2023/24. Despite a slight decrease in the number of serious assaults on staff, there was a notable increase in the number of reported non-serious assaults on staff over the same period [2024/25: 358; 2023/24: 285].

Further, in 2024/25 there were 47 victims of serious prisoner on prisoner assault [0.46 per 100 prisoners], compared to 52 victims [0.57 per 100 prisoners] in 2023/24. The number of non-serious prisoner on prisoner assaults over the same period were fairly consistent [2024/25: 813; 2023/24: 811].

There is an observed correlation between remand status and incidents of serious prisoner on prisoner assault, with almost half of all perpetrators of serious prisoner on prisoner assaults in 2024/25 being on remand at the time the assault occurred.

For more information refer to the audited performance measures table on page 37.

## 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. 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 people we manage and the complexities of our environment.

### Key achievements within the Strengthening Corrections Frontline Safety and Improvement Programme in 2024/25 include:

#### *Ensuring a strong staffing pipeline and to maintain safe staffing levels*

- An Optimised Candidate Experience model was implemented reducing the average time to hire staff by 14%. Innovations in attraction and recruitment ensured Corrections maintained staffing pipeline health despite market fluctuations, and improved Employer Brand increased consideration of candidates by 14%. Corrections processed 74,308 total applications (including 22,137 for corrections officers) in this time period and has maintained significantly improved staffing levels during a period of increasing prison population.

#### *Ongoing improvements and increases to specialist capability to best manage our operating environment and respond to the needs of people in our management*

- We strengthened security capability through increased intelligence, negotiators, and specialist working at heights roles, embedding new tactical training within our custodial estate and strengthening the connections between specialist response capabilities. Specialist capability in managing and mitigating extreme risk and supporting efforts against transnational organised crime continues to be embedded also.
- Capability has been strengthened across our women's prisons through the introduction of the Women's Prison Practice Framework to support staff safety and enable more responsive ways of working with women, including the embedding of additional Practice Leadership capability on site. Additional capability support has also been embedded for staff including new learning content and leadership coaching and support.
- A new Women's Maximum-Security Approach has been implemented ensuring a strength-based approach to maximum security centred on investing in staff, building collective understanding, and enabling healing through practice changes, Multi-disciplinary Team (MDT) collaboration, targeted training, supervision, and infrastructure improvements to increase staff capability, engagement, and wellbeing.
- New variable site rosters have been implemented at prison sites as well as ongoing support and workforce management tools across the custodial estate, strengthening workforce deployment and operational resilience.

#### *Delivery of staff support activities to uplift staff wellbeing*

- Between June 2024 and June 2025 staff welfare co-ordinators have actioned 1,384 welfare referrals, supporting staff with a variety of challenges.
- Health checks continue to be delivered within the custodial estate and strengthened Health and Safety Representative processes and practice within the custodial estate has supported strengthened safety culture and workforce engagement.

# Case Study

## Implementation of the Safer Prisons Plan

In October 2024, we launched the Safer Prisons Plan, the next iteration of our Reducing Violence and Aggression Joint Action Plan to improve safety and wellbeing at our prisons.

The Safer Prisons Plan takes the foundation of what has been successful so far and creates a focused plan to improve safety and wellbeing at our prisons. It comprises four workstreams: improving prison operations; understanding prison profiles; supporting our people; and managing gangs and relationship dynamics.

We know that each of our prisons has differing needs and manages different cohorts of prisoners. To respond to this, each of our prison general managers have worked alongside site union delegates and frontline staff to develop their prison's response to the plan, including site-specific focus areas.

At Spring Hill Corrections Facility (SHCF), General Manager Scott Walker says their site response plan is focused on getting the basics right and supporting the team to create a safe and secure place to work.

In line with the Safer Prisons Plan and what we know has been successful so far, the site has implemented a number of initiatives to create a safer prison facility. This includes:

- a tactical operations team which supports consistent custodial practice across the site by working directly with staff in units to further develop their knowledge and practice of custodial skills. The team also publish a monthly site newsletter focusing on specific skills and related best practice and hold a monthly Tactical Review Panel to review select site incidents responses and provide feedback on opportunities for improvement.
- the implementation of a competency pathway to support new corrections officers through the first 12 months of their career. The pathway focuses on strengthening the core custodial skills of new staff with the guidance and support of the site learning and development lead, as well as other senior custodial staff.

The initiatives implemented have resulted in "improved custodial practice and decision-making, and strengthened the relationships between leaders and frontline teams," says Scott.

The team's hard work is paying off with key measures of safety increasing at the site, including a decrease in prisoner on staff assaults and a reduction in the number of contraband items entering the prison. In 2024/25, there were a total of 99 prisoner on staff assaults (inclusive of the serious, non-serious, and no injury assault categories), compared to 125 in 2023/24. In the same period, there was also a reduction in the total number of contraband incidents [2024/25: 533; 2023/24: 591].

Currently, the SHCF Intelligence team are developing a site-specific gang response plan which will support ongoing gang management activities at the facility, including the delivery of targeted training on gangs.

The facility is committed to reviewing and updating their site response plan every three months to align with changing prison demographics, in the next iteration of their plan, they intend to focus on the factors which lead to violence and aggression at their site and address this with improved communication, visibility and decision-making.

SAFETY

## Detecting contraband

Stopping people in prison from accessing alcohol, illicit drugs, and other contraband items through prevention and detection is critical to maintaining the integrity and safety of our prisons. Such substances can counteract other work we are doing towards people's rehabilitation and reintegration, especially for prisoners with histories of abuse, addiction, or dependency. The primary way we support this work is by conducting alcohol and drug testing, the most common testing category being general random testing.[11] We also 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.

In 2024/25, just under 9,500 incidents involving contraband were reported [2023/24: 7,822]. During the same period, 2,719 general random drug tests were undertaken in prisons [2023/24: 1,821], to detect the use of contraband, 170 of which returned a positive result. The positive rate of general random drug testing exceeded the budget standard in 2024/25, the first time it has done so since this measure was added to Vote Corrections in 2013/14. Increasing general random drug testing volumes is an ongoing area of focus. For more information refer to the audited performance measures table on page 37.

11. 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.

## Segregation

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 or Deputy 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 person 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*.

People on segregation are provided with or offered 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. The use of segregation is a regularly reviewed process to ensure the safety of the prisoner as well as staff and other people in prison, by the Custodial General Manager, 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.

See more information in Appendix 10 on pages 163-164.

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<br>Assessment of performance | 2021/22<br>Actual | 2022/23<br>Actual | 2023/24<br>Actual | 2024/25<br>Actual | 2024/25<br>Budget (unaudited) | 2025/26<br>Forecast (unaudited) | Location of variance explanation |
|---|---|---|---|---|---|---|---|
| Number of breakout escapes[12] | 1 | 1 | Nil | Nil | Nil | Nil | Page 34 |
| Number of non-breakout escapes[13] | 1 | 3 | 3 | 2 | Less than or equal to 5 | Less than or equal to 5 | Page 34 |
| Percentage of general random drug tests undertaken by people in prison that have a positive result | 4.2% | 4.2% | 4.8% | 6.3% | Less than or equal to 5% | Less than or equal to 5% | Page 36 |
| Number of prisoner on prisoner assaults that are serious, as a rate per 100 prisoners[14] | 0.31 | 0.43 | 0.57 | 0.46 | Less than or equal to 0.50 | Less than or equal to 0.50 | Page 34 |
| Number of prisoner on staff assaults that are serious, as a rate per 100 prisoners[14] | 0.22 | 0.30 | 0.29 | 0.24 | Less than or equal to 0.20 | Less than or equal to 0.20 | Page 34 |

***12.*** 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.

***13.*** Corrections have 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.

***14.*** 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 manage people serving sentences and orders in the community

Corrections manage around 24,000 people in the community. We administer 10 different community-based sentences and orders, the most restrictive of which is home detention. Over two-thirds of people on community-based sentences and orders are either on community work or undergoing some form of supervision. There are also several community-based orders the courts can impose to keep the community safe, even when someone is not serving a sentence.

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.

Electronic monitoring is a tool used to monitor compliance with some of the conditions, sentences, or orders imposed on people. 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 2024/25, we electronically monitored a daily average of 4,496 people on sentences and orders, excluding those on EM bail [2023/24: 4,314].

EM bail is an alternative to being remanded 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 2024/25, we electronically monitored a daily average of 1,906 people on EM bail [2023/24: 2,181].

## Responding to gangs and organised crime

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 also 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 have 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.

## Summary of sentences and orders we administer

The summary on pages 40-42 provides key information about each of the core sentences and orders administered by Corrections in 2024/25. 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 the 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 following table as they cannot be attributed to a particular sentence or order.

The counting rules for community sentences have been improved from those used in previous annual reports, and now represent a daily average of the number of people managed rather than an average of month-end populations.

| | Average cost of: | Average volume: | Average length of sentence imposed: |
|---|---|---|---|
| ***People on prison sentences*** | **$552** [2023/24: $562] | **5,761 people** [2023/24: 5,092] | **703 days** [2023/24: 636] |

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.

| | Average cost of: | Average volume: | Average length of remand periods: |
|---|---|---|---|
| ***People on remand*** | **$414** [2023/24: $437] | **4,373 people** [2023/24: 4,000] | **84 days** [2023/24: 89] |

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.

| | Average cost of: | Average volume: | Average length of order: |
|---|---|---|---|
| ***Extended supervision*** | **$129** [2023/24: $126] | **186 people** [2023/24: 183] | **1,341 days** [2023/24: 1,790] |

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.

| | Average cost of: | Average volume: | Average length of sentence imposed: |
|---|---|---|---|
| ***Home Detention*** | **$116** [2023/24: $119] | **1,929 people** [2023/24: 1,804] | **227 days** [2023/24: 212] |

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.

| Community detention | Average cost of: | Average volume: | Average length of sentence imposed: |
|---|---|---|---|
| | **$76** | **1,610 people** | **128 days** |
| | [2023/24: $70] | [2023/24: 1,638] | [2023/24: 123] |

People serving community detention sentences are subject to electronically monitored curfews imposed by the court.

| Returning offenders orders | Average cost of: | Average volume: | Average length of order: |
|---|---|---|---|
| | **$65** | **198 people** | **416 days** |
| | [2023/24: $76] | [2023/24: 183] | [2023/24: 430] |

Certain people who have returned to New Zealand after serving a sentence of imprisonment overseas are monitored by Corrections.

| Parole | Average cost of: | Average volume: | Average length of order: |
|---|---|---|---|
| | **$57** | **1,936 people** | **502 days** |
| | [2023/24: $62] | [2023/24: 1,947] | [2023/24: 482] |

People who have been released from prison on parole remain under the close supervision of a probation officer. They may also be electronically monitored, and are subject to any other conditions imposed by the New Zealand Parole Board.

| Intensive supervision | Average cost of: | Average volume: | Average length of sentence imposed: |
|---|---|---|---|
| | **$42** | **4,610 people** | **443 days** |
| | [2023/24: $43] | [2023/24: 4,760] | [2023/24: 444] |

Intensive supervision is a rehabilitative, community-based sentence with close oversight from a probation officer.

*Continued after the page.*

| ***Post-detention conditions*** | Average cost of: **$42** [2023/24: $42] | Average volume: **1,410 people** [2023/24: 1,402] | Average length of order: **211 days** [2023/24: 207] |
|---|---|---|---|

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.

| ***Post-release conditions*** | Average cost of: **$23** [2023/24: $29] | Average volume: **2,715 people** [2023/24: 2,058] | Average length of order: **344 days** [2023/24: 347] |
|---|---|---|---|

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

| ***Supervision*** | Average cost of: **$24** [2023/24: $27] | Average volume: **7,615 people** [2023/24: 7,471] | Average length of sentence imposed: **291 days** [2023/24: 287] |
|---|---|---|---|

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

| ***Community work*** | Average cost of: **$14** [2023/24: $13] | Average volume: **8,173 people** [2023/24: 8,526] | ***Average length of sentence for community work cannot be easily calculated due to the complex of nature of sentencing.*** |
|---|---|---|---|

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

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

| AUDITED MEASURES Assessment of performance | 2021/22 Actual | 2022/23 Actual | 2023/24 Actual | 2024/25 Actual | 2024/25 Budget (unaudited) | 2025/26 Forecast (unaudited) |
|---|---|---|---|---|---|---|
| Percentage of people who successfully complete their community-based sentence or order | 79% | 79% | 79% | 76%[15] | Greater than or equal to 75% | Greater than or equal to 75% |
| Percentage of people serving a community-based sentence or order held to account by probation staff for non-compliance[16] | 96% | 97% | 97% | 97% | Greater than or equal to 90% | Greater than or equal to 90% |

## *We provide services to the Judiciary and the New Zealand Parole Board that support safety*

Information and advice are provided to both the courts and the New Zealand Parole Board (Parole Board) to support decision-making prior to sentencing or granting parole.

### Courts

We provide courts with reports which assist the Judiciary to make fully informed and appropriate decisions about which sentence a person should receive and what support should be provided to them. 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. This is done through a Provision of Advice to Courts report.

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.

Our psychological assessment reports are generally prepared for the purpose of identifying rehabilitative pathways and to assist with sentence management and risk mitigation. They are used by the New Zealand Parole Board and courts, including for considering Preventive Detention, Extended Supervision Orders, and Public Protection Orders. These reports are often high stakes for the individual concerned and there are wider issues affecting the assessment process, such as consideration of medical privilege, ethical and/or other legal issues, public safety, and human rights. This year we updated our memorandum of understanding (MOU) with the Parole Board. This MOU supports Psychological Services to provide helpful information, for the right people at the right time, to the Parole Board. This means psychological reports will only be prepared when necessary and appropriate for people who present a high risk of reoffending.

As part of the information and administrative services we provide, our probation staff are often required to attend court. The number of court attendance hours in 2024/25 was nearly 100,000 hours [2023/24: 91,210 hours]. During the year, our probation and psychologist staff provided more than 27,000 pre-sentence reports to the courts [2023/24: 26,685], of which 97% were provided within agreed timeframes (97% for Provision of Advice to Courts reports, and 100% for psychological reports) [2023/24: 96%]. For more information refer to the audited performance measures table on page 46.

**15.** For 2024/25, an adjustment was made to correct the data used to calculate the performance result relating to the treatment of sentence terminations at the individual and aggregate sentence levels. The impact on the 2023/24 performance applying the corrected data reduces the result by 2.6 percentage points to 76.4% but given the immaterial impact these results have not been restated. The impact on 2021/22 and 2022/23 performance has not been assessed.

**16.** Any failure by an offender to adhere to a requirement of the sentence or order is considered to be non-compliance. For example, this could include failure to report as instructed, breaking a curfew, or failure to notify Corrections of an address change. Each community-based sentence or order "directive type" has pre-determined Standard of Practice timeliness guidelines for a probation staff member to identify and respond to non-compliance ranging from 5 to 10 working days following identification of an instance of non-compliance.

## New Zealand Parole Board

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

Corrections co-administers the *Parole Act 2002* with the Ministry of Justice, which requires us to provide administrative and training support to the Parole Board. As an independent statutory body, the Parole Board cannot be directed by Corrections or the Minister of Corrections when making decisions.

The Parole Board is supported by a dedicated team within Corrections that provides a range of administrative services to the Board, including supporting 8,498 parole hearings involving 4,767 prisoners in the past year.

Timely reporting 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 and delays can infringe upon their legal rights and prolong their incarceration unnecessarily.

The information we provide to the Parole Board is critical to enable them to make informed decisions about the safety of the community. Delays in receiving these reports can hinder the decision-making process, potentially affecting an offender's release date.

During the year, our case management, probation, and psychologist staff provided nearly 7,000 parole reports to the Parole Board [2023/24: 6,016], of which, 92% were provided within agreed timeframes (95% for parole assessment reports, 92% for parole progress reports, and 83% for psychological reports) [2023/24: 93%].

Parole assessment reports make up a significant portion of the total number of parole reports provided to the Parole Board per annum, accounting for 72% of all reports prepared in 2024/25, with parole progress reports and psychological reports at 7% and 21% respectively. For more information refer to the audited performance measures table on page 46.

Under the *Parole Act 2002*, eligible offenders and active registered victims are required to be notified of an impending Parole Board hearing and of a Parole Board outcome decision within an agreed set of timeframes.

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.

In 2024/25, 81% of offenders [2023/24: 72%] and 87% of active registered victims [2023/24: 85%] were notified as per the Parole Boards requirements. Compliance failures for both offender and victim notifications were primarily due to late provision of notifications for upcoming hearings (as opposed to decision outcomes).

For those instances where we are not able to confirm notification delivery through supporting evidential documentation, the notification is deemed not to have been delivered as per the agreed requirements for performance measurement purposes. However, this does not necessarily indicate that the notification was not delivered at all. In 2024/25, 42% of the failures for offender notifications [2023/24: 56%], and 6% for victim notifications [2023/24: 18%], were due to an absence of delivery evidential support.

Despite performance failing to meet the budget standard for these measures again this year, compliance with notification requirements for both offenders and registered victims continues to improve. Performance improvements this year reflect the focused efforts to strengthen record-keeping practices, coupled with enhanced assurance procedures. For more information refer to the audited performance measures table on page 46.

In 2024/25, Corrections worked with an external vendor to complete the build of a new digital solution that will enable a secure end-to-end operation for the Parole Board's administrative function.

## Registered victims

The *Victims' Rights Act 2002* sets out obligations of Corrections to provide information to victims of offences, including notification of specific events relating to those who offended against them. As at 30 June 2025, there were a total of 6,548 active registered victims of which 1,773 were new registered victims this financial year.

## Case Study

### Victims supported to participate in the parole process

New victim advisers are now offering support to victims of crime who are not currently registered for Victim Notification (VNR), to give them a voice in the parole hearing process.

The joint Corrections/Parole Board/Police initiative is part of the Victims of Crime: Improving Outcomes Action Plan. It involves contacting historic case victims of particular offence types to ask if they want to be supported to participate in the parole hearing process and aims to ensure the Parole Board has relevant up-to-date victim information to inform its decision-making.

"The focus of the initiative is on providing the opportunity for victims to participate in the process in cases where they may not realise they have that right. Equally important is providing assurance to the Parole Board that they have as much victim information as possible when making significant decisions to release people," says Programme Manager Steven Rendall, who is leading the initiative.

The initiative relates to specific victims of offenders already sentenced to life imprisonment, preventive detention, or five years or more for manslaughter. Victims contacted can also register for Victim Notification to enable ongoing communication.

Corrections and Police have each received funding for new Victim Advisers to undertake this work.

The Police Victim Adviser role is to review Police information and, as appropriate, make initial contact with victims. If the victim is interested in the upcoming parole hearing process, the Corrections Victim Adviser from our Parole Board Administrative Support Team will make follow-up contact and provide more detail about the Parole Board process.

Since the initiative began in November 2024, 184 cases have been examined. So far, 75 individual victims have registered for Victim Notification and 16 victims have made written submissions for a Parole Board hearing. Eight individual victims have met with the Parole Board to provide an oral submission for a parole hearing. Thirty-seven victims have also provided consent for the Parole Board to know their address details and have requested exclusion zones should the offender be released.

SAFETY

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

| AUDITED MEASURES<br>Assessment of performance | 2021/22<br>Actual | 2022/23<br>Actual | 2023/24<br>Actual | 2024/25<br>Actual | 2024/25<br>Budget (unaudited) | 2025/26<br>Forecast (unaudited) | Location of variance explanation |
|---|---|---|---|---|---|---|---|
| Percentage of parole reports provided to agreed timeframes pursuant to New Zealand Parole Board requirements[17] | 87% | 85% | 93% | 92% | Greater than or equal to 95% | Greater than or equal to 95% | Page 44 |
| Percentage of pre-sentence reports provided to court within agreed timeframes before sentencing[18] | 97% | 96% | 96% | 97% | Greater than or equal to 95% | Greater than or equal to 95% | Page 43 |
| Percentage of offenders who are notified as per New Zealand Parole Board requirements[19] | 82% | 68%[20] | 72% | 81% | Greater than or equal to 98% | Greater than or equal to 98% | Pages 44-45 |
| Percentage of victims who are notified as per New Zealand Parole Board requirements[19] | 86% | 79% | 85%[21] | 87% | Greater than or equal to 98% | Greater than or equal to 98% | Pages 44-45 |
| Percentage of cases heard by the New Zealand Parole Board that occurred within the timeframes specified by the *Parole Act 2002* [22] | 100% | 100% | 99% | 100% | Greater than or equal to 98% | Greater than or equal to 98% | N/A |
| Number of justified complaints about notification services received from registered victims[23] | Nil | 4 | 7 | Nil | Nil | Nil | N/A |

17. Parole reports are provided to the 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.

18. Pre-sentence reports are provided to court within an agreed set of timeframes - Provision of Advice to Court 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.

19. 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 5% sample of parole hearings that have occurred in the reporting period (8,498 hearings occurred in 2024/25). Because each record in the sample is manually assessed to ensure compliance with the requirements set by the Parole Board it is not feasible to test all cases heard in the reporting period.

20. 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.

21. 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.

22. 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 [refer to footnote 18].

23. The *Victim's 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 registered victims with notification of events relating to those who offended against them. Justified complaints are assessed as an infringement of legal rights or obligations under a relevant section of the Victims' Rights Act (sections 35, 35A, 35B, 36, 36A and 47) and result from late notification or failure to notify as per the events specified in the Act.

# We are focused on reducing reoffending

Reducing reoffending requires a person to address the underlying causes of their criminal behaviour and being supported to reintegrate into the community safely. Our approach to reducing reoffending is multi-faceted and includes rehabilitation programmes, education, training and employment, and reintegration support.

Our legislation outlines that people in prison are entitled to receive medical treatment that is reasonably necessary, and a standard of health care that is reasonably equivalent to the standard of health care available to the public. As such, we deliver or facilitate a range of health services that provide for people's physical and mental health needs. Many people in prison will have unmet health needs, and mental health disorders and illnesses are more prevalent among people in prison than in the general population. Stabilising a person's health and disability concerns can support them to engage more effectively in rehabilitation programmes.

## Case management is a key way our staff support reduced reoffending

Case managers work with people in custody. The purpose of the case manager is to contribute to reduced reoffending and improved 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 the conditions of their sentence or order, and help them to make positive changes in their lives. They often connect with whānau, as well as social service agencies, to do this.

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

In 2024/25, case managers and probation officers prepared a total of 36,525 offender plans (11,192 for people in prison, and 25,333 for people in the community) [2023/24: 34,294], of which 75% were received within Standards of Practice timeframes [2023/24: 77%]. Overall offender plan timeliness performance has been steadily declining in recent years. Performance in the community has remained consistent at 77% for both 2024/25 and the previous year, despite a 5% increase in the number of plans required over the same period.

However, prison performance has dropped to 72% this year from 75% in 2023/24, this has largely been attributed to a 10% volume increase, the majority of which were prepared for people on remand. For more information refer to the audited performance measures table on page 53.

## While a person is in prison, we are responsible for their health and safety

In 2023/24, we brought together our delivery of psychological, mental, and physical health services. Our focus has remained on strengthening delivery in prisons but also ensuring that people remain connected to broader health and social wellbeing networks in communities.

At the centre of *Hōkai Rangi* 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, and whether they require a referral to a prison medical officer, dentist, allied health practitioner, or our prison-based mental health service.

Each prison has a health centre managed by a Health Centre Manager and a team of health practitioners, who provide primary healthcare services similar to that provided by a community general practice. The nursing team and contracted medical officers provide care for acute illnesses and injuries, long-term conditions, screening, vaccinations, health promotion, dental health, management and administration of medications, support, care for older persons and palliative care, and work collaboratively with prison mental health services to support wellbeing. Additionally, we provide access to physiotherapy, podiatry, and other allied health services where necessary. Corrections also refers people in prison to public hospital services where specialist care is necessary.

We require all health centres 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.

## Health screening

Our health screening focuses on areas of health such as cardiovascular disease, diabetes, respiratory disease, sexually transmitted diseases, and blood borne diseases such as Hepatitis B and C. Alongside this we provide access to the National Screening programmes such as cervical, breast, and bowel cancer.

We have trained nurses who support women in prison to use the HPV self-test. Our cervical screening rates are consistently meeting national targets of 80%. We are among the first countries to deliver HPV self-testing as a primary screening tool for people in prison. This approach reduces inequity and has seen an uptake in acceptability of cervical screening.

## Mental health services

Many of the people we manage have significant mental health 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, alongside the health sector.

Based on a comprehensive review of our mental health services, we are shifting from a mix of externally contracted and internally delivered care to a new approach, where primary mental health services will now be provided by our internal Intervention and Support Practice Teams (ISPT). This change means our internal staff will support people across a wider range of mental health needs — from early intervention and prevention for those with mild concerns, to more intensive care for people with moderate to high needs. By transitioning to a single, streamlined service, we aim to enhance coordination and consistency of care, ensuring a more cohesive and organised approach to mental health service delivery. During 2024/25, 3,909 referrals were received by the Improving Mental Health Service (IMHS) [2023/24: 4,947]. A total of 10,592 hours of face-to-face clinical contact were delivered by IMHS clinicians for people with mild-to-moderate mental health needs [2023/24: 14,291]. The contracts for IMHS ended on 30 June 2025, excluding the Waikato region contract which will continue through to 2026 to support the transition to the Hikitia service delivery model.

To support this shift, we are growing our internal mental health teams. Four additional ISPTs have been established including at Northland Region Corrections Facility, Whanganui Prison, Hawke's Bay Regional Prison and Christchurch Women's Prison.

### *Hikitia*

With the opening of the new prison at Waikeria, Hikitia Mental Health and Addictions services have been recruiting a workforce to deliver a range of services within Te Wai o Pure, a purpose-built 96-bed Mental Health and Addictions precinct located within the prison. This is where Hikitia, a service designed specifically for the Waikato Region (Waikeria Prison, Spring Hill Corrections Facility, and Tongariro Prison), will operate from under Corrections' jurisdiction. Māori-centred practice professionals are working alongside clinical and programme staff to provide a holistic and inclusive approach to care that is focused on mental health and addictions outcomes. These services aim to support our organisational outcomes, utilising direction from the pou in *Hōkai Rangi*, particularly 'incorporating a Te Ao Māori worldview' and 'whānau'.

## Self-harm and suicide

We are committed to preventing self-harm and suicide in prisons wherever possible, providing additional support and supervision for those who are identified as vulnerable to suicide or self-harm. Research shows that people in prison have higher rates of suicidal behaviours compared to the general population.

In 2024/25, there were 10 unnatural deaths in prisons [2023/24: 13] – eight apparent suicides and two apparent homicides. During the same period there were 67 incidents of serious self-harm (where they posed a threat to a person's life) in prisons involving 40 individuals [2023/24: 61 incidents involving 47 individuals]. The volume of self-harm no threat-to-life incidents also increased, up from 669 in 2023/24 to 931 in 2024/25.

As suicide is both a complex phenomenon and a statistically rare event, accurate prediction of who will die by suicide is not possible, and we cannot draw conclusions about long-term trends from year-to-year variability – the statistics on deaths by apparent suicide in our population can fluctuate significantly from year to year.

For more information refer to the audited performance measures table on page 49.

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 Assessment of performance | 2021/22 Actual | 2022/23 Actual | 2023/24 Actual | 2024/25 Actual | 2024/25 Budget (unaudited) | 2025/26 Forecast (unaudited) | Location of variance explanation |
|---|---|---|---|---|---|---|---|
| Number of unnatural deaths[24] | 12 | 5 | 13[25] | 10 | Nil | Nil | Page 48 |
| Percentage of Health Centres in prisons that retained their Foundation Standard Certification accreditation status | 88% | 94% | 100% | 100% | 100% | 100% | N/A |

## Rehabilitation

Corrections is committed to keeping the public safe, reducing reoffending and giving people in prison every opportunity to turn their lives around. There have been some changes to the needs of those we manage, and the programmes and services we deliver are adapting in response. Every person's rehabilitative pathway is unique and based on several considerations. This can include the nature of their offending, their risk of reoffending, their motivation to change, their physical and mental wellbeing, and the support they have around them.

We promote desistance from crime through evidence-based and culturally responsive programmes and interventions, in addition to individual treatment delivered by psychologists. 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. Our programmes focus on those at greatest risk of reoffending to ensure a maximum impact on public safety, and those factors shown through research to be most strongly related to offending. We do our own research, work alongside universities, and contribute to international studies to ensure our work is grounded in evidence.

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.

In 2024/25, a total of 2,844 rehabilitation programmes were started by people in prisons [2023/24: 3,098] and 3,579 programmes were started in the community [2023/24: 3,684]. During the same period, the percentage of rehabilitation programmes completed in prisons was 85% and in the community was 69% [2023/24: 85% prisons, 68% community]. For more information refer to the audited performance measures table on page 53.

## Alcohol and Other Drug (AOD) Services

In 2023, Corrections developed He Ara Whakapiki Oranga for people in need of AOD intervention and support. This service responds to the findings of an initial needs analysis project from 2022.

Through the roll out of He Ara Whakapiki Oranga, new AOD services have been introduced to replace our Drug Treatment Programmes (from July 2024) and Intensive Treatment Programmes (from July 2025). He Ara Whakapiki Oranga enables a continuum of care that will attend to the nuanced levels of need in our population. The inclusion of our Community Residential Services in He Ara Whakapiki Oranga means support can extend into the community.

In 2024/25, 233 people started an Intensive Treatment Programme [2023/24: 276]. The reduction in participants is due to the programmes winding down in preparation for the new AOD low and moderate intensity programmes to replace them.

24. An unnatural death may be the result of homicide (as a result of foul play), suicide (as a result of self-harm), or accidental cause (as a result of an accident, including an accidental drug overdose). All deaths in prison are subject to an internal incident review, investigation by the independent Corrections Inspectorate and are also referred to the Coroner who confirms the cause of death.

25. The unnatural deaths reported for the 2023/24 financial year included 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.

Time spent on remand is an opportunity to begin recovery from substance use harm, and to support those who are released before receiving any AOD treatment. This has led to the development of AOD Harm Minimisation interventions. These sessions are psycho-educational in nature and are designed to accommodate the high turnover of people on remand. While not considered treatment, this approach raises awareness of the impacts of substances on the body, mental health, and spiritual wellbeing, and supports those on remand to self-regulate their emotions and behaviour. AOD Harm Minimisation is available at sites with a remand population. In 2024/25, 1,198 people participated in AOD Harm Minimisation sessions.

Corrections currently contract 36 packages of care, otherwise known as treatment beds, with eleven AOD community residential providers across the country. In 2024/25 166 people attended a community residential service utilising these packages of care [2023/24: 180].

## Special Treatment Units

People at a high risk of violent or sexual reoffending may be eligible for one of our Special Treatment Units (STUs). These are the most intensive group treatment programmes available in prison and target those at the high risk of reoffending, especially those convicted of violent and sexual offences. There are eight of these units located in prisons across the country, six in our men's prisons and two new units at our women's prisons, plus one in the community.

STUs are the most effective intervention we provide, demonstrating consistent and significant impacts on reoffending rates. In 2024/25, 190 programmes were started in one of six prison-based STUs around the country [2023/24: 217]. A further 33 programmes were started in one of the two prison-based STUs located in our women's prisons [2023/24: 23].

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

## *Case Study*

### *Te Aka Tika alcohol and other drug service launches at Christchurch Men's Prison*

In August 2024, the Te Aka Tika alcohol and other drug service was launched at the Christchurch Men's Prison (CMP).

The programme is a partnership between Odyssey House and Purapura Whetū, a Kaupapa Māori health and social services provider, to deliver a range of Alcohol and Other Drug (AOD) treatment programmes and interventions at CMP. This includes a AOD harm minimisation intervention for remand prisoners, and AOD moderate and high intensity programmes for sentenced prisoners.

The revised services incorporate a strong cultural aspect, recognising the overrepresentation of Māori and Pasifika on these programmes and the positive impact of a cultural approach on participant engagement and success.

It follows the introduction of a new nationwide framework for AOD services, introduced by the Corrections Addictions Services team. The new AOD services replace previous Drug Treatment Programmes.

As at 30 June 2025, 83 men at CMP attended the moderate and high intensity programmes, and 521 attended the AOD harm minimisation intervention.

OUR PARTNERSHIPS

## *Education, training, and employment*

A person's reintegration journey begins while they are in prison. Providing people in prison with education, training, and employment helps them to return to their communities with the right foundations for participation and aims to address some of the factors that may have contributed to them coming into the system.

### Education

Currently only 33% of people in prison have a qualification at NCEA Level 1 or above. 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.

An Initial or Review Learning Pathway Conversation is an education and learning conversation between an Education Tutor or Employment and Training Consultant, and a person in prison or community. It provides an opportunity to discuss the person's education strengths, achievements, aspirations and learning goals; to plan or review a learning pathway for their time in our management, and beyond.

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 for Adults Assessment Tool (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 2024/25, 569 people participated in Te Ara Hihiri, an intensive literacy and numeracy programme in prison [2023/24: 407] – 85% of the 197 exited programme participants that were assessed, achieved a statistically significant gain in their reading or numeracy score [2023/24: 65% of 192]. The year-on-year performance increase is mainly attributable to a change to the programme assessment parameters.[26]

For more information refer to the audited performance measures table on page 53.

### Training and Employment

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

Staff work both within prisons and in the community to help identify education and training needs as part of the career planning process. This includes helping people in obtaining the relevant education and training to achieve their career goals.

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.

See more information about industries at Appendix Two on pages 130-131.

## *Reintegration support*

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.

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.

**26.** Several factors can affect the Statistically Significant Gain (SSG) rate, including assessment difficulty and audience settings. In October 2023, the difficulty setting for both the literacy and numeracy assessments changed from steps 2 – 5 to steps 1 – 3, and the audience setting for the literacy assessments changed from General to Māori. Investigations by the service provider suggested learners found the new literacy assessments harder due to the level of te reo knowledge required, resulting in the decision to revert to the General audience setting for literacy assessments in July 2024.

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 2024/25, there were 4,882 starts to a reintegration service, of which 2,645 starts were for our Out of Gate reintegration service [2023/24: 2,660]. This service accounts for just over half of all reintegration service starts for the year and has contributed to the favourable variance to budget. For more information refer to the audited performance measures table on page 53.

## Supported Accommodation service - Hāpai Ō has been operational for over one year

Hāpai Ō offers supported accommodation to men leaving prison or serving a community sentence or order. This service is delivered by Te Hā Ōranga, a service provider under Te Rūnanga o Ngāti Whātua in Auckland.

Two houses make up the service – one dedicated to young people aged 18-24, and another for those aged 25 and over. Men are supported in a kaupapa Māori environment to learn new skills, gain employment, and positively contribute to the community.

On 7 May 2024, the first person entered the home and since this time, there have been almost 100 referrals received with 14 men accepted into the home and eight graduating.

In supporting this, Community Corrections and Te Hā Oranga have attended parole hearings together to advise the Parole Board of the support available for men upon release. Through this, we have had three men successfully released into the Hāpai Ō service as part of their parole conditions.

## More support available for individuals being deported from Australia

As part of the deportee work programme, Corrections has a partnership with the New Zealand Police and Te Whatu Ora, aiming to improve the flow of information for individuals facing deportation from Australia.

An Audio-Visual Link (AVL) pilot has been set up in Queensland, Western Australia, and New South Wales. These AVLs operate in both custodial and immigration detention settings, allowing probation officers and the people being deported to connect prior to their arrival in New Zealand. This enables better pre-arrival planning and support. Between 1 July 2024 and 30 June 2025, the following AVL connections were established: 29 in Queensland, 16 in Western Australia and eight in New South Wales.

In addition to this, Corrections has contracted services to provide both reintegration support and dedicated supported accommodation across the country for people returning from overseas on a Returning Offender Order. In 2024/25, 209 people were supported by these contracted services.

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

| AUDITED MEASURES Assessment of performance | 2021/22 Actual | 2022/23 Actual | 2023/24 Actual | 2024/25 Actual | 2024/25 Budget (unaudited) | 2025/26 Forecast (unaudited) | Location of variance explanation |
|---|---|---|---|---|---|---|---|
| Percentage of people entitled to receive an offender plan that received one within Standards of Practice timeframes[27] | 81% | 78% | 77% | 75% | Greater than or equal to 85% | Greater than or equal to 85% | Page 47 |
| Percentage of people who demonstrate statistically significant gains through an intensive literacy and numeracy programme in prison[28] | 72% | 72% | 65%[29] | 85% | Greater than or equal to 35% | Greater than or equal to 65%[30] | Page 51 |
| Percentage of rehabilitation programmes completed in prisons | 80% | 84% | 85% | 85% | Greater than or equal to 85% | Greater than or equal to 85% | Page 49 |
| Percentage of rehabilitation programmes completed in the community | 58% | 69% | 68% | 69% | Greater than or equal to 65% | Greater than or equal to 65% | Page 49 |
| Number of referrals made to reintegration services that resulted in a start[31] | 2,943 | 3,670 | 4,744 | 4,882 | Greater than or equal to 4,000 | Greater than or equal to 4,000 | Page 52 |

***27.*** Offender plan timeframes as set out in the Standards of Practice are as follows: plans for people in prison must be finalised within 40 working days of an individual's reception at a prison; plans for people in the community must be finalised within the required number of working days as specified for each directive type (between 10-20 working days of the sentence commencement date for extended supervision orders, parole, released on conditions, intensive supervision, supervision and post detention conditions; within 10 working days of an interim order commencing for a returning offender order; and 15 working days prior to the sentence end date for home detention sentences). Offender plans are not prepared for individuals serving a community work sentence or community detention conditions.

***28.*** Learners are assessed using assessments generated using the Literacy and Numeracy Adult Assessment Tool. The Statistically Significant Gain (SSG) rate shows the proportion of learners who have been assessed that have increased their reading or numeracy score by a statistically significant amount. An SSG means that there is a very high chance that the difference between two scale scores represents real learning progress and is not a result of variations in the testing process or assessments. The SSG rate is based on the number of learners who have exited the programme who have been assessed in numeracy or literacy in the reporting period.

***29.*** The literacy and numeracy programme changed from 'Everyday Skills' to 'Te Ara Hihiri' in 2023/24. The reported SSG rate for the 2022/23 year is not comparable to the reported SSG rates for the 2023/24 year as the participant cohort and the assessments used are different for the two programmes. For further details of the changes implemented in 2023/24 refer to page 98 of Corrections 2023/24 Annual Report.

***30.*** The Budget of 'Greater than or equal to 35%' for 2024/25 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. The Budget Standard for this performance measure was changed for 2025/26 from 'Greater than or equal to 35%' to 'Greater than or equal to 65%' to reflect a more realistic and relevant rate of activity.

***31.*** A referral is defined as 'an approved permission from either a Principal Case Manager or Probation Officer for an individual to receive service from a selected reintegration service provider'. For accommodation services a start is recognised on the date an individual takes up residence, for all other reintegration services, a start is recognised on either the date an individual attends the first session or once a comprehensive plan has been developed.

# Our people

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

We employed 11,060 staff, as at 30 June 2025, who are spread across the country, including in prisons, Community Corrections sites, and corporate offices. These roles include, but are not limited to:

- **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. As at 30 June 2025 there were 4,619 corrections officers.
- **Case managers:** meet with people in prison to understand what they need for their safe and effective rehabilitation and reintegration back into the community. They develop plans for people, matching them with the programmes and services that can help move them towards an offence-free life. As at 30 June 2025 there were 327 case managers.
- **Probation officers:** prepare reports and recommendations for the courts and New Zealand Parole Board, helping them make key decisions. They also monitor people's compliance with community-based sentences and orders, with a focus on managing risk and work with people to understand their rehabilitation needs. As at 30 June 2025 there were 1,399 probation officers.
- **Nurses:** work with patients to identify health goals, growth health literacy, and work to address health inequities for Māori. Patients often haven't engaged regularly with healthcare and may have unmet health needs. As at 30 June 2025 there were 348 nurses.
- **Psychologists:** work with people on a diverse and complex range of issues, supporting rehabilitation pathways for people in our management. They also have opportunities to help develop programmes, train programme facilitators, and conduct research. As at 30 June 2025 there were 188 psychologists.

## Case Study

### Success of our recruitment efforts

Our strong focus on recruitment has seen excellent results over the last 15 months. Following the launch of our recruitment campaign 'Stories from the Inside' in February 2024 and thanks to the hard work of our recruitment teams behind the scenes, we received 74,305 applications for roles at Corrections in 2024/25 and hired an additional 1,521 full-time equivalent staff including 922 additional corrections officers.

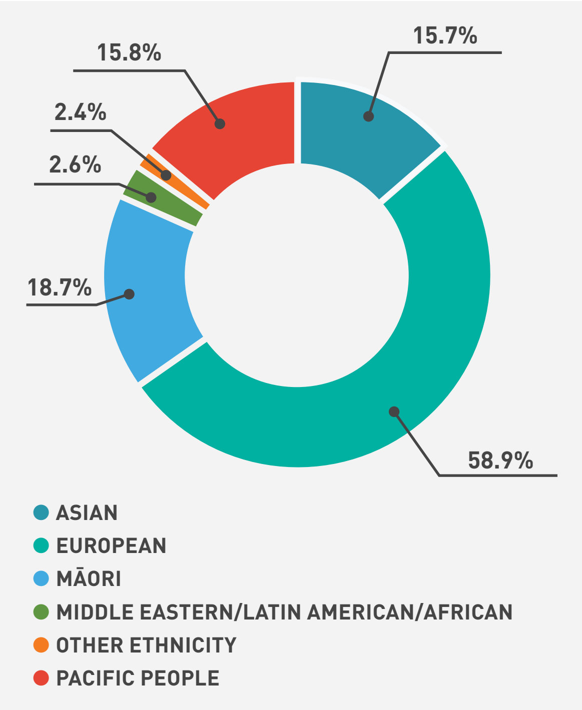
This year, we also held our first ever 'Mega Assessment Centre' to improve the candidate experience and manage a surge in applications for corrections officer roles at Waikeria Prison. "Our candidates are at the centre of all that we do, and we didn't want them having to wait too long in the process, this is how the idea of a Mega Assessment Centre evolved," says Recruitment Coordinator Regan Ruki.

Held over the three days, our Waikeria recruitment team and 14 assessors assessed 79 applicants who each participated in exercises including a role-play activity, written exercise, an interview, and group work to determine their suitability for the role. By the end of the event, the team progressed 33 applicants to the final stages of recruitment.

**OUR STAFF**

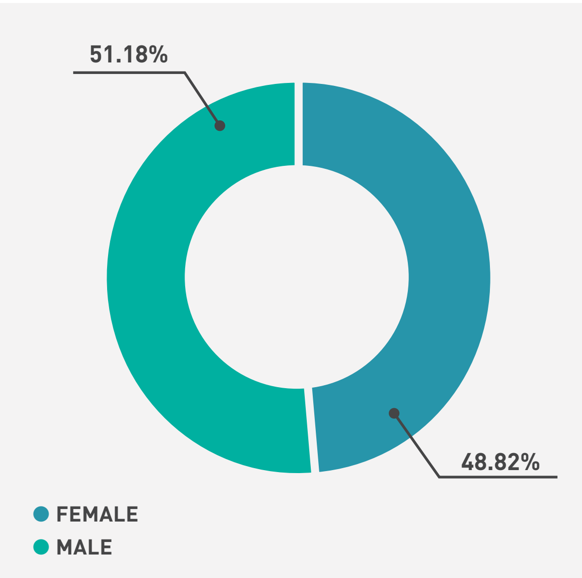
## Our people overview

*The graph below shows the ethnic breakdown of Corrections staff **




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

*The graph below shows the gender breakdown of Corrections staff*




## Retention

Recruitment is just one of the ways we're making sure we have the people we need on the frontline of New Zealand's corrections system.

We have been equally focused on retaining current staff, making sure they are well-supported and have good access to development opportunities. As at 30 June 2025, staff turnover has dropped to 8.3% (from 15.0% two years ago).

## Supporting our people and maintaining a positive work environment

### *Health, safety, and wellbeing of staff*

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 has improved compared to the last financial year, with our two most recent surveys recording the highest scores in the past three years. Staff engagement with the survey has increased, with response rates among the highest since the survey began. Strong participation means we are hearing from a broad range of voices, which makes the insights more accurate and meaningful.

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. Our Organisational Resilience and Safety Group is developing an Organisational Learning Framework to bring greater consistency, coordination, and a stronger focus on learning across internal reviews.

### *We report incidents and near misses to improve our risk management*[32]

There was a 29% increase in near miss reporting by staff to 5,344 in 2024/25 [2023/24: 4,147]. 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 New Zealand to be notified was slightly less than the previous year at 18 [2023/24: 19], with 30 high potential incidents that could have caused injury in 2024/25 [2023/24: 8]. We have a shared responsibility for health and safety risk management when our work overlaps with those of our partners, particularly contractors. In 2024/25, our partners and contractors experienced 10 incidents serious enough to require WorkSafe to be notified [2023/24: 10], plus a further seven high potential incidents [2023/24: 9].

### *Preventing and responding to sexual harassment*

Any form of sexual harassment is unacceptable and has no place at Corrections. We are committed to being a workplace where everyone feels safe – and is safe – at work.

In December 2024, the Sexual Harassment Review: Final Report was released to staff. This report highlighted how we could strengthen our approach to preventing and responding to sexual harassment. Corrections accepted all six recommendations outlined in the report. Our Code of Conduct outlines the standards of behaviour expected from all staff. We are committed to doing better for our staff and making sure we have a culture where sexual harassment is not tolerated. We also want to ensure that the way we respond to disclosures of sexual harassment is fit for purpose, empathetic, timely, and fair.

The taskforce established to address recommendations of the independent sexual harassment review has been formally named the Sexual Harassment Working Group and is responsible for developing a plan to implement the accepted recommendations. The plan will focus on long-term culture change while also prioritising short-term actions on reporting, response, and training to ensure we are addressing the immediate needs of our staff.

A staff learning needs assessment is currently underway to identify how we can best deliver effective and meaningful training on the topic of sexual harassment.

A Sexual Harassment Reference Group is being set up to support Corrections' response to the review by providing diverse staff perspectives and advice on response initiatives. This will better ensure initiatives remain relevant, inclusive, and informed by the needs of the workforce and unique working environments across Corrections.

To ensure accountability and best practice improvements, an external advisory panel is also being established to provide specialist, expert advice on how Corrections can best improve its systems and support staff in a way that is people centred, and trauma informed.

**32.** Figures for near miss reporting and incidents reported to WorkSafe New Zealand are at a point in time and fluctuate as incidents are entered, deleted, or altered retrospectively.

### *Diversity and inclusion*

Our diversity, equity, and inclusion (DEI) approach acknowledges the value that everyone can bring to work and has been informed by people with lived experience. The DEI function is focused on being strategically aligned to *Hōkai Rangi* and public service requirements, and our central team is supported by strong local leadership.

Section 14, 73 and 75 of the *Public Service 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.
- **Inclusive leadership** – Develop Positive Environments, and Put People at the Centre, are two of the five leadership expectations of our leadership development framework.

## Leadership Development

Good leadership is critical to creating safer, more positive environments where we can achieve more together. In 2024/25, we launched the Leadership Development Framework (LDF). The framework outlines five core expectations for leadership: Know Yourself, Put People at the Centre, Develop Positive Environments, Deliver Results, and Position for the Future.

These expectations are brought to life through five leadership contexts: Leader of Self, Leader of Teams, Leader of Influence, Leader of Leaders, and Leader of Strategy. This approach recognises that leadership looks different depending on a staff member's role and environment, and supports a consistent, values-led culture across the organisation.

The framework is designed to be practical and accessible, enabling staff to grow their leadership capability in their everyday work. It reflects the realities of our operating environment, where time away from the job is often not feasible, and supports development that is relevant, flexible, and aligned with our strategic direction.

Resources have been created and made accessible to support leadership development and conversations, including tools for regular Kōrero Whakawhanake (performance development conversations). These help leaders guide their teams and foster a learning culture.

This leader-led approach is helping to embed leadership development into our day-to-day work, lifting our collective capability in line with *Hōkai Rangi* and the Organisational Roadmap.

MANAAKI

# Infrastructure, environment and digital assets

## ensuring capacity in our prison network

## *Our infrastructure*

We own $5.1 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 Long-Term Network Configuration Plan provides a blueprint for informing Corrections' investments in prison infrastructure over the next 20 years*

The need to invest in our prison network has remained a constant over the last 60 years given the changing prison population, evolving requirements for prison infrastructure, and aging prison units. Investing in our infrastructure will better enable us to deliver on our core functions, strategic intentions, and Government priorities.

Our Long-Term Network Configuration Plan (LTNCP) is a 20-year plan designed to address anticipated prison population growth, quality issues within the existing prison network, and inform all future significant capital investments in the prison network. It has a focus on prudent fiscal management while planning for a quality, fit-for-purpose prison network with safe environments that enable staff to do their job and support effective rehabilitation outcomes, and with sufficient capacity to meet demand.

These plans include refurbishing old and unused accommodation units, providing additional capacity to meet any surge in demand, as well as longer-term plans to provide new capacity over time. Increasing high security capacity is a priority because of the growing remand population (who are currently managed as high security). We want to be able to ensure the provision of appropriate facilities and services that meet the needs of the remand population.

Our assets are managed to meet our legislative obligations and requirements of the Cabinet Office Circular CO (23) 9[33] 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#introduction

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/.

Refer Appendix Eight for our property assessment criteria on pages 156-157.

33. Previously CO (19) 6.

### Assessing the condition of our infrastructure

During 2024/25, there has been an increase in the percentage of prison and owned Community Corrections asset values with a poor/very poor condition rating. This is reflective of funding prioritisation decisions, and the need for Corrections to manage the balance of removing poor quality infrastructure and introducing new capacity to provide greater resilience, while also accommodating the growth in the prison population before new infrastructure capacity is available. During the year, a number of steps have been taken to help ease the short-term capacity pressures, including opening existing beds across the network. For more information refer to the audited performance measures table on page 60.

## *Case Study*

### *New 596-bed development opens at Waikeria Prison*

On Thursday 5 June, Corrections opened the new 596-bed facility at Waikeria Prison, with prisoners due to be received in the coming months.

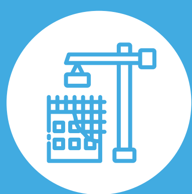
The new facility provides a safe, secure, and respectful environment for staff, visitors, and prisoners. It has been designed with safety and security as a priority and as an environment to effectively support successful rehabilitation and mental health treatment.

The facility will help ensure Corrections has sufficient capacity and resources to keep staff, the public, and people in prison safe. It adds 500 beds to our prison network and an additional 96 dedicated beds to support the Hikitia Mental Health and Addictions Service.

Key features of the facility include:

- High-security accommodation for 500 men
- A dedicated mental health and addiction service within a new 96-bed facility
- A modern medical centre
- An education and rehabilitation hub
- A large kitchen and laundry, a new waste and recycling centre, and more industry training spaces for prisoners
- Single point of entry with secure perimeter
- Advanced biometric security
- Two main visitation areas

In 2024/25 we recruited 185 additional frontline staff for Waikeria Prison, including 155 corrections officers.



INFRASTRUCTURE

The table below outlines how Corrections performed against the audited measures used to assess performance in the Capital Expenditure appropriation.

| AUDITED MEASURES<br>Assessment of performance | 2021/22<br>Actual | 2022/23<br>Actual | 2023/24<br>Actual | 2024/25<br>Actual | 2024/25<br>Budget (unaudited) | 2025/26<br>Forecast (unaudited) | Location of variance explanation |
|---|---|---|---|---|---|---|---|
| Percentage of prison asset values with an excellent/good condition[34] | 80% | 80%[35] | 81% | 81%[36] | Greater than or equal to 85% | Greater than or equal to 85% | N/A |
| Percentage of prison asset values with a poor/very poor condition[34] | 9% | 9%[35] | 8% | 10%[36] | Less than or equal to 4% | Less than or equal to 4% | Page 59 |
| Percentage of Community Corrections asset values with an excellent/good condition[37] | 92% | 92%[35] | 92% | 92% | Greater than or equal to 85% | Greater than or equal to 85% | N/A |
| Percentage of Community Corrections asset values with a poor/very poor condition[37] | 3% | 3%[35] | 2% | 5% | Less than or equal to 4% | Less than or equal to 4% | Page 59 |

The table below outlines how Corrections performed against the audited measure used to assess performance in the Transfer of Three Waters Assets appropriation.

| AUDITED MEASURE<br>Assessment of performance | 2023/24<br>Actual | 2024/25<br>Actual |
|---|---|---|
| Completion of infrastructure improvements required to enable the transfer of Three Waters Assets at Auckland Prison to Watercare Services Limited, as well as the execution of the transfer agreement. | 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.<br><br>An in-principle expense transfer has been pre-approved to transfer funding to 2024/25. | Execution of the agreement has been further delayed with Watercare Services Limited undertaking lengthy internal consultation. In the interim, work on the infrastructure improvements commenced in September 2025.<br><br>An in-principle expense transfer has been pre-approved to transfer funding to 2025/26. |

34. The decommissioned Old Mt Eden Heritage Building, Old Auckland East Prison, and any uncompleted new builds are not included in this measure.

35. 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 was updated from 2024/25 to better represent the associated calculation and reads 'asset values' instead of 'buildings'.

36. The 2024/25 result for this measure is exclusive of the new facility at Waikeria Prison. As at 30 June 2025 the capacity was available, however it was undergoing operational readiness testing and was not in service.

37. These measures account for our 30 owned Community Corrections sites, as the remainder are leased.

The table below outlines how Corrections performed against our other unaudited asset performance measures in accordance with Cabinet Office Circular CO (23) 9[40] requirements.

| Assessment of performance | Indicator | 2022/23 Actual | 2023/24 Actual | 2024/25 Actual | 2024/25 Target | 2025/26 Target |
|---|---|---|---|---|---|---|
| Percentage of prison service capacity available at 30 June | Utilisation | 99% | 99% | 99%[38] | 99% | 99% |
| Number of reactive calls as a rate per prisoner[39] | Functionality | 4.80 | 4.93 | 4.56 | ≤4.4 | ≤4.4 |
| Number of reactive calls affecting normal operations, as a rate per prisoner[39] | Functionality | 1.76 | 1.66 | 1.37 | ≤1.08 | ≤1.08 |

## Digital Assets

Digital assets are used to support our staff to manage people safely and effectively in the corrections system.

We have been working to enable improved digital experiences for staff, the people we manage, and others who interact with the corrections system, positioning ourselves to deliver unified, modern, sustainable, and adaptive technologies. The table below outlines how Corrections performed against our other unaudited asset performance measures in accordance with Cabinet Office Circular CO (23) 9[40] requirements.

| Assessment of performance | Indicator | 2022/23 Actual | 2023/24 Actual | 2024/25 Actual | 2024/25 Target | 2025/26 Target |
|---|---|---|---|---|---|---|
| Percentage of time our core systems are available | Availability | 99.99% | 99.92% | 99.5% | >99.5% | >99.5% |
| Percentage of our ICT assets with a condition rating of poor | Condition | 16% | 18% | 19% | <20% | <18% |
| Number of online Kiosks available within the prison environment for offender self-service | Utilisation | 272 | 249 | 272 | >300 | >300 |
| Percentage of Community 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 | 100% | 55% | 57% | >35% | >35% |

**38.** The 2024/25 result for this measure is exclusive of the new facility at Waikeria Prison. As at 30 June 2025 the capacity was available, however it was undergoing operational readiness testing and was not in service.

**39.** 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.

**40.** Previously CO (19) 6.

KAITIAKI

# Governance, policy advice and ministerial services

## ensuring fairness, effective operations, and external assurance and oversight

## *Corrections has robust governance and oversight arrangements*

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:**

- **The Office of the Ombudsman** – Kaitiaki Mana Tangata is the National Preventative Mechanism responsible for monitoring Corrections facilities.
- **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*.

## Oversight Bodies Advisory Board

In response to the Chief Ombudsman's report (*Kia Whaitake – Making a Difference: Investigation into Ara Poutama Aotearoa | Department of Corrections*), 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 sectors, with particular expertise in leading organisational transformation, successful culture change, performance management and evidence-based decision-making, particularly within large people-centred organisations.

We are now in our second year of supporting the Board to discharge its functions. At each meeting we provide updates and seek input on our work, which is organised under four themes derived from Kia Whaitake: strategic planning, organisational culture, operational capability and practice, and monitoring and assurance.

These themes have focused the conversation and enabled the Board's members to provide constructive feedback and insights. Working together, we are looking to ensure the changes we make are sustainable and effective.

### *Statement from the Board:*

The Board is entering its second year of working collaboratively with Ara Poutama Aotearoa to give effect to the implementation of the Chief Ombudsman's recommendations outlined in Kia Whaitake.

Our congratulations on the retirement of Peter Boshier in October 2024 as the Chief Ombudsman who penned Kia Whaitake. We respect and acknowledge Mr Boshier as a prominent and consistent voice for an improved prison system. Kia Whaitake is a legacy report in this context.

We look forward to continuing the engagement and collaboration with the Ombudsman's office working with Mr John Allen our new Chief Ombudsman.

Our overall observation is that Ara Poutama Aotearoa is on a change journey, and it will take time to make and embed the transformational shifts sought by the Board, monitoring agencies and Corrections itself.

Our engagements are built around a work programme based on themes drawn from Kia Whaitake. Corrections has presented work on organisational culture, operational capability and practice, and monitoring and assurance. We have learned about the design and implementation of key strategic tools, such as the Organisational Roadmap and Performance Framework, and programmes to enable significant organisational change. The Board shared advice on identifying the behaviours, attitudes and values required to make culture shifts and the importance of ensuring these are visible in planning, project documents and communication plans.

Kia Whaitake challenges Corrections to have the honesty and maturity needed to identify and address deficiencies. To this end, we were encouraged to hear about the work taking place across Ara Poutama Aotearoa in building a learning culture of continuous improvement, including through the development of their Leadership Framework.

More recently, the Board has discussed initiatives underway to address prison capacity. We can see the challenges that are on the horizon with the rising prison population, capacity constraints and high proportion of new frontline staff. The Board is looking to maintain a line of sight of Corrections' plans for prison infrastructure, and other operational and prioritisation decisions around capacity, so we can offer relevant advice and support. We believe *Hōkai Rangi* provides the foundation to navigate these challenges. We are interested in how monitoring agency insights can inform and enhance decision making, and how capacity challenges can be navigated while maintaining a focus on building systems and staff capability to enable positive change.

We will continue to monitor and challenge Ara Poutama Aotearoa to push towards sustained improvements to prisoner welfare and rehabilitation. We see the strong alignment of intent between the recommendations of Kia Whaitake and the commitments and aspirations in *Hōkai Rangi* for a fair, safe, and humane prison system. We look forward to seeing how relevant programmes and initiatives progress over the coming months and being able to close off the recommendations we are tasked to oversee.

## Internal governance

Our Executive Leadership Team meets regularly to discuss strategic performance 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. Below are some key governance groups, but 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-term strategic direction, in line with *Hōkai Rangi*.
- The Finance and Investment Committee governs and monitors financial performance and directs investment and resources to carry out Corrections' and the Government's strategic goals.
- The Organisational Performance Committee provides organisation-wide oversight and governance of the integrated performance of Corrections in line with its strategic priorities, and governance over assurance activities.
- The Audit and Risk Committee is independently chaired and provides advice on our risk processes, assurance programmes and control environment.

**Key operational and policy-based governance groups:**

- The Health, Safety and Wellbeing Risk Governance Group focuses on serious risks to health and safety, notably effective hazard identification and risk management.
- The Wellness and Wellbeing Insights & Advisory Group 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 and Office of the Inspectorate.
- The Security Reference Group is a cross-functional group supporting the Chief Security Officer to assure and coordinate security controls, review security incidents, and recommend appropriate process improvements.

## Official Information Act

*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 2024/25, our National Office teams received and responded to 16,236 OIA requests from people we are managing, members of the public, media, and Members of Parliament [2023/24: 12,865]. Of those received, 99.2% were responded to within statutory timeframes. In 2024/25, we proactively released 116 responses to OIA requests, and eight Cabinet papers [2023/24: 40 responses to OIA requests and nine Cabinet papers].

| Financial Year | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---|---|---|---|---|---|
| Official Information Act requests received and responded to | 7,491 | 8,856 | 10,043 | 12,865 | 16,236 |
| % of responses responded to within the statutory timeframe | 96.8% | 99.2% | 99.3% | 98.7% | 99.2% |
| % of responses where an extension was deemed necessary | 4.5% | 3.0% | 1.9% | 1.6% | 1.3% |
| % of OIA responses where the information was released in full | 94.2% | 91.0% | 91.8% | 91.9% | 91.1% |
| % of information requests fully transferred in accordance with Section 14 of the OIA | 0.2% | 0.1% | 0.1% | 0.1% | 0.1% |
| % of information requests partially released | 2.4% | 1.7% | 1.9% | 1.6% | 1.4% |
| % of OIA requests where the information requested was refused under Section 6, 9, or 18 of the OIA | 3.1% | 4.6% | 6.4% | 6.3% | 6.6% |
| Average number of working days to respond to an OIA | 8.5 | 6.0 | 9.2 | 8.8 | 7.2 |

## Policy Advice and Ministerial Services

During 2024/25, 741 responses to parliamentary questions were completed [2023/24: 626], of which 704 met the agreed timeframes. For the small number that did not meet the required timeframes, this was primarily due to the complexity of the information being requested and the significant amount of time and effort required to prepare the necessary responses.

The table below outlines how Corrections performed against the audited measures used to assess performance in the Policy Advice and Ministerial Services appropriation (MCA).

| AUDITED MEASURES<br>Assessment of performance | 2021/22 Actual | 2022/23 Actual | 2023/24 Actual | 2024/25 Actual | 2024/25 Budget (unaudited) | 2025/26 Forecast (unaudited) |
|---|---|---|---|---|---|---|
| **Policy Advice and Ministerial Services** | | | | | | |
| Satisfaction of the Minister of Corrections with the quality of policy advice, and draft Ministerial correspondence provided[41] | 95% | 94% | 94% | Removed from 2024/25 | Removed from 2024/25 | Removed from 2024/25 |
| **Policy Advice** | | | | | | |
| Technical quality of policy advice papers assessed in line with the Policy Quality Framework[42] | 77% | 73% | 76% | 71% | 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[43] | 92% | 90% | 90% | 100% | Greater than or equal to 80% | Greater than or equal to 80% |
| **Ministerial Services** | | | | | | |
| Percentage of Ministerial draft correspondence that is signed without changes | 99% | 100% | 100% | 100% | Greater than or equal to 95% | Greater than or equal to 95% |
| Percentage of responses to parliamentary questions completed within agreed timeframes | 100% | 100% | 100% | 95% | Greater than or equal to 98% | Greater than or equal to 98% |
| Percentage of responses to Ministerial draft correspondence completed within agreed timeframes | 99% | 98% | 94% | 98% | Greater than or equal to 98% | Greater than or equal to 98% |

41. Historically this measure was 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 42] 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 recognised each of the survey question responses. For the other measure it is based on the number of pieces of draft correspondence submitted to the Minister's office that were signed without changes. Given its calculation methodology, it was deemed this aggregate measure provided no additional value to users of the information in assessing Corrections' service performance. As such was removed from 2024/25.

42. 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 sample 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 2024/25 the annual result reflects an average of the scores for 20 reviews.

43. 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.

# Office of the Inspectorate

***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 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. Website: https://inspectorate.corrections.govt.nz/

## 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 reports for the Prisoners of Extreme Risk Unit in August 2024, Rimutaka Prison in November 2024, Northland Region Corrections Facility in February 2025, and Mt Eden Corrections Facility in August 2025. A further two prison inspections have been completed: Hawke's Bay Regional Prison in February 2025 and Spring Hill Corrections Facility in May 2025. These reports will be published in due course. An inspection of Otago Corrections Facility took place in September 2025, and inspections at Whanganui Prison (including the New Plymouth Remand Centre) and Auckland Region Women's Corrections Facility (including the Nikau Unit at Waikeria Prison; a satellite unit of the women's facility in Auckland used to accommodate low-security women prisoners) have been announced.

The release of inspection reports is accompanied by short videos by the Chief Inspector and quick-read summaries of each report to assist people with low levels of literacy.

### Updated Inspection Standards

In July 2024, the Inspectorate completed a review of its Inspection Standards, with assistance from the Australian Human Rights Commission. The 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. The Inspection Standards require inspectors to consider 10 areas of prison life: Leadership; prison staff; reception, induction and escorts; duty of care; health; environment; good order; purposeful activity; rehabilitation; and reintegration.

## Thematic reports

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

In December 2024, the Inspectorate released its thematic report, *"Young people and young adults in Corrections' custody"*. The report examined how Corrections responds to the developmental needs, challenges and opportunities for young men and women in prison, and identified concerns, examples of good practice and areas for improvement.

As part of the thematic review, 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. The young people shared their experiences and ideas about how to improve pathways and outcomes for people under 25 years in custody.

The report made 26 recommendations, which were accepted in principle by Corrections, and had 29 areas for consideration. The report found that young people in prison have high and complex needs which were not always being met. The recommendations call on Corrections to make improvements, such as offering more cultural support, teaching basic living skills, giving young people more to do in prison, and keeping them away from gangs.

### Progress reports

For thematic reports and the report of the inquiry into the Waikeria Prison riot, the Inspectorate made recommendations for Corrections to report back on progress at six monthly intervals. Progress reports are published on the Inspectorate website.

## Deaths in custody

The Office of the Inspectorate investigates the 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, the Coroner (who determines the cause of death) and the Office of the Ombudsman. 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 to prevent further deaths where possible.

In 2024/25, there were 22 deaths in custody, a decrease of nine from 2023/24. Of these deaths, 12 were assumed natural, eight were assumed unnatural and two were homicides.

## Complaints

This year, the Inspectorate received 6,010 complaints, an increase of 17% from the previous year [2023/24: 5,132], of which 96% [5,755] related to prisons, 3% [192] to Community Corrections, and the remaining 1% [67] to other or unknown. The seven sites with the most complaints [3,774] were Auckland South Corrections Facility, Auckland Prison, Mt Eden Corrections Facility, Rolleston Prison, Spring Hill Corrections Facility, Rimutaka Prison, and Christchurch Men's Prison.

The most frequent complaint categories were prisoner property [1,002], prisoner health services [839] and staff conduct and attitude [791], which together comprised 44% of complaints received. Complaints came from a variety of sources, mainly prisoners, but also from people on community sentences, family and whānau members, lawyers, and members of the public.

In 2024/25, all but six of the more than 6,000 complaints received by the Inspectorate were acknowledged within the agreed timeframes and 98% of complaint investigations were completed within three months.

During 2024/25, the Inspectorate monitored 303 complaints about staff (known as IR.07s), an increase of 83 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<br>Assessment of performance | 2021/22<br>Actual | 2022/23<br>Actual | 2023/24<br>Actual | 2024/25<br>Actual | 2024/25<br>Budget (unaudited) | 2025/26<br>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[44] | 82% | 67% | 88% | 90% | Greater than or equal to 80% | Greater than or equal to 80% |
| Percentage of complaints received by the Office of the Inspectorate that are acknowledged within 10 working days of receipt | 100% | 100% | 99.9% | 99.9% | 100% | 100% |
| Percentage of complaint investigations completed by the Office of the Inspectorate within three months of being received | 99% | 99% | 99% | 98%[45] | Greater than or equal to 80% | Greater than or equal to 95%[46] |

**44.** A Death in Custody report is counted in the financial year in which it is completed or due (whichever is earliest), not necessarily the year in which the death occurred. For 2024/25, performance for this measure is based on a total of 10 Death in Custody Reports – six reports were for deaths that occurred between 1 January and 30 June 2024, and the remaining four reports were for deaths that occurred between 1 July and 31 December 2024, with all 10 report due dates falling in the 2024/25 financial year. The remaining six unnatural deaths that occurred in 2024/25 (between 1 January and 30 June 2025) have report due dates post 1 July 2025 and will therefore be included in the 2025/26 performance result.

**45.** The calculation methodology for this measure has been refined for the 2024/25 financial year. While performance was previously calculated based on complaints received by the Office of the Inspectorate in the reporting period, performance for 2024/25 has been assessed on an expanded dataset that includes complaints received by the Office of the Inspectorate between 1 April and 30 June 2024, for which investigations were due and completed in the 2024/25 financial year. The impact of this change for 2023/24 has been assessed as less than 1 percentage point; given the immaterial impact, the 2023/24 actuals have not been restated. The impact for 2021/22 and 2022/23 performance has not been assessed.

**46.** The Budget Standard for this measure was changed for 2025/26 from 'Greater than or equal to 80%' to 'Greater than or equal to 95%' to reflect a more realistic and relevant rate of activity.

# Annual financial statements

## for the year ended 30 June 2025

## Statement of Comprehensive Revenue and Expense

*For the year ended 30 June 2025*

| 2024 Actual $000 | | Note | 2025 Actual $000 | 2025 Budget (unaudited) $000 | 2025 Supp. Estimates (unaudited) $000 | 2026 Forecast (unaudited) $000 |
|---|---|---|---|---|---|---|
| **REVENUE** | | | | | | |
| 2,207,906 | Revenue Crown | | 2,355,956 | 2,347,326 | 2,362,445 | 2,539,460 |
| 449 | Departmental revenue | | 564 | 289 | 311 | - |
| 39,897 | Other revenue | 2 | 42,088 | 36,389 | 50,040 | 35,389 |
| **2,248,252** | **Total operating revenue** | | **2,398,608** | **2,384,004** | **2,412,796** | **2,574,849** |
| **EXPENSES** | | | | | | |
| 1,055,810 | Personnel costs | 3 | 1,132,150 | 1,232,314 | 1,168,645 | 1,266,629 |
| 684,393 | Operating costs | 4 | 730,268 | 634,020 | 734,703 | 717,500 |
| 216,256 | Depreciation and amortisation | | 216,155 | 213,995 | 225,651 | 263,913 |
| 220,099 | Capital charge | 5 | 230,377 | 233,526 | 230,992 | 232,554 |
| 43,914 | Finance costs | 15 | 56,033 | 70,149 | 52,805 | 94,253 |
| **2,220,472** | **Total operating expenses** | | **2,364,983** | **2,384,004** | **2,412,796** | **2,574,849** |
| **27,780** | **Net operating surplus** | | **33,625** | **-** | **-** | **-** |
| **REMEASUREMENTS** | | | | | | |
| 84 | Unrealised gain in fair value of biological assets | 10 | 1,383 | - | - | - |
| (367) | Unrealised gain/(loss) in fair value of shares | | 2,569 | - | - | - |
| 691 | Unrealised gain in fair value of discount rates[47] | | 198 | - | - | - |
| (571) | Unrealised loss in fair value of derivative financial instruments | 20 | (45,430) | 7,169 | (35,539) | (8,641) |
| **(163)** | **Total remeasurements** | | **(41,280)** | **7,169** | **(35,539)** | **(8,641)** |
| **27,617** | **Net surplus/(deficit)** | | **(7,655)** | **7,169** | **(35,539)** | **(8,641)** |
| **OTHER COMPREHENSIVE REVENUE AND EXPENSE** | | | | | | |
| - | Revaluation loss on land and buildings | 16 | (234,912) | - | - | - |
| **-** | **Total other comprehensive revenue and expense** | | **(234,912)** | **-** | **-** | **-** |
| **27,617** | **Total comprehensive revenue and expense** | | **(242,567)** | **7,169** | **(35,539)** | **(8,641)** |

*The accompanying notes form part of these financial statements. For information on major variances against budget refer to Note 22.*

47. 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 2025*

| 2024 Actual $000 | | Note | 2025 Actual $000 | 2025 Budget (unaudited) $000 | 2025 Supp. Estimates (unaudited) $000 | 2026 Forecast (unaudited) $000 |
|---|---|---|---|---|---|---|
| **4,414,863** | **Taxpayers' funds restated at 1 July** | | **4,636,653** | **4,643,726** | **4,636,653** | **4,735,439** |
| 27,617 | Net surplus/(deficit) | | (7,655) | 7,169 | (35,539) | (8,641) |
| | **Adjustment for flows to and from the Crown** | | | | | |
| 219,280 | Add capital injection from the Crown | 16 | 134,325 | 56,028 | 134,325 | 24,120 |
| - | Revaluation loss | 16 | (234,912) | - | - | - |
| 951 | Reversal of revaluation reserves on disposal | 16 | 8 | - | - | - |
| - | Other movements | 16 | - | - | - | - |
| (26,058) | Provision for payment of surplus to the Crown | 14 | (36,406) | - | - | - |
| **194,173** | **Total adjustments for flows to and from the Crown** | | **(136,985)** | **56,028** | **134,325** | **24,120** |
| **4,636,653** | **Taxpayers' funds at 30 June** | | **4,492,013** | **4,706,923** | **4,735,439** | **4,750,918** |

*The accompanying notes form part of these financial statements. For information on major variances against budget refer to Note 22.*

FINANCIAL STATEMENTS

## Statement of Financial Position

*As at 30 June 2025*

| 2024 Actual $000 | | Note | 2025 Actual $000 | 2025 Budget (unaudited) $000 | 2025 Supp. Estimates (unaudited) $000 | 2026 Forecast (unaudited) $000 |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| **Current assets** | | | | | | |
| 31,968 | Cash and cash equivalents | | 54,576 | 50,000 | 50,000 | 50,000 |
| 13,801 | Prepayments | | 13,623 | 17,567 | 26,844 | 26,844 |
| 938,655 | Debtors and other receivables | 6 | 975,258 | 820,958 | 802,140 | 699,488 |
| 5,497 | Inventories | | 4,783 | 7,674 | 7,674 | 7,674 |
| 2,600 | Non-current assets held for sale | 7 | 2,600 | - | - | - |
| **992,521** | **Total current assets** | | **1,050,840** | **896,199** | **886,658** | **784,006** |
| **Non-current assets** | | | | | | |
| 3,318 | Investments | | 5,350 | 4,265 | 4,265 | 4,265 |
| 61,519 | Derivative financial instruments | 15 | 24,580 | 52,862 | 26,568 | 25,172 |
| 5,218,732 | Property, plant, and equipment* | 8 | 5,059,263 | 5,187,462 | 5,348,162 | 5,419,325 |
| 33,668 | Intangible assets | 9 | 19,812 | 37,084 | 34,627 | 42,534 |
| 8,962 | Biological assets | 10 | 9,789 | 8,903 | 8,903 | 8,903 |
| 16,000 | Prepayments | | 16,000 | - | 10,667 | 10,667 |
| **5,342,199** | **Total non-current assets*** | | **5,134,794** | **5,290,576** | **5,433,192** | **5,510,866** |
| **6,334,720** | **Total assets*** | | **6,185,634** | **6,186,775** | **6,319,850** | **6,294,872** |
| **LIABILITIES** | | | | | | |
| **Current liabilities** | | | | | | |
| 143,639 | Creditors and other payables | 11 | 136,013 | 150,961 | 101,279 | 92,852 |
| 172,251 | Employee entitlements | 12 | 175,680 | 178,331 | 146,652 | 146,652 |
| 30,080 | Service concession arrangements | 15 | 30,612 | 39,179 | 31,392 | 33,074 |
| 47,730 | Provisions | 13 | 52,551 | 39,048 | 46,002 | 46,002 |
| 26,058 | Provision for repayment of surplus to the Crown | 14 | 36,406 | - | - | - |
| **419,758** | **Total current liabilities** | | **431,262** | **407,519** | **325,325** | **318,580** |
| **Non-current liabilities** | | | | | | |
| 34,229 | Employee entitlements | 12 | 43,202 | 18,630 | 34,229 | 34,229 |
| 3,795 | Derivative financial instruments | 15 | 12,286 | - | 11,633 | 10,925 |
| 1,240,285 | Service concession arrangements* | 15 | 1,206,871 | 1,053,703 | 1,213,224 | 1,180,220 |
| **1,278,309** | **Total non-current liabilities*** | | **1,262,359** | **1,072,333** | **1,259,086** | **1,225,374** |
| **1,698,067** | **Total liabilities*** | | **1,693,621** | **1,479,852** | **1,584,411** | **1,543,954** |
| **TAXPAYERS' FUNDS** | | | | | | |
| 2,458,307 | General funds | 16 | 2,548,571 | 2,529,528 | 2,557,093 | 2,572,572 |
| 2,178,346 | Reserves | 16 | 1,943,442 | 2,177,395 | 2,178,346 | 2,178,346 |
| **4,636,653** | **Total taxpayers' funds** | | **4,492,013** | **4,706,923** | **4,735,439** | **4,750,918** |
| **6,334,720** | **Total liabilities and taxpayers' funds*** | | **6,185,634** | **6,186,775** | **6,319,850** | **6,294,872** |

**The comparatives balances have been restated to reflect a correction of the prior year. Refer to Notes 8, 15 and 20.*
*The accompanying notes form part of these financial statements. For information on major variances against budget refer to Note 22.*

FINANCIAL STATEMENTS

## Statement of Cash Flows

*For the year ended 30 June 2025*

| 2024 Actual $000 | | Note | 2025 Actual $000 | 2025 Budget (unaudited) $000 | 2025 Supp. Estimates (unaudited) $000 | 2026 Forecast (unaudited) $000 |
|---|---|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | | |
| | **Cash provided from:** | | | | | |
| 2,050,195 | Receipts from Crown | | 2,322,500 | 2,383,051 | 2,480,017 | 2,628,723 |
| 457 | Receipts from departments | | 463 | 289 | 304 | - |
| 38,456 | Receipts from other revenue | | 42,563 | 36,371 | 54,232 | 35,371 |
| (46,182) | GST paid / (received) | | (10,106) | (12,064) | (3,465) | 4,962 |
| | **Cash disbursed to:** | | | | | |
| (1,049,848) | Payments for employees | | (1,119,550) | (1,229,200) | (1,191,130) | (1,263,515) |
| (688,119) | Payments to suppliers | | (731,722) | (639,678) | (770,928) | (720,614) |
| (220,099) | Payments for capital charge | | (230,377) | (233,526) | (230,992) | (232,554) |
| **84,860** | **Net cash flows from operating activities** | **17** | **273,771** | **305,243** | **338,038** | **452,373** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | | |
| | **Cash provided from:** | | | | | |
| 657 | Receipts from interest and dividends | | 728 | 18 | 18 | 18 |
| 4,327 | Receipts from sale of physical, biological, and intangible assets | | 417 | - | - | - |
| 580 | Receipt from sale of shares | | - | - | - | - |
| | **Cash disbursed to:** | | | | | |
| (232,810) | Purchase of physical and biological assets | | (227,049) | (240,081) | (289,828) | (327,554) |
| (17,793) | Purchase of intangible assets | | (6,850) | (8,400) | (9,224) | (15,429) |
| **(245,039)** | **Net cash flows from investing activities** | | **(232,754)** | **(248,463)** | **(299,034)** | **(342,965)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | | |
| | **Cash provided from:** | | | | | |
| 219,280 | Capital injections | | 134,325 | 56,028 | 134,325 | 24,120 |
| | **Cash disbursed to:** | | | | | |
| (44,375) | Interest payment | | (46,739) | (70,149) | (52,805) | (94,253) |
| (73,577) | Repayment of financial liabilities | | (79,937) | (42,659) | (76,434) | (39,275) |
| (18,776) | Return of operating surpluses | | (26,058) | - | (26,058) | - |
| **82,552** | **Net cash flows from financing activities** | | **(18,409)** | **(56,780)** | **(20,972)** | **(109,408)** |
| **(77,627)** | **Net increase/(decrease) in cash** | | **22,608** | **-** | **18,032** | **-** |
| 109,595 | Cash at the beginning of the year | | 31,968 | 50,000 | 31,968 | 50,000 |
| **31,968** | **Cash at the end of the year** | | **54,576** | **50,000** | **50,000** | **50,000** |

*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 2025*

| 2024 Actual $000 | | 2025 Actual $000 |
|---|---|---|
| | **CAPITAL COMMITMENTS** | |
| 178,028 | Buildings* | 118,884 |
| 1,362 | Motor vehicles | 738 |
| 2,736 | Plant and equipment | 7,791 |
| 16,484 | Intangibles | 8,346 |
| **198,610** | **Total capital commitments*** | **135,759** |
| | **NON-CANCELLABLE OPERATING LEASE COMMITMENTS** | |
| 21,558 | Less than one year | 23,107 |
| 62,891 | One to five years | 55,446 |
| 58,699 | More than five years | 49,193 |
| **143,148** | **Total non-cancellable operating lease commitments** | **127,746** |
| **341,758** | **Total commitments*** | **263,505** |

**The comparatives balances have been restated to reflect a correction of the prior year. Refer to Waikeria PPP asset and liability increase relating to recognition of service concession arrangement prior period 'error correction' with no impact on net assets in Note 8.*

### 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 fifteen years. The amounts disclosed above as future commitments are based on current rental rates.

## *Statement of Contingent Liabilities and Contingent Assets*

*As at 30 June 2025*

### Quantifiable contingent liabilities

| 2024 Actual $000 | | 2025 Actual $000 |
|---|---|---|
| 5,531 | Related to Offenders | 12,391 |
| 1,115 | Employees and Contractors | 1,390 |
| **6,646** | **Total quantifiable contingent liabilities** | **13,781** |

#### *Legal proceedings*

As at 30 June 2025 Corrections was defending 56 court claims and proceedings which were assessed and had a value for contingent liability (2024: 45). 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.

## Quantifiable contingent liabilities (continued)

### *Personal grievances*

Corrections was defending 19 employment and contractor-related claims, made mostly by staff members as at 30 June 2025 (2024: 16).

*The accompanying notes form part of these financial statements.*

## 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 a "without prejudice" claim relating to the alleged effects of Covid-19 covering the period to 30 June 2022. Since then, Corrections has been in constant negotiation with the PPP consortium regarding the claim.

A Project Support Agreement was signed in April 2023 to settle certain matters and the negotiation continued between Corrections and the PPP consortium on the remaining matters.

In December 2023, an updated "without prejudice" claim was submitted for the alleged effects of Covid-19, extending the covering period to September 2023. This updated claim sought 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, plus interest.

In October 2024, CIP submitted a separate Contaminated Water Supply Claim relating to the potable water tank Corrections installed for potable water and fire suppressions water to the Waikeria facility. CIP sought an extension of time for delay to Works Completion of 129 calendar days with an associated cost claim of $24.675 million and relief from other delay penalty. The IR assessed the entitlement of the claim in accordance with the contractual requirements of the PPP Project Agreement, determining that there is entitlement to time relief, but no costs.

On 25 March 2025, Corrections and CIP and the rest of the consortium reached a negotiated settlement outcome in respect of the above claims, with the following components:

- extension of the work completion date by allowing time relief under the contract of 196 working days;
- total settlement amount of $81 million to CIP (representing 35% of the amount claimed by CIP); and
- the $16 million of damages (due to late delivery) over this period no longer being due and payable by CIP linked to the postponement in the commencement of Daily Delay Deductions and Corrections Delay Damages until 1 April 2025.

The settlement claim was paid in full in 2024/25 financial year. There are no unquantifiable contingent liabilities as at 30 June 2025.

## Contingent assets

Corrections has no contingent assets (2024: Quantifiable $nil).

## *Statement of Trust Monies*

### *As at 30 June 2025*

| | As at 1 July 2024 $000 | Contribution $000 | Distribution $000 | As at 30 June 2025 $000 |
|---|---|---|---|---|
| Trust accounts | 2,629 | 26,463 | (26,887) | 2,205 |
| **Total trust accounts** | **2,629** | **26,463** | **(26,887)** | **2,205** |

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 2025

### *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 *Public Service Act 2020*, the *Sentencing Act 2002*, the *Parole Act 2002*, the *Public Safety (Public Protection Orders) Act 2014*, the *Bail Act 2000*, 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 re-offending 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 115 to 119.

#### *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 2025 with comparative figures for the year ended 30 June 2024.

The financial statements were authorised for issue by the Chief Executive of the Department of Corrections on 29 September 2025.

### 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, and have been prepared on accrual basis unless otherwise specified.

#### *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)*

## Basis of preparation (continued)

### *New or amended standards adopted*

#### 2024 Omnibus Amendments to PBE Standards, issued Oct 2024

The *2024 Omnibus Amendments to PBE Standards* issued by the External Reporting Board (XRB) is an amending Standard that updates PBE IPSAS 1 and PBE IAS 12.

The amendments to PBE IPSAS 1 clarify the principles for classifying a liability as current or non-current. Application of those amendments is required for accounting periods which begin on or after 1 January 2026. Application is permitted for accounting periods that begin before 1 January 2026 but have not ended or do not end before 21 November 2024. Corrections has adopted the revised PBE standards, and the adoption did not result in any significant impact on Corrections' financial statements.

The amendments to PBE IAS 12 provide temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD's) international tax reform (Pillar Two Model Rules) including several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards, effective for reporting period starting 1 January 2024. Corrections has adopted the revised PBE standards, and the adoption did not result in any significant impact on Corrections' financial statements.

#### 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. Corrections has adopted the revised PBE standards as reflected in Note 4 – Operating costs, 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 in accounting policies since the date of the last audited financial statements.

### *Standards issued and not yet effective and not early adopted*

The amending standard Insurance Contracts in the Public Sector adds public sector modifications to PBE IFRS 17 Insurance Contracts to include public sector entities and to ensure that this Standard is suitable for this sector. Application of these amendments is required for accounting periods beginning on or after 1 January 2026. Earlier application is permitted for accounting periods that begin before 1 January 2026 but not ending before 20 July 2023.

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 2025 and were published in the 2023/24 Annual Report. They were included in the Estimates of Appropriations for the Government of New Zealand for the year ended 30 June 2024, which are consistent with the financial information in the Main Estimates. In addition, the financial statements also present the updated budget information from the 2024/25 Supplementary Estimates.

The forecast figures are for the year ending 30 June 2026 and are consistent with the best estimate financial forecast information submitted to the Treasury for the Budget Economic and Fiscal Update (BEFU) 2025. 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 7 April 2025. 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 2025/26 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 7 April 2025 were as follows:

- Corrections' activities and output expectations will focus on the Government's priorities aligned to Corrections' Hokai Rangi strategy.
- Personnel costs reflect planned capacity movements and anticipated remuneration changes.
- Remuneration is based on current wages and salary costs agreements and anticipated remuneration changes.
- 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.
- Prison population / demand levels reflect expected population levels in line with the Justice Sector projection as available at the time of preparation of the forecast financial statements.
- No impact of revaluation of land and buildings as at 30 June 2025 has been forecast.
- Capital commitments are expected to be realised as planned.
- Service concession assets for Auckland South Corrections Facility (ASCF), Auckland Prison and Waikeria Prison are operating in accordance with unitary charge profiles and priced into the forecast.

## *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.

***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.

## *Note 1: Statement of Accounting Policies (continued)*

### Significant accounting policies (continued)

#### *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.

Where payment of finance costs and debt commences prior to the construction completion, these form part of the purchase price of the asset and are treated as a capital cost, as per PBE IPSAS 5 *Borrowing Costs*.

#### *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.

#### *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.

## *Note 1: Statement of Accounting Policies (continued)*

### Significant accounting policies (continued)

#### *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.

#### 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.

## *Note 1: Statement of Accounting Policies (continued)*

### Significant accounting policies (continued)

***Property, plant, and equipment (continued)***

**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:

| Class of asset | Useful life | Residual value |
|---|---|---|
| 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.

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.

## *Note 1: Statement of Accounting Policies (continued)*

### Significant accounting policies (continued)

#### *Intangible assets (continued)*

#### 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:

| Class of asset | Useful life | Residual value |
|---|---|---|
| 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.

#### *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.

## *Note 1: Statement of Accounting Policies (continued)*

### Significant accounting policies (continued)

#### *Impairment of non-financial assets (continued)*

#### 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.

## *Note 1: Statement of Accounting Policies (continued)*

### Significant accounting policies (continued)

***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*

| 2024 Actual $000 | | 2025 Actual $000 |
|---:|---|---:|
| 29,824 | Sale of goods | 34,924 |
| 3,199 | Board and rents | 3,032 |
| 1,686 | Profit on sale of assets | 888 |
| 5,188 | Revenue other | 3,244 |
| **39,897** | **Total other revenue** | **42,088** |

Sale of goods mainly comprises revenue from offender employment activities such as farming, distribution, other industries, and offender canteen purchases.

## *Note 3: Personnel Costs*

| 2024 Actual $000 | | 2025 Actual $000 | 2025 Budget (Unaudited) $000 | 2026 Forecast (Unaudited) $000 |
|---:|---|---:|---:|---:|
| 1,010,063 | Salaries and wages | 1,090,129 | 1,201,267 | 1,229,674 |
| 3,284 | ACC Accredited Employer Programme | 7,350 | 3,114 | 4,049 |
| 91 | Government Superannuation Fund contribution expense | 74 | 1,065 | 86 |
| 27,835 | State Sector Retirement Savings Scheme and KiwiSaver employer contribution | 28,818 | 24,226 | 32,785 |
| 14,537 | Retiring and long service leave | 5,779 | 2,642 | 35 |
| **1,055,810** | **Total personnel costs** | **1,132,150** | **1,232,314** | **1,266,629** |

## *Note 4: Operating Costs*

| 2024 Actual $000 | | 2025 Actual $000 | 2025 Budget (Unaudited) $000 | 2026 Forecast (Unaudited) $000 |
|---|---|---|---|---|
| **Fees incurred for services provided by Audit New Zealand** | | | | |
| **581** | **Audit of the financial statements** | **606** | **574** | **630** |
| | **Other Assurance services** | | | |
| - | Audit of the 2023/24 Auckland South Correctional Facility incentive payment | 15 | - | - |
| - | Procurement assurance over Electronic Security and Associated Systems (ESAS) procurement process | 9 | - | - |
| - | Probity Assurance over the Christchurch Men's Prison Redevelopment Programme Construction PPP Procurement | 19 | - | - |
| - | Procurement assurance over Electronic Security and Associated Systems procurement process | 26 | - | - |
| 85 | Probity assurance services and review of Corrections' procurement policies | - | - | - |
| **666** | **Total fees incurred for services provided by Audit New Zealand** | **675** | **574** | **630** |
| 24,753 | Operating lease rentals | 31,258 | 24,098 | 30,739 |
| 116,249 | Facilities maintenance | 111,979 | 72,792 | 110,121 |
| 108,058 | Offender management costs | 114,818 | 107,422 | 112,913 |
| 75,392 | Information technology costs | 64,325 | 74,949 | 63,258 |
| 186,988 | Contract management | 192,000 | 185,888 | 188,814 |
| 47,376 | Administration | 45,327 | 47,097 | 109,318 |
| 11,751 | Inventory expenses | 17,344 | 11,627 | 17,056 |
| 110,223 | Other operating costs[48] | 151,882 | 109,573 | 84,651 |
| 2,937 | Loss on sale or write off of assets | 660 | - | - |
| **684,393** | **Total operating costs** | **730,268** | **634,020** | **717,500** |

## *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 2025 was 5% per annum (2024: 5% per annum).

**48.** This includes COVID-19 claim settlement - refer to Unquantifiable Contingent Liabilities under Statement of Contingent Liabilities and Contingent Assets.

*Note 6: Debtors and Other Receivables*

| 2024 Actual $000 | | 2025 Actual $000 |
|---|---|---|
| | **CURRENT PORTION** | |
| | **Exchange transactions** | |
| 3,814 | Trade debtors - external | 1,905 |
| 640 | Sundry receivables | 577 |
| **4,454** | **Trade debtors – external and employees** | **2,482** |
| 246 | Trade debtors - other government entities | 347 |
| **4,700** | **Total debtors and receivables from exchange transactions** | **2,829** |
| | **Non-exchange transactions** | |
| 933,955 | Debtor Crown | 972,429 |
| **933,955** | **Total debtors and receivables from non-exchange transactions** | **972,429** |
| **938,655** | **Total debtors and other receivables** | **975,258** |

The carrying value of trade debtors approximates their fair value.

The Debtor Crown of $972.4 million (2024: 934.0 million) consists of operating 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 2025 and 30 June 2024, all overdue receivables were assessed for impairment and appropriate expected credit loss provisions applied.

The expected credit loss rates for receivables at 1 July 2024 and 30 June 2025 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 2025 and 1 July 2024 was determined as follows, there are nil allowances:

| 30 June 2025 | Debtors and other receivables days past due | | | | | |
|---|---|---|---|---|---|---|
| | Current | 1-30 days | 31-60 days | 61-90 days | More than 90 days | Total |
| Expected credit loss rate | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | |
| Gross carrying amount ($000) | 974,472 | 156 | 52 | 25 | 553 | 975,258 |
| Lifetime expected credit loss ($000) | - | - | - | - | - | - |

| At 1 July 2024 | Debtors and other receivables days past due | | | | | |
|---|---|---|---|---|---|---|
| | Current | 1-30 days | 31-60 days | 61-90 days | More than 90 days | Total |
| 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) | - | - | - | - | - | - |

Corrections has no provision for impairment of debtors and other receivables as at 30 June 2025 and 30 June 2024.

### Note 7: Non-Current Assets Held For Sale

| 2024 Actual $000 | | 2025 Actual $000 |
|---|---|---|
| | **Non-current assets held for sale comprise:** | |
| 2,600 | Land | 2,600 |
| **2,600** | **Total non-current assets held for sale** | **2,600** |

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 was 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 March 2026.

The accumulated property revaluation reserve recognised in equity for the property at 30 June 2025 is $0.6 million (2024: $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 2025. The opinion of value was arrived at by Grant Austin, Registered Valuer (Full Member Property Institute of New Zealand). The total fair value of freehold land and buildings assessed by Beca at 30 June 2025 was $4,687.8 million (last valuation at 2023: $3,905.4 million). In line with Corrections' accounting policy, land and buildings must be revalued at least once in three years, or sooner if 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.

The valuation undertaken by Beca was completed in accordance with PBE IPSAS 17 *Property, Plant and Equipment*, with reference PBE IPSAS 13, PBE IPSAS 16, PBE IPSAS 21, PBE IPSAS 26, PBE IPSAS 40; International Valuation Standards effective 31 January 2025 (IVS) and Property Institute of New Zealand "Guidance Papers for Valuers & Property Professionals", specifically NZVGP502 – Valuations of Real Property, Plant & 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 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. The seismic strength of the buildings has been an important consideration in assessing the value of these properties.
- Prison complexes are considered to be specialised assets and 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 2025 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.

## *Note 8: Property, Plant And Equipment (continued)*

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 $7.1 million (2024: $6.7 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 includes buildings and leasehold improvements $133.8 million (2024: $1,234.2 million*, including the development of Waikeria Prison) and other assets $24.6 million (2024: $16.9 million).

### 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 costs of the department. These costs are not included in the revaluation of the service concession assets.

Where payment of finance costs and debt commences prior to the construction completion, these form part of the purchase price of the asset and are treated as a capital cost, as per PBE IPSAS 5 *Borrowing Costs*.

### 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 was 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.

**The comparatives balances have been restated to reflect a correction of the prior year. Refer to Waikeria PPP asset and liability increase relating to recognition of service concession arrangement prior period 'error correction' with no impact on net assets as part of note 8.*

## *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 is responsible for the safe, secure, and humane containment of prisoners on that site.

The carrying values of PPP assets relating to ASCF comprise land $44.4 million (2024: $43.4 million), buildings $354.6 million (2024: $329.4 million), and plant and equipment $nil (2024: $0.5 million).

Under this agreement Corrections pays a monthly unitary charge to SFWL from service commencement. This charge covers:

- 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 (2024: 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 – these 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 maximum-security facility at Auckland Prison was completed in July 2018. This modern facility replaces end of life infrastructure and will 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 $13.3 million (2024: $3.0 million), buildings $359.7 million (2024: $344.5 million), plant and equipment $1.4 million (2024: $1.8 million), and other equipment $nil (2024: $0.1 million).

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 (2024:5.88%).
- Finance costs – these 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 completed in April 2025. Built on Corrections land adjacent to the existing Waikeria Prison, the new facility developed an additional 596 beds, including 96 beds in a dedicated mental health treatment unit. The new facility is part of the more effective and resilient prison network, and increased capability and capacity for mental health treatment. A further expansion plan for Waikeria Prison is under consideration and does not form part of this existing PPP arrangement.

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 values of PPP assets relating to Waikeria Prison comprise buildings $785.3 million (2024: $nil) and plant and equipment $7.3 million (2024: $nil). In 2024, these were classified within assets under construction with a value of $1,181.8 million*. The difference in carrying value is due to the asset revaluation as at 30 June 2025.

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 4.89% per annum (2024: 4.99%). Change in effective interest rate is due to delay in project completion date.
- 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. A portion of these costs is indexed to the Consumer Price Index and the Labour Cost Index.

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.

**The comparatives balances have been restated to reflect a correction of the prior year. Refer to Waikeria PPP asset and liability increase relating to recognition of service concession arrangement prior period 'error correction' with no impact on net assets on page below.*

## *Note 8: Property, Plant And Equipment (continued)*

### Public Private Partnership (PPP) arrangements (continued)

***Waikeria PPP asset and liability increase relating to recognition of service concession arrangement prior period 'error correction' with no impact on net assets***

During asset construction the recognition basis for a PPP asset and its related service concession arrangement liability is a percentage completion basis of its fair value. During construction the cumulative cost including financing, which is built into the agreed purchase price, is recognised as an asset with a corresponding liability recognised. Fair value of the asset is based on the net present cost (NPC) of the arrangements cash outflows from the date the asset is completed to the end of the service concession period. In the case of the original Waikeria PPP service concession arrangement, asset completion date (also referred to as payment commencement date) was scheduled for April 2022 with the service concession period concluding 25 years later (March 2047).

As part of the commercial renegotiations for the delivery of the Waikeria PPP arrangements, while asset completion date was deferred, it was agreed that the interest component of service concession payments would commence as intended in April 2022 and end in March 2047. The period of the service concession arrangement following asset completion would however remain as 25 years from the final asset completion date. During the period prior to asset completion, the service concession payments relating to interest were only recognised as a reduction to the PPP liability in prior years.

The NPC calculations were updated ahead of service concession commencement in the current year. Interest payments made prior to asset completion were categorised as a capital asset expense rather than the repayment of liability. Had Waikeria PPP fair values been calculated on this basis in prior years there would have been an increase in both the asset and liability balances, with no impact to overall net asset values.

It is noted that as at 30 June 2025 the Waikeria PPP asset is included in the revaluation of land and building assets (as per Corrections Revaluation of land and buildings in Note 1).

| STATEMENT OF FINANCIAL POSITION | | 30 June 2024 | | |
|---|---|---|---|---|
| | Note | Reported $000 | Adjusted $000 | Restated $000 |
| **NON-CURRENT ASSETS** | | | | |
| Property, plant and equipment | 8 | 5,094,176 | 124,556 | 5,218,732 |
| **Total non-current assets** | | **5,217,643** | **124,556** | **5,342,199** |
| **Total assets** | | **6,210,164** | **124,556** | **6,334,720** |
| **NON-CURRENT LIABILITIES** | | | | |
| Service concession arrangements | 15 | 1,115,729 | 124,556 | 1,240,285 |
| **Total non-current liabilities** | | 1,153,753 | 124,556 | 1,278,309 |
| **Total liabilities** | | 1,573,511 | 124,556 | 1,698,067 |
| **Total liabilities and taxpayer's funds** | | 6,210,164 | 124,556 | 6,334,720 |
| **Net asset impact (Total taxpayers' funds)** | | **4,636,653** | **-** | **4,636,653** |

*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 |
|---|---|---|---|---|---|---|---|---|---|
| **COST OR VALUATION** | | | | | | | | | |
| Balance at 1 July 2023* | 254,184 | 3,651,228 | 81,725 | 157,194 | 31,363 | 42,040 | 66,210 | 1,060,670 | 5,344,614 |
| Additions* | - | 10,854 | - | 4,708 | 1,049 | 8,492 | 17,646 | 292,513 | 335,262 |
| Disposals/write-offs | (684) | (2,116) | - | (4,559) | - | - | (6,512) | (7,563) | (21,434) |
| Transfers[49] | - | 33,881 | - | 57,257 | 2,149 | 1,635 | 34 | (94,956) | - |
| **Cost or valuation at 30 June 2024*** | **253,500** | **3,693,847** | **81,725** | **214,600** | **34,561** | **52,167** | **77,378** | **1,250,664** | **5,658,442** |
| **Add: Movements** | | | | | | | | | |
| Additions | - | 80,924 | - | 24,382 | 1,498 | 7,605 | 8,959 | 148,554 | 271,922 |
| Disposals/write-offs | (16) | - | (243) | (16,452) | (3,086) | (20,352) | (4,153) | - | (44,302) |
| Transfers[49] | - | 1,220,242 | (9) | 26,370 | (11,294) | 5,607 | (46) | (1,240,870) | - |
| Other movement[50] | - | 12,430 | - | - | - | - | (1) | - | 12,429 |
| Revaluation increase/(decrease) | (9,373) | (555,724) | - | - | - | - | - | - | (565,097) |
| **Cost or valuation at 30 June 2025** | **244,111** | **4,451,719** | **81,473** | **248,900** | **21,679** | **45,027** | **82,137** | **158,348** | **5,333,394** |
| **Accumulated depreciation and impairment losses** | | | | | | | | | |
| Balance at 1 July 2023 | - | - | (37,176) | (107,976) | (26,260) | (35,460) | (39,245) | - | (246,117) |
| 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) | - | - |
| **Accumulated depreciation and impairment losses at 30 June 2024** | **-** | **(163,342)** | **(42,701)** | **(123,647)** | **(28,378)** | **(40,843)** | **(40,799)** | **-** | **(439,710)** |
| **Add: Movements** | | | | | | | | | |
| Depreciation expense | - | (166,849) | (4,994) | (15,530) | (2,205) | (5,873) | (8,392) | - | (203,843) |
| Disposals/write-offs | - | - | 243 | 16,408 | 3,083 | 20,352 | 3,763 | - | 43,849 |
| Transfers | - | - | 1 | (11,675) | 11,454 | (2) | 222 | - | - |
| Other movement[50] | - | (2) | - | (4,618) | - | - | - | - | (4,620) |
| Revaluation increase/(decrease) | - | 330,193 | - | - | - | - | - | - | 330,193 |
| **Accumulated depreciation and impairment losses at 30 June 2025** | **-** | **-** | **(47,451)** | **(139,062)** | **(16,046)** | **(26,366)** | **(45,206)** | **-** | **(274,131)** |
| Carrying amounts per asset class | | | | | | | | | |
| **At 30 June 2025** | **244,111** | **4,451,719** | **34,022** | **109,838** | **5,633** | **18,661** | **36,931** | **158,348** | **5,059,263** |
| **At 30 June 2024*** | **253,500** | **3,530,505** | **39,024** | **90,953** | **6,183** | **11,324** | **36,579** | **1,250,664** | **5,218,732** |

**The comparatives balances have been restated to reflect a correction of the prior year. Refer to Waikeria PPP asset and liability increase relating to recognition of service concession arrangement prior period 'error correction' with no impact on net assets on page above.*

***49.*** Transfers relate to capitalisation of assets under construction (including the capitalisation of Waikeria Prison) and re-classification.

***50.*** Other movements relate to re-classification of intangible assets.

*Note 9: Intangible Assets*

| | Acquired software $000 | Internally generated software $000 | Assets under construction $000 | Total Intangible assets $000 |
|---|---|---|---|---|
| **COST OR VALUATION** | | | | |
| Balance 1 July 2023 | 11,773 | 82,163 | 19,757 | 113,693 |
| Additions | - | 1,475 | 16,318 | 17,793 |
| Disposals/write-offs | - | - | (6,739) | (6,739) |
| Transfers | 3,593 | 18,672 | (22,265) | - |
| **Cost or valuation at 30 June 2024** | **15,366** | **102,310** | **7,071** | **124,747** |
| **Add: Movements** | | | | |
| Additions | 101 | 2,055 | 4,694 | 6,850 |
| Disposals/write-offs | (8,493) | (26,809) | - | (35,302) |
| Transfers[51] | 14,113 | (7,321) | (6,792) | - |
| Other movements[52] | (12,434) | 1 | - | (12,433) |
| **Cost or valuation at 30 June 2025** | **8,653** | **70,236** | **4,973** | **83,862** |
| **Accumulated amortisation and impairment losses** | | | | |
| Balance 1 July 2023 | (11,603) | (66,281) | - | (77,884) |
| Amortisation expense | (1,249) | (11,946) | - | (13,195) |
| **Accumulated amortisation and impairment losses at 30 June 2024** | **(12,852)** | **(78,227)** | **-** | **(91,079)** |
| **Add: Movements** | | | | |
| Amortisation expense | (1,474) | (10,838) | - | (12,312) |
| Disposals/transfers | 7,910 | 26,809 | - | 34,719 |
| Transfers | 389 | (389) | - | - |
| Other movements[52] | 2 | 4,620 | - | 4,622 |
| **Accumulated amortisation and impairment losses at 30 June 2025** | **(6,025)** | **(58,025)** | **-** | **(64,050)** |
| **Carrying amounts** | | | | |
| **At 30 June 2025** | **2,628** | **12,211** | **4,973** | **19,812** |
| **At 30 June 2024** | **2,514** | **24,083** | **7,071** | **33,668** |

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.

*51.* Transfers relate to capitalisation of assets under construction and re-classification.

*52.* Other movements relate to re-classification of intangible.

## *Note 10: Biological Assets*

| 2024 Actual $000 | | 2025 Actual $000 |
|---|---|---|
| | **COST OR VALUATION** | |
| 8,904 | Balance at 1 July | 8,962 |
| 126 | Purchases | 142 |
| 9,995 | Net gain due to: regeneration, maturation, and changes in unit values | 13,256 |
| (10,063) | Sales/harvest | (12,571) |
| **8,962** | **Cost or valuation at 30 June** | **9,789** |
| **58** | **Net change** | **827** |
| (26) | Change due to movement in quantity | (556) |
| 84 | Change due to movement in fair value | 1,383 |
| **8,962** | **Carrying amounts at 30 June** | **9,789** |

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.

## *Note 11: Creditors and Other Payables*

| 2024 Actual $000 | | 2025 Actual $000 |
|---|---|---|
| | **CURRENT PORTION** | |
| | **Exchange transactions** | |
| 9,605 | Trade creditors | 4,297 |
| 110,895 | Accrued expenditure | 115,281 |
| 1,636 | Income in advance | 20 |
| **122,136** | **Total creditors and other payables from exchange transactions** | **119,598** |
| | **Non-exchange transactions** | |
| 21,503 | GST payable | 16,415 |
| **21,503** | **Total creditors and other payables from non exchange transactions** | **16,415** |
| **143,639** | **Total creditors and other payables** | **136,013** |

Creditors and other payables are non-interest bearing and are normally settled within 30 days. The carrying value of creditors and payables approximates their fair value.

### *Note 12: Employee Entitlements*

| 2024 Actual $000 | | 2025 Actual $000 |
|---|---|---|
| **CURRENT LIABILITIES** | | |
| 12,107 | Retiring and long service leave | 4,661 |
| 121,302 | Annual leave | 125,122 |
| 4,785 | Sick leave | 5,253 |
| 32,552 | Accrued salaries and wages | 39,215 |
| 1,003 | Parental leave | 932 |
| 502 | Holidays Act provision | 497 |
| **172,251** | **Total current portion** | **175,680** |
| **NON-CURRENT LIABILITIES** | | |
| 34,229 | Retiring and long service leave | 43,202 |
| **34,229** | **Total non-current portion** | **43,202** |
| **206,480** | **Total employee entitlements** | **218,882** |

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 salary inflation factors. Any changes in these assumptions will impact on the carrying amount of the liability.

Independent valuer Dan Stoner (Fellow of the New Zealand Society of Actuaries) from Taylor Fry valued the retiring and long service leave as at 30 June 2025.

The major assumptions used in the 30 June 2025 valuation are that future salary growth rates of 2.9% in 2026 and an average of 2.9% thereafter (2024: 3.2% in 2025 and 3.2% thereafter) per annum and discount rates ranged from 3.14% to 5.65% (2024: 4.25% to 5.36%) 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 1.0% from Corrections' estimates, with all other factors held constant, the carrying amount of the liability and the surplus/(deficit) would be an estimated $3.1 million lower/$3.6 million higher respectively.

If the salary inflation factor were to increase/decrease by 1.0% from Corrections' estimates, with all other factors held constant, the carrying amount of the liability and the surplus/(deficit) would be an estimated $3.6 million higher/$3.2 million lower respectively.

## *Note 12: Employee Entitlements (continued)*

### Holidays Act 2003 provision

Corrections complied with an Enforceable Undertaking (EU) issued under the *Employment Relations Act 2000* to be fully compliant with the Holidays Act. This provision relates to remediation payments for terminated employees. Payments are made from this provision as and when past employees submit their claims.

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 2025 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*

| 2024 Total provisions Actual $000 | | 2025 Employee accidents Actual $000 | 2025 Other provisions Actual $000 | 2025 Total provisions Actual $000 |
|---|---|---|---|---|
| | **CURRENT PROVISIONS** | | | |
| 56,149 | Balance at 1 July | 15,570 | 32,160 | 47,730 |
| 3,291 | Additional provisions made during the year | 7,410 | 10,872 | 18,282 |
| (11,710) | Charged/released against provision for the year | (1,720) | (11,741) | (13,461) |
| **47,730** | **Total current provisions** | **21,260** | **31,291** | **52,551** |
| **47,730** | **Total provisions** | **21,260** | **31,291** | **52,551** |

### Employee accidents

The provision relates to the estimation of Corrections' outstanding claims liability under the ACC Accredited Employer's Programme. An independent valuer, Ross Simmonds (Fellow of the New Zealand Society of Actuaries) from Taylor Fry, provided an estimate of the outstanding claims liability as at 30 June 2025 (2024: Craig Lough from Melville Jessup Weaver).

***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 11.0% (2024: 11.0%) per annum would be added by ACC.

The estimated ACC AEP outstanding claims liability as at 30 June 2025 included a provision for future claims handling expenses of 7.6% (2024: 6.6%) per annum of expected future claim costs.

## *Note 13: Provisions (continued)*

### Employee accidents (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 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 critical risks to implement appropriate safety controls.

***Other provisions***

**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. A decision was made to permanently decommission the MKR buildings, and a provision for demolition of the accommodation units was recognised in the 2022/23 financial year. As at 30 June 2025, there is a remaining provision for demolition costs of $16.1 million (2024: $16.8 million). The demolition work is contracted to commence in October 2025 and expected to be completed by November 2026.

**Onerous Lease**

The provision for onerous contracts arises from a non-cancellable lease where the unavoidable costs of meeting the lease contract exceed the economic benefits to be received from it. Corrections has a lease agreement for the North Region Correction Facility Construction Yard to carry out an Offender Employment programme. There have been changes to the programme agreement resulting in a portion of the yard not being fully utilised. A new provision of $5.1 million was recognised in 2024/25 financial year (2024: nil) which represents the future estimated irrecoverable expenses for the unutilised portion of the yard. Corrections has 11 years remaining on the lease.

**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 changes was adopted and as at 30 June 2025, there is a remaining provision for restructuring costs of $114k (2024: $228k).

On 27 March 2025 Corrections released a consultation document proposing a restructure within Corrections. With the final decision realised on 19 June 2024 and communication with the affected staff continue into September 2025, a new provision of $2.6 million has been recognised in 2024/25 financial year (2024: nil) for restructuring costs.

**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. While most of the demolition work was done, Corrections still awaits the Final Completion to be achieved, which is pending on sufficient grass strike at site to enable slope stabilisation. As at 30 June 2025, there is a remaining provision for demolition cost of $0.5 million (2024: $3.3 million).

**Waikeria Prison Development PPP Project**

Following receipt of claims from the Waikeria PPP main contractor in August 2022, a provision of $7.9 million was recognised in 2021/22 financial year relating 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. In March 2025, Corrections and CIP have reached a negotiated settlement outcome and this provision was utilised in full as part of the settlement claim. Refer to the Statements of Contingent Liabilities and Contingent Assets for further details.

### *Note 14: Provision For Repayment of Surplus to Crown*

| 2024 Actual $000 | | 2025 Actual $000 |
|---|---|---|
| 27,617 | Net surplus/(deficit) | (7,655) |
| | **Add** | |
| (2,130) | Retention of Surplus | (1,369) |
| 571 | Unrealised loss in fair value of derivatives financial instruments | 45,430 |
| **26,058** | **Adjusted net surplus** | **36,406** |
| **26,058** | **Provision for repayment of surplus to the Crown** | **36,406** |

The return of any surplus to the Crown is repaid by 31 October of each year.

### *Note 15: Other Financial Liabilities/(Assets)*

| 2024 Actual $000 | | Note | 2025 Actual $000 |
|---|---|---|---|
| 1,270,365 | Service concession arrangements* | 20 | 1,237,483 |
| (57,724) | Derivative financial instruments | 20 | (12,294) |
| **1,212,641** | **Total net financial liabilities*** | | **1,225,189** |
| **NON-CURRENT ASSETS** | | | |
| (61,519) | Derivative financial instruments | | (24,580) |
| **CURRENT LIABILITIES** | | | |
| 30,080 | Service concession arrangements | | 30,612 |
| **NON-CURRENT LIABILITIES** | | | |
| 1,240,285 | Service concession arrangements* | | 1,206,871 |
| 3,795 | Derivative financial instruments | | 12,286 |
| **1,212,641** | **Total net financial liabilities*** | | **1,225,189** |

**Reconciliation of movements in liabilities arising from financing activities**

| 2024 Total Actual $000 | | 2025 Service concession arrangements Actual $000 | 2025 Derivative Financial Instruments Actual $000 | 2025 Total Actual $000 |
|---|---|---|---|---|
| 1,183,194 | Balance at 1 July* | 1,270,365 | (57,724) | 1,212,641 |
| (73,577) | Net Cash flows | (79,937) | - | (79,937) |
| 571 | Fair value movements | - | 45,430 | 45,430 |
| 102,453 | Other changes*[53] | 47,055 | - | 47,055 |
| **1,212,641** | **Balance at 30 June*** | **1,237,483** | **(12,294)** | **1,225,189** |

**The comparatives balances have been restated to reflect a correction of the prior year. Refer to Waikeria PPP asset and liability increase relating to recognition of service concession arrangement prior period 'error correction' with no impact on net assets on page above.*

***53.*** Other changes includes capitalised portion of the PPP arrangement. In 2023/24 and 2024/25 it relates to Waikeria PPP.

## *Note 15: Other Financial Liabilities/(Assets) (continued)*

***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.

### 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 2025 the total notional principal amount outstanding for Corrections' interest rate swap derivatives was $1,141.9 million (2024: $1,181.7 million).

Corrections has four (2024: four) interest rate swaps with the NZDMO and these derivatives are classified as non-current:

| Arrangement with | Deal | Fixed interest rate | Maturity date range |
|---|---|---|---|
| Next Step Partners | 1 | 4.78% | 2022 to 2042 |
| Next Step Partners | 2 | 2.60% | 2022 to 2042 |
| SecureFuture Wifi Limited | 1 | 3.78% | 2019 to 2046 |
| Cornerstone Infrastructure Partners | 1 | 3.91% | 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 as at 30 June 2025 of $45.4 million (2024: unrealised loss $0.6 million). This 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*

| 2024 Actual $000 | | Note | 2025 Actual $000 |
|---|---|---|---|
| **GENERAL FUNDS** | | | |
| **2,237,468** | **Balance at 1 July** | | **2,458,307** |
| 27,617 | Net surplus/(deficit) | | (7,655) |
| 219,280 | Capital contribution from the Crown | | 134,325 |
| **246,897** | **Total movement in general funds** | | **126,670** |
| (26,058) | Provision for repayment of surplus to the Crown | 14 | (36,406) |
| **2,458,307** | **Balance at 30 June** | | **2,548,571** |
| **REVALUATION RESERVES** | | | |
| **2,177,395** | **Balance at 1 July** | | **2,178,346** |
| - | Revaluation losses | | (234,912) |
| 951 | Reversal of revaluation reserves on disposal | | 8 |
| **2,178,346** | **Balance at 30 June** | | **1,943,442** |
| **4,636,653** | **Total taxpayers' funds at 30 June** | | **4,492,013** |

| 2024 Actual $000 | | 2025 Actual $000 |
|---|---|---|
| **REVALUATION RESERVES** | | |
| **Land** | | |
| **201,691** | **Balance at 1 July** | **201,383** |
| - | Revaluation losses | (9,381) |
| (308) | Reversal of revaluation reserves on disposal | 8 |
| **201,383** | **Balance at 30 June** | **192,010** |
| **Buildings** | | |
| **1,975,704** | **Balance at 1 July** | **1,976,963** |
| - | Revaluation losses | (225,531) |
| 1,259 | Reversal of revaluation reserves on disposal | - |
| **1,976,963** | **Balance at 30 June** | **1,751,432** |
| **2,178,346** | **Total revaluation reserves at 30 June** | **1,943,442** |

Corrections has no restricted reserves.

*Note 17: Reconciliation of Net Surplus/(Deficit) To Net Cash Flow From Operating Activities*

| 2024 Actual $000 | | 2025 Actual $000 |
|---:|---|---:|
| **27,617** | **Net Surplus/(Deficit)** | **(7,655)** |
| | **Add/(less) non-cash items** | |
| 216,255 | Depreciation and amortisation | 216,155 |
| 14,302 | Asset write off | 1,038 |
| 571 | Derivative financial instrument liability increase | 45,430 |
| (84) | Biological assets revaluation gain | (1,383) |
| - | Share fair value increase | (2,569) |
| 367 | Other non-cash items | - |
| **231,411** | **Total non-cash items** | **258,671** |
| | **(Increase)/decrease in working capital** | |
| (182,677) | Debtors and other receivables | (36,603) |
| 2,177 | Inventories | 714 |
| (74) | Prepayments | 178 |
| (39,459) | Creditors and other payables | (14,738) |
| (8,419) | Provisions | 4,821 |
| 9,519 | Employee entitlements | 12,402 |
| **(218,933)** | **Working capital movements – net** | **(32,226)** |
| | **Add/(less) items classified as investing or financing activities** | |
| - | Biological assets decrease | 556 |
| (657) | Interest and dividends received | (191) |
| 99 | Net loss on sale or disposal of non current assets | (409) |
| 948 | Reversal of revaluation reserves on disposal | (8) |
| 44,375 | Interest on other financial liabilities | 56,033 |
| **44,765** | **Total investing or financing activity items** | **55,981** |
| **84,860** | **Net cash flow from operating activities** | **273,771** |

### *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. 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 are 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 (2024: 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 2025 (2024: Minister Hon Mark Mitchell - Nil).

### *Note 19: Key Management Personnel Compensation*

Corrections' key management personnel are the nine members of the Executive Leadership Team, which includes the Chief Executive, seven Deputy Chief Executives and the Commissioner Custodial Services (2024: seven - Chief Executive, five Deputy Chief Executives and the Commissioner Custodial Services).

| 2024 Actual $000 | | 2025 Actual $000 |
|---:|---|---:|
| 3,062 | Executive Leadership Team Remuneration | 3,125 |
| 7.40 | Full-time equivalent staff | 9.73 |

FINANCIAL STATEMENTS

## *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:

| 2024 Actual $000 | | Note | 2025 Actual $000 |
|---|---|---|---|
| | **FINANCIAL ASSETS** | | |
| | **Financial assets measured at amortised cost** | | |
| 31,968 | Cash and cash equivalents | | 54,576 |
| 938,655 | Debtors and other receivables | 6 | 975,258 |
| **970,623** | **Total financial assets measured at amortised cost** | | **1,029,834** |
| | **Financial assets mandatorily measured at fair value through surplus or deficit** | | |
| 61,519 | Derivative financial instruments | | 24,580 |
| 3,318 | Investments | | 5,350 |
| **1,035,460** | **TOTAL FINANCIAL ASSETS** | | **1,059,764** |
| | **FINANCIAL LIABILITIES** | | |
| | **Financial liabilities measured at amortised cost** | | |
| 143,639 | Creditors and other payables | 11 | 136,013 |
| 1,270,365 | Service concession arrangements* | 15 | 1,237,483 |
| **1,414,004** | **Total financial liabilties measured at amortised cost*** | | **1,373,496** |
| | **Financial liabilities mandatorily measured at fair value through surplus or deficit** | | |
| 3,795 | Derivative financial instruments | 15 | 12,286 |
| **1,417,799** | **TOTAL FINANCIAL LIABILITIES*** | | **1,385,782** |

**The comparatives balances have been restated to reflect a correction of the prior year. Refer to Waikeria PPP asset and liability increase relating to recognition of service concession arrangement prior period 'error correction' with no impact on net assets in Note 8.*

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.

### 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.

*Note 20: Financial Instruments (continued)*

**Fair value hierarchy (continued)**

| | | 2024 Valuation technique | | | 2025 Valuation technique | | |
|---|---|---|---|---|---|---|---|
| | | Quoted market price | Significant non-observable inputs | Total | Quoted market price | Significant non-observable inputs | Total |
| | | Level1 | Level 3 | | Level 1 | Level 3 | |
| | Note | $000 | $000 | $000 | $000 | $000 | $000 |
| **FINANCIAL ASSETS** | | | | | | | |
| Derivative financial instruments | 15 | - | 61,519 | 61,519 | - | 24,580 | 24,580 |
| Investments | | 3,318 | - | 3,318 | 5,350 | - | 5,350 |
| **Total financial assets** | | **3,318** | **61,519** | **64,837** | **5,350** | **24,580** | **29,930** |
| **FINANCIAL LIABILITIES** | | | | | | | |
| Derivative financial instruments | 15 | - | 3,795 | 3,795 | - | 12,286 | 12,286 |
| **Total financial liabilities** | | **-** | **3,795** | **3,795** | **-** | **12,286** | **12,286** |

**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.

The table below provides a reconciliation from the opening balance to the closing balance for fair value measurements in Level 3:

| 2024 Actual $000 | | Note | 2025 Actual $000 |
|---|---|---|---|
| **(58,295)** | **Balance at 1 July** | **15** | **(57,724)** |
| 571 | Loss recognised in surplus or deficit | | 45,430 |
| **(57,724)** | **Balance at 30 June** | | **(12,294)** |

## *Note 20: Financial Instruments (continued)*

### 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 (2024: 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%.

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.

| 2024<br>Impact on net surplus/ (deficit)<br>$000 | | Change in interest rate (basis points) | 2025<br>Impact on net surplus/ (deficit)<br>$000 |
|---|---|---|---|
| 92,037 | Interest rate swap derivatives | +100 | 88,927 |
| (100,602) | Interest rate swap derivatives | -100 | (96,642) |

## *Note 20: Financial Instruments (continued)*

### Financial instrument risk (continued)

***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.

| 2024 Actual $000 | | Note | 2025 Actual $000 |
|---|---|---|---|
| **Cash and cash equivalents** | | | |
| 31,968 | AA- | | 54,576 |
| **31,968** | **Total cash and cash equivalents** | | **54,576** |
| **Debtors and other receivables** | | | |
| 933,955 | AAA | | 972,429 |
| 4,700 | Counterparties without credit ratings | | 2,829 |
| **938,655** | **Total debtors and other receivables** | **6** | **975,258** |
| **Investments** | | | |
| 3,318 | AA+ | | 5,350 |
| **3,318** | **Total investments** | | **5,350** |

**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.

*Note 20: Financial Instruments (continued)*

### Financial instrument risk (continued)

***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 below 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.

As the interest rate fluctuate, Corrections' interest rate swap derivative may sometimes become financial assets and would not be included in the table below (refer 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 |
|---|---|---|---|---|---|---|---|
| **As at 30 June 2024** | | | | | | | |
| Creditors and other payables | 11 | 143,639 | - | - | - | - | 143,639 |
| 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 |
| **Total financial liabilities** | | **269,070** | **126,174** | **377,817** | **626,134** | **1,135,144** | **2,534,339** |

| | 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 |
|---|---|---|---|---|---|---|---|
| **As at 30 June 2025** | | | | | | | |
| Creditors and other payables | 11 | 136,013 | - | - | - | - | 136,013 |
| Service Concession arrangements | 15 | 125,772 | 125,033 | 374,019 | 622,461 | 1,171,968 | 2,419,253 |
| Derivative financial instruments | 15 | 3,563 | 3,356 | 5,823 | 1,052 | (944) | 12,850 |
| **Total financial liabilities** | | **265,348** | **128,389** | **379,842** | **623,513** | **1,171,024** | **2,568,116** |

## *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 $8.6 million. This overall increase is mainly due to increased funding for the Waikeria Prison Development claim settlement (refer to Statement of Contingent Liabilities and Contingent Assets - Unquantifiable contingent liabilities), offset by transfer from operating to capital for capitalised interest costs during the construction phase.

Other revenue was higher than budget by $5.7 million due to increases in offender canteen purchases and prison industry farming revenue.

Personnel costs were lower than budget by $100.2 million. The majority of the underspend was due to the initial allocation of new funding between personnel and operating cost at the time the budget was prepared, with the balance of the underspend relating to back-office personnel vacancies and strict controls on hiring in line with government savings targets agreed in Budget 2024. Operating costs are higher than budget by $96.2 million across personnel and operating costs, with the overall variance to budget being approximately neutral.

Finance costs were lower than budget by $14.1 million mainly due to the delay in Works Completion of the Waikeria Prison Development Project resulting in capitalisation of the finance costs until construction was complete. These costs were budgeted as operating costs and were expected to commence earlier in 2024/25 financial year.

The unrealised loss in the fair value of derivative financial instruments was higher than budget by $52.6 million due to a 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.

### *Note 22: Explanation of Significant Variances Against Budget (continued)*

**Statement of Financial Position**

Cash and cash equivalents were higher than budget by $4.6 million due to the timing of cash drawdowns.

Prepayments were higher than budget by $12.1 million largely due to the prepayment relating to contracted services not being utilised as anticipated.

Debtors and other receivables were higher than budget by $154.3 million mainly due to an increase in Debtor Crown, reflecting the increase in Crown revenue and the timing of cash drawdowns.

Property, plant and equipment was $128.2 million lower than budget mainly due to the revaluation on land and buildings.

Intangible assets were $17.3 million lower than budget mainly due to asset class forecasted as intangibles but later determined to be property, plant and equipment related project.

Employee entitlements were higher than budget by $21.9 million mainly due to higher than budgeted long service leave and retirement leave liabilities ($32.5 million), with a small offset by lower than budgeted costs for other employee benefits ($10.5 million).

Other financial liabilities as disclosed in note 15 were higher than budget by $156.9 million. This relates to Corrections' service concession arrangement liabilities and the interest rate swap derivatives. The variance is mainly due to the capitalisation of interest during the construction of the new facility at Waikeria Prison under the PPP arrangement.

Reserves were lower than budget by $234.0 million mainly due to the recognition of revaluation loss on Corrections' land and building assets in the current 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 2025

| 2024 Actual $000 | | 2025 Actual $000 | 2025 Budget (unaudited) $000 | 2025 Supp. Estimates (unaudited) $000 | 2026 Forecast (unaudited) $000 |
|---|---|---|---|---|---|
| | **EXPENSES** | | | | |
| 14 | Waikeria Corrections and Treatment Facility | 16 | 620 | 355 | 400 |
| 1 | GST input expense | 4 | 93 | 54 | 60 |
| **15** | **Total non departmental operating expenses** | **20** | **713** | **409** | **460** |

## Schedule of Non-Departmental Assets

As at 30 June 2025

| 2024 Actual $000 | | Note | 2025 Actual $000 | 2025 Budget (unaudited) $000 | 2025 Supp. Estimates (unaudited) $000 | 2026 Forecast (unaudited) $000 |
|---|---|---|---|---|---|---|
| | **CURRENT ASSETS** | | | | | |
| 127 | Cash and cash equivalents | 3 | 454 | 5 | 65 | 5 |
| 127 | Total current assets | | 454 | 5 | 65 | 5 |
| **127** | **Total non departmental assets** | | **454** | **5** | **65** | **5** |

## Schedule of Non-Departmental Liabilities

For the year ended 30 June 2025

| 2024 Actual $000 | | Note | 2025 Actual $000 | 2025 Budget (unaudited) $000 | 2025 Supp. Estimates (unaudited) $000 | 2026 Forecast (unaudited) $000 |
|---|---|---|---|---|---|---|
| | **CURRENT LIABILITIES** | | | | | |
| 8 | Creditors and other payables | 2 | - | - | - | - |
| 8 | Total current liabilities | | - | - | - | - |
| **8** | **Total non departmental liabilities** | | **-** | **-** | **-** | **-** |

# Schedule of Non-Departmental Commitments

## As at 30 June 2025

Corrections, on behalf of the Crown, has no non-departmental commitments as at 30 June 2025 (2024: Nil).

# Schedule of Non-Departmental Contingent Liabilities and Contingent Assets

## As at 30 June 2025

### *Contingent liabilities*

Corrections, on behalf of the Crown, has no non-departmental contingent liabilities as at the 30 June 2025 (2024: Nil).

### *Contingent assets*

Corrections, on behalf of the Crown, has no non-departmental contingent assets as at the 30 June 2025 (2024: Nil).

# Notes to the Non-Departmental Schedules

## For the year ended 30 June 2025

### *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 2025***

Standards and amendments issued and that are effective as at 30 June 2025 are:

**2024 Omnibus Amendments to PBE Standards, issued Oct 2024**

The *2024 Omnibus Amendments to PBE Standards* issued by the External Reporting Board (XRB) is an amending Standard that updates PBE IPSAS 1 and PBE IAS 12.

The amendments to PBE IPSAS 1 clarify the principles for classifying a liability as current or non-current. Application of those amendments is required for accounting periods which begin on or after 1 January 2026. Application is permitted for accounting period that begins before 1 January 2026 but have not ended or do not end before 21 November 2024. Corrections has adopted the revised PBE standards, and the adoption did not result in any significant impact on Corrections' financial statements.

The amendments to PBE IAS 12 provide temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD's) international tax reform (Pillar Two Model Rules) include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards, effective for reporting period starting 1 January 2024. Corrections has adopted the revised PBE standards, and the adoption did not result in any significant impact on Corrections' financial statements.

## *Note 1: Statement of Accounting Policies (continued)*

***New standards and amendments issued and effective for the year ended 30 June 2025 (continued)***

**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.  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***

The amending standard Insurance Contracts in the Public Sector adds public sector modifications to PBE IFRS 17 Insurance Contracts to include public sector entities and to ensure that this Standard is suitable for this sector. Application of these amendments is required for accounting periods beginning on or after 1 January 2026, earlier application is permitted for accounting periods that begin before 1 January 2026 but have not ended or do not end before 20 July 2023.

***Standards issued and not yet effective and not early adopted***

There are no new standards or amending standards to apply for periods beginning 1 January 2025.

### Significant accounting policies

***Goods and Services Tax***

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 2025 budget figures are for the year ended 30 June 2025, 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 2025.

***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*

| 2024 Actual $000 | | 2025 Actual $000 |
|---|---|---|
| | **EXCHANGE TRANSACTIONS** | |
| 8 | Accrued expenses | - |
| **8** | **Total creditors and other payables** | **-** |

## *Note 3: Financial Instruments*

The carrying amounts of the financial assets and financial liabilities in each of the financial instruments categories are as follows:

| 2024 Actual $000 | | 2025 Actual $000 |
|---|---|---|
| | **FINANCIAL ASSETS** | |
| | Financial assets measured at amortised cost | |
| 127 | Cash and cash equivalents | 454 |
| **127** | **Total financial assets** | **454** |
| | **FINANCIAL LIABILITIES** | |
| | Financial liabilities measured at amortised cost | |
| 8 | Creditors and other payables | - |
| **8** | **Total financial liabilities** | **-** |

### 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.

## *Note 3: Financial Instruments (continued)*

### Credit risk (continued)

***Credit quality of financial assets***

Westpac Bank has an AA- Standard and Poor's credit rating (2024: AA-) 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.

Standard and Poor's credit ratings against cash and cash equivalents carrying amounts are as follows:

| 2024 Actual $000 | | 2025 Actual $000 |
|---|---|---|
| **CASH AND CASH EQUIVALENTS** | | |
| 127 | AA- | 454 |

### 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.

| 2024 Actual $000 | | Note | 2025 Actual $000 |
|---|---|---|---|
| **CREDITORS AND OTHER PAYABLES** | | | |
| 8 | Less than six months | 2 | - |
| **8** | **Total contractual cash flows** | | **-** |

## *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 higher than budget by $0.449 million due to timing of cash drawdowns.

Waikeria Corrections and Treatment Facility expenses were minimal ($0.016 million) for traffic management.

Creditors and other payables were nil in line with budget, as all creditor and other payables were cleared by 30 June 2025.

# Appropriation statements

## Statement of Budgeted and Actual Expenses and Capital Expenditure Incurred Against Appropriations

**For the year ended 30 June 2025**

| 2024 Expenditure after remeasurements $000 | | 2025 Expenditure before remeasurements $000 | 2025 Remeasurements $000 | 2025 Expenditure after remeasurements $000 | 2025 Supp. Estimates (unaudited) $000 | 2026 Forecast (unaudited) $000 |
|---|---|---|---|---|---|---|
| **VOTE: CORRECTIONS** | | | | | | |
| **Departmental output expenditure** | | | | | | |
| 1,386,204 | Prison-based Custodial Services | 1,571,245 | (45,430) | 1,525,816 | 1,597,862 | 1,708,860 |
| 342,568 | Sentences and Orders Served in the Community | 355,941 | - | 355,941 | 313,482 | 320,890 |
| 105,870 | Information and Administrative Services to the Judiciary and New Zealand Parole Board | 109,091 | - | 109,091 | 105,963 | 112,901 |
| **1,834,642** | **Total Public Safety is Improved MCA** | **2,036,277** | **(45,430)** | **1,990,848** | **2,017,307** | **2,142,651** |
| **376,136** | **Re-offending is Reduced** | **367,942** | **-** | **367,942** | **384,292** | **420,596** |
| 3,903 | Policy Advice | 3,124 | - | 3,124 | 5,506 | 5,457 |
| 3,734 | Ministerial Services | 2,972 | - | 2,972 | 2,755 | 3,145 |
| **7,637** | **Total Policy Advice and Ministerial Services MCA** | **6,096** | **-** | **6,096** | **8,261** | **8,602** |
| **2,218,415** | **Total departmental output expenditure** | **2,410,315** | **(45,430)** | **2,364,886** | **2,409,860** | **2,571,849** |
| **Department other expenditure** | | | | | | |
| 264 | Transfer of Three Water assets | 97 | - | 97 | 2,936 | 3,000 |
| **264** | **Total departmental other expenditure** | **97** | **-** | **97** | **2,936** | **3,000** |
| **Department capital expenditure** | | | | | | |
| 353,055 | Corrections Capital Expenditure - Permanent Legislative Authority* | 278,772 | - | 278,772 | 480,596 | 342,983 |
| **353,055** | **Total departmental capital expenditure*** | **278,772** | **-** | **278,772** | **480,596** | **342,983** |
| **Non-Departmental Other Expenses** | | | | | | |
| 14 | Waikeria Corrections and Treatment Facility | 16 | - | 16 | 355 | 400 |
| **14** | **Total Non-Departmental Other Expenses** | **16** | **-** | **16** | **355** | **400** |

**The comparatives figures have been restated to reflect a correction of the prior year. Refer to Note 8 under Annual Financial Statements Waikeria PPP asset and liability increase relating to recognition of service concession arrangement prior period 'error correction' with no impact on net assets.*

Refer to the Estimates of Appropriations Performance Measures Summary table on pages 26-28, which also includes further references to detailed performance against each category.

### Changes in appropriation structure

There have been no changes to appropriation structure in 2025.

## Statement of Capital Injections

### For the year ended 30 June 2025

| 2024 Actual $000 | | 2025 Actual $000 | 2025 Budget (unaudited) $000 | 2025 Supp. Estimates (unaudited) $000 | 2026 Budget (unaudited) $000 |
|---|---|---|---|---|---|
| **VOTE: CORRECTIONS** | | | | | |
| 219,280 | Capital Injections | 134,325 | 56,028 | 134,325 | 24,120 |

## Statement of Capital Injections Without, or in Excess of, Authority

### For the year ended 30 June 2025

Corrections has not received any capital injections during the year without, or in excess of, authority (2024: Nil).

## Statement of Expenses and Capital Expenditure Incurred Without, or in Excess of, Authority

### For the year ended 30 June 2025

Corrections has not incurred expenses and capital expenditures without appropriation or other authority or in excess of an existing appropriation or other authority, in relation to our activates (2024: Nil).

RANGATIRA

# Independent Auditor's report

## for the year ended 30 June 2025

# INDEPENDENT AUDITOR'S REPORT

## TO THE READERS OF THE DEPARTMENT OF CORRECTIONS ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2025

The Auditor-General is the auditor of the 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 annual financial statements of the Department that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2025, the statement of comprehensive revenue and expense, statement of changes in taxpayers' fund, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information on pages 70 to 114.
- The end-of-year performance information for appropriations of the Department for the year ended 30 June 2025 on pages 26 to 32, 37, 43, 46, 49, 53, 60, 66 and 68.
- The statements of expenses and capital expenditure of the Department for the year ended 30 June 2025 on pages 120 and 121.
- The schedules of non-departmental activities which are managed by the Department on behalf of the Crown on pages 115 to 119 that comprise:
  - » the schedules of assets; liabilities; commitments; and contingent liabilities and contingent assets as at 30 June 2025;
  - » the schedule of expenses for the year ended 30 June 2025; and
  - » the notes to the schedules that include accounting policies and other explanatory information.
- The statement of trust monies for the year ended 30 June 2025 on page 75.

## Opinion

In our opinion:

- The annual financial statements of the Department:
  - » fairly present, in all material respects:
    - its financial position as at 30 June 2025; 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.
- The end-of-year performance information for appropriations:
  - » provides an appropriate and meaningful basis to enable readers to assess what has been achieved with each appropriation; determined in accordance with generally accepted accounting practice in New Zealand; and
  - » fairly presents, in all material respects:
    - what has been achieved with each appropriation; and
    - the actual expenses or capital expenditure incurred in relation to each appropriation 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 in accordance with Public Benefit Entity Reporting Standards.

- The statements of expenses and capital expenditure have been prepared, 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 have been prepared, in all material respects, in accordance with the Treasury Instructions. The schedules comprise:
    - » the assets, liabilities, commitments, and contingent liabilities and contingent assets as at 30 June 2025; and
    - » the expenses for the year ended 30 June 2025.
- The statement of trust monies for the year ended 30 June 2025 have been prepared, in all material respects, in accordance with the Treasury Instructions.

Our audit was completed on 29 September 2025. This is the date at which our opinion is expressed.

## 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, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): The Audit of Service Performance Information 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:

- Annual financial statements that fairly present the Department's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- End-of-year performance information for appropriations that:
    - » provides an appropriate and meaningful basis to enable readers to assess what has been achieved with each appropriation; determined in accordance with generally accepted accounting practice in New Zealand;
    - » fairly presents what has been achieved with each appropriation;
    - » fairly presents the actual expenses or capital expenditure incurred in relation to each appropriation 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.
- Statements of expenses and capital expenditure of the Department, that are prepared in accordance with section 45A of the *Public Finance Act 1989*.
- Schedules of non-departmental activities, prepared in accordance with the Treasury Instructions, of the activities managed by the Department on behalf of the Crown.
- Statement of trust monies in accordance with the Treasury Instructions.

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'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 Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2025. For the forecast financial information for the year ending 30 June 2026, our procedures were limited to checking to the best estimate financial forecast information based on the Budget Economic Fiscal Update for the year ending 30 June 2026.

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 whether the end-of-year performance information for appropriations:
    - » provides an appropriate and meaningful basis to enable readers to assess what has been achieved with each appropriation. We make our evaluation by reference to generally accepted accounting practice in New Zealand; and
    - » fairly presents what has been achieved with each appropriation.
- We evaluate whether the statements of expenses and capital expenditure, schedules of non-departmental activities, and statement of trust monies have been prepared in accordance with legislative requirements.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Chief Executive.
- 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 all of the information included in the annual report other than 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 relevant non-departmental appropriations that is appended to 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)* 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 and procurement 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

Andrew Clark

Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand

WAIRUA

# Appendices

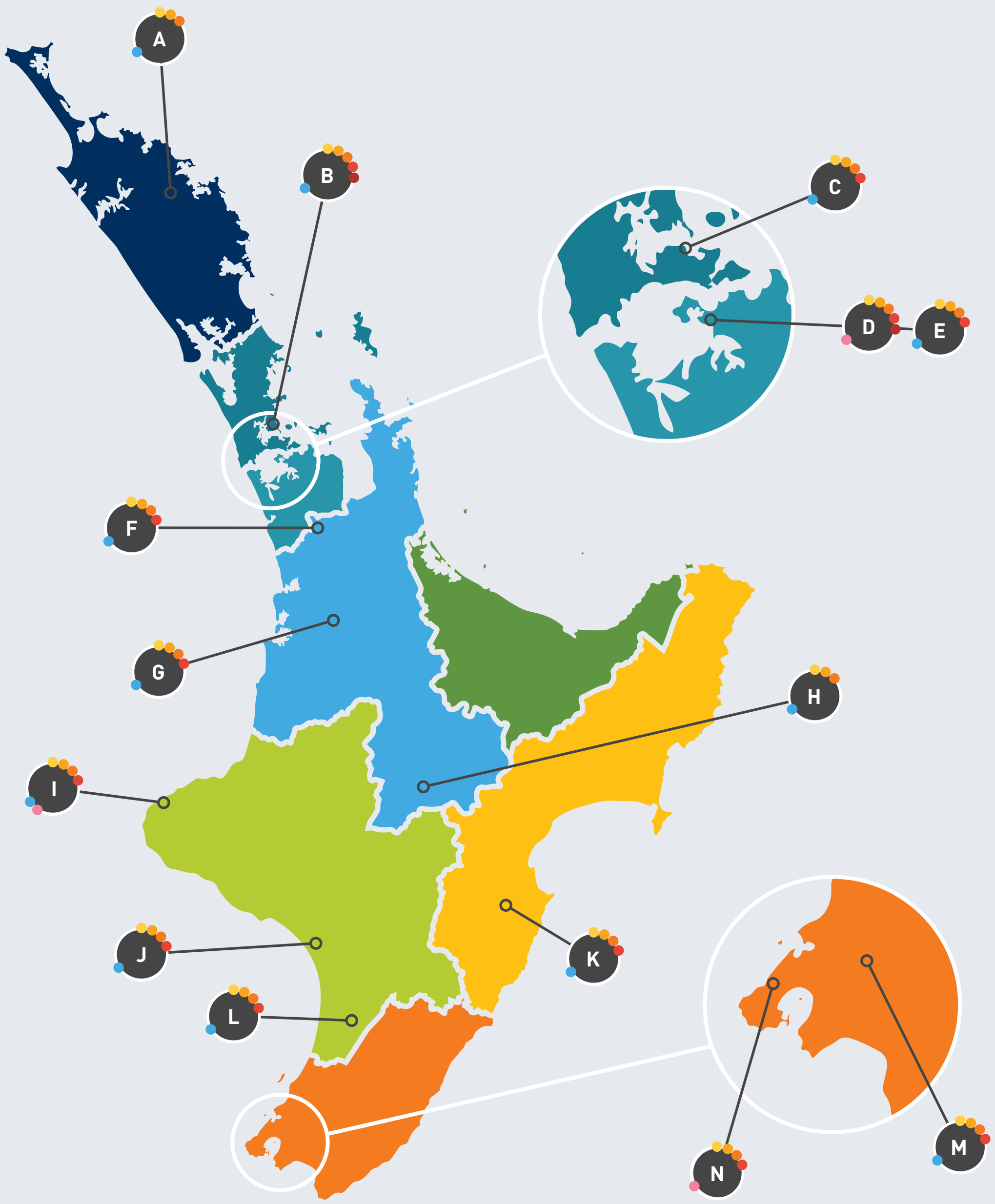
## of the Annual Report

# *Appendix One:* *Our network map* *(Prisons, Corrections Facilities and Remand Centre)*

## North Island

SECURITY CLASSIFICATION *

GENDER M W




**A.** Northland Region Corrections Facility
**B.** Auckland Prison
**C.** Mt Eden Corrections Facility
**D.** Auckland Region Women's Corrections Facility
**E.** Auckland South Corrections Facility
**F.** Spring Hill Corrections Facility
**G.** Waikeria Prison
**H.** Tongariro Prison
**I.** New Plymouth Remand Centre
**J.** Whanganui Prison
**K.** Hawke's Bay Regional Prison
**L.** Manawatu Prison
**M.** Rimutaka Prison
**N.** Arohata Prison

**Security from left-to-right; Minimum, Low, Low-Medium, High, Maximum*

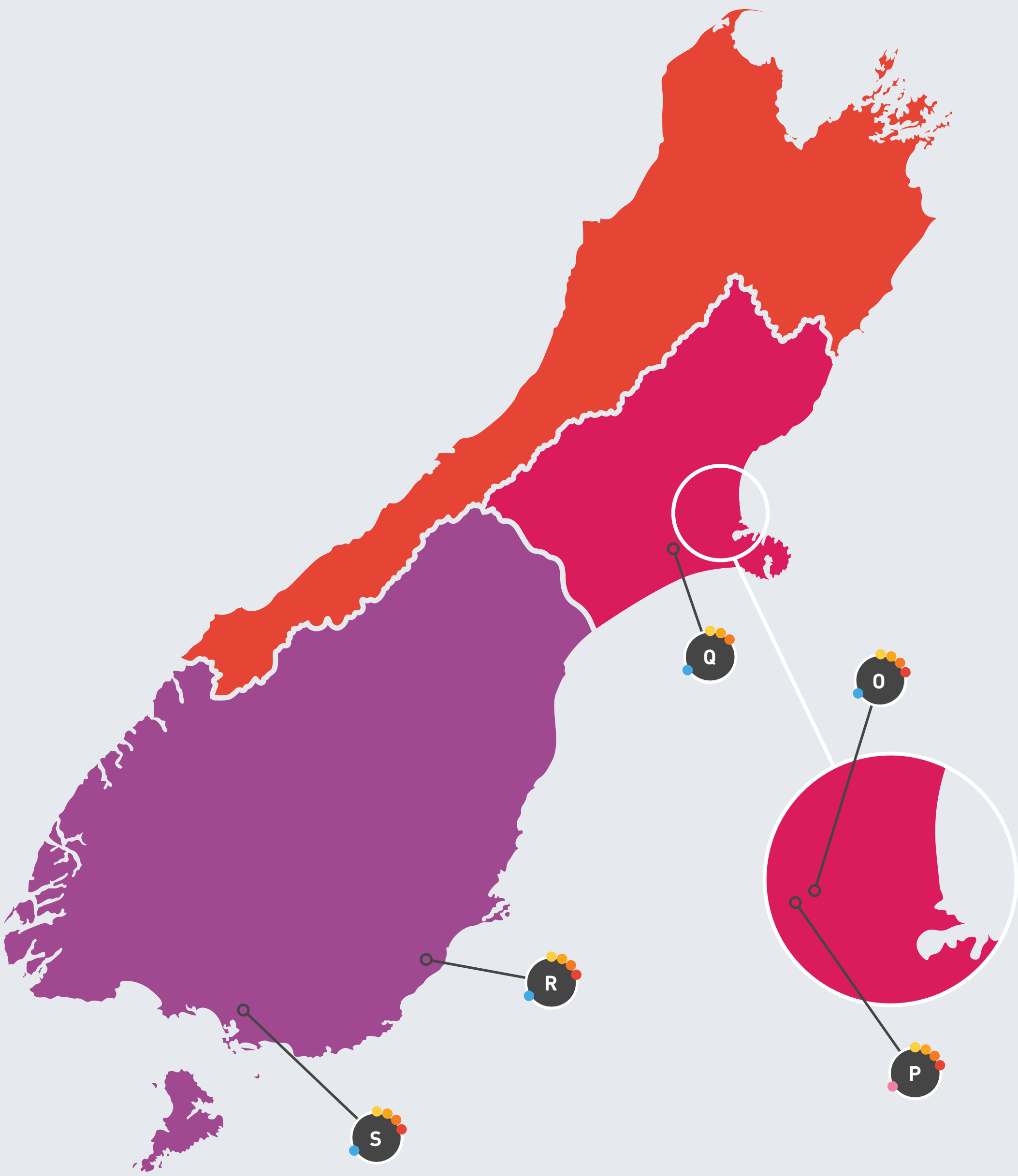
**AS AT 30 JUNE 2025**

# Our network map *(Prisons, Corrections Facilities and Remand Centre)*

## South Island

SECURITY CLASSIFICATION *

GENDER M W




**O.** Christchurch Men's Prison & Matawhāiti Residence (Public Protection Order Facility)

**P.** Christchurch Women's Prison

**Q.** Rolleston Prison

**R.** Otago Corrections Facility

**S.** Invercargill Prison

**Security from left-to-right; Minimum, Low, Low-Medium, High, Maximum*

**AS AT 30 JUNE 2025**

# *Appendix Two:* *Our prison industries* *(and vocational education)*

## North Island

**AS AT 30 JUNE 2025**

**A.** Northland Region Corrections Facility

**B.** Auckland Prison

**C.** Mt Eden Corrections Facility

**D.** Auckland Region Women's Corrections Facility

**E.** Auckland South Corrections Facility

**F.** Spring Hill Corrections Facility

**G.** Waikeria Prison

**H.** Tongariro Prison

**I.** New Plymouth Remand Centre
(Not available at this site)

**J.** Whanganui Prison

**K.** Hawke's Bay Regional Prison

**L.** Manawatu Prison

**M.** Rimutaka Prison

**N.** Arohata Prison

APICULTURE
ASSET MAINTENANCE
BAKERY
BARISTA
CAFE
CARPENTRY
COFFEE CART
COMMUNITY GARDENS
COMMUNITY INITIATIVE
BIKE SHOP
CONCRETE PRODUCTION
CONSTRUCTION
DAIRY
DISTRIBUTION
ENGINEERING
FARMING
FORESTRY
GROUNDS MAINTENANCE
LAND MANAGEMENT

HORTICULTURE/ NURSERY
HOSPITALITY
JOINERY
KITCHEN/CATERING
CLEANING SERVICE
LAUNDRY/HUB
MANUFACTURING
PAINTING
PIGGERY
PLASTERING
PRE-INDUSTRY TRAINING
PRINTING/DESIGN
RECYCLING
SOCIAL INITIATIVE
STORES
TEXTILES
TIMBER/WOOD PROCESSING
WELDING
WHAKAIRO (WOOD CARVING)

# *Our prison industries* *(and vocational education)*

APICULTURE
ASSET MAINTENANCE
BAKERY
BARISTA
CAFE
CARPENTRY
COFFEE CART
COMMUNITY GARDENS
COMMUNITY INITIATIVE
BIKE SHOP
CONCRETE PRODUCTION
CONSTRUCTION
DAIRY
DISTRIBUTION
ENGINEERING
FARMING
FORESTRY
GROUNDS MAINTENANCE
LAND MANAGEMENT

## *South Island*

**AS AT 30 JUNE 2025**

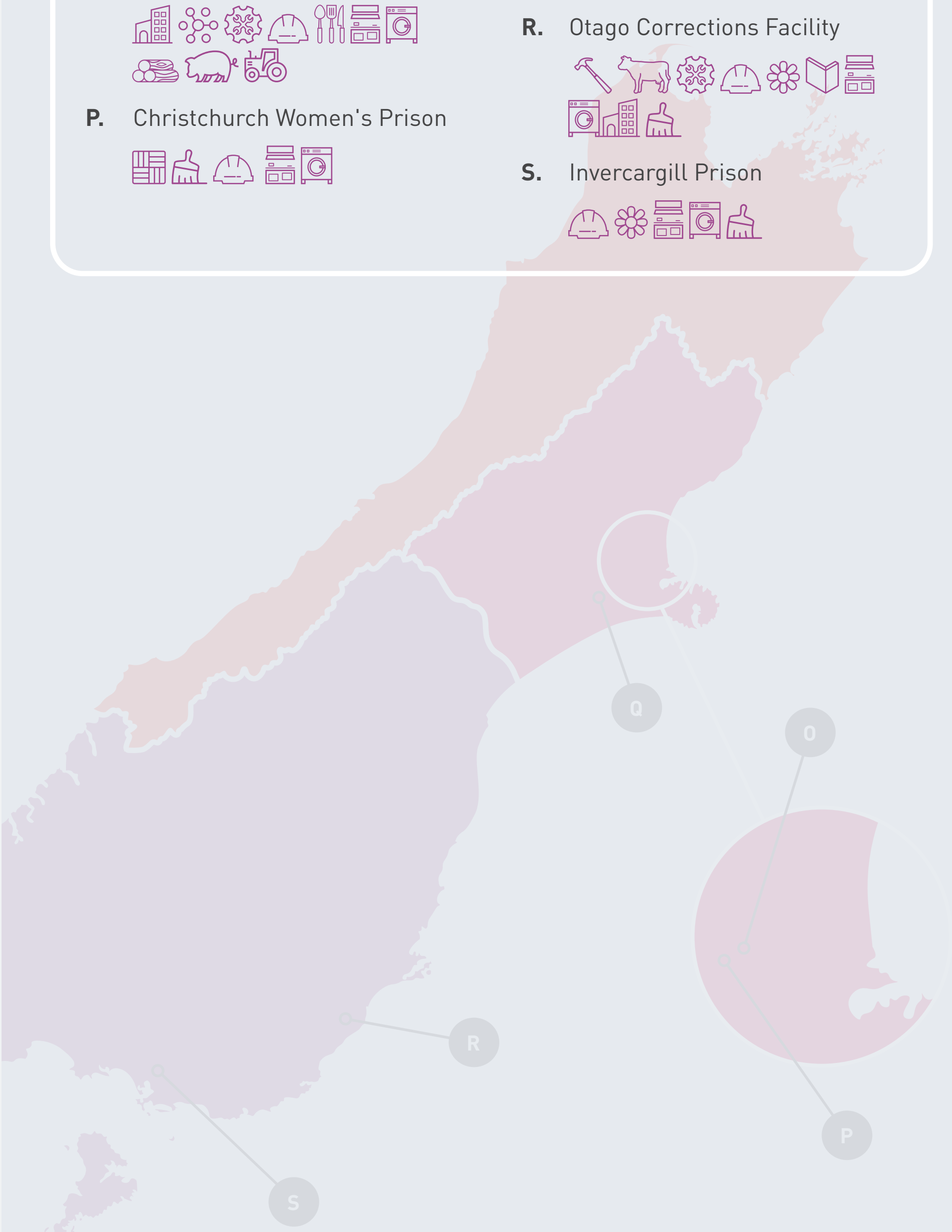
**O.** Christchurch Men's Prison & Matawhāiti Residence (Public Protection Order Facility)

**P.** Christchurch Women's Prison

**Q.** Rolleston Prison

**R.** Otago Corrections Facility

**S.** Invercargill Prison




HORTICULTURE/ NURSERY
HOSPITALITY
JOINERY
KITCHEN/CATERING
CLEANING SERVICE
LAUNDRY/HUB
MANUFACTURING
PAINTING
PIGGERY
PLASTERING
PRE-INDUSTRY TRAINING
PRINTING/DESIGN
RECYCLING
SOCIAL INITIATIVE
STORES
TEXTILES
TIMBER/WOOD PROCESSING
WELDING
WHAKAIRO (WOOD CARVING)

## Appendix Three: Rehabilitation Quotient

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.

### Rehabilitation Quotient 2024/25

*Prison-based interventions*

| Interventions | Reimprisonment | Resentenced |
|---|---|---|
| **Addictions programmes** | | |
| Intensive AOD Treatment Programme (8 weeks) | -0.9 | -0.6 |
| DTP6 Drug Treatment Programme | -1.2 | -1.5 |
| DTP12 Drug Treatment Programme | -3.9 | -4.8 |
| **Rehabilitation programmes** | | |
| Medium Intensity Rehabilitation Programme | -3.2 | -3.4 |
| Mauri Tū Pae | -3.3 | -2.8 |
| Short Rehabilitation Programme - Men | -1.3 | -2.4 |
| Short Rehabilitation Programme - Women | -6.7 | -6.1 |
| **Psychology programmes** | | |
| Special Treatment Unit - Violent Offending | -9.3 | -12.4 |

*Community-based interventions*

| Interventions | Imprisonment | Resentenced |
|---|---|---|
| **Addictions programmes** | | |
| Community Residential AOD Treatment Programme | -0.3 | -3.1 |
| **Rehabilitation programmes** | | |
| Medium Intensity Rehabilitation Programme | -4.8 | 5.2 |
| Non-Violence Programmes for Male Perpetrators of Family Violence | -1.0 | -2.3 |
| Non-Violence Programmes for Female Perpetrators of Family Violence | -1.5 | -4.0 |
| Short Rehabilitation Programme - Men | -3.8 | -3.9 |
| Short Rehabilitation Programme – Women | -2.3 | -2.0 |

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.

## Appendix Four: Recidivism Indices[54]

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.

### Recidivism Indices – 12-month follow-up period (percentages) for 2023/24

| | | Released from prison | | Beginning community-based sentence | |
|---|---|---|---|---|---|
| **Category** | **Group** | **Reimprisoned** | **Resentenced** | **Imprisoned** | **Resentenced** |
| **All (2023/24)** | All | 28.9 | 40.8 | 6.1 | 19.5 |
| **Gender** | Female | 23.9 | 39.1 | 3.7 | 17.2 |
| | Male | 29.4 | 41.0 | 6.8 | 20.1 |
| **Ethnicity** | Māori | 31.4 | 44.3 | 8.9 | 23.8 |
| | European | 26.5 | 38.0 | 5.4 | 19.8 |
| | Pacific | 24.7 | 33.6 | 4.3 | 16.2 |
| | Other | 17.0 | 20.9 | 3.1 | 14.2 |
| **Age (at the time the follow-up period began)** | Under 20 years | 47.2 | 63.9 | 5.0 | 26.6 |
| | 20 - 24 years | 35.7 | 47.9 | 5.1 | 22.6 |
| | 25 - 29 years | 32.0 | 45.9 | 6.8 | 21.6 |
| | 30 - 39 years | 30.3 | 43.1 | 7.3 | 20.9 |
| | 40 years and over | 24.2 | 33.9 | 5.0 | 15.0 |
| **Gang status** | Gang affiliated | 34.7 | 47.6 | 14.3 | 31.1 |
| | Not gang affiliated | 24.9 | 36.1 | 4.7 | 17.4 |
| **Offence (most serious offence for original sentence; ANZSOC system)** | Abduction, harassment | 31.6 | 44.5 | 9.6 | 21.4 |
| | Acts intended to cause injury | 24.8 | 37.7 | 5.4 | 17.0 |
| | Dangerous or negligent acts | 19.5 | 24.4 | 3.4 | 17.4 |
| | Fraud, deception | 29.2 | 42.2 | 6.4 | 18.6 |
| | Homicide | 6.4 | 11.2 | 0.0 | 6.0 |
| | Illicit drug offences | 12.1 | 18.1 | 5.0 | 16.2 |
| | Miscellaneous offences | 0.0 | 14.3 | 0.0 | 6.6 |
| | Offences against justice | 36.5 | 48.9 | 8.9 | 23.5 |
| | Prohibited and regulated weapons | 35.2 | 51.5 | 8.3 | 22.7 |
| | Property damage | 28.7 | 41.4 | 6.8 | 23.7 |
| | Public order | 50.7 | 62.7 | 11.2 | 29.7 |
| | Robbery, extortion | 27.7 | 36.5 | 12.6 | 23.0 |

*Continued over the next page.*

54. Due to changes made to how the RI is calculated in 2019/20, these figures are only comparable to results from then onwards.

## Recidivism Indices – 12-month follow-up period (percentages) for 2023/24 (continued)

| | | Released from prison | | Beginning community-based sentence | |
|---|---|---|---|---|---|
| **Category** | **Group** | **Reimprisoned** | **Resentenced** | **Imprisoned** | **Resentenced** |
| **Offence (most serious offence for original sentence; ANZSOC system)** | Sexual assault | 6.8 | 10.7 | 3.1 | 5.3 |
| | Theft | 44.8 | 59.9 | 12.5 | 30.7 |
| | Traffic | 25.0 | 40.6 | 2.2 | 15.2 |
| | Unlawful entry with intent/burglary | 35.2 | 48.7 | 12.8 | 27.5 |
| **Community sentence** | Community work | - | - | 5.6 | 20.2 |
| | Supervision | - | - | 4.5 | 18.5 |
| | Intensive supervision | - | - | 10.1 | 24.1 |
| | Community detention | - | - | 4.0 | 17.3 |
| | Home detention | - | - | 8.6 | 16.4 |
| | Returning offender order | - | - | 0.5 | 3.8 |
| **Prisoner security classification (at release)** | Maximum | 31.8 | 50.0 | - | - |
| | High | 43.3 | 57.8 | - | - |
| | Low medium | 33.5 | 45.3 | - | - |
| | Low | 24.4 | 36.5 | - | - |
| | Minimum | 7.3 | 14.3 | - | - |
| **Release type** | Parole | 12.9 | 19.0 | - | - |
| | Post-release conditions | 33.1 | 47.6 | - | - |
| **Sentence length** | 6 months or less | 41.1 | 53.6 | 5.4 | 17.9 |
| | > 6 months to 1 yr | 34.0 | 49.0 | 6.6 | 18.0 |
| | > 1 to 2 yrs | 29.3 | 43.1 | 11.7 | 28.2 |
| | > 2 to 3 yrs | 16.8 | 23.7 | - | - |
| | > 3 to 5 yrs | 12.0 | 19.4 | - | - |
| | More than 5 yrs | 8.9 | 13.3 | - | - |

## Recidivism Indices – 24-month follow-up period (percentages) for 2022/23

| | | Released from prison | | Beginning community-based sentence | |
|---|---|---|---|---|---|
| **Category** | **Group** | **Reimprisoned** | **Resentenced** | **Imprisoned** | **Resentenced** |
| **All (2022/23)** | All | 43.2 | 59.2 | 10.9 | 35.1 |
| **Gender** | Female | 31.7 | 51.6 | 6.3 | 29.4 |
| | Male | 44.2 | 59.9 | 12.0 | 36.6 |
| **Ethnicity** | Māori | 48.3 | 64.7 | 15.2 | 43.2 |
| | European | 38.1 | 53.5 | 9.5 | 34.2 |
| | Pacific | 30.3 | 47.0 | 9.6 | 30.2 |
| | Other | 24.5 | 37.1 | 5.1 | 26.1 |
| **Age (at the time the follow-up period began)** | Under 20 years | 54.5 | 69.7 | 9.2 | 47.5 |
| | 20 - 24 years | 50.9 | 73.3 | 8.9 | 37.9 |
| | 25 - 29 years | 51.0 | 69.6 | 11.3 | 39.6 |
| | 30 - 39 years | 47.3 | 63.7 | 13.8 | 38.8 |
| | 40 years and over | 32.3 | 45.0 | 8.3 | 26.5 |
| **Gang status** | Gang affiliated | 54.5 | 70.9 | 26.8 | 54.7 |
| | Not gang affiliated | 35.3 | 51.0 | 8.2 | 31.8 |
| **Offence (most serious offence for original sentence; ANZSOC system)** | Abduction, harassment | 44.9 | 61.5 | 14.3 | 39.7 |
| | Acts intended to cause injury | 41.6 | 58.4 | 9.8 | 32.2 |
| | Dangerous or negligent acts | 42.9 | 57.1 | 4.8 | 29.7 |
| | Fraud, deception | 44.3 | 59.0 | 12.8 | 36.3 |
| | Homicide | 14.9 | 20.9 | 2.0 | 7.8 |
| | Illicit drug offences | 20.7 | 34.4 | 9.8 | 28.7 |
| | Miscellaneous offences | 20.0 | 40.0 | 3.6 | 16.4 |
| | Offences against justice | 55.3 | 72.1 | 15.8 | 41.5 |
| | Prohibited and regulated weapons | 51.0 | 68.4 | 16.5 | 42.0 |
| | Property damage | 46.1 | 58.4 | 13.3 | 42.4 |
| | Public order | 51.7 | 63.3 | 15.7 | 39.3 |
| | Robbery, extortion | 38.1 | 61.2 | 16.6 | 36.2 |
| | Sexual assault | 11.0 | 16.7 | 3.9 | 13.1 |
| | Theft | 65.7 | 83.8 | 20.4 | 52.0 |
| | Traffic | 35.0 | 59.1 | 5.0 | 29.3 |
| | Unlawful entry with intent/burglary | 56.8 | 73.3 | 23.4 | 52.7 |
| **Community sentence** | Community work | - | - | 9.9 | 34.9 |
| | Supervision | - | - | 7.8 | 33.5 |
| | Intensive supervision | - | - | 17.5 | 42.8 |
| | Community detention | - | - | 8.2 | 32.4 |
| | Home detention | - | - | 15.6 | 33.4 |
| | Returning offender order | - | - | 9.2 | 17.3 |

*Continued over the next page.*

## Recidivism Indices – 24-month follow-up period (percentages) for 2022/23

| | | Released from prison | | Beginning community-based sentence | |
|---|---|---|---|---|---|
| Category | Group | Reimprisoned | Resentenced | Imprisoned | Resentenced |
| Prisoner security classification (at release) | Maximum | 68.4 | 78.9 | - | - |
| | High | 60.7 | 76.3 | - | - |
| | Low medium | 50.8 | 69.2 | - | - |
| | Low | 41.2 | 57.6 | - | - |
| | Minimum | 17.0 | 29.7 | - | - |
| Release type | Parole | 22.0 | 33.9 | - | - |
| | Post-release conditions | 52.0 | 70.3 | - | - |
| Sentence length | 6 months or less | 57.1 | 74.4 | 9.8 | 33.7 |
| | > 6 months to 1 yr | 52.7 | 71.4 | 11.1 | 33.9 |
| | > 1 to 2 yrs | 48.8 | 66.4 | 20.9 | 47.6 |
| | > 2 to 3 yrs | 28.9 | 43.6 | - | - |
| | > 3 to 5 yrs | 21.8 | 38.4 | - | - |
| | More than 5 yrs | 15.0 | 20.9 | - | - |

# Appendix Five: *Profile of our people as at 30 June*

**11,060**
TOTAL STAFF

INCLUDING:
**4,619**
CORRECTIONS OFFICERS

**1,399**
PROBATION OFFICERS

**348**
NURSES

**327**
CASE MANAGERS

PSYCHOLOGISTS

**18.7%**
MĀORI STAFF

**15.8%**
PASIFIKA STAFF

**15.7%**
ASIAN STAFF

**48.8%**
FEMALE STAFF

**90.4%**
FRONTLINE STAFF

**8.3%**
STAFF TURNOVER

## Total Full Time Equivalent (FTE) staff

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Front line | 9,995 | 9,534 | 8,705 | 8,702 | 9,151 |
| | 90.4% | 89.9% | 89.0% | 89.8% | 89.2% |
| Back office | 1065 | 1,069 | 1,082 | 992 | 1,103 |
| | 9.6% | 10.1% | 11.0% | 10.2% | 10.8% |
| **Total** | **11,060** | **10,603** | **9,787** | **9,694** | **10,254** |

## Average length of service (years)

| 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| 7.39 | 8.07 | 8.60 | 8.75 | 8.38 |

*Average length of service by age and gender*

| | Male | Female | Gender Diverse | Unknown | Total |
|---|---|---|---|---|---|
| <25 years | 1.36 | 1.46 | 3.1 | 0.20 | 1.42 |
| 25 – 34 years | 2.69 | 3.41 | 2.17 | 5.02 | 3.06 |
| 35 – 44 years | 4.71 | 5.54 | 5.46 | 8.61 | 5.13 |
| 45 – 54 years | 8.78 | 8.06 | 9.38 | 8.54 | 8.40 |
| 55 – 64 years | 14.57 | 11.71 | 7.35 | 3.50 | 13.21 |
| 65 years + | 17.76 | 15.72 | 7.35 | 27.20 | 13.21 |
| Not recorded | 2.32 | 3.43 | - | 0.70 | 2.62 |
| **Total** | **7.73** | **7.06** | **6.89** | **3.84** | **7.39** |

## Staff turnover

| 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| 896 | 1,148 | 1,431 | 1,486 | 901 |
| 8.3% | 11.4% | 15.0% | 15.4% | 9.1% |

*Resignations by age and gender*

| | Male | Female | Gender Diverse | Unknown | Total |
|---|---|---|---|---|---|
| <25 years | 18 | 26 | 0 | 0 | 44 |
| 25 – 34 years | 115 | 159 | 1 | 3 | 278 |
| 35 – 44 years | 96 | 92 | 0 | 1 | 189 |
| 45 – 54 years | 60 | 75 | 0 | 0 | 135 |
| 55 – 64 years | 67 | 65 | 0 | 0 | 132 |
| 65 years + | 80 | 35 | 0 | 0 | 115 |
| Not recorded | 0 | 3 | 0 | 0 | 3 |
| **Total** | **436** | **455** | **1** | **4** | **896** |

## Staff by role, location, and classification

| | | Permanent | | Fixed term | |
|---|---|---|---|---|---|
| Region | Role type | Full time | Part time | Full time | Part time |
| Northland | Frontline | 395.00 | 10.72 | 3.00 | - |
| | Frontline support | 85.00 | 3.15 | 1.00 | 0.50 |
| | Back office | 4.00 | - | - | - |
| Auckland | Frontline | 1,381.00 | 36.20 | 3.00 | 3.60 |
| | Frontline support | 275.00 | 3.40 | 7.00 | - |
| | Back office | 57.00 | 2.15 | - | - |
| Manukau | Frontline | 551.00 | 17.36 | 4.00 | 0.90 |
| | Frontline support | 123.00 | 2.50 | 3.00 | - |
| | Back office | 5.00 | - | - | - |
| Waikato | Frontline | 1,375.00 | 56.15 | 5.00 | 3.83 |
| | Frontline support | 316.00 | 9.64 | 5.00 | - |
| | Back office | 42.00 | 3.10 | 8.00 | - |
| Bay of Plenty | Frontline | 165.00 | 28.61 | 4.00 | 0.60 |
| | Frontline support | 38.00 | 0.50 | - | - |
| | Back office | 3.00 | - | - | - |
| East Coast | Frontline | 485.00 | 28.34 | - | - |
| | Frontline support | 88.00 | 4.33 | 3.00 | 0.60 |
| | Back office | 12.00 | 0.80 | - | - |
| Taranaki/Whanganui/ Manawatū | Frontline | 661.00 | 19.91 | 1.00 | 0.80 |
| | Frontline support | 122.00 | 9.57 | - | - |
| | Back office | 7.00 | 0.93 | - | - |
| Wellington* | Frontline | 938.00 | 26.62 | 5.00 | - |
| | Frontline support | 511.00 | 22.30 | 24.00 | 0.20 |
| | Back office | 756.00 | 27.40 | 54.00 | 3.70 |
| Nelson/Marlborough/ West Coast | Frontline | 48.00 | 10.63 | 2.00 | 0.83 |
| | Frontline support | 15.00 | 1.44 | 1.00 | - |
| | Back office | 1.00 | 0.60 | - | - |
| Canterbury | Frontline | 1,079.00 | 51.19 | 5.00 | 0.90 |
| | Frontline support | 239.00 | 20.68 | 3.00 | 1.20 |
| | Back office | 59.00 | 5.53 | 4.00 | - |
| Otago/Southland | Frontline | 506.00 | 38.52 | - | - |
| | Frontline support | 94.00 | 7.30 | 3.00 | - |
| | Back office | 7.00 | 0.60 | 1.00 | - |

**National Office staff, including those working in the regions, are included in the Wellington Region.*

APPENDICES

## Permanent and fixed-term staff by role, location, age and gender

| | | Male | | | | | | | Female | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Region | Role type | <25 | 25-34 | 35-44 | 45-54 | 55-64 | 65+ | Not known | <25 | 25-34 | 35-44 | 45-54 | 55-64 | 65+ | Not known |
| Northland | Frontline | 3.00 | 23.00 | 25.00 | 48.60 | 52.95 | 18.52 | - | 4.00 | 43.00 | 59.00 | 38.68 | 66.68 | 22.30 | - |
| | Frontline support | 1.00 | 2.60 | 5.00 | 20.80 | 12.50 | 10.75 | - | - | - | 8.00 | 9.00 | 17.00 | 3.00 | - |
| | Back office | - | - | - | 1.00 | 1.00 | - | - | - | - | - | - | - | 2.00 | - |
| Auckland | Frontline | 24.00 | 210.10 | 132.23 | 98.25 | 70.70 | 23.22 | - | 35.00 | 290.90 | 249.80 | 137.45 | 104.53 | 43.13 | 1.00 |
| | Frontline support | 5.00 | 45.00 | 45.80 | 49.00 | 30.40 | 15.20 | - | 2.00 | 7.00 | 27.00 | 21.00 | 24.00 | 10.00 | - |
| | Back office | - | 6.00 | 4.00 | 9.75 | 8.80 | 2.00 | - | - | 5.00 | 7.00 | 4.00 | 10.00 | 2.60 | - |
| Manukau | Frontline | 24.00 | 106.74 | 107.58 | 68.75 | 55.99 | 13.13 | - | 5.00 | 38.00 | 42.00 | 45.45 | 43.28 | 16.35 | - |
| | Frontline support | 2.00 | 21.00 | 15.00 | 20.80 | 24.70 | 3.00 | - | - | 6.00 | 4.00 | 15.00 | 9.00 | 7.00 | - |
| | Back office | - | 1.00 | - | - | 1.00 | - | - | - | - | - | 1.00 | 1.00 | 1.00 | - |
| Waikato | Frontline | 18.20 | 130.01 | 131.10 | 131.80 | 102.00 | 32.46 | 1.00 | 24.00 | 228.00 | 230.70 | 165.68 | 160.00 | 78.33 | - |
| | Frontline support | 1.00 | 25.00 | 43.16 | 60.48 | 59.60 | 15.40 | - | - | 8.00 | 21.00 | 46.00 | 40.00 | 8.00 | - |
| | Back office | - | 8.50 | 3.00 | 7.00 | 5.70 | 3.90 | - | - | 3.00 | 8.00 | 7.00 | 5.00 | 2.00 | - |
| Bay of Plenty | Frontline | 4.00 | 28.56 | 31.58 | 22.64 | 39.20 | 15.25 | - | - | 9.00 | 9.00 | 14.90 | 13.70 | 8.48 | - |
| | Frontline support | - | 3.50 | 5.00 | 6.00 | 8.00 | 2.00 | - | - | 1.00 | 3.00 | 4.00 | 5.00 | 1.00 | - |
| | Back office | - | - | - | 1.00 | - | 1.00 | - | - | - | - | - | - | 1.00 | - |
| East Coast | Frontline | 3.00 | 38.55 | 44.95 | 39.10 | 57.63 | 13.14 | - | 10.00 | 62.00 | 68.00 | 61.53 | 73.60 | 38.05 | - |
| | Frontline support | 2.00 | 4.00 | 9.50 | 23.38 | 13.75 | 6.00 | - | - | 2.00 | 8.00 | 7.30 | 17.00 | 2.00 | - |
| | Back office | - | 1.00 | 1.80 | 1.00 | - | - | - | - | - | 1.00 | 3.00 | 5.00 | - | - |
| Taranaki/ Whanganui/ Manawatū | Frontline | 15.00 | 53.80 | 56.36 | 75.63 | 70.75 | 8.50 | - | 7.00 | 65.00 | 103.00 | 99.90 | 91.80 | 33.98 | - |
| | Frontline support | - | 11.56 | 18.79 | 24.68 | 27.29 | 7.80 | - | - | 4.00 | 3.00 | 10.00 | 19.00 | 5.45 | - |
| | Back office | - | - | 1.93 | 2.00 | 2.00 | - | - | - | - | - | - | 2.00 | - | - |
| Wellington* | Frontline | 33.00 | 89.38 | 105.48 | 67.84 | 53.75 | 14.50 | - | 29.00 | 158.50 | 170.60 | 89.80 | 108.63 | 43.15 | 1.00 |
| | Frontline support | 13.00 | 61.00 | 91.35 | 102.25 | 78.05 | 23.30 | - | 3.80 | 19.00 | 49.00 | 39.75 | 52.20 | 21.80 | - |
| | Back office | 14.00 | 106.93 | 139.88 | 116.83 | 88.90 | 21.00 | - | 5.50 | 60.80 | 72.48 | 86.40 | 86.80 | 32.60 | - |
| Nelson/ Marlborough/ West Coast | Frontline | - | 7.60 | 11.63 | 9.25 | 9.50 | 4.00 | - | - | 1.00 | 2.00 | 3.00 | 9.68 | 3.80 | - |
| | Frontline support | - | 1.81 | 1.63 | 5.00 | 3.00 | 2.00 | - | - | - | - | 1.00 | 3.00 | - | - |
| | Back office | - | - | - | - | 0.60 | - | - | - | - | - | 1.00 | - | - | - |
| Canterbury | Frontline | 26.45 | 146.45 | 102.53 | 128.27 | 93.60 | 21.90 | - | 16.00 | 136.90 | 127.75 | 137.78 | 144.60 | 52.88 | - |
| | Frontline support | 6.75 | 27.13 | 38.43 | 50.43 | 53.05 | 10.50 | 1.00 | 1.50 | 5.00 | 14.00 | 24.30 | 23.00 | 6.80 | - |
| | Back office | - | 7.98 | 12.65 | 13.60 | 13.80 | 2.00 | - | 1.00 | 1.00 | 2.00 | 9.00 | 3.50 | 2.00 | - |
| Otago/ Southland | Frontline | 15.80 | 41.60 | 39.46 | 62.67 | 31.80 | 9.34 | - | 7.00 | 63.60 | 69.65 | 94.00 | 84.80 | 23.80 | - |
| | Frontline support | 2.90 | 6.80 | 13.85 | 25.95 | 19.80 | 4.00 | - | - | 2.00 | 5.00 | 5.00 | 17.00 | 2.00 | - |
| | Back office | - | 0.60 | 1.00 | 3.00 | 1.00 | - | - | - | - | 2.00 | 1.00 | - | - | - |

*National Office staff, including those working in the regions, are included in the Wellington Region.

## Permanent and fixed-term staff by role, location, age and gender

| | | Gender Diverse | | | | | | | Unknown | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Region | Role type | <25 | 25-34 | 35-44 | 45-54 | 55-64 | 65+ | Not known | <25 | 25-34 | 35-44 | 45-54 | 55-64 | 65+ | Not known |
| Northland | Frontline | - | - | 1.00 | - | - | - | - | 2.00 | 1.00 | - | - | - | 22.30 | - |
| | Frontline support | - | - | - | - | - | - | - | - | - | - | - | - | 3.00 | - |
| | Back office | - | - | - | - | - | - | - | - | - | - | - | - | 2.00 | - |
| Auckland | Frontline | - | - | 2.00 | - | - | - | - | - | 1.00 | - | - | 0.50 | 43.13 | 1.00 |
| | Frontline support | - | - | - | - | - | - | - | 2.00 | 2.00 | - | - | - | 10.00 | - |
| | Back office | - | - | - | - | - | - | - | - | - | - | - | - | 2.60 | - |
| Manukau | Frontline | 1.00 | - | 1.00 | - | - | - | - | 3.00 | 2.00 | - | - | - | 16.35 | - |
| | Frontline support | - | - | - | - | - | - | - | - | 1.00 | - | - | - | 7.00 | - |
| | Back office | - | - | - | - | - | - | - | - | - | - | - | - | 1.00 | - |
| Waikato | Frontline | - | 0.80 | - | 1.00 | - | - | - | 1.00 | 2.00 | 1.00 | 0.90 | - | 78.33 | - |
| | Frontline support | - | - | - | - | - | - | - | - | 1.00 | 2.00 | - | - | 8.00 | - |
| | Back office | - | - | - | - | - | - | - | - | - | - | - | - | 2.00 | - |
| Bay of Plenty | Frontline | - | - | - | - | 0.90 | - | - | - | - | 1.00 | - | - | 8.48 | - |
| | Frontline support | - | - | - | - | - | - | - | - | - | - | - | - | 1.00 | - |
| | Back office | - | - | - | - | - | - | - | - | - | - | - | - | 1.00 | - |
| East Coast | Frontline | - | - | - | - | - | 1.00 | - | 1.80 | 1.00 | - | - | - | 38.05 | - |
| | Frontline support | - | - | - | - | - | - | - | - | 1.00 | - | - | - | 2.00 | - |
| | Back office | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Taranaki/ Whanganui/ Manawatū | Frontline | - | - | - | - | - | - | - | - | - | 1.00 | 1.00 | - | 33.98 | - |
| | Frontline support | - | - | - | - | - | - | - | - | - | - | - | - | 5.45 | - |
| | Back office | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Wellington* | Frontline | - | 1.00 | 3.00 | - | - | - | - | - | - | 1.00 | - | - | 43.15 | 1.00 |
| | Frontline support | - | 1.00 | - | - | - | - | - | 1.00 | 1.00 | - | - | - | 21.80 | - |
| | Back office | - | - | 1.00 | 3.00 | - | - | 1.00 | 2.00 | - | 1.00 | - | 1.00 | 32.60 | - |
| Nelson/ Marlborough/ West Coast | Frontline | - | - | - | - | - | - | - | - | - | - | - | - | 3.80 | - |
| | Frontline support | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Back office | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Canterbury | Frontline | - | - | - | - | - | - | - | 1.00 | - | - | - | - | 52.88 | - |
| | Frontline support | - | - | - | - | - | - | - | - | 1.00 | 1.00 | - | - | 6.80 | - |
| | Back office | - | - | - | - | - | - | - | - | - | - | - | - | 2.00 | - |
| Otago/ Southland | Frontline | - | - | - | - | 1.00 | - | - | - | - | - | - | - | 23.80 | - |
| | Frontline support | - | - | - | - | - | - | - | - | - | - | - | - | 2.00 | - |
| | Back office | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

*National Office staff, including those working in the regions, are included in the Wellington Region.

## Employment status

| Permanent | | Fixed term | |
|---|---|---|---|
| Full time | Part time | Full time | Part time |
| 10,443 | 450 | 149 | 18 |

*Fixed term contract length*

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| 3-month | 3 | 2 | 13 | 7 | 34 |
| 6-month | 17 | 7 | 49 | 23 | 44 |
| 9-month | 153 | 17 | 41 | 20 | 75 |

*Type of employment agreement*

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Collective | 9,063.37 | 8,662.39 | 8,177.46 | 8,019.49 | 8,469.51 |
| Individual | 1,996.42 | 1,761.61 | 1,609.93 | 1,496.61 | 1,594.44 |

## Staff welfare

*Average annual leave days accrued*

| 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| 22.8 | 23.7 | 25.1 | 27.0 | 25.0 |

*Number of staff who sold their fourth week of annual leave*

| 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| 1,108 | 765 | 800 | 332 | 597 |

*Average sick days taken*

| 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| 8.03 | 8.04 | 7.58 | 6.69 | 7.39 |

*EAP or workplace counselling spend*

| 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| $1,312,095 | $1,063,536 | $841,763 | $451,335 | $505,997 |

## Salaries by age and gender

| Salary band | Male | Female | Gender Diverse | Unknown | Total |
|---|---|---|---|---|---|
| $50,000-59,999 | 7.80 | 66.08 | - | 1.00 | 74.88 |
| $60,000-69,999 | 971.25 | 1,023.20 | 3.90 | 1.90 | 2,000.25 |
| $70,000-79,999 | 2,320.80 | 1,420.99 | 6.00 | 7.00 | 3,754.79 |
| $80,000-89,999 | 1,061.56 | 1,208.88 | 4.00 | 14.50 | 2,288.94 |
| $90,000-99,999 | 348.60 | 367.21 | 0.80 | 5.80 | 722.41 |
| $100,000-109,999 | 216.20 | 292.01 | 2.00 | 1.00 | 511.21 |
| $110,000-119,999 | 170.00 | 263.66 | - | - | 433.66 |
| $120,000-129,999 | 162.25 | 225.95 | 1.00 | 3.00 | 392.20 |
| $130,000-139,999 | 84.80 | 150.23 | 1.00 | 2.00 | 238.03 |
| $140,000-149,999 | 71.00 | 92.45 | - | 2.00 | 165.45 |
| $150,000-159,999 | 56.98 | 85.90 | - | 1.00 | 143.88 |
| $160,000-169,999 | 35.20 | 51.43 | - | 1.00 | 87.63 |
| $170,000-179,999 | 30.00 | 28.48 | - | - | 58.48 |
| $180,000-189,999 | 30.80 | 20.60 | - | - | 51.40 |
| $190,000-199,999 | 14.00 | 18.00 | - | - | 32.00 |
| $200,000-209,999 | 8.00 | 11.00 | - | - | 19.00 |
| $210,000-219,999 | 2.00 | 6.00 | - | - | 8.00 |
| $220,000+ | 45.40 | 32.20 | - | - | 77.60 |
| Total | 5,636.64 | 5,364.27 | 18.70 | 40.20 | 11,059.81 |

| Salary band | <25 | 25-34 | 35-44 | 45-54 | 55-64 | 65+ | Not recorded |
|---|---|---|---|---|---|---|---|
| $50,000-59,999 | 16.60 | 23.55 | 12.50 | 11.33 | 8.90 | 2.00 | - |
| $60,000-69,999 | 180.25 | 579.06 | 497.29 | 364.92 | 258.01 | 120.71 | - |
| $70,000-79,999 | 144.35 | 1,071.48 | 870.25 | 757.39 | 674.93 | 235.40 | 1.00 |
| $80,000-89,999 | 18.80 | 389.25 | 468.40 | 553.21 | 620.75 | 237.53 | 1.00 |
| $90,000-99,999 | 3.90 | 110.95 | 173.04 | 181.43 | 203.90 | 48.20 | 1.00 |
| $100,000-109,999 | 3.00 | 95.95 | 186.21 | 99.15 | 101.90 | 25.00 | - |
| $110,000-119,999 | - | 79.30 | 104.29 | 112.28 | 112.80 | 25.00 | - |
| $120,000-129,999 | - | 50.20 | 93.45 | 106.85 | 111.30 | 30.40 | - |
| $130,000-139,999 | - | 20.00 | 71.88 | 70.60 | 65.80 | 9.75 | - |
| $140,000-149,999 | - | 9.75 | 34.00 | 60.90 | 42.80 | 18.00 | - |
| $150,000-159,999 | - | 12.00 | 38.88 | 49.10 | 35.90 | 8.00 | - |
| $160,000-169,999 | - | 2.00 | 25.93 | 30.80 | 20.90 | 7.00 | 1.00 |
| $170,000-179,999 | - | 2.00 | 10.60 | 21.88 | 19.00 | 5.00 | - |
| $180,000-189,999 | - | 4.00 | 12.90 | 15.00 | 14.70 | 4.80 | - |
| $190,000-199,999 | - | 1.00 | 5.00 | 21.00 | 5.00 | - | - |
| $200,000-209,999 | - | 2.00 | 2.00 | 8.00 | 6.00 | 1.00 | - |
| $210,000-219,999 | - | - | 2.00 | 2.00 | 4.00 | - | - |
| $220,000+ | - | 1.00 | 19.00 | 25.80 | 28.80 | 3.00 | - |
| Total | 366.90 | 2,453.49 | 2,627.62 | 2,491.64 | 2,335.39 | 780.79 | 4.00 |

# *Appendix Six: Security contracts*

## Report under Section 190(1)(G) of the Corrections Act 2004

**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 Act, 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 Modules Annual Refresher training
- 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:**

There was one complaint (2023/24: 2) 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 2024 and June 2025.

- This complaint was from a prisoner in Police custody against security officers accusing them of using excessive force to move him from a Police holding cell to the escort truck. The complaint was investigated, and findings identified that the use of force by security officers was restricted to assisting Police in lifting the prisoner under the armpits and was minimal.

**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 was one reported incident (2023/24: Nil) involving violence by or against prisoners (excluding those outlined elsewhere) while in the custody of security officers employed by the contractor.

- A security officer threw punches at a prisoner in retaliation to being assaulted.

**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 five reported incidents (2023/24: Nil) involving violence by prisoners against a security officer employed by the contractor while carrying out escort duties or courtroom custodial duties.

- A prisoner used their handcuffs to hit a security officer.
- Two instances of prisoners hitting security officers.
- Two instances of prisoners headbutting security officers during loading and unloading of the escort vehicle.

**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 no reported incidents (2023/24: 2) involving self-inflicted injuries by a prisoner while in the custody of security officers employed by the contractor.

**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 six incidents were recorded in this area (2023/24: 4). 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 41,117 searches (2023/24: 36,203) 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 99 times against security officers employed by the contractor (2023/24: 10). Improvements to vehicle camera technology alongside reaffirming expectations amongst staff who ignore reasonable instructions has resulted in an increase in disciplinary action being taken.

- 52 driving related issues; no seatbelt, mobile phone use, following distance, falling asleep.
- Nine instances of absenteeism.
- 20 breaches of code of conduct.
- 18 breaches of processes; failure to search prisoners, leaving prisoners unattended.

# Appendix Seven: Auckland South Corrections Facility

## Report under Section 190(1)(H) of the Corrections Act 2004

**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 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 the Northern Men's Prisons Management Team and meets regularly with the Deputy Commissioner Men's Prisons.

## 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 2024/25

| Schedule 16 Performance regime KPI breach | Number |
|---|---|
| 1.03 Unnatural Death of a Prisoner | 0 |
| 2.01 Assault of Prisoner by a Staff Member | 0 |
| 2.02 Serious Assault – Prisoner on Prisoner | 1 |
| 2.03 Serious Assault – Prisoner on Staff Member, Visitor or Others | 0 |
| 2.04 Self Harm Threat to Life | 0 |
| 2.08 Wrongful Detention of a Prisoner | 1 |
| 2.12 Failure to comply with the terms of temporary release or temporary removal | 0 |
| 2.13 Fire or Arson | 1 |
| 2.16 Breach of Corrections Services Requirements (SFP Only) | 14 |
| 2.18 Reporting Incidents | 2 |
| 2.22 Failure to investigate or self-report | 8 |
| 2.23 Reporting in accordance with Agreement | 1 |
| 2.26 Prisoners attend planned appointments | 6 |

During the 2024/25 year, ASCF received financial deductions amounting to $104,320. 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 were nil chargeable events in 2024/25.
- **Category 2 KPIs (Key operational incidents)**
  There were 34 Category 2 KPI breaches in 2024/25, resulting in a financial deduction of $104,320. These KPI breaches are shown in the table above.
- **Category 3 KPIs (Custodial performance – operational incidents)**
  These KPIs are measured quarterly as green (favourable), amber, or red. In 2024/25, 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 2024/25, 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 | Number attending | Quality of training | Hrs per person |
|---|---|---|---|
| Control and Restraint (refresher) | 201 | Delivered by certified C&R instructors, who go to yearly Tactical Instructor Revalidation courses, run by Corrections staff. | 6 |
| First Aid | 102 | Compliance. Delivered by First Aid NZ. First Aid NZQA Units 6401, 6402 & 6400. | 6 |
| Hostage | 84 | Compliance | 2.5 |
| First Responder | 152 | Compliance | 1.5 |
| Suicide Prevention Awareness | 93 | Compliance | 2.5 |
| Oleoresin Capsicum Spray | 177 | Compliance, delivered by Corrections | 6 |
| Fire | 94 | Delivered by Safety n Action. NZQA Units 3271 and 4647. | 4 |
| ACR/Privacy/Supervisor | 94 | On site training by Corrections | 8 |
| Head Start for Colleagues and Leaders | 361 | Serco Online LMS | 0.5 |
| ASPAC Safe Driving Declaration | 667 | Serco Online LMS | 0.5 |
| Control and Restraint (online module) | 168 | Serco Online LMS | 0.5 |
| Anti-Bullying Harassment and Discrimination | 1,209 | Serco Online LMS | 0.5 |
| Phishing Awareness – Don't take the bait | 80 | Serco Online LMS | 0.5 |
| Cold Chain/PPE | 33 | Serco Online LMS | 0.5 |
| First Aid (apply) | 39 | Serco Online LMS | 0.5 |
| ASPAC Health Issues and infection Control | 218 | Serco Online LMS | 0.5 |
| ASPAC Unknown Hazardous Substances | 150 | Serco Online LMS | 0.5 |
| ASPAC Fire Awareness | 202 | Serco Online LMS | 0.5 |
| Biohazard Spill Kit | 235 | Serco Online LMS | 0.25 |
| Critical Risk: Standard Operating Procedures - Introduction | 244 | Serco Online LMS | 0.2 |
| Critical Risk: Electrical Safety Awareness | 231 | Serco Online LMS | 0.2 |
| Critical Risk: Fatigue Management Awareness | 228 | Serco Online LMS | 0.2 |
| Critical Risk: Hazardous Substances Awareness | 234 | Serco Online LMS | 0.2 |
| Critical Risk: Manual Tasks Awareness | 232 | Serco Online LMS | 0.2 |
| Critical Risk: Remote and Isolated Work Awareness | 234 | Serco Online LMS | 0.2 |
| Critical Risk: Vehicles and Driving Awareness | 234 | Serco Online LMS | 0.2 |
| Critical Risk: Violence and Aggression Awareness | 227 | Serco Online LMS | 0.2 |
| Environmental Awareness at Serco | 110 | Serco Online LMS | 0.5 |
| Facility Security | 109 | Serco Online LMS | 1 |
| Suicide Prevention and Awareness (online module) | 95 | Serco Online LMS | 0.5 |
| Phishing/Hostage Awareness/OCS | 135 | Serco Online LMS – Corrections modules | 0.5 |
| Fire Extinguisher/Awareness | 108 | Serco Online LMS | 0.5 |
| NZ Privacy Act 2020 Video | 52 | Serco Online LMS | 0.5 |
| Toolbox Talk: Respect@Work | 68 | Serco Online LMS | 0.5 |
| Modern Slavery iExpress | 125 | Serco Online LMS | 0.5 |
| Working with Trans-Gender Prisoners | 98 | Serco Online LMS | 0.5 |
| Other Online Training | 294 | Serco online LMS – Corrections modules | 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 or other relevant/appropriate monitoring agencies, for example the Office of the Ombudsman.
- A person may complete any number of complaint forms. They may contact the previously mentioned external agencies at any point.

**A total of 1,092 complaints were made by people in ASCF relating to the following broad categories:**

- Communications
- Prison work and play
- Security classification
- Food services
- Prisoner management
- Sentence management
- Health services
- Prisoner property
- Staff conduct and attitude
- Misconduct
- Prisoner requests
- Transfers and movements
- Personal and official visitors
- Prisoner welfare
- Temporary release and temporary removal
- Prisoner conditions
- Recreation, exercise, and sport
- Other

## *The number and nature of any incidents in the prison involving violence against any person*

**A total of 199 violent incidents were recorded under the following categories:**

***Violence between prisoners:***

- 79 incidents of fighting
- 28 incidents of assault no injury
- 29 incidents of assault non-serious
- 2* incidents of assault serious (including alleged sexual assaults).

** One incident involving alleged sexual assault was reviewed and determined not to constitute a breach, as it did not meet the criteria for 'Serious Assault – Sexual Assault' as defined under Schedule 16 of the Performance Regime.*

***Violence against staff/others:***

- 45 incidents of assault no injury
- 10 incidents of assault non-serious
- 6* incidents of assault serious (including alleged sexual assaults).

** Six incidents involving alleged sexual assault were reviewed and determined not to constitute a breach, as they did not meet the criteria for 'Serious Assault – Sexual Assault' as defined under Schedule 16 of the Performance Regime.*

### *The number and nature of any incidents in the prison involving self-inflicted injuries*

There were 35 reported incidents involving self-inflicted injuries by people in prison. Thirty-five incidents were categorised as self-harm no threat to life, and none were categorized as self-harm threat to life.

### *The programmes provided for prisoners at the prison*

A total of 14,442 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 2025.

**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 Study | Budgeting Skills | Building Awesome Whanau (Parenting) |
| Community Alcohol and drug Services Pre-release Group | Certificate in Papa Ako (Learning Skills) | Certificate in Papa Whairawa (Financial Literacy) |
| Children and Family Activities Planning group | Church Choir | Community Engagement |
| Community Reintegration Services Assessment | Creative Writing | Drug Treatment Programme – Aftercare Group |
| Dynamics of Whanaungatanga (Relationship, Kinship) | Employability Passport | English as a Second Language Support |
| Family Group Conference | Field | Final Pathway Assessment – Offender Plan |

*Continued over the next two pages.*

| | | |
|---|---|---|
| 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 (Kaumatua 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/Numeracy 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 | Asian Family Services Level 1 Public Health |
| National Certificate of Educational Achievement (NCEA) | GYM: HBKs and Residences | Papa Kupu (Adult Learning Skills) |
| Parole Interview Assessments | PE Activity (Whare Ora) | Performing Arts |
| Positive Steps | Potaetanga/Graduations | Powhiri/Whakatau |
| Prisoner Games/Olympics | Pro-Social Support Connection | Puwhakamua Wananga |

| | | |
|---|---|---|
| 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 (Samoan Dancing and Singing) | Special Visit |
| Sports Academy | Sunday Service | Talk to my Case Manager |
| Te Reo Class | Tonga Language/Culture | Tuakana/Teina Relationships between an older person (tuakana) and a younger person (teina) |
| Vasega Samoa (Samoa Language Class) | Art/Academic Support | |
| Whanau Awhi (Family Support) | Whanau Day | AOD/G Intermediate 002/004/005/006 |
| Whanau Hui | Whanau liaison meeting | Soccer Group |
| Trade Start L2 | Workers Incentive | Young at Heart |

**The employment provided for prisoners by, or at, the prison had 3,620 attendees in 2024/25.**

| | | |
|---|---|---|
| Asset Maintenance | Canteen | Care Support Worker |
| Catering | Education Support Worker | External Work Party |
| Facility Support Worker | Fitness Champions | Grounds Maintenance |
| Horticulture | Framing and Trusses | Carpentry |
| Engineering and Welding | Cabins Manufacturing | Laundry |
| Wing Laundry Worker | Recycling | Release to Work |
| Residence Support Worker | Wing Support Worker | |

*The skills gained by prisoners because of employment or education provided by or at the prison*

| Qualifications gained by prisoners because of employment or education provided by/or at the prison 2024/25 | Number of prisoners |
|---|---|
| **Kick for the Seagulls (Level 2)** | 10 |
| **Te Kura NCEA (Level 1-Level 3) classroom based** | 2 |
| **Open Polytechnic (Level 1-Level 2) classroom based** | 1 |
| **Open Polytechnic (Level 4) classroom based** | 15 |
| **Te Kura NCEA (Level 1-Level 3) SDL** | 5 |
| **NZ Certificate in Foundation Skills (Level 2) SDL** | 2 |
| **NZ Certificate of Achievement in Tertiary Study Skills (Level 4) SDL** | 4 |
| **NZ Certificate of Achievement in Business (Level 4) SDL** | 5 |
| **NZ Certificate in Creativity (Level 4) SDL** | 5 |
| **NZ Diploma in Creativity (Level 5) SDL** | 2 |
| **NZ Diploma in Creativity (Level 6) SDL** | 1 |
| **Certificate in Small Business (Level 4)** | 5 |

| Skills gained by prisoners because of employment or education provided by/or at the prison 2024/25 | Number of prisoners |
|---|---|
| **Budgeting and Financial Literacy** | 21 |
| **Employment Skills** | 21 |
| **Creative Arts** | 17 |
| **1:1 Literacy and Numeracy Support** | 10 |
| **Barbering Training** | 6 |
| **Book Discussion Scheme: Book Club** | 2 |

*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 |
|---|---|
| **83 - Use of force** | **92** |
| Control and restraint | 3 |
| Non-threatening physical contact | 7 |
| Spontaneous use of force | 82 |
| **84 - Provoking prisoners** | **0** |
| **85 - Use of non-lethal weapons** | **36** |
| Pepper spray drawn, not used | 15 |
| Pepper spray | 20 |
| Pepper spray planned use | 1 |
| **87 - Restraint of prisoners** | **21** |
| Handcuffs - other than on escort | 21 |
| **88 - Reporting on use of force, weapons, and mechanical restraints** | *All incidents with Notifiable were notified via the integrated Offender Management System.* |
| **Total** | **149** |

In all occurrences, staff were compliant with the *Corrections Act 2004*.

APPENDICES

### *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 3,914 searches conducted in 2024/25 [2023/24: 4,539].

### *The number and nature of any disciplinary proceedings taken against prisoners at the prison.*

**There were 1,752 misconducts given to people in prison in 2024/25 [2023/24: 1,397] 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 35 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 469 tests sampled in 2024/25, 24 (5.1%) returned a positive result [2023/24: 412 vs 7 (1.7%)].

### *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 Eight: Property assessment criteria*

| Rating | Description | Asset category/criteria | | | |
|---|---|---|---|---|---|
| | | External | Internal | Services | Fittings |
| 1 | **Excellent** | 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 | **Good** | 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 | **Standard** | 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 | **Poor** | 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 | **Very poor / end of life** | 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. |

*Continued over the next page.*

| Rating | Description | Asset category/criteria | | |
|---|---|---|---|---|
| | | Furnishings | Maintenance | Client Impact |
| 1 | **Excellent** | Well secured and operational, good function and appearance. | Well maintained and clean. | No client complaints. |
| 2 | **Good** | Operational and functional. Minor wear and tear. | Increased maintenance inspection required. | Deteriorations cause minimal influence on occupational uses. Occasional client concerns. |
| 3 | **Standard** | Generally operational. Minor breakages. | Regular and programmed maintenance essential. | Some deterioration beginning to be reflected in minor restrictions on operational uses. Client concerns. |
| 4 | **Poor** | Fittings of poor quality and appearance, often inoperable and damaged. | Frequent maintenance inspection essential. Short term element replacement/ refurbishment. | Regular client complaints. |
| 5 | **Very poor / end of life** | Most are inoperable or damaged. | Minimum life expectancy requiring urgent rehabilitation or replacement. | Generally, not suitable for use by client. |

# Appendix Nine: Environmental Sustainability

***We have launched several initiatives including a temperature control and ventilation programme prototype and trial for an in-cell cooling system, and completed guidelines for energy efficiency and sustainability.***

**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[55]

## Measuring and reporting our emissions

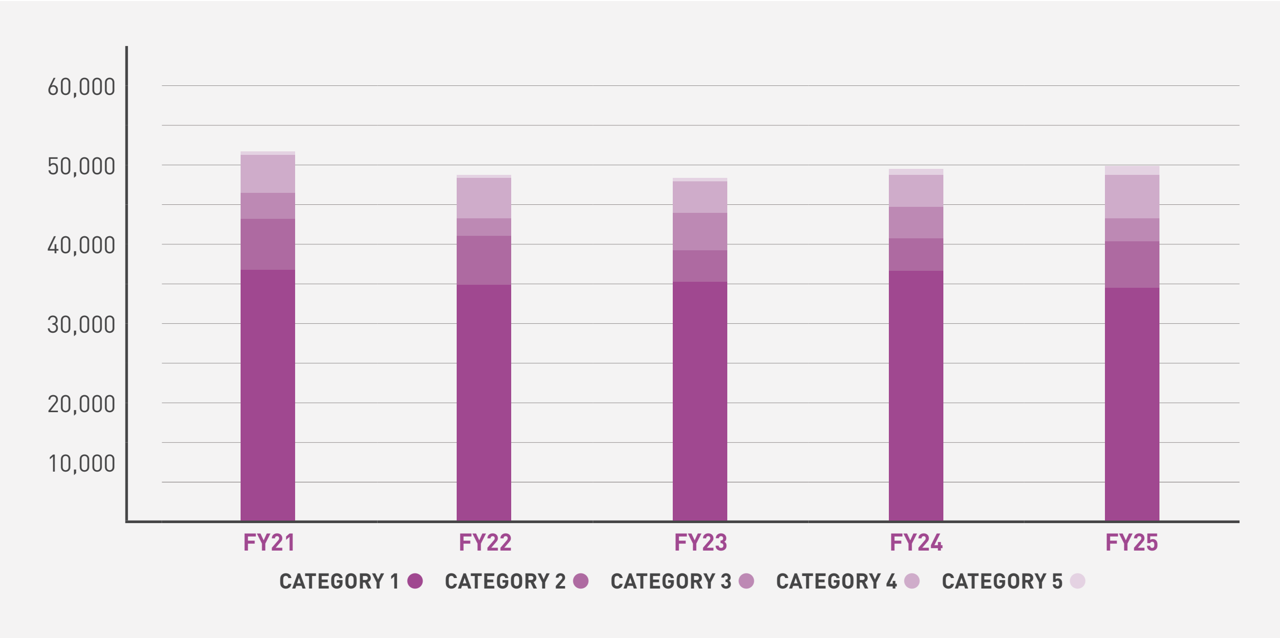
Corrections' operational emissions include the prison network, national and regional offices, and community sites, and our industries that provide rehabilitation and training opportunities toward employment post-release. Since 2020/21, our total emissions have been measured and externally verified by Toitū Envirocare in accordance with ISO 14064-1.

Our 2020/21 base year emissions totalled 63,399 metric tonnes of carbon dioxide equivalent units (tCO2-e).

In 2024/25 our emissions totalled 71,577 tCO2-e. Stationary combustion, agriculture and food remain our largest emission sources. There has been a 3.3% decrease in emissions that are subject to reduction targets compared to our base year. This is primarily due to a reduction in the number of swine and a change in the Ministry for the Environment - Manatū Mō Te Taiao livestock emission factors.

Corrections' emissions that are subject to reduction targets are displayed in Figure 10. 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[56], poses unique challenges in targeting reductions while ensuring essential provisions for a growing prison population.

### Figure 10: Emissions subject to reduction targets by year




See table on next page for category descriptions.

***55.*** A carbon neutrality date for the CNGP is under review and has not been confirmed as at 30 June 2025.

***56.*** Motu emission factors (https://motu-www.motu.org.nz/wpapers/14_05.pdf) adjusted for inflation.

### Table 2: Total emissions by category

| Category[57] | Description | Emission category/ source | 2020/21 tco2-e | 2024/25 tco2-e |
|---|---|---|---|---|
| 1 | Direct emissions | **Fuel** (Stationary combustion, transport fuel, biofuel and biomass (methane and nitrous oxide only)<br>**Fugitive and other gases**<br>**Agriculture** (enteric fermentation, manure management, agriculture soils, fertiliser use) | 35,871 | 33,667 |
| 2 | Indirect emissions from imported energy | Purchased electricity | 7,143 | 6,239 |
| 3 | Indirect emissions from transportation | **Travel** (land and air travel, accommodation<br>**Distribution of goods** (Freight,and couriers) | 3,422 | 3,273 |
| 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 | 6,043 |
| 5 | Indirect emissions from other sources | Agriculture (Enteric fermentation, manure management, agricultural soils) [58] | 274 | 958 |
| **Emissions that are subject to reduction targets** | | | **51,891** | **50,180** |
| **% reduction from 2020/21 base year** | | | | (3.3%) |
| 4 | Indirect emissions from products and services used by the organisation | Food and beverages, personal care products | 11,508 | 21,397 |
| **Emissions that are not subject to reduction targets** | | | 11,508 | 21,397 |
| **Total emissions** | | | **63,399** | **71,577** |

## Emissions intensity

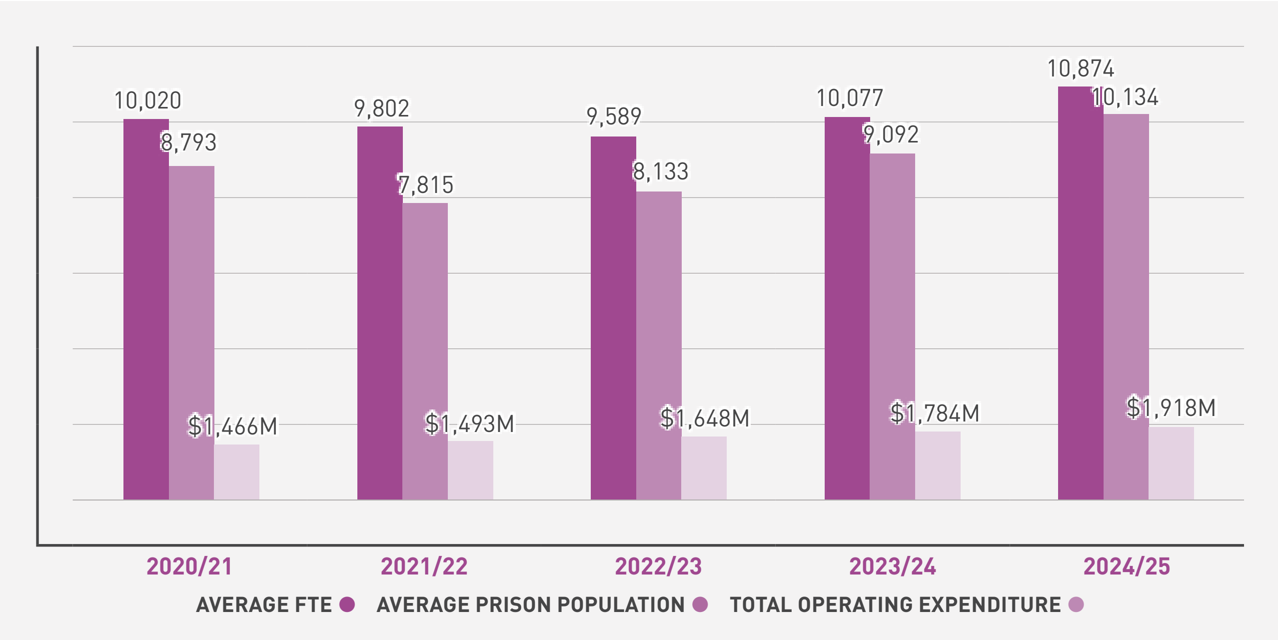
While emissions per full time equivalent (FTE) is a frequent measure for organisations to use, it does not account for the people being managed within our prisons and in the community. Therefore, we have included the prison population to more accurately reflect the context in which we operate.

57. All emissions from third-party owned livestock have been recategorised as Category 5 in-line with CNGP guidance.

58. Livestock owned by third parties grazing on Corrections owned land.

## Figure 11: Emissions intensity by average FTE, average prison population and expenditure[59]

*Key Performance Indicator*




*Emissions Intensity*


***59.*** Total operating expenditure excluding capital charge, depreciation and amortisation

## We have set emission reduction targets

Corrections have 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[60]. However, funding constraints and trade-offs with frontline initiatives have delayed our emission reduction progress. As a result, Corrections has not met the 2025 target and is uncertain about meeting the 2030 target.

## We are laying the groundwork for future emission reductions

**Highlights of progress we have made this year to reduce our emissions include:**

- completed energy audits at two prisons.
- continued our fleet electrification programme.
- integrated 1,144 fleet assets with GPS devices into the Smart Vehicle Fleet System to enable right sizing of our fleet.
- completed the prototype and trial for an in-cell cooling solution for high security units at Hawke's Bay Regional Prison.
- completed guidelines for energy efficiency and sustainability.
- continued to partner with Waste Management to divert waste.

**As part of our commitment to making a positive impact this year we:**

**Replaced *35* fossil fuelled cars with plug-in hybrid vehicles and installed *37* EV chargers across the network.**

**Tracked *348,318* hours, from *5,938* individuals from both prison and community work this year, on projects including manufacturing traps, nursery planting, track maintenance, recycling/repurposing and weed control.**

**Diverted *483* tonnes of waste in partnership with Waste Management.**

***60.*** https://sciencebasedtargets.org/resources/legacy/2019/04/foundations-of-SBT-setting.pdf.

### *Fleet*

Corrections manage a fleet of approximately 1,900 assets, including light commercial vehicles, prisoner escort vehicles, trucks, and a range of industrial and agricultural mobile plant and trailers. These assets are critical to supporting operations across custodial and community sites.

In 2024/25, we advanced the implementation of our Fleet Decarbonisation, Optimisation and Transition Plan. Key initiatives included equipping 1,144 vehicles with GPS devices and integrating them into the Smart Vehicle System, enabling real-time tracking and data informed asset management. We also launched a pool car booking system to improve access and coordination for 889 shared cars and vans that support operations across 103 sites.

This year we replaced 35 fossil fuel vehicles with plug-in hybrid electric vehicles (PHEVs) and installed 37 new EV charging stations. As at 30 June 2025, our light commercial fleet includes 293 battery electric vehicles (BEVs), 69 PHEVs and 105 petrol hybrid vehicles supported by 352 chargers nationwide.

### *Working towards zero waste: Sustainability in Action*

Tongariro Prison is working toward becoming zero-waste. Initiatives include: a work farm that supports food production and sustainability; spinning and weaving wool from the Tongariro Prison sheep farm; turning cardboard into fire bricks, which are delivered to vulnerable community members; and creative use of bamboo in craft and construction projects.

Whanganui Prison is also progressing toward zero waste. Initiatives include repurposing old mattresses into dog beds and building dog kennels from repurposed pellets. These are then donated to the SPCA, supporting animal welfare while reducing waste.

These initiatives not only reduce waste and create meaningful employment but also provide an opportunity for the men to give back to the community fostering a sense of purpose and connection.

### *Sustainability Policy and Design Standards*

We have completed the Energy Efficiency, Sustainability guideline, which forms part of a broader set of design guidelines that provide clear methodologies to enhance the environmental performance of our buildings. While new buildings must fully comply with all relevant standards and guidelines, upgrades to existing buildings are also required to demonstrate sustainable initiatives, particularly those focused on reducing operational emissions and minimising waste. These guidelines offer physical infrastructure solutions and set mandated targets for infrastructure projects, aligning with Corrections policies such as Mahi Kaitiaki.

### *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.

## Appendix Ten: Directed Segregation

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 2024/25. 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.[61]

| Measure | Number of different people |
|---|---|
| **Total number of people managed as segregated or at-risk** | **3,112** |
| **Number of times a person was managed as segregated or at-risk** | |
| 1 | 2,029 |
| 2 | 628 |
| 3 | 227 |
| 4 | 100 |
| 5 | 64 |
| 6 | 29 |
| 7 | 13 |
| 8 | 10 |
| 9 | 7 |
| 10 | 3 |
| 11 | 1 |
| 19 | 1 |
| **Average number of days a person was managed as segregated or at-risk** | **14** |
| **Gender of the prison the person was held in** | |
| Female | 183 |
| Male | 2,929 |
| **Ethnicity** | |
| Maori | 1,934 |
| European | 539 |
| Pacific | 442 |
| Other (incl. Asian) | 107 |
| Unknown | 90 |
| **Number of people segregated under each type of segregation[62]** | |
| SEG58 1A Directed security good order | 682 |
| SEG58 1B Directed safety of others | 2,104 |
| SEG59 1B Directed prisoner safety | 353 |
| SEG60 1A Directed physical health | 405 |
| SEG60 1B Directed mental health | 142 |
| **Age of people managed as segregated or at-risk** | |

*Continued over the next page.*



***61.*** 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 be reported. To provide the information would require manual analysis of numerous files. Figures provided represent the number of people who ended a period of segregation or at-risk in 2024/25.

***62.*** During the year a number of people have been in more than one type of segregation and have been counted once for each type of segregation. Therefore, these numbers will be higher than the total number of people managed.

| Measure | Number of different people |
| --- | --- |
| Under 20 | 106 |
| 20 - 24 | 455 |
| 25 - 29 | 657 |
| 30 - 39 | 1,195 |
| 40 - 49 | 478 |
| 50 - 59 | 163 |
| 60 and over | 58 |
| **Instances of self-harm while a person was managed as segregated or at-risk** | |
| Self-harm no threat to life | 188 |
| Self-harm threat to life | 17 |
| **Instances of death while a person was managed as segregated or at-risk** | |
| Apparent natural causes | 1 |
| Apparent suicide | 1 |

ROIMATA TOROA

# Report by the Minister of Corrections

# on Non-departmental Appropriations

for the year ended 30 June 2025

## *Appropriation: Waikeria Corrections and Treatment Facility*

The table below outlines how Corrections performed against the unaudited measure used to assess performance in the Waikeria Corrections and Treatment Facility appropriation.

| Assessment of performance | 2023/24 Actual | 2024/25 Actual |
|---|---|---|
| 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. | 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.<br><br>An in-principle expense transfer has been pre-approved to transfer funding to 2024/25. | On 5 June 2025, Corrections opened the new 596-bed facility at Waikeria Prison, with prisoners due to be received in the coming months.<br><br>An in-principle expense transfer has been pre-approved to transfer unutilised funding to 2025/26, to ensure immediate funding is available to meet any infrastructure requirement for the Waikeria Prison Expansion project. |

Te Kāwanatanga o Aotearoa
New Zealand Government

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DEPARTMENT OF
CORRECTIONS
ARA POUTAMA AOTEAROA

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