

2025 - 2026

E.61 (2026)

Annual Report

*For the year ended 30 June 2026 and Report by the Minister of Corrections
on Non-departmental Appropriations for the year ended 30 June 2026*



DEPARTMENT OF
CORRECTIONS
ARA POUTAMA AOTEAROA

Objectives of our Annual Report

This Annual Report details how we have delivered on our purpose, strategic priorities, and organisational outcomes during the financial year. It highlights our achievements, the challenges we have faced, and the progress we are making towards improved public safety, reduced reoffending, and reduced Māori overrepresentation.

This information is for all New Zealanders, community groups, and government agencies, as well as current and potential staff.

The objectives of our Annual Report are to:

- report on our performance and progress towards our organisational outcomes
- demonstrate how we are delivering on the direction set by Hōkai Rangī and our Strategic Intentions 2025 - 2029
- communicate our vision and commitment to making communities safer by supporting people to leave us better and with brighter prospects
- recognise the challenges we face and the steps we are taking to address them, while acknowledging the achievements and dedication of our staff
- build confidence in the partnerships that are being created with community groups including Māori, Pacific and Ethnic communities, industry and business, and international partners
- illustrate how we work collaboratively across government, particularly with justice sector agencies, to achieve shared outcomes
- demonstrate our commitment to accountability, stewardship, and continuous improvement
- meet the statutory requirements in accordance with the *Public Finance Act 1989* and other relevant legislation.



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*.

Our purpose

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

The organisational outcomes we aim to achieve

Our interconnected organisational outcomes as set out in Hōkai Rangi are:



Improved public safety:

We manage people in a way that improves the safety of the public, our staff, and the people we manage, while treating everyone fairly and humanely.



Reduced reoffending:

We support people to engage in rehabilitation programmes, reintegration, and support services that address the causes of criminal offending to reduce the risk of reoffending and causing further harm.



Reduced overrepresentation of Māori:

We help reduce overrepresentation by ensuring that the corrections system works effectively for Māori and their whānau. Our approach includes strong collaboration with hapū, iwi and Māori service providers. Reducing reoffending requires a strong focus on the overrepresentation of Māori.

Our guiding whakatauki



Kotahi anō te kaupapa: ko te oranga o te iwi – *There is only one purpose to our work, the wellness and wellbeing of people*

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Introduction from our Chief Executive

Our team of more than 11,000 people work in some of the most challenging and complex environments in New Zealand. Whatever their role, their dedication to our shared purpose of making New Zealand communities safer, by supporting people to leave us better and with brighter prospects, is inspiring.

Our work is not easy. The people we manage have complex mental health, addiction, and behavioural needs. We are also seeing the growing impact of organised crime and increasing levels of violence across our system. Despite these challenges, our people show remarkable dedication, compassion, and professionalism in undertaking their roles and supporting people to build better futures.

The Government's four priorities for Corrections strongly guide our work.

Effective rehabilitation is key to public safety and remains central to our purpose. We continue to strengthen the delivery of rehabilitation and reintegration services, ensuring that people receive the right services at the right time. Through the year, we have made significant progress in extending services to those on remand. Earlier access to rehabilitation and support enables people to make positive changes sooner and better prepares them for successful reintegration into society.

Improving the safety of our staff remains a top priority. While we can never entirely eliminate risk from our work environments, we must do everything we can to make our workplaces safer. This means investing in training, safety initiatives, operational practices, and workplace improvements. I am pleased to have seen serious prisoner-on-staff assaults reduce significantly during the year. In our community space, our Safer Communities initiative is making good progress with a number of safety changes being introduced. In September 2025, we launched our plan to Eliminate Sexual Harassment as part of our commitment to a safe working environment.

We have a critical focus on increasing prison capacity to respond safely and effectively to rising prisoner numbers. In the second half of 2025, 500 additional beds came online at Waikeria Prison. Over the past year, we have also made excellent progress on the 316 high-security bed expansion at Hawke's Bay Regional Prison and completed the procurement phase for the Christchurch Men's Prison redevelopment.

In the women's network, we have opened a satellite site of the Auckland Region Women's Corrections Facility at previously decommissioned facilities at Waikeria Prison. This has brought women closer to their whānau and support networks in Waikato and the Bay of Plenty.

These investments will ensure we can safely, securely, and humanely accommodate those placed in our management by the courts, while providing environments that support effective rehabilitation and reintegration.

Alongside infrastructure, we are working hard to ensure our staffing levels remain proportional to the prison population. This year saw the launch of our new recruitment campaign, The Real Job. The campaign is delivering positive results, with large numbers applying and being appointed to frontline and frontline support roles. We also have initiatives aimed at retention, workforce development, and leadership capability. These efforts are helping us build a sustainable workforce able to meet increasing operational demands while delivering high-quality services across prisons and the community.

While these priorities rightly demand significant attention, we are committed to the longer-term outcomes we seek to achieve: improved public safety, reduced reoffending, and reducing the overrepresentation of Māori in the corrections system. Guided by our organisational strategy, Hōkai Rangi, we work alongside iwi, community organisations, service providers, and justice sector partners to create lasting change and improve outcomes for the people we manage, their whānau, and our communities.

The achievements outlined in this report reflect the efforts of people right across our organisation. To the more than 11,000 people who serve our communities every day, my sincere thanks. I could not be prouder of your commitment to public service, your support for one another, and your unwavering focus on keeping communities safe.

Ngā mihi maioha.



Rachel Leota
Secretary for
Corrections and
Chief Executive

*Te Tumu Whakarae mō
Ara Poutama Aotearoa*

Statement of responsibility

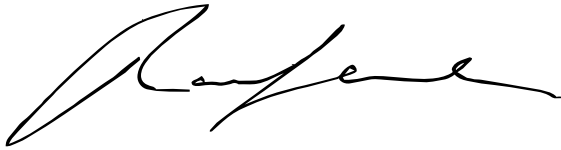
I am responsible, as Chief Executive of the Department of Corrections for:

- 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 2026 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 2027 and its operations for the year ending on that date.

Signed,



Rachel Leota

Secretary for Corrections and Chief Executive

Te Tumu Whakarae mō Ara Poutama Aotearoa

Date: 30 September 2026

About Us

About the Department of Corrections

The Department of Corrections works to keep communities safe and support people to build crime-free lives.

Operating at the end stage of the justice system, we manage people on remand and those serving sentences and orders in prisons and in the community, ensuring these are delivered safely, securely, and humanely.

With a largely frontline workforce across New Zealand, we use evidence and insights to respond to the complexity of the people we manage and reduce the chances of reoffending, while maintaining the integrity of sentences and orders.

We aim to be as effective as possible by understanding our growing and changing population, ensuring we can safely and humanely accommodate those we manage, and delivering the right services at the right time across custodial and community settings.

Our work makes a difference every day, and we are focused on continuing to strengthen our services, responding to changing needs and delivering better outcomes to keep New Zealanders safe now and into the future.

Our legislative functions

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.
- 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.
- 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

Our operating environment

Our operating environment is shaped by justice system settings and outcomes, and by other local and global factors such as the social landscape. We closely monitor our operating environment so we can respond effectively and proactively to challenges, trends, or changes that may affect our work.

Safely accommodating an increasing prison population

Prison populations are affected by changes in social attitudes, policy, and practice. New Zealand's prison population has increased significantly in recent years, and the most recent Justice Sector Projections released in June 2026 project a prison population of 15,200 by June 2036. This growth has placed a focus on prison capacity, infrastructure, and frontline services which, in some situations, has led to the opening of satellite units and the refurbishment and reopening of previously closed units.

Staffing remains a critical operational priority

Recruiting and retaining enough frontline staff remains one of our biggest operational challenges. Without sufficient staffing, it becomes harder to maintain safe, secure prisons and deliver effective rehabilitation and reintegration services. Recent government funding has supported the recruitment of hundreds of additional Corrections Officers and other frontline personnel. Our recruitment efforts are ongoing to ensure we can continue to attract the right people into the right roles at Corrections.

The people we manage have complex needs and our services must meet these needs

Many people enter prison with complex mental health, addiction, and behavioural needs. These pressures require specialised support and place additional demands on frontline staff and services. Reducing reoffending is one of Corrections' three interconnected outcomes, requiring effective delivery of rehabilitation programmes, education, employment training, cultural interventions, and reintegration support. Understanding the services we deliver and ensuring they are available to the right people at the right time remains a focus for us. Recent legislative changes have reinforced the importance of engaging people earlier in their corrections pathway. In response, we have started expanding rehabilitation services for people on remand. Further information is provided on page 66.

We remain committed to keeping our staff safe and addressing the growing influence of transnational and serious organised crime groups

Frontline staff are required to manage prisoners with complex criminogenic, behavioural, mental health, addiction, and gang-related needs, adding to the demands of custodial roles. We know that when people are accessing the right services and are treated with dignity, humanity, and respect, this is likely to lead to a reduction in tension and a safer prison environment. We have continued to invest in initiatives that support staff safety and wellbeing, recognising that a safe working environment is essential to achieving our organisational outcomes.

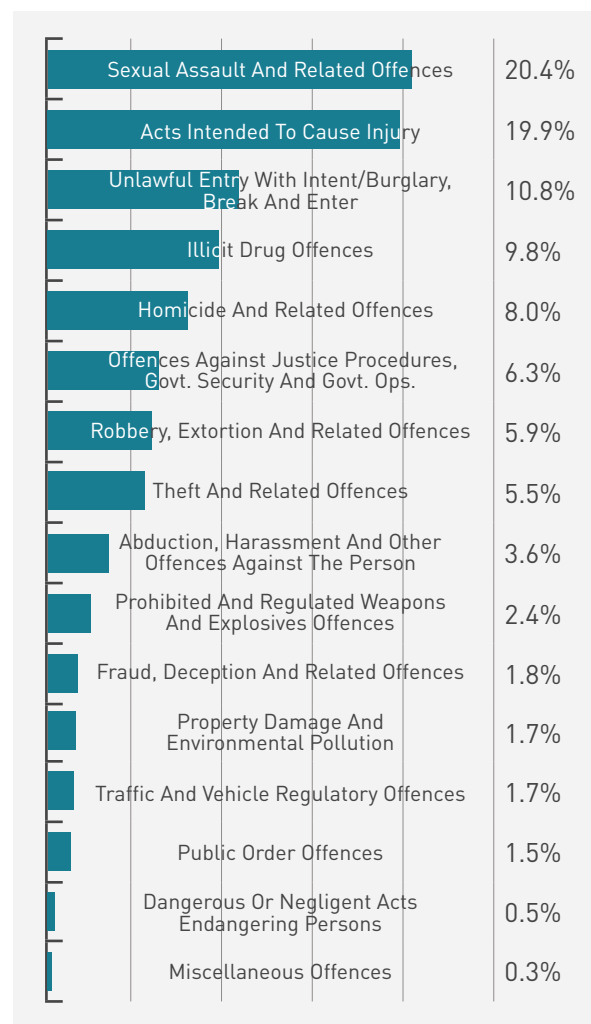
The growing influence and harm caused by transnational and organised crime groups within New Zealand is a factor that can erode the integrity of our staff. A point evidenced by the arrest of 10 Corrections staff and five Serco staff across three prison sites in May 2026 on corruption related charges. Responding to this cohort places additional pressure on the corrections system and has required us to strengthen operational capability, enhance staff safety, and adapt our approaches to managing the influence of organised crime.

Despite the difficulties, our staff have continued to do important work every day that supports better outcomes for the people we manage, whānau, and communities. This work makes a difference in people's lives. Staff safety remains an absolute priority and will always be front of mind when decisions are made that affect our frontline operations.

People serving sentences or orders in prison or in the community

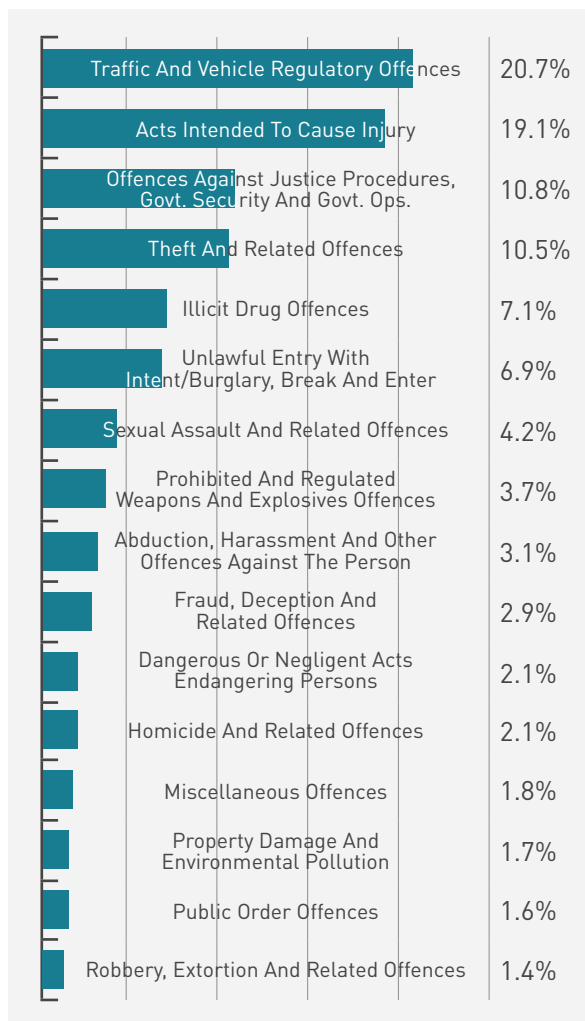
We are responsible for managing people in prison and on community sentences in a way that helps keep the public safe, while ensuring they are treated with humanity, dignity, and respect. We also support rehabilitation and reintegration by providing opportunities that help reduce reoffending.

Prison population by offence type (as at 30 June 2026)¹



1. 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. Percentages are rounded independently and may therefore not total 100%.

Community-based offenders by offence type (as at 30 June 2026)²



Responding to complex needs

We manage some of the most complex and vulnerable people within our society. People in prison are more likely to have unmet health needs and complex issues. These are often identified for the first time in the corrections system, and present at higher rates than in the community. Identifying and addressing these needs is critical to helping people stay out of the criminal justice system and achieving our organisational outcomes.

Past research suggests:



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.



Three quarters of people in prison are likely to have experienced physical and sexual violence.



80% of people in prison and 65% of people serving community sentences and orders are likely to have engaged with mental health services in the past decade, which is significantly higher than mental health service use in the community.



10% of people in prison have literacy and numeracy below an average 12-year-old.



65% of people in prison aged under 25 have no formal qualifications.

Source: Ara Poutama Aotearoa | Corrections 2024, University of Auckland 2023

2. 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. Percentages are recorded independently and may therefore not total 100%.

During 2025/26, Corrections continued to enhance service delivery, particularly across health and physical care, rehabilitation, and reintegration services, to respond to the complex needs of the people we manage. Further details on these initiatives are outlined throughout this report.

Growth in the general population and remand

The prison population has grown significantly in recent years and is projected to continue increasing over the next 10 years, as shown in the graph and table below:

Figure 1: Our prison population as at 30 June 2018-2026

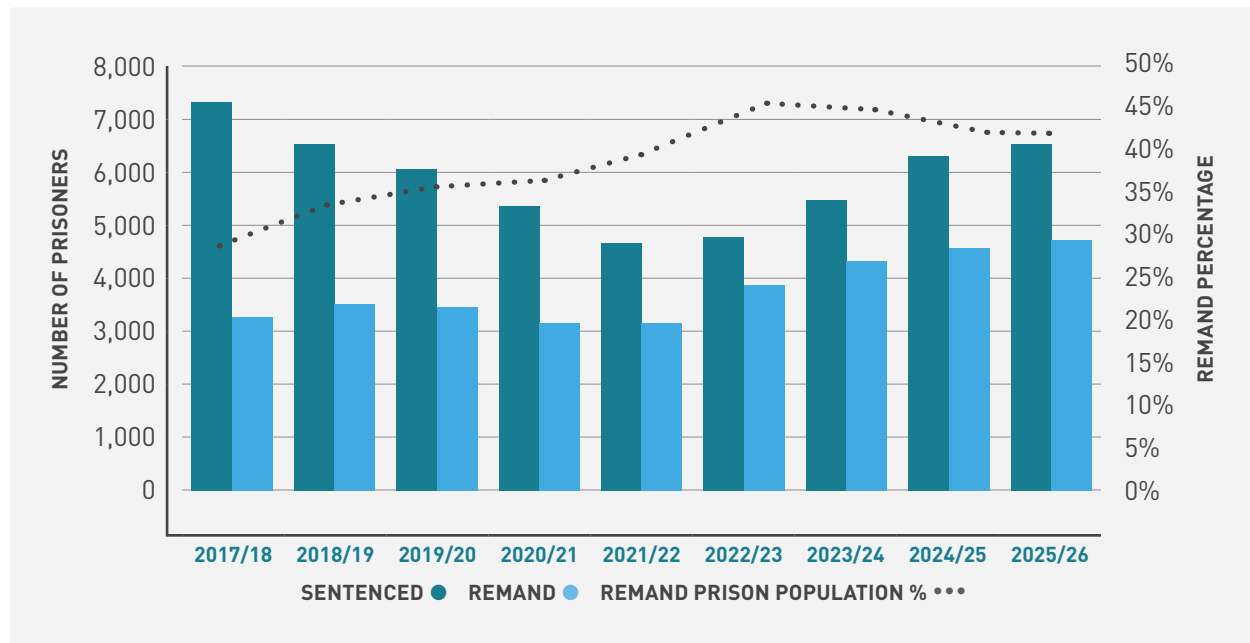


Table 1: Projected prison population over the next 5 and 10 years³

Prison population	30 June 2026	5-year projection (June 2031)	10-year projection (June 2036)
Remand	4,616	5,744	6,900
Sentenced	6,528	8,184	8,300
Total	11,144⁴	13,928	15,200

³ <https://www.justice.govt.nz/justice-sector-policy/research-data/justice-sector-projections/>

⁴ This number excludes 112 prisoners who were being held offsite at a hospital, in a mental health facility or in police cells.

Who we work with

Supporting people to turn their lives around and stay crime-free is not something we can do alone. The drivers of crime are wide-ranging, complex, and not always things we can directly address.

To achieve our organisational outcomes, we need strong departmental capability that sits alongside meaningful partnerships with those who can support our efforts. These partnerships recognise how our work connects to that of other sectors and enables a broader system response to addressing people's rehabilitation and reintegration needs, particularly where we do not have the mandate to intervene.

We have continued to work closely with a range of partners, at both local and national levels to support our work to deliver better outcomes for those we manage. This includes iwi providers, non-government organisations and government agencies to provide coordinated and targeted support. We also continue to work effectively with the five other justice sector agencies, to improve how people experience the justice system and deliver safe, timely and just outcomes.

Our partners include:



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

Who we serve

People serving sentences or orders: 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.

Victims: In all of the work we do, victims remain at the centre of our work. 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.

Corrections remains committed to improving the experiences of victims engaging with us. Victim-centred practice requires us to place a victim's wellbeing, safety, and experience at the centre of our decision-making, communication, and actions. Critical to this is ensuring victims are well-informed, receive a consistent quality of service, and are recognised as an integral part of the criminal justice process.

Communities: We are committed to protecting the public from those who can cause harm by safely and securely managing people in prisons and monitoring compliance with community sentences and orders. We also work to improve public safety by providing a range of services in the community that help people make positive and lasting changes in their lives, while addressing reintegrative needs to reduce the risk of reoffending. These services include cultural programmes, education and vocational training, employment and life skills support, supported accommodation, and navigation services.

Our Strategy

Hōkai Rangi - our enduring organisational strategy

Through the six pou, Hōkai Rangi sets out what we want to achieve in the corrections system and guides our collective approach to delivering on our three organisational outcomes.



Partnership & Leadership

We value the relationships we have built with our strategic partners. We strive to work collaboratively with Māori.



Humanising & Healing

We support and uplift the mana and dignity of everyone we manage.



Whānau

We support whānau to walk alongside their loved ones during their rehabilitation and reintegration journey.



Whakapapa

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



Incorporating a Te Ao Māori worldview

We enable access to culture as a fundamental right, not a privilege. We work to provide equitable access to cultural activities for all.



Foundations for Participation

We help people to better participate in society and live offence-free lives.

Our pou guide us to do things differently and provide the foundations for change by:

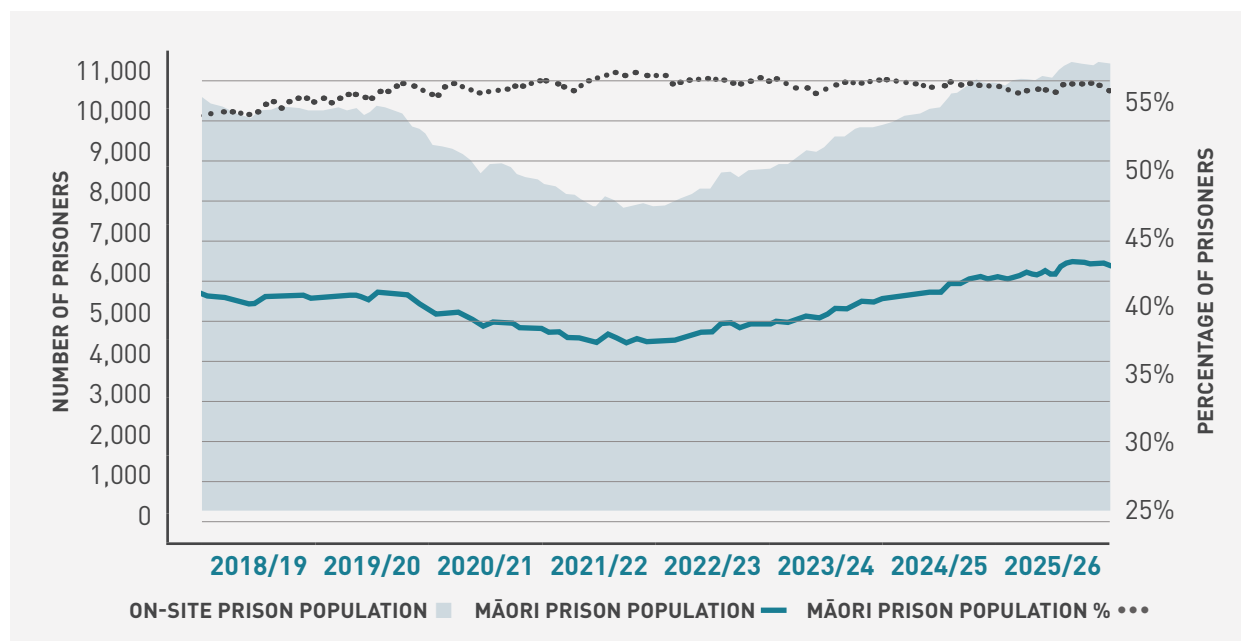
- Shaping the way we work, partner, and deliver services.
- Recognising and valuing Māori culture, people, and perspectives.
- Treating people humanely and improving their physical and mental wellbeing.
- Understanding the importance of culture and identity to wellbeing, connection, and participation.
- Setting the standards and holding us accountable for what people will see and experience.

Māori accounted for over half of the overall prison population and, on average, 68% of the women's prison population during 2025/26. Māori overrepresentation has remained a persistent feature of the corrections system for more than four decades. While there are some factors outside of our control, we are committed to capitalising on real opportunities across our own system and practices to reduce Māori disproportionality across remand and imprisonment, rehabilitation and reintegration.

Hōkai Rangi continues to raise the visibility of what we do to support Māori. By meeting rehabilitation and reintegration needs, including through culturally responsive approaches to reduce reoffending for Māori, we support people to make positive and meaningful changes in their lives. Over time, this will lead to fewer victims, improved public safety, and reduced Māori overrepresentation in the criminal justice system.

The figure below shows the prison population trend since 2018/19, including the proportion of people in Corrections management who identify as Māori, which is one of our longer-term outcome measures.

Figure 2: Prison population trend⁵



We have made important changes since Hōkai Rangi was first introduced in 2019, but the shifts we want to see across the corrections system will take time to be realised, and there is more to be done.

Hōkai Rangi now includes our Organisational Roadmap. In particular, the 2024 strategy refresh is focused on key organisational outcomes and priorities, including addressing Māori overrepresentation, rather than on prescriptive actions that may become disconnected from the outcomes they are intended to achieve. The refresh reaffirms our focus on addressing Māori overrepresentation.

Our approach is not isolated to specific interventions. Instead, our strategy embeds a commitment to Māori outcomes across all aspects of our operations. This means that Māori are not only supported through targeted initiatives that respond to identified needs, but through the entire spectrum of services we deliver, from rehabilitation and reintegration to mental health, education, and cultural connection.

Māori-focused initiatives, and their implementation, are considered within the Department's wider oversight, financial and operating context to ensure greater scope for integration and long-term sustainability.

Over the past year, we have focused on translating this strategic direction into action. We have worked to ensure the corrections system can be resilient in a more pressured operating context while making (or setting the foundation for) the changes that will further align our actions with our strategic direction. Our staff are critical to achieving the aspirations in Hōkai Rangi, so uplifting staff capability and onboarding the right people for the job has remained a key focus.

Our approach is strengthened by a suite of action plans that help us to understand, consider, and respond to the unique needs of different population groups. The plans are aligned with Hōkai Rangi and support a more equitable, responsive, and effective corrections system. They include:

- Women's Strategic Plan - Wāhine: E Rere Ana Ki te Pae Hou
- Ageing Well Action Plan 2023-2026
- Disability Action Plan 2023 – 2027
- Alcohol and Other Drug Strategy 2021-2026
- Te Aorerekura Implementation Plan
- Suicide Prevention and Postvention Action Plan Refresh 2026 – 2029
- Health, Safety and Wellbeing Strategic Plan

5. A change has been made to the reporting of ethnicity information for people under Corrections management to better align with Statistics New Zealand's Ethnicity Standard Classification. While people in prison may identify with more than one ethnicity, all individuals who identify as Māori, whether solely or alongside other ethnicities, are now included in the Māori population. Previous reporting was based on a preferred ethnicity approach. Comparative periods in Figure 2 have been restated to reflect the revised methodology. This change increased the reported Māori prison population percentage for 2024/25 by 4 percentage points, from 52% to 56%.

Our Organisational Roadmap

Our Organisational Roadmap helps us identify, prioritise, and monitor the initiatives that matter most against our purpose, three organisational outcomes and wider government priorities.

These initiatives respond to the key challenges we are facing in achieving our purpose and our three organisational outcomes. The roadmap is a living document. Where our context changes, we will review our Organisational Roadmap to reflect changing priorities.

Our Organisational Outcomes:

Improved public safety

Reduced reoffending

Reduced overrepresentation of Māori

Our Focus Areas & Key Challenges



Purpose & Performance

Enrolling our people in a collective and compelling 'why'. Collaborating to understand how to impact performance and deliver outcomes.

What we need to solve to achieve our purpose:

- We have a clear purpose, but we lack clarity and measurements on how our collective efforts contribute most effectively to achieving it
- Delivering minimum entitlements is subject to growing operational pressures and complexities.



Leadership, Capability & Culture

Investing in leaders that can foster a learning culture, and a capable, connected workforce

What we need to solve to achieve our purpose:

- Violence and aggression in our prisons and community sites are putting staff and the people we manage at risk
- Inappropriate staff behaviour is causing harm to colleagues
- Our frontline staff need more support and clarity on how to apply Hōkai Rangi to their practice
- Staff face challenges in accessing the right development and support needed to perform effectively in their roles
- Our health and safety approach doesn't reflect the complexity of today's work and is focused on blame.

Key Initiatives & Changes

Performance Framework

Minimum Entitlements and Meaningful Human Contact

Eliminate Sexual Harassment

Learning Pathways

Cultural Capability Approach

Safer Prisons

Safer Communities

Health, Safety and Wellbeing System

Our Focus Areas & Key Challenges



Pathways & Services

Optimising our rehabilitation and reintegration pathways and partnerships, to deliver our organisational purpose for all people in our management.

What we need to solve to achieve our purpose:

- Our rehabilitation and reintegration services are not always responsive to the complex and dynamic risks and needs of people
- Our rehabilitation and reintegration services can be difficult for people to access when they need them most
- Our lack of integration across frontline teams and services creates inefficiencies and waste that limit our ability to achieve our purpose.



Network Health & Capacity

Utilising connected population forecasting, asset management (physical and digital) and workforce planning to guide all investment – short/medium/long term horizons.

What we need to solve to achieve our purpose:

- Our high security prison capacity is facing increased pressure
- Our Integrated Offender Management System is unstable, built on legacy architecture, and does not support practitioners in delivering Integrated Pathways for people in our management.

Key Initiatives & Changes

Optimising our Services

Practice Improvements

Integrated Pathways

High Security Capacity

IOMS Replacement

Our Focus Areas & Key Challenges



Organisational Resilience

Improving the efficiency and effectiveness of our baseline funding to meet our current and future needs as stewards of the corrections system.

What we need to solve to achieve our purpose:

- We lack a structured, whole-of-organisation approach to resilience, resulting in fragmented and reactive responses
- Our high and fixed baseline costs create ongoing fiscal pressure, driving a continual need for efficiency improvements

Key Initiatives & Changes

Functional planning and fiscal sustainability work

During 2025/26, work has progressed across all initiatives, including planning, design, and early implementation activities.

While some initiatives such as the IOMS Replacement Initiative are still in the early stages of planning and design, others have achieved important milestones. These include improvements to service delivery, initiatives to support the safety of our staff and the people we manage, and strengthening workforce capability. More information on progress and achievements is provided throughout this report.

Overall, the work completed during the year demonstrates our progress against our key initiatives and represents key foundational steps towards achieving our long-term organisational outcomes.

We will continue to report on progress against all initiatives in future Annual Reports as implementation advances and further milestones are achieved.

2025/26 Corrections by the numbers

11,401

THE HIGHEST PRISON
POPULATION FOR THE
YEAR WAS RECORDED ON
2 JUNE 2026

49,900

PEOPLE WERE MANAGED
IN THE COMMUNITY ON
SENTENCES AND ORDERS
DURING THE YEAR

AN AVERAGE OF

25,500

PEOPLE WERE MANAGED
IN THE COMMUNITY ON
SENTENCES AND ORDERS
EACH DAY

9%

STAFF TURNOVER

89.3%

OF OUR STAFF WORK ON
THE FRONTLINE

DURING 2025/26, OVER

800

PEOPLE ON REMAND
PARTICIPATED IN
VOCATIONAL SHORT
COURSES

37,363

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

5,240

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

PROBATION AND
PSYCHOLOGIST STAFF
PROVIDED MORE THAN

26,700

PRE-SENTENCE REPORTS
TO THE COURTS

PROVIDED MENTAL
HEALTH INPUT FOR

9,520

PEOPLE IN PRISON

(THIS INCLUDES TRIAGING
REFERRALS, PROVIDING MENTAL
HEALTH ADVICE, SCREENING,
ASSESSMENTS,
AND INTERVENTIONS)

CASE MANAGEMENT,
PROBATION AND
PSYCHOLOGIST STAFF
PROVIDED MORE THAN

7,800

PAROLE REPORTS TO
THE NEW ZEALAND
PAROLE BOARD



Performance information

Implementing the Government's priorities

Budget 2024, 2025 and 2026

Major Budget decisions are subject to additional reporting requirements under Cabinet Minute ECO-24-MIN-0231. Corrections has one major Budget initiative that requires a report for Budget 2025 and Budget 2026, and two major Budget initiatives that require a progress report for Budget 2024 as at 30 June 2026.

Prisoner Population⁶

To manage a growing prisoner population, Corrections received \$803.2 million over five years through Budget 2024, followed by an additional \$393.4 million over five years in Budget 2025 and \$477.1 million over five years in Budget 2026.

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.

Budget 2025 information has been updated for presentation to ensure consistency with the current year's presentation and disclosures.

Budget 2026	2025 / 2026	-	\$477M to manage an increasing prisoner population
	2026 / 2027	\$102M	
	2027 / 2028	\$125M	
	2028 / 2029	\$125M	
	2029 / 2030	\$125M	
Budget 2025	2024 / 2025	-	\$393.4M to manage an increasing prisoner population
	2025 / 2026	\$93M	
	2026 / 2027	\$102M	
	2027 / 2028	\$99M	
	2028 / 2029	\$99M	
Budget 2024	2023 / 2024	\$20M	\$803M to manage an increasing prisoner population
	2024 / 2025	\$199M	
	2025 / 2026	\$205M	
	2026 / 2027	\$193M	
	2027 / 2028	\$186M	
			\$10M for minor capital expenditures

6. The title combines the Budget 2024 initiative, 'Prisoner Population – Responding to Increasing Prisoner Numbers', the Budget 2025 initiative, 'Corrections Prisoner Population and Other Volume Pressures' and the Budget 2026 Initiative, 'Corrections Prisoner Population Volume Pressures'.

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.

Our progress as at 30 June 2026

- Corrections was managing 11,256 prisoners. The actual prison population at 30 June is higher than the Budget 2025 planning assumption of 10,860 by 30 June 2026 (Budget 2024 planning assumption of 10,000 by 30 June 2025).
- The total actual corrections officer Full-Time Equivalents (FTEs) increased to 4,787 (June 2025: 4,605 FTE). Corrections continues to recruit custodial staff to support an increasing prison population.
- To manage prison population above funded levels, Corrections has made internal reprioritisation decisions and is absorbing additional operating costs within existing baselines.

Population

As at 30 June 2026
Corrections managed

11,256
prisoners

(within an operational capacity of 12,365)

Staff FTEs

As at 30 June 2026
Total actual CO FTEs increased to

4,787

(224 FTEs lower than the projection based on the JSP prison population as at 30 June 2026)

Rehabilitation Programmes – Extending to Remand Prisoners

Budget 2024

2024 / 2025	-
2025 / 2026	\$4M
2026 / 2027	\$17M
2027 / 2028	\$19M
2028 / 2029	\$20M

\$60M

total operating funding to provide services and interventions

\$19M

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

We continue to implement 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 as well as providing non-offence focused services to all remand prisoners (including remand accused prisoners), where appropriate. Corrections received \$60 million total operating funding over five years through Budget 2024 to support this work.

Our Progress as at 30 June 2026

The review of all rehabilitation programmes was completed, and a high-level plan for providing consistent and effective programmes and services to remand prisoners was developed and approved by the Executive Leadership Team and joint ministers prior to the drawdown of the tagged contingency funding.

Implementation at some sites began in the first quarter of the 2025/26 financial year. Detailed site-specific planning is on-going to enable further roll out of services to remand populations.

During the 2025/26 financial year, we recruited 15 of 25 FTE programme facilitators and one of seven FTE psychologists to deliver offence-focused rehabilitation to remand convicted individuals. This includes delivery of the Short Rehabilitation Programme, Short Violence Prevention Programme, and individual psychological treatment. The remaining recruitment for these roles is planned to be phased over the next 12 months. Over this period, we will also be recruiting a range of mental health practitioner roles and social workers to support the extension of rehabilitation services in remand by working with men and women in our care to prepare them for rehabilitation.

Procurement for some service uplifts has been completed. Further context is outlined under the *Key Initiative: Optimising Our Services*.

Budget 2024 baseline saving

Corrections' baseline was reduced by \$106.5 million in 2025/26 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).

Though Corrections did not have a savings target at Budget 2025, additional efficiency savings of \$10.8 million were identified.

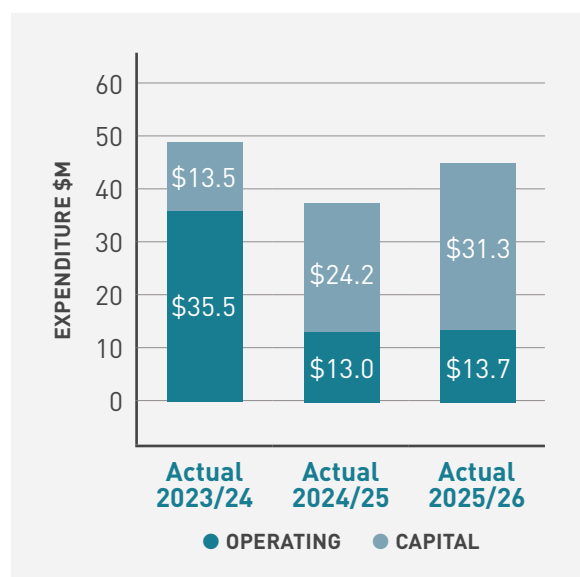
There was no savings initiative for non-departmental expenditure.

Expenditure on contractors and consultants

Departments are required to report spending on contractors and consultants.

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

Figure 3: Contractor and consultant operating and capital spend 2025/26



In 2025/26, Corrections spent a total of \$45.0 million on contractors and consultants. This represents an increase of \$7.8 million in comparison to 2024/25, of which \$7.1 million was due to an increase in capital expenditure and \$0.7 million was due to an increase in operating expenditure. The spend represents 3.7% of total departmental workforce expenditure in 2025/26 (and the increase represents 0.6% of total departmental workforce expenditure in 2025/26).

The increase in both capital and operating spend relates to prison capacity expansion projects, which required specialist knowledge and skills to be brought in for effective and efficient delivery of these complex initiatives.

Financial performance

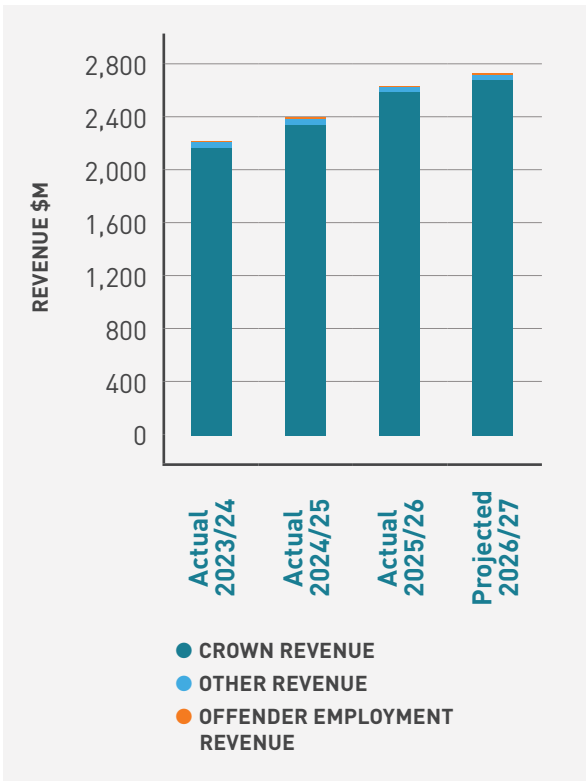
Our total operating expenditure for 2025/26 was \$2.6 billion, which was \$196.5 million higher than 2024/25, but 1.6% below our approved funding.

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

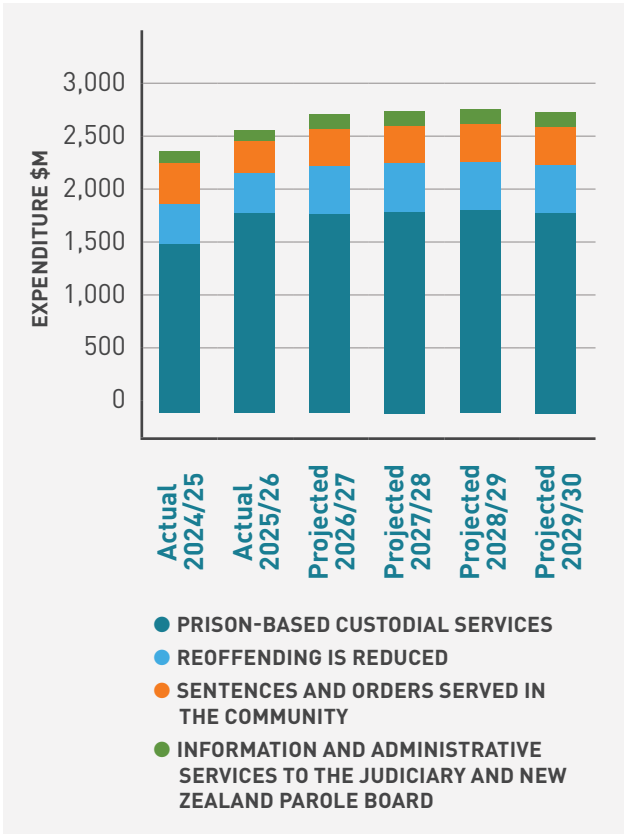


Operating expenditure by appropriation

The increase in funding during 2025/26 was mainly due to the increasing prisoner population. This resulted in a \$276.8 million increase in Prison-based Custodial Services to \$1,802.6 million.

The below figure shows our funded Departmental operating expenditure to 2029/30.

Figure 5: Expenditure Appropriation Projections to 2029/30

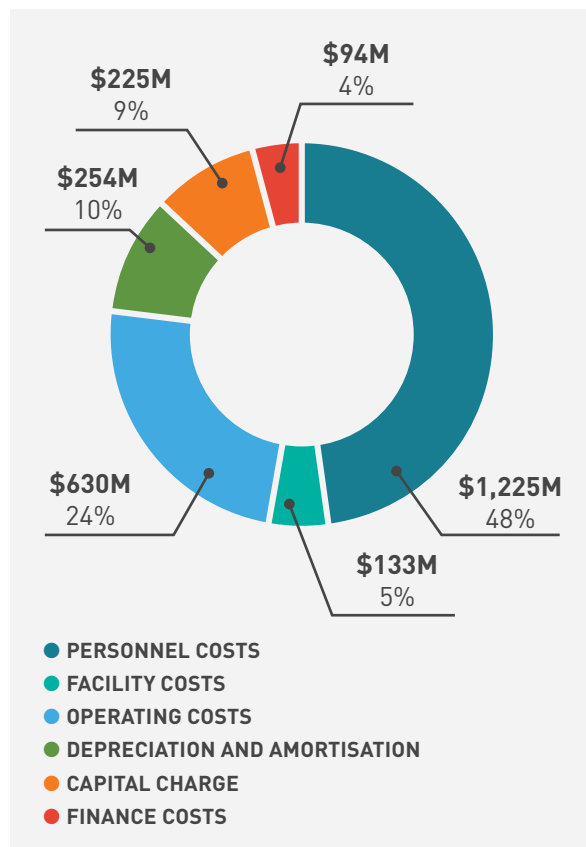


Operating expenditure by category

76% of our \$2.6 billion spend in 2025/26 related to personnel and asset ownership costs. Personnel costs were \$1.2 billion in 2025/26, 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 \$5.3 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:

- \$5,184.9 million of property, plant and equipment
- \$18.7 million of assets related to prison-based employment activities, including farming

- \$22.1 million of intangibles (software) including offender management systems
- \$15.2 million of derivative financial instruments (interest rate swaps with the New Zealand Debt Management Office)
- \$14.5 million of operating expenditure prepayment.

Depreciation and amortisation, capital charge, and finance costs represent 23% of our 2025/26 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 (31 of which are owned by Corrections), 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

Corrections' capital expenditure in 2025/26 was \$401.9 million, \$123.1 million higher than 2024/25, primarily due to higher costs recognised for the Accelerated Capacity Project and Waikeria Expansion Project during the year. The variance against Supplementary Estimates is \$38.5 million lower due to expenditure for further work required on the Waikeria Prison Expansion which will now occur in 2026/27.

Actual expenditure in 2025/26 was \$58.9 million higher than Budget (\$38.5 million lower than Supplementary Estimates).

Non-departmental appropriation

We received an appropriation of \$0.739 million for this financial year to facilitate infrastructure improvements relating to the development of Waikeria Prison. Actual expenditure for 2025/26 was \$0.096 million (excluding GST).

The underspend is due to the reassessment and timing of infrastructure improvements required for the site's future expansion plans for the Waikeria Corrections and Treatment Facility. Consequently, some planned expenditure was not incurred during the year and is expected to be spent in 2026/27.

Service performance

Corrections measures the longer-term outcomes and impacts of our services on reoffending at a high level through the Rehabilitation Quotient (RQ), the Recidivism Indices (RI), the Reoffending Seriousness Measure, and the proportion of people in Corrections' management who identify as Māori, as set out in the Strategic Intentions 2025-2029. Our Strategic Intentions is available here: <https://www.corrections.govt.nz/resources/strategic-reports/strategic-intentions/2025-2029>.

Outputs are specified in the Estimates of Appropriations 2025/26 and the Supplementary Estimates of Appropriations 2025/26 for Vote Corrections. Estimates documents are available here: <https://www.treasury.govt.nz/publications/estimates/vote-corrections-justice-sector-estimates-appropriations-2025-26>.

Together, these measures act as indicators to show whether our services and the collective actions we are taking across the organisation are progressing us towards the achievement of our purpose and three organisational outcomes.

Strategic Intentions performance measures

Rehabilitation Quotient (RQ)

Corrections uses the 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.

Due to work we have done to strengthen the base data including, using three years' worth of intervention data to strengthen reliability and refining the selection of control group participants, only the results for the last five years are directly comparable⁷. 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 percentage points. 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.

⁷ 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, and improving the quality of the base data used. As a result, figures reported in the 2025/26 Annual Report covering the last five years are not directly comparable with those published in earlier annual reports.

2025/26 results

Overall, most interventions evaluated for the 2025/26 RQ recorded reductions in reimprisonment and resentencing rates, with a greater number reaching 95% statistical significance than last year. Intensive prison-based programmes recorded stable 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 not reaching the level of statistical significance do not necessarily indicate that programmes are ineffective, rather that it is not possible to ascribe any reduction in reoffending definitively to the intervention. The 2025/26 RQ measures the impact of interventions that were completed in the three years prior to 31 March 2025. The follow-up period extends to 30 June 2026. Changes made to the programme suite since March 2025 will not be reflected, nor will the totality of changes made between March 2022 and March 2025. For further details, refer to *Appendix Three: Rehabilitation Quotient*.

Prison interventions

For the first time in several years the Special Treatment Unit – Violent Offending programme recorded a decrease in reducing reimprisonment, although the impact on resentencing remained strong. This year's results indicate that resentencing was reduced by 11.8 percentage points while reimprisonment rates were reduced by 5.1 percentage points. The Short Violence Prevention Programme did not receive an RQ last year but presents as having had a significant impact upon both reimprisonment (7.9 percentage points) and resentencing, (10.3 percentage points).

Community interventions

With the exception of the resentencing rate for the Community Residential AOD Treatment Programme, the remainder of the community programmes assessed returned favourable results.

A number of impacts reached 95% significance, with notable results including a reduction in imprisonment of 5.0 percentage points for the men's Short Rehabilitation Programme and 4.3 percentage points for the women's version of the same programme. The men's programme also had a reduction of 5.6 percentage points for resentencing. For the full table of results for prison and community interventions, see *Appendix Three: Rehabilitation Quotient* on page 160.

Recidivism Indices (RI)

The RI 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 RI 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 26) show the 12- and 24-month recidivism rates for people released from prison, and people who started community sentences since 2015.

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 2024 and for 12 months the year ended 31 March 2025.

This year the results for released prisoners continue the significant upward trend seen over the last three years, while the community sentence results follow a more gradual upward trajectory.

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 RI, see *Appendix Four: Recidivism Indices* on pages 161-164.

Figure 7: 12- and 24- month resentencing and reimprisonment rates for people released from prison in the years ending 31 March 2015 to 2025⁸

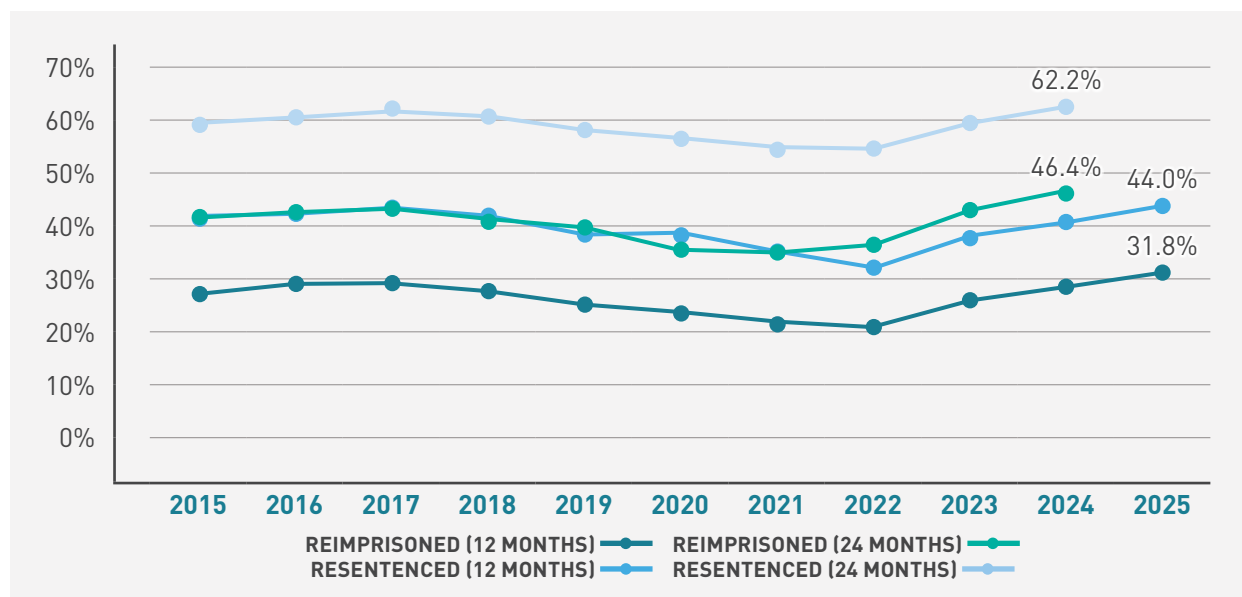
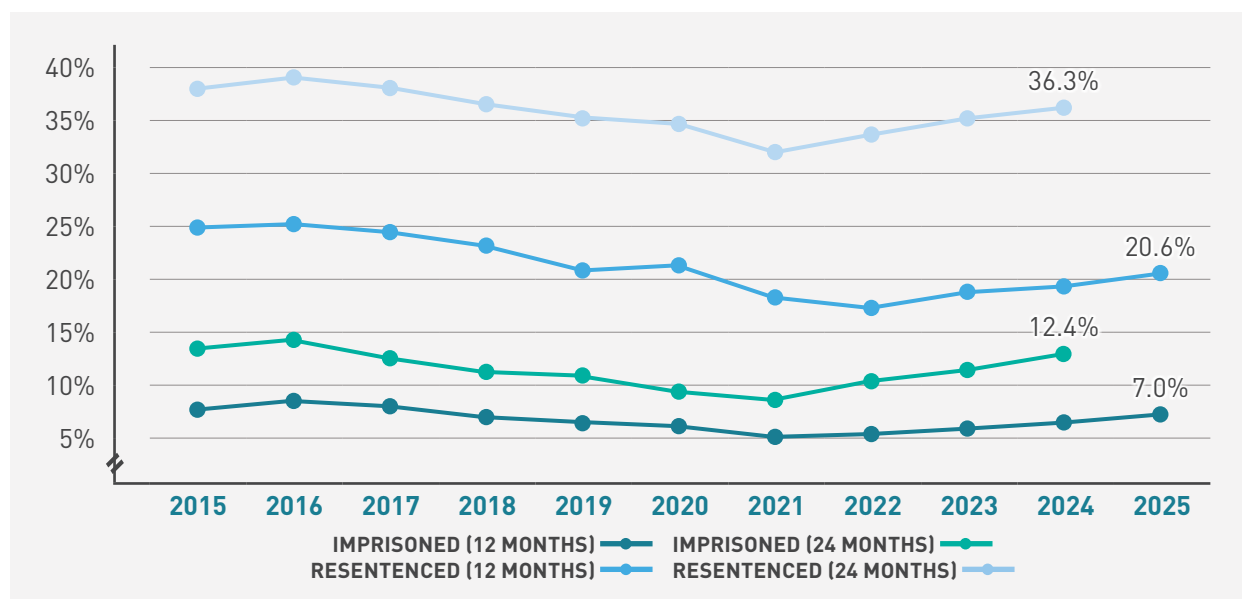


Figure 8: 12- and 24- month resentencing and imprisonment rates for people starting community sentences in the years ending 31 March 2015 to 2025⁸



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

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.

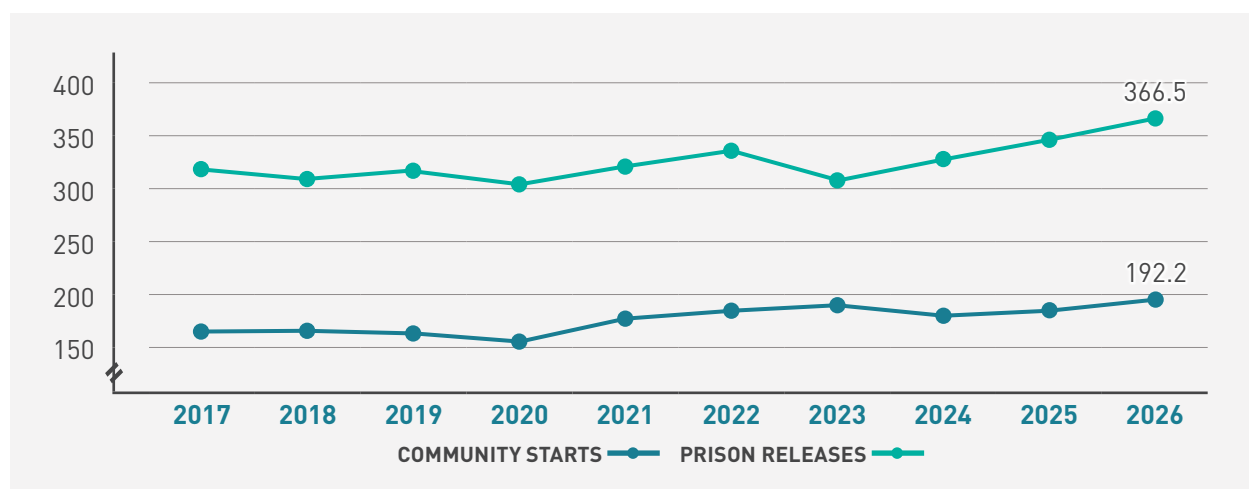
The reoffending seriousness score is a proximate measure of the average seriousness of people's reoffending; a higher score means more serious reoffending.

The measure is calculated using offence-based scores from the Justice Sector Seriousness Score⁹. The Justice Sector Seriousness Score 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 2025/26, the reoffending seriousness score for people released from prison was 366.5 [2024/25: 346.5], while reoffending by people on a community-based sentence or order had a seriousness score of 192.2 [2024/25: 186.3]. These increases continue the upward trend of the last few years.

The reoffending seriousness score can be impacted by several 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 2017 to 2026



Proportion of people in Corrections management who identify as Māori¹⁰

Māori continue to be overrepresented in the corrections system, comprising 56% of the onsite prison population as at 30 June 2026 (56% as at 30 June 2025). The overrepresentation of wāhine Māori is especially high, sitting at 69% of the women's onsite prison population as at 30 June 2026 (67% as at 30 June 2025). As at 30 June 2026, 49% of people managed by Corrections on a community-based sentence or order identified as Māori (49% as at 30 June 2025).

Refer Figure 2 on page 14 showing the prison population trend since 2018/19, including progress towards reducing Māori overrepresentation.

9. 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.
10. A change has been made to the reporting of ethnicity information for people under Corrections management to better align with Statistics New Zealand's Ethnicity Standard Classification. While people in prison may identify with more than one ethnicity, all individuals who identify as Māori, whether solely or alongside other ethnicities, are now included in the Māori population. Previous reporting was based on a preferred ethnicity approach. Where applicable, comparative periods have been restated to reflect the revised methodology. This change increased the reported Māori prison population percentage for 2024/25 by 4 percentage points, from 52% to 56%.

Estimates of appropriations performance measures

Further significant growth in the prison population continues to place pressure on prison capacity, infrastructure, and frontline services.

This year, Corrections achieved 19 of 35 Vote performance measures (2024/25: 21/34 measures achieved budget), exceeding Budget expectations in key areas including serious assaults in prisons, rehabilitation programme completion rates, reintegration service delivery, and the management of people serving sentences and orders in the community.

Areas where performance remained below Budget expectations include unnatural deaths in prisons and measures related to the timeliness of service delivery, particularly offender plans for people in prison and New Zealand Parole Board related notifications to offenders and registered victims.

Compared with 2024/25, performance was at least maintained for over half of our Vote measures. Year-on-year performance improvements include rehabilitation programme completion rates, both prison and community, and a significant reduction in the rate of serious prisoner on staff assaults.

Increasing demand, including managing people with complex needs and changes in offence mix, as well as workforce capacity challenges, provide some operational context to this year’s performance. Overall, however, the Department demonstrated effective management of increasing operational demand while maintaining focus on public safety, rehabilitation outcomes, and long-term system sustainability.

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 2025/26 and the Supplementary Estimates of Appropriations 2025/26 for Vote Corrections.

Performance measures achieved against 2024/25 actual	Appropriation / category scope	What is intended to be achieved	Performance measures achieved against 2025/26 budget	Location of performance information
Public Safety is Improved (MCA) ¹¹				
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				
6/10 at least 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.	5/10 ACHIEVED	Pages 40–41, 61, 97
Category: Sentences and Orders Served in the Community				
0/2 at least 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 sentences served in the community and the ability for offenders to be held to account for successfully completing their sentence or order.	2/2 ACHIEVED	Page 49

Continued over the page.

11. 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.

Performance measures achieved against 2024/25 actual	Appropriation / category scope	What is intended to be achieved	Performance measures achieved against 2025/26 budget	Location of performance information
Category: Information and Administrative Services to the Judiciary and New Zealand Parole Board				
3/6 at least equal to	This category is limited to the provision of information about offenders to victims of crime, the Judiciary and the New Zealand Parole Board and the provision of administrative, financial and secretariat services to the New Zealand Parole Board.	This category is intended to provide core services to the Judiciary and New Zealand Parole Board to enable informed sentencing and parole decisions to be made in a timely manner including notification to people in our management, and victims regarding the outcomes of the judicial process, to enhance rehabilitative outcomes.	2/6 ACHIEVED	Pages 53-55

How much did it cost?

Actual expenditure for the MCA was \$2,203.8 million [2024/25: \$1,990.8 million], \$61.1 million higher than Budget [2025/26: \$2,142.7 million]. In 2025/26 Corrections re-allocated funding from the Re-offending is Reduced appropriation to this MCA to reflect costs to manage prisoner population and Waikeria Prison operations. Actual expenditure was \$22.5 million below Supplementary Estimates.

Reoffending is Reduced

3/5 better than	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 re-offending.	This appropriation is intended to achieve a reduction in re-offending rates by addressing the needs of those lawfully required to be detained in custody. It provides for the timely and appropriate assessment of the rehabilitative and reintegrative needs of all people in the management of Corrections; as well as end-to-end bail support for all defendants. This appropriation ensures the priority needs of all offenders and defendants are met through targeted programmes, services and partnerships to reduce re-offending and Māori over-representation among offenders. By establishing foundations for participation, the Department of Corrections helps all people leave its management better able to participate in society and live offence-free lives.	4/5 ACHIEVED	Pages 62, 68-69
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How much did it cost?

Actual expenditure was \$348.3 million [2024/25: \$367.9 million], \$72.3 million lower than Budget [2025/26: \$420.6 million], as funding was transferred to the Public Safety is Improved MCA to reflect the cost to manage prisoner population and Waikeria Prison operations. Actual expenditure was \$14.1 million below Supplementary Estimates.

Continued over the page.

Performance measures achieved against 2024/25 actual	Appropriation / category scope	What is intended to be achieved	Performance measures achieved against 2025/26 budget	Location of performance information
Policy Advice and Ministerial Services (MCA)				
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 re-offending are effectively evaluated and that information regarding those evaluations is available to inform decision-making.	2/2 ACHIEVED	Page 92
Category: Ministerial Services				
2/3 at least 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 92
How much did it cost?				
Actual expenditure for the MCA was \$7.0 million (2024/25: \$6.1 million) which was \$1.6 million lower than Budget [2025/26: \$8.6 million], due to a combination of workforce vacancies remaining unfilled during the year and reprioritisation according to requirements. Actual expenditure was \$1.7 million below Supplementary Estimates.				

Continued over the page.

Performance measures achieved against 2024/25 actual	Appropriation / category scope	What is intended to be achieved	Performance measures achieved against 2025/26 budget	Location of performance information
Department of Corrections Capital Expenditure (PLA)¹²				
4/4 at least 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 a network that provides resilience to respond to changing demand and service needs, and establishing a safe, secure, and more humanising and healing environment.	1/4 ACHIEVED	Page 82
How much did it cost?				
Actual expenditure was \$401.9 million (2024/25: \$278.8 million), \$58.9 million higher than Budget (2025/26: \$342.9 million), primarily due to progress on Accelerated Capacity and Waikeria Prison expansion projects. Actual expenditure was \$38.5 million lower than the Supplementary Estimates due to delays in further work on the Waikeria Prison Expansion project which will continue in 2026/27.				
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 83
How much did it cost?				
Actual expenditure was \$1.7 million [2024/25: \$0.1 million], \$1.3 million lower than Budget [2025/26: \$3.0 million]. Work for this project will continue into 2026/27. Actual expenditure was \$2.6 million lower than the Supplementary Estimates. An in-principle expense transfer has been pre-approved to transfer funding to 2026/27.				

Continued over the page.

12. 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

Performance measures achieved against 2024/25 actual	Appropriation / category scope	What is intended to be achieved	Performance measures achieved against 2025/26 budget	Location of performance information
<i>Waikeria Corrections and Treatment Facility</i>¹³				
0/1 equal to	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 site including the Waikeria Mental Health and Addiction Service Facility.	0/1 ACHIEVED	Page 198
How much did it cost?				
Actual expenditure (excluding GST) was \$0.096 million [2024/25: \$0.016 million], \$0.304 million lower than Budget [2025/26: \$0.400 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 \$0.643 million lower than the Supplementary Estimates. An in-principle expense transfer has been pre-approved to transfer funding to 2026/27.				
<i>Loss on disposal of Crown-owned assets for Stafford litigation settlement</i>				
New measure for 2025/26	This appropriation is limited to the loss on disposal of assets that are part of the Stafford v Attorney-General litigation settlement.	This appropriation is intended to offset the loss on disposal of assets that are part of the Stafford v Attorney-General litigation settlement.	1/1 ACHIEVED	Page 83
How much did it cost?				
Loss of \$0.687 million [2024/25: Nil, due to this being a new appropriation in 2025/26] was recognised on disposal of assets which were part of the Cabinet approved Stafford v Attorney General litigation settlement. As this was a new appropriation in 2025/26 created to recognise loss on disposal post litigation settlement, no budget was allocated at the start of the year.				
Actual loss was \$1.172 million below Supplementary Estimates due to the total loss being partially offset by revaluation reserves.				

13. Performance information for Non-departmental Other Expenses is reported in the Report by the Minister of Corrections on Non-departmental Appropriations on pages 197-198.

Statement of compliance

The service performance information for the year ended 30 June 2026, including comparatives, has been prepared in accordance with the requirements of the *Public Finance Act 1989* and Tier 1 Public Benefit Entity Accounting Standards and Generally Accepted Accounting Practice (GAAP), which have been applied consistently throughout the reporting period.

Performance measures are reported on a consistent basis, where possible, to support meaningful comparison over time. Where changes have been made to measures, methodologies, budget standards, or data sources, these are explained alongside the relevant measure.

Reporting judgements

Judgement has been applied in selecting, aggregating, and presenting performance measures to ensure that the information reported is relevant and useful to readers of this report. Performance measures have been selected that reflect various important aspects of Corrections activities and service delivery. Measure selection also takes into account the availability of reliable data and relevance to the impact we are trying to achieve.

Performance information includes both quantitative and qualitative measures and, where appropriate, comparative information from previous reporting periods.

A sampling approach has been used to calculate performance for the following measures:

- I. Percentage of general random drug tests undertaken by people in prison that have a positive result (page 41)
- II. Percentage of offenders who are notified as per New Zealand Parole Board requirements (page 54)
- III. Percentage of victims who are notified as per New Zealand Parole Board requirements (page 54)
- IV. Percentage of cases heard by the New Zealand Parole Board that occurred within the timeframes specified by the *Parole Act 2002* (page 54)
- V. Technical quality of policy advice papers assessed in line with the Policy Quality Framework (page 92).

For measures I. to IV. potential bias has been minimised through random selection methods and a sample design that supports a high degree of statistical confidence. For these measures, calculated performance results for 2025/26 were produced at the 95% confidence level with a margin of error of at most $\pm 5.8\%$ (2024/25: 95% confidence level with a margin of error of at most $\pm 6.6\%$).

From a statistical perspective, the annual result for measure V. is subject to some sampling variability due to small sample and population size, despite the sample representing a relatively large proportion of the population. However, assessed performance has remained reasonably stable over the past five years, suggesting the results provide a reliable indication of underlying performance and are unlikely to be materially influenced by year-to-year sampling variation.

Preparation of the RQ requires a degree of judgement. Considerations include international best practice as well as relevant information specific to the New Zealand context, particularly in relation to methodological choices such as sample size, control group composition, data quality standards, and statistical processes.

Additional information on outcome and impact measures, including their calculation approach, is provided on pages 24-27, with the RQ methodology further explained in *Appendix Three: Rehabilitation Quotient*.

Judgement has also been applied when determining the contextual, comparative and explanatory information included in this report. This includes identifying the factors that have influenced results.

Further judgement has also been applied in determining the cost of outputs. Information about the accounting policies and methodologies used to allocate costs is provided in Note 1 to the Financial Statements on page 117.

Key initiative: Performance framework

Corrections' Performance Framework 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.

We recently revised our Performance Framework to align to our strategy, Hōkai Rangi. Changes to the Performance Framework are one of the key initiatives that have been prioritised on the Organisational Roadmap, acknowledging that the identification, development and testing of new measures is in progress.

As with all Performance Frameworks, we routinely monitor the measures to make sure they are fit-for-purpose and adjust as required.

Our Performance Framework

Purpose	<i>We make the community safer by supporting people to leave us better and with brighter prospects</i> 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	<i>Improved public safety</i> 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	<i>Reduced reoffending</i> 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	<i>Reduced overrepresentation of Māori</i> We help reduce overrepresentation by ensuring that the corrections system works for Māori. We work collaboratively with and deliver programmes and services with Māori	
	Rehabilitation Quotient	Recidivism Indices	Reoffending Seriousness Measure	Proportion of people in our management that identify as Māori

WHAT WE DO

Improved public safety

We manage people in a way that improves the safety of the public, our staff, and the people we manage, while treating everyone fairly and humanely.

Our approach to improving public safety

Public safety is at the centre of everything we do. We contribute to safer communities by managing people safely and securely in prisons and the community, responding effectively to risk, and ensuring sentence conditions are monitored and enforced. Through our custodial, community, and victim services, we work to protect the public and support confidence in the justice system.

Relevant measures reported in this report focus on whether people are being managed safely and effectively in prison and in the community.

Measures including those related to escapes, assaults, unnatural deaths, contraband, sentence compliance, and timely information to decision-makers, provide evidence of how effectively Corrections is managing risk and protecting the public, staff, victims, and the people in our management.

Summary of sentences and orders we manage

This summary provides key information about each of the core sentences and orders administered by Corrections in 2025/26. The cost of each sentence and order is provided as a daily 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. From 2024/25 improved counting rules have been used for community-based sentences and orders, with populations measured as a daily average of the number of people managed rather than an average of month-end populations. This methodology has been retained for 2025/26.

People on prison sentences	Average cost of: \$523 daily [2024/25: \$552]	Average volume: 6,449 people [2024/25: 5,761 people]	Average length of sentence imposed: 535 days [2024/25: 703 days]
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.			
People on remand	Average cost of: \$455 daily [2024/25: \$414]	Average volume: 4,451 people [2024/25: 4,373 people]	Average length of remand periods: 85 days [2024/25: 84 days]
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.			
Extended supervision	Average cost of: \$123 daily [2024/25: \$129]	Average volume: 199 people [2024/25: 186 people]	Average length of order: 2,298 days [2024/25: 1,341 days]
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.			

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Home Detention	Average cost of: \$139 daily [2024/25: \$116]	Average volume: 2,123 people [2024/25: 1,929 people]	Average length of sentence imposed: 224 days [2024/25: 227 days]
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: \$67 daily [2024/25: \$76]	Average volume: 1,607 people [2024/25: 1,610 people]	Average length of sentence imposed: 127 days [2024/25: 128 days]
People serving community detention sentences are subject to electronically monitored curfews imposed by the court.			
Returning offenders orders	Average cost of: \$91 daily [2024/25: \$65]	Average volume: 224 people [2024/25: 198 people]	Average length of order: 467 days [2024/25: 416 days]
Certain people who have returned to New Zealand after serving a sentence of imprisonment overseas are monitored by Corrections.			
Parole	Average cost of: \$75 daily [2024/25: \$57]	Average volume: 1,775 people [2024/25: 1,936 people]	Average length of order: 669 days [2024/25: 502 days]
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: \$47 daily [2024/25: \$42]	Average volume: 4,589 people [2024/25: 4,610 people]	Average length of sentence imposed: 453 days [2024/25: 443 days]
Intensive supervision is a rehabilitative, community-based sentence with close oversight from a probation officer.			

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**Post-detention
conditions**

Average cost of:

\$43 daily

[2024/25: \$42]

Average volume:

1,702 people

[2024/25: 1,410 people]

Average length of order:

210 days

[2024/25: 211 days]

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:

\$57 daily

[2024/25: \$23]

Average volume:

3,627 people

[2024/25: 2,715 people]

Average length of order:

360 days

[2024/25: 344 days]

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:

\$27 daily

[2024/25: \$24]

Average volume:

7,875 people

[2024/25: 7,615 people]

Average length of
sentence imposed:**295 days**

[2024/25: 291 days]

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

Community work

Average cost of:

\$10 daily

[2024/25: \$14]

Average volume:

7,366 people

[2024/25: 8,173 people]

Average length of
sentence for community
work cannot be easily
calculated due to the
complex 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.

EM Bail *

Average cost of:

\$78 daily

Average volume:

1,849 people

Average length:

193 days

[2024/25: 181 days]

*This is the first financial year this figure is reported, the 2024/25 figure is included for comparison.

Custodial Services

During 2025/26, Corrections managed an average of 10,900 people across 18 prisons, including facilities for both men and women, located throughout the country, from Kaikohe to Invercargill. (See *Appendix One: Our network map*, pages 156-157.) One prison, Auckland South Corrections Facility, is operated by a private provider (Serco). Within prisons, people are managed according to their sentence or remand status, security classification, segregation requirements, and individual needs. Individual risk factors are assessed to determine the level of security required and support decisions about their placement and management.

In recent years, there has been a rise in prisoners linked to transnational organised crime, many of whom present heightened security risks and require more intensive and specialised management. Alongside increases in the complexity of health, mental health and behavioural needs across the prison population, this places additional pressure on prison capacity, operational resources, and staff.

Maintaining safe and secure prisons is fundamental to achieving positive outcomes for both staff and the people in our custody. We are committed to ensuring our staff can carry out their work safely and with confidence. While risk cannot be mitigated completely, we continue learning from incidents and invest in initiatives that make our workplaces safer for all our staff.

The safety and wellbeing of people in our custody are important considerations in the way we manage and accommodate individuals in our prisons. Monitoring and measuring the number and severity of assaults that occur each year helps us assess the effectiveness of our safety initiatives, identify emerging risks, and understand whether our safety initiatives are working well.

We know that when people are accessing the right services and they are treated with dignity, humanity, and respect, this is likely to lead to a reduction in tension and a safer prison. In our custodial environments, we have been focusing on three key objectives that respond to these insights and contribute to our organisational outcomes:

- **Capacity:** having the people and infrastructure needed to deliver our services
- **Safe:** strong physical, procedural, and dynamic security
- **Open:** maximising prisoners' access to services that support better outcomes.

Escapes from custody

We are responsible for safely and securely containing people in custody to prevent further offending and therefore improve public safety. This includes while people are being transferred between prisons or being escorted outside the prison perimeter for court hearings, medical reasons, rehabilitation and reintegration purposes. Every year we carry out tens of thousands of escorts between prisons, courts, medical facilities, and rehabilitation providers. The majority of escorts occur without incident. 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. For more information on escapes, refer to the audited performance measures table on the following page.

Preventing and detecting contraband

Prison environments that are free from contraband are safer for staff and the people we manage and more favourable to rehabilitation and reintegration outcomes. Contraband includes alcohol, unauthorised communication devices, drugs, gang and drug paraphernalia, tattoo equipment, tobacco, tobacco paraphernalia, weapons, and other miscellaneous items that people in prison could use in inappropriate ways.

Many prisoners go to extreme lengths to get contraband into prisons and Corrections is constantly working to stay one step ahead in contraband prevention. To support this work, we conduct alcohol and drug testing, the most common testing category being general random testing, and we regularly undertake searches of prisoners and their cells, both planned and at random. We also continue to operate specialist detector dog teams across our prisons. The teams have a range of searching capabilities and can detect drugs, mobile phones, tobacco, and illicitly brewed alcohol.

IN 2025/26, JUST OVER
9,300 incidents
INVOLVING CONTRABAND WERE
REPORTED [2024/25: 9,487].

During the same period, a total of 5,516 drug tests were undertaken in prisons across the general random, reasonable cause, and identified drug user testing categories [2024/25: 4,121], to detect the use of contraband. A total of 557 tests returned positive results, resulting in an overall positive rate of 10.1% [2024/25: 569 positive results, 13.8%].

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	2022/23	2023/24	2024/25	2025/26	2025/26	2026/27
Assessment of performance	Actual	Actual	Actual	Actual	Budget (unaudited)	Forecast (unaudited)
Number of breakout escapes (Note 1)	1	Nil	Nil	1	Nil	Nil
Number of non-breakout escapes (Note 2)	3	3	2	2	Less than or equal to 5	Less than or equal to 5
Commentary						
During 2025/26, there was one breakout escape from prison. The incident involved a prisoner breaching the outer perimeter and climbing over the fence of a self-care unit. The individual was promptly apprehended by Police, returned to Corrections custody, and is currently subject to court proceedings. Over the same period there were two non-breakout escapes, which occurred during medical escorts. Both individuals were apprehended and have been subject to court proceedings as a result. Internal learning reviews have been completed for all three incidents to support continuous practice improvements.						
Notes						
Note 1: 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.						
Note 2: Corrections has three categories of non-breakout escapes: from escort, absconding, and breach of temporary release conditions. Instances where an individual fails to return from court-imposed bail are excluded from this measure on the basis that they are not under the custody of Corrections.						

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AUDITED MEASURES	2022/23	2023/24	2024/25	2025/26	2025/26	2026/27
Assessment of performance	Actual	Actual	Actual	Actual	Budget (unaudited)	Forecast (unaudited)
Percentage of general random drug tests undertaken by people in prison that have a positive result (Note 3)	4.2%	4.8%	6.3%	5.4%	Less than or equal to 5%	Less than or equal to 5%

Note

Note 3: General random drug testing is undertaken in accordance with the *Corrections Act 2004* and *Corrections Regulations 2005*, with up to 10% of the eligible population randomly selected for testing per annum. Eligible prisoners are those who have been continuously imprisoned for more than 30 days, excluding those within 10 days of their scheduled release date. During 2025/26, a total of 4,096 general random drug tests were undertaken in prisons [2024/25: 2,719], of which 222 returned a positive result [2024/25: 170]. For 2025/26, based on weekly sampling, the performance result achieved a 95% confidence level with a margin of error of $\pm 5.4\%$ [2024/25: 95% confidence level, $\pm 6.6\%$ margin of error].

AUDITED MEASURES	2022/23	2023/24	2024/25	2025/26	2025/26	2026/27
Assessment of performance	Actual	Actual	Actual	Actual	Budget (unaudited)	Forecast (unaudited)
Number of prisoner on prisoner assaults that are serious, as a rate per 100 prisoners (Note 4)	0.43	0.57	0.46	0.49	Less than or equal to 0.50	Less than or equal to 0.50
Number of prisoner on staff assaults that are serious, as a rate per 100 prisoners (Note 4)	0.30	0.29	0.24	0.14	Less than or equal to 0.20	Less than or equal to 0.20

Commentary

Serious prisoner on staff assaults decreased significantly in 2025/26, with 15 victims of serious assaults recorded (which includes two sexual assaults where Police charges have been laid), compared with 24 victims of serious physical assaults in 2024/25. This reduced the serious assault rate from 0.24 to 0.14 victims per 100 prisoners, which is well below the budget standard, and the lowest rate reported since this measure was added to Vote Corrections in 2018/19.

The overall rate of prisoner on staff assaults (combining serious, non-serious and no-injury assault categories) decreased from 10.66 to 8.78 incidents per 100 prisoners over the same period, despite an 8% year-on-year increase in the average prison population. This includes a substantial reduction in no-injury assaults (698 to 591) with a slight decrease in non-serious assaults (358 to 351).

Note

Note 4: 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. The counting rule for serious prisoner on prisoner assaults was revised in 2025/26 to include assaults resulting in a death. Previously, these incidents were counted only as unnatural deaths. The change recognises that a single incident may contribute to more than one performance measure and ensures both violence and mortality indicators are appropriately reported. Comparative information has not been restated as the impact was assessed as immaterial (no more than 0.02 victims per 100 prisoners per annum). For more information on unnatural deaths, refer to the audited performance measures table on page 61.

Key updates for the 2025/26 financial year - Custodial Services

Key initiative: Safer prisons

Our Safer Prisons Plan was launched in 2024 and has continued to support efforts to improve safety across all prison sites.

The plan includes four focus areas:

- Improving Prison Operations
- Understanding Prison Profiles
- Supporting our People
- Managing Gangs and Relationship Dynamics.

During 2025/26 we improved our understanding of what works to achieve better safety outcomes by gathering and analysing evidence. We will use this knowledge to develop a clear strategic direction, to which we can align our actions in upcoming years. Changes will aim to deliver practical improvements across infrastructure, practice, tools, training, and governance to build a safer, more resilient operating environment.

The Safer Prisons National Plan is also supported by Safer Prisons Plans developed at each site, ensuring that local activities and priorities are tailored to the specific operational environment of each prison.

Work is also underway to develop a comprehensive approach to strengthening safety and wellbeing in prisons that leverages the whole organisation to support and enable improvements. This programme is in the early stages of development.

Juan's pathway forward: Prison training leads to a shining new start

"Today, the man is thriving," says one of our Regional Managers Reintegration Services. "His supervisor describes him as an outstanding employee who 'turns up every day, rain or shine,' learns quickly, and can always be relied upon. Most importantly, he recently shared that he has been pre-approved for a loan for his first home, a milestone he proudly acknowledges would not have been possible without the combined support of his employer and support services."

While in custody, Juan* obtained his first formal employment through the Release to Work programme. Like many first-time workers, he initially struggled to meet workplace expectations, which led to his employment ending just a few months later. However, this was not the end of his story.

Release to Work brokers provided targeted support, helping Juan reflect on his behaviour and its impact in the workplace. With guidance and ongoing encouragement, he showed a willingness to learn and change. Juan was then supported with a new employment opportunity, where he successfully secured a job and quickly earned his employer's trust through his strong work ethic.

Ongoing practical support from custodial staff enabled Juan to increase his hours and responsibilities. The Whare Oranga Ake team supported him to obtain his restricted driver licence and facilitated extended work hours, which improved his independence and employability. These positive changes led to Juan being granted parole.

As Juan prepared for his reintegration into the community on parole, Corrections staff across custodial and community settings worked together to coordinate his transition. His employer, the Ministry of Social Development, and support agencies were all involved in developing a strong reintegration plan. This collaborative approach resulted in Juan securing a permanent employment contract, as well as an apprenticeship opportunity, supporting his long-term stability and successful reintegration.

**Juan is a pseudonym, and the name has been changed to protect the individual's privacy.*

A more humane approach to searching people entering prison: Full Body Scanners in the Women's Prison Network

"Having an alternative method to strip searching for women aligns with the humanising and healing pou of Hōkai Rangi," says Deputy Commissioner Women's Prisons Kym Grierson. "It improves the efficiency of contraband detection across the network, enables us to quickly identify any internal concealment contraband, while also enhancing personal dignity for the women and our staff. I am delighted to have this technology available across the whole Women's Network from a consistency and safety perspective."

Women entering Arohata Prison now experience a safer, more dignified receiving process through the use of full body scanners. This replaces strip searches while improving contraband detection and ensuring consistent, humane practice across the Women's Prison Network.

Transnational, Serious and Organised Crime (TSOC) Strategy

In December 2025, the Government released a new all-of-government plan to tackle organised crime: the Transnational, Serious and Organised Crime (TSOC) Strategy. The strategy and its action plan are co-led by Police and New Zealand Customs, working alongside Corrections and 26 other agencies to strengthen the national response.

TSOC sets the framework for a coordinated approach, with a vision of *"building resilient communities and systems so that New Zealand becomes the hardest place in the world for organised criminal groups to operate and cause harm"*. It builds on the 2020–2025 Transnational Organised Crime Strategy (TNOCS) and the Resilience to Organised Crime in Communities (ROCC) work programme, bringing greater focus and alignment to collective action across government.

In response, Corrections has been implementing a coordinated response to reduce the influence of organised crime networks operating within prison. We are also strengthening our capability to manage high-risk TSOC offenders through dedicated placement options, enhanced staff capability, and improved cross-agency coordination.

Corrections is currently exploring approaches to strengthen how people linked to organised crime are managed, with the aim of improving safety across prisons. This includes the development of a dedicated placement option for those assessed as top-end or highest-risk organised crime offenders.

Investment in workforce capability is another key pillar of the response. This includes strengthening entry-level training for custodial staff to build baseline awareness of organised crime risks, alongside enhanced and specialised training for staff working in dedicated areas. This training focuses on recognising organised crime operating methods, resisting manipulation and corruption, and managing the unique risks posed by this cohort.

Together with enhanced leadership, bespoke staffing models, and ongoing support, this approach ensures staff are better equipped to detect, disrupt, and manage organised crime activity, reducing its influence and contributing to safer prisons.

Strengthening the Shared Accommodation Cell Risk Assessment (SACRA)

Between September 2024 and December 2025, three men tragically died after being seriously assaulted in double bunked cells at Mt Eden Corrections Facility (MECF). While the circumstances around these deaths are still subject to active investigations, these events led to a series of internal reviews looking at how placement decisions are made and how well current processes reduce risk in shared cells. A key focus of those reviews was the Shared Accommodation Cell Risk Assessment (SACRA), the main tool we use to support decisions about suitability and compatibility of shared cell accommodation.

Three key themes emerged from the SACRA review:

- Challenges in using health and mental health information
- The process not always fitting different prison environments
- A need for a more tailored approach with the right safeguards for MECF and similar sites.

Our Chief Custodial Officer is providing oversight for the 'Strengthening the SACRA' work programme. The work programme is focused on the following three themes:

- Increasing access to health and mental health related information by integrating our systems.
- Aligning the SACRA process to system-wide operational realities (i.e. by making it more efficient and automating what are currently manual follow-up processes for staff).
- Developing a tailored process for the MECF-specific (or high-remand site) context.

Progress this year has so far focused on immediate risk mitigations, including temporary instructions being issued, practice reminders, and strengthened processes for sharing health and mental health information with custodial staff while longer term digital solutions are developed.

For more information on unnatural deaths refer to the audited performance measures table on page 61.

Separation and isolation

On 13 June 2023, the Office of the Inspectorate | *Te Tari Tirohia* released a report into the management of prisoners who have been separated from the prison population and are unable to mix with other prisoners. The report, *Separation and Isolation: Prisoners who have been kept apart from the prison population*, made seven overarching recommendations, which Corrections accepted and is progressing.

In late May 2025, we initiated a network-wide risk assessment focused on separation and isolation. This assessment drew on data from unlock regimes across the country and examined the delivery of minimum entitlements to better understand where risks may be emerging. Insights from this work are now informing the development of a meaningful human contact assurance plan, which will provide a structured approach to monitoring and mitigating these risks. Additionally, we have implemented assurance processes regarding minimum entitlements delivery, with cases of people in prison who frequently choose not to access entitlements being escalated to our health service for engagement. This approach better recognises the impact of prolonged isolation on those who are often housed in Intervention and Support Units.

Key initiative: Minimum entitlements and meaningful human contact

Section 69 of the *Corrections Act 2004* sets out the minimum legal entitlements that are to be provided to prisoners. These include entitlements related to exercise, bedding, diet, visitors, legal advisers, medical treatment, mail, phone calls, and access to information and education. Section 69 (2) provides the circumstances in which a prisoner may be denied these entitlements.

We have been exploring options to design and deliver an integrated, reliable, and future-proof method for recording, assuring, and reporting the delivery of prisoners' minimum entitlements across our prison network. We are working toward a high-confidence system that better reflects frontline realities and supports consistency. We are developing a phased, multi-year plan, starting with access to open air for exercise, telephones, and meaningful human contact.

Key initiative: High Security Capacity

Our High Security Capacity initiatives focus on ensuring we have enough safe, modern, and secure high-security spaces to meet current and future demand. This includes building new high-security accommodation and upgrading or replacing ageing facilities. Significant projects include Waikeria Prison Development, which delivered 596 new beds in June 2025 (including 96 beds to support mental health and addictions services). Plans are for a further 810 beds (948 if fully double bunked)¹⁴ for the next phase of expansion at Waikeria.

Work has continued on Phase One of the significant redevelopment of Christchurch Men's Prison, announced in March 2025.

This redevelopment includes:

- a new 240-bed (316 if fully double bunked) high security accommodation wing¹⁴
- a 52-bed intervention and support building
- a new health centre, receiving office and property store.

Work on the 316 high-security bed expansion at Hawke's Bay Regional Prison has progressed quickly by using modern methods of construction. These beds are expected to be operational no later than April 2027. The new high-security units will also improve staff amenities and upgrade key facilities, including health and support units, audio-visual link rooms, kitchens, and laundry areas.

As the women's population increases, accommodation has been expanded at Waikeria Prison through the Rangiora unit (previously Nikau unit) being converted to a women's unit, adding 80 beds into the women's network in May 2025. In addition, the renamed Ngaio Unit (formerly the Miro Unit) has partially reopened adding 33 beds to capacity in May 2026. Another 16 beds in Miro will be added to capacity by December 2026, bringing the total to 49 beds. Together, these facilities will form satellite sites of the Auckland Region Women's Corrections Facility (ARWCF), operated by a combination of ARWCF and Waikeria Prison staff.

We are appropriately using our legislative authority to monitor prisoner phone calls¹⁵

Corrections has the legislative authority to monitor prisoner communications and information sources (PC&IS) under section 127 of the *Corrections Act 2004*. We undertake this targeted monitoring to identify risk, deter and prevent harm, and support the good order, safety, and security of prisons. The collection, monitoring, use and disclosure of the PC&IS are aimed at individuals who present a serious risk of harm to the security of prisons or to public safety.

Authorised Intelligence Persons must have legislative grounds to collect, monitor and use PC&IS (an intelligence purpose (s127(B)) and then subsequent legislative grounds to disclose (s127(N) & (O)). Not all PC&IS may meet the threshold to be disclosed.

Intelligence is the product of analysing this information to create insight or foresight. Corrections Intelligence staff have a range of formal qualifications and adhere to standard intelligence practice, such as the Intelligence Cycle¹⁶, 4i Model¹⁷, and the intelligence code of ethics¹⁸ as outlined by the New Zealand Institute of Intelligence Professionals.

14. Corrections general practice is for 50% double bunking.

15. This is a report under section 190(1)(c)(d)(e) of the *Corrections Act 2004* on the processes and systems in place to supervise and control the monitoring of prisoner phone calls.

16. The Intelligence Cycle represents the process used to develop raw information into intelligence. It is a continuous, iterative process.

17. 4i Model, Jerry Ratcliffe: www.reducingcrime.com/chapter-4

18. Code of Ethics - NZIIP: <https://nziip.org.nz/code-of-ethics/>

The Corrections Prison Telephone System (CPTS) is used by prisoners to make calls to outside the prison. This system also records all prisoners' phone calls that are not exempt from recording (127E). While the majority of phone calls from prisons are appropriate and made for legitimate purposes, a small proportion are not.

PC&IS that can be legally collected, monitored, and used are obtained lawfully through a range of channels.

These include information gathered in support of prison search activities, prisoner mail and email, video footage (for example, CCTV), images made by a prisoner, publicly available and legally accessible information, and information held by the department about a prisoner (for example, incident reports, trust account details).

These PC&IS are managed via a number of different systems with relevant access and audit controls in place.

Corrections Intelligence also utilises a range of third-party software to support intelligence collection, storage, analysis and retrieval. The table below shows the total phone calls made and monitored in 2025/26.

Prisoner phone calls (excluding Auckland South Corrections Facility)	2022/23	2023/24	2024/25	2025/26
Total phone calls made	4,116,817	5,638,540	6,054,543	6,393,602
Phone calls monitored	63,198	64,724	89,278	97,516

Corrections does not centrally record the number of phone calls that are disclosed internally and externally (for example, to NZ Police) – some may be proactively disclosed under Section 127 and others may be released in response to police production orders, for example. Our systems do not currently enable the centralised recording of this information, and this work is undertaken by several different operational teams. Nevertheless, we take care when disclosing any such phone calls, and know these disclosures are often used to prevent crimes, support police operations or progress prosecutions. Within Corrections, these disclosures may be used to support incident and misconduct charges, identify risks to the safety of staff and other people in prison, and prevent illicit activity.

Further context on Corrections' intelligence priorities, and reporting undertaken in accordance with legislative requirements, is provided in *Appendix Eleven: Our intelligence priorities*.

Prison intelligence AI - proof of concept

Corrections is undertaking a limited proof of concept to assess whether machine learning can enhance the monitoring of prisoner phone calls. At present, human monitoring capacity enables review of approximately 1.2% of calls, creating a material risk that indicators of harm or offending behaviour may not be detected in a timely manner.

The proof of concept is designed to determine whether automated analysis of existing data assets can assist in identifying potential risk signals for further human review, rather than replacing human judgement or enabling automated decision-making. The model will be designed to identify patterns, keywords, sentiment analysis, and behavioural indicators (such as threats, coded language, or potential self-harm signals) and present these as risk indicators for further human assessment.

This initiative reflects established practice internationally and is consistent with public service guidance that Artificial Intelligence should be deployed in a manner that is safe, transparent, and supports, rather than replaces, human decision-making.

Community Corrections

During 2025/26, Corrections managed an average of 25,500 people in the community and administered 10 different community-based sentences and orders, which vary in the intensity of conditions and the level of restrictions they impose. We manage people differently depending on the specific conditions imposed by the courts or the New Zealand Parole Board. 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 help manage risk and support community safety.

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. Successful completion and accountability for non-compliance are therefore important indicators of how we contribute to safer communities.

We take instances of non-compliance with community-based sentences and orders seriously. Potential penalties 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. For more information refer to the audited performance measures table on page 49.

Electronic monitoring is a tool we use to monitor compliance with some of the conditions, sentences, or orders imposed on people. 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.

We provide electronic monitoring services for the New Zealand Police for electronically monitored bail (EM bail) and Control Orders, but Police are responsible for managing instances of non-compliance for those people. Our national electronic monitoring operations team operates 24/7, 365 days a year from Auckland, Upper Hutt, Christchurch and Dunedin.

As required by section **541A (6) Electronic Monitoring**, of the *Sentencing Act 2002*, Corrections reports on the use of electronic monitoring for people serving Intensive Supervision sentences with a court-imposed whereabouts condition.

During 2025/26, **94** people were subject to electronic monitoring. On average, **43** people were monitored at any one time, with monitoring lasting an average of **418 days**. Of those monitored, **17% (16 people)** were convicted of breaching their monitoring condition, while **26% (24 people)** were convicted of another offence during the period they were electronically monitored.

People on extended supervision and parole, or with post-release conditions, may also be electronically monitored in the community.

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

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

Where a person has not complied with any condition of their community-based order (including an electronic monitoring condition), their probation officer may pursue formal prosecution. Corrections continues to monitor those we manage in accordance with section 15A(4)(a), (b), and (c) of the *Parole Act 2002*.

Legislative reporting on this, as follows:

	Total people managed on EM	Average daily EM population	Average duration of EM period ¹	Percentage of people on EM convicted for breach of EM condition ²	Percentage of people on EM convicted for any other offence ²
2024/25	2,026	980	315	14%	20%
2025/26	2,281	1,092	323	9%	18%

- 1. Periods that ended in the financial year.
- 2. Parole and ESO 2004/05 to 2006/07, ESO only from 2007 onwards

For further details on legislative reporting, see *Appendix Twelve: People on extended supervision and parole, or with post-release conditions, may also be electronically monitored*.

We managed our highest risk offenders through public protection orders

Public protection orders (PPOs) allow for a form of civil detention which can be imposed on a person who is considered to have a very high and imminent risk of violent or sexual offending. These orders are applied by the court when a person has completed their prison sentence but cannot safely be managed in the community due to the risk they pose to others. The *Public Safety (Public Protection Orders) Act 2014* ensures PPOs are administered in a way that protects the public while acknowledging the person has completed their prison sentence and should have as many rights and freedoms as can safely be granted.

For further details on legislative requirements, see *Appendix Thirteen: We managed our highest-risk offenders through public protection orders*.

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	2022/23	2023/24	2024/25	2025/26	2025/26	2026/27
Assessment of performance	Actual	Actual	Actual	Actual	Budget (unaudited)	Forecast (unaudited)
Percentage of people who successfully complete their community-based sentence or order	79%	76% (Note 1)	76%	75%	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 (Note 2)	97%	97%	97%	96%	Greater than or equal to 90%	Greater than or equal to 90%

Notes

Note 1: In 2024/25, an adjustment was made to correct the data used to calculate the performance for this measure, specifically relating to the treatment of sentence terminations at both the individual and aggregate sentence levels. Performance for 2023/24 has been restated in this year's annual report to reflect corrected data (previously reported result was 79%). As an impact assessment on 2022/23 performance has not been undertaken, those results may not be directly comparable.

Note 2: Non-compliance is considered as any failure by an offender to adhere to a requirement of their sentence or order (for example, failure to report as directed, breach of a curfew, or failure to notify Corrections of a change of address). Each community-based sentence or order directive type has established Standard of Practice timeframes within which probation staff must identify and respond to non-compliance. These timeframes range from 5 to 10 working days from the point at which non-compliance is identified.

Key updates for the 2025/26 financial year - Community Corrections

Key initiative: Safer Communities

Safer Communities is our comprehensive response to strengthening staff safety across community settings. It brings together prioritised actions with union partners identified through an Environmental Scan and Staff Safety Enhancement Review, alongside other community-focused safety initiatives. This work aims to deliver practical improvements across infrastructure, practice, tools, training, and governance to build a safer, more resilient operating environment.

This review was commissioned in response to a serious assault at our Whanganui Service Centre in April 2025. A Lessons Learned Review was also commissioned. Both reviews identified safety risks and enhancement opportunities across five categories: Site Safety, Off-Site Safety, Personal Protective Equipment (PPE), Guidance & Governance, and Training & Support.

Key actions across these categories were confirmed in November 2025 and vary in size and complexity. They range from targeted tactical improvements through to strategic, organisation-wide changes. Actions are being rolled out in phases, with some prioritised to 'start now', while others are scheduled to start within a 12 or 24-month period. This approach allows us to prioritise immediate actions, while also putting in place longer-term improvements that can be embedded over time.

Key initiative: Integrated Pathways

We are improving the way we deliver case management through Integrated Pathways, our strategic vision for a simplified, integrated end-to-end pathway that supports people from their first interaction with Corrections through to their last. Initially focused on probation, bail support services (BSS), and custodial case management, this approach will improve coordination across services, helping people access the required rehabilitative and reintegrative services and support they need at the right time.

By simplifying practice and processes, practitioners can focus on building effective relationships with the people they work with, their whānau, and community partners. This will be supported by improvements across frontline capability, policies and systems.

The work we started during 2025/26 to support this change is outlined below:

Collaborative Practice

We continue working with our frontline staff to strengthen practice. Collaborative Practice is an approach where practitioners, other professionals, the person we manage, and their whānau work together on timely, responsive planning for release from prison.

This provides more consistent support across rehabilitation, reintegration, whānau support, and post-release services. By sharing information, providers, whānau, and community services can work from the same plan, helping to create a smoother transition from prison to the community.

The holistic approach looks at all areas of life, such as housing, work, health, and social connections, alongside an individual's rehabilitation goals. When services work in a collaborative way, with joint planning and accountability, support is better aligned. This builds trust, strengthens whānau involvement, and creates continuity of care that helps individuals to succeed long term.

Person and Whānau Centred Planning

Person and Whānau Centred Planning builds on Collaborative Practice by introducing a best-practice approach to planning. Through a single and unified plan, practitioners work with the person and their whānau to achieve outcomes that reduce the risk of reoffending. By reflecting individual, whānau, and cultural needs, this approach supports engagement, informed decision-making, and successful reintegration.

In March 2026, Corrections began testing the first version of this plan – Kotahi, with a paper-based trial undertaken by a small sample of practitioners with selected people serving sentences and their whānau. The trial is ongoing. This will provide opportunities to refine Kotahi and continue to strengthen planning practice in support of wider implementation.

Kotahi provides a plan that begins early, stays with the person throughout their journey, and connects across prison and community staff practitioners. To support a more consistent and person-centred experience, Kotahi will focus on:

- increasing self-determination for people and their whānau throughout their time in Corrections
- navigating and transitioning people smoothly through different Corrections environments, enabling better and more timely access to the services that support their pathway
- creating efficient, person-focused planning and reporting processes by streamlining administrative tasks so staff can spend more time engaging with and supporting people and whānau
- enabling accurate and seamless sharing of data and information across the person's pathway.

Responding to the risks of organised crime in communities

Resilience to Organised Crime in Communities (ROCC) is a cross-agency work programme operating in specific areas of the country designed to reduce the harms caused by organised crime. The work programme gives practical effect to the TSOC Strategy (see page 43) at the community level. This plan supports communities to respond to harm in ways that are locally led, culturally grounded, and enduring. The programme recognises that enforcement alone is not enough and that lasting impact comes from working alongside whānau, iwi, and local organisations to address the drivers of harm.

The programme has identified three cohorts who are impacted by the harms of organised crime:

- **Rangatahi:** those who are impacted by or at risk of being impacted by methamphetamine and/or organised crime.
- Those who use, or are impacted by, methamphetamine and its associated harms.
- **Vulnerable whānau:** those who are at risk of engaging in or being the victims of organised crime.

The initiative operates in several communities across New Zealand. One example is Porirua, which was selected because organised crime and gang-related harm have had a substantial impact on the community. At the same time, strong local leadership provided a solid foundation for community-led action.

The local leadership group in this region, including Corrections, works with the community to strengthen resilience and support local priorities. This includes initiatives such as youth mentoring, life skills programmes, support services, and drug harm prevention and education.

In 2025/26, many people continued to make positive progress in their recovery, moved into volunteering, training or employment, and took on leadership roles within their communities. Tamariki and rangatahi also benefited from stronger support networks and opportunities to thrive. Together, these outcomes highlight the positive impact of community-led initiatives in helping people stay safe, build resilience and strengthen connections within their communities.

Key initiative: Practice Improvements

In response to our evolving operating environment, we have continued to adapt our approach to ensure our services remain effective, efficient, and responsive to emerging needs. We are designing an Organisational Practice Framework that will include guiding principles that are legislatively compliant, values aligned, and evidence informed. These will confirm what matters most in frontline practice; will anchor decisions, behaviours, and interactions; and will provide a shared foundation across all frontline roles. Following the development of these principles, we will explore further support that our staff need to practice in a way that will achieve our outcomes. This work is at the initial development stage, and further information will be provided in future Annual Reports.

We provide services to the Judiciary and the New Zealand Parole Board

Corrections provides information and advice to both the courts and the New Zealand Parole Board to support decision-making. This is primarily done through reports, including provision of advice to courts (PAC) reports, EM Bail suitability reports and psychological assessment reports.

PAC reports are generally prepared by Probation Officers and include a range of information to inform sentencing decisions. 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 when considering Preventive Detention, Extended Supervision Orders, and Public Protection Orders. Psychological reports are only prepared when necessary and appropriate for people who present a high risk of reoffending.

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 justice system, as delays can prolong incarceration unnecessarily. The information we provide is critical to enable 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 PROBATION AND PSYCHOLOGIST STAFF PROVIDED MORE THAN

26,700 pre-sentence reports
TO THE COURTS [2024/25: 27,110].

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 2025/26 was nearly 114,000 hours [2024/25: just under 100,000 hours].

The Parole Board has a dedicated administrative support team within Corrections. In 2025/26 the team supported 9,887 hearings involving 5,416 prisoners; 7,005 of those were parole hearings.

As an independent statutory body, the Parole Board cannot be directed by Corrections or the Minister of Corrections when making decisions.

DURING THE YEAR, OUR CASE MANAGEMENT, PROBATION, AND PSYCHOLOGIST STAFF PROVIDED MORE THAN

7,800 parole reports
TO THE PAROLE BOARD [2024/25: 6,949].

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.

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 2026, there were a total of 7,323 active registered victims of which 1,961 were new registered victims this financial year.

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 Assessment of performance	2022/23 Actual	2023/24 Actual	2024/25 Actual	2025/26 Actual	2025/26 Budget (unaudited)	2026/27 Forecast (unaudited)
Percentage of pre-sentence reports provided to court within agreed timeframes before sentencing (Note 1)	96%	96%	97%	97%	Greater than or equal to 95%	Greater than or equal to 95%
Percentage of parole reports provided to agreed timeframes pursuant to New Zealand Parole Board requirements (Note 2)	85%	93%	92%	93%	Greater than or equal to 95%	Greater than or equal to 95%

Notes

Note 1: Under section 26 and 26A of the *Sentencing Act 2002*, the court may (and in some cases must) direct a probation officer to prepare and provide a pre-sentence report to inform sentencing decisions. PAC reports must be submitted to the court at least two calendar days before the sentencing date, in accordance with the timeframes outlined in the Probation Integrated Practice Framework. Psychological reports must also be submitted at least two working days before the sentencing date. When appropriate, alternative or revised timeframes may be negotiated and agreed with the court.

Note 2: Under the *Parole Act 2002* and the *Corrections Act 2004*, Corrections is required to provide information to assist the Parole Board's decision-making. Parole reports must be provided to the Board in accordance with timeframes agreed between Corrections and the Parole Board. Parole assessment reports must be submitted between 18-24 days prior to the scheduled hearing date, parole progress and psychological reports must be submitted at least 21 days prior to the scheduled hearing date. Where appropriate, alternative or revised timeframes may be negotiated and agreed with the Parole Board.

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AUDITED MEASURES Assessment of performance	2022/23 Actual	2023/24 Actual	2024/25 Actual	2025/26 Actual	2025/26 Budget (unaudited)	2026/27 Forecast (unaudited)
Percentage of offenders who are notified as per New Zealand Parole Board requirements (Notes 3 and 6a)	68%	72%	81%	60%	Greater than or equal to 98%	Greater than or equal to 98%
Percentage of victims who are notified as per New Zealand Parole Board requirements (Notes 3 and 6b)	79%	85% (Note 4)	87%	70%	Greater than or equal to 98%	Greater than or equal to 98%
Percentage of cases heard by the New Zealand Parole Board that occurred within the timeframes specified by the <i>Parole Act 2002</i> (Notes 5 and 6c)	100%	99%	100%	100%	Greater than or equal to 98%	Greater than or equal to 98%

Commentary

In 2025/26, the performance for both offender and registered victim notifications decreased significantly from the previous year and remains well below budget. Several factors have contributed to this year's performance, including the implementation of a new Parole Board Hearing System (PBHS) on 1 September 2025. While the system is expected to support more efficient administration of parole hearings over time, post implementation technical issues have affected the full realisation of these benefits and continue to be addressed through ongoing system updates. For more information on the PBHS refer to page 55.

Other contributing factors include increased workload pressure, due to a significant increase in the number of unique hearings (up 11% year-on-year) and staff vacancies. To support the increasing hearing volumes, three additional FTEs were recruited during the year. It is worth noting that most late notifications for both offenders and victims related to delays in meeting the 12-week pre-hearing notification requirement, and that approximately 36% of those notifications were fewer than five days overdue, meaning many affected individuals still received close to 11 weeks' notice of their hearings or victims written or oral submission timeframes.

Notes

Note 3: Offenders and active registered victims must be notified of upcoming Parole Board hearings and hearing outcomes within agreed timeframes. Notifications of pending hearings must be completed for both offender and registered victims no later than 12 weeks before the week of the scheduled hearing date. Offender notification of parole hearing decisions must be completed within 10 working days of the NZPB Administration Team receiving the signed decision from the Panel Convenor, while victim notifications of parole hearing decisions must be completed within five working days of the actual hearing.

Note 4: The calculation methodology for this measure was revised in 2023/24 to take into account parole hearing outcome notifications, made to registered victims by phone. In 2022/23, performance was measured solely on the basis of notification letters sent to registered victims. The impact of this change has not been quantified, and results for 2022/23 have not been restated.

Note 5: The *Parole Act 2002* provides that parole hearings are scheduled 16 weeks in advance of the parole eligibility date to allow sufficient preparation time for all parties.

Note 6: Performance is measured using a monthly 5% sample of relevant parole hearings that occurred during the period. Each sampled hearing is required to be manually assessed and verified against Parole Board notification requirements to determine compliance. Sampling is randomised and of sufficient volume to ensure a high degree of statistical confidence. Sample information for respective measures is as follows:

- **Note 6a:** 2025/26: 484 sampled hearings, achieving a 95% confidence level with a margin of error of $\pm 4.3\%$ [2024/25: 454 sampled hearings, 95% confidence level, $\pm 4.5\%$ margin of error].
- **Note 6b:** 2025/26: 268 sampled hearings, achieving a 95% confidence level with a margin of error of $\pm 5.8\%$ [2024/25: 262 sampled hearings, 95% confidence level, $\pm 5.8\%$ margin of error].
- **Note 6c:** 2025/26: 484 sampled hearings, achieving a 95% confidence level with a margin of error of $\pm 0.9\%$ [2024/25: 454 sampled hearings, 95% confidence level, $\pm 0.9\%$ margin of error].

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AUDITED MEASURES Assessment of performance	2022/23 Actual	2023/24 Actual	2024/25 Actual	2025/26 Actual	2025/26 Budget (unaudited)	2026/27 Forecast (unaudited)
Number of justified complaints about notification services received from registered victims (Note 7)	4	7	Nil	3	Nil	Nil
Commentary						
During 2025/26, we received three justified complaints from registered victims. One complaint related to a delay in notifying a victim after an individual removed their electronic monitoring bracelet. The other two complaints concerned the way information was communicated to the victims.						
Note						
Note 7: The <i>Victims' Rights Act 2002</i> sets out obligations for specified agencies to provide information and support to victims of offences. This measure assesses whether Corrections is meeting its legislative requirement to notify registered victims of events relating to those who offended against them. Justified complaints are defined as breaches of obligations under relevant provisions of the Act (sections 35, 35A, 35B, 36, 36A and 47). They arise when notifications are not provided or are provided outside the requirements specified in the Act.						

Key updates for the 2025/26 financial year - Parole Board Judiciary Services and Justice System Improvements

The introduction of a digital parole hearing system

On 1 September 2025, the new Parole Board Hearing System (PBHS) went live, delivering an end-to-end digital platform to support the management of all Parole Board hearings nationwide.

The changes are enabling more efficient processes, particularly at a time of increased hearing volumes. The PBHS reduces reliance on manual tasks and introduces more streamlined digital workflows.

Key improvements include:

- Bringing together information and processes that were previously spread across a range of systems.
- Organising documents into structured packs for the Board and those appearing before it, ensuring the right information is available when needed.
- PBHS reduces manual effort by automatically generating key communications to participants.

The PBHS also integrates with our Integrated Offender Management System (IOMS). Technical issues were identified following the launch given the complexity and integration of the new system, however, we continue to progressively address these through ongoing system updates.

These actions enable a more modern and fit-for-purpose system that supports the ongoing work of the Parole Board and Corrections.

Timely Justice Action Plan

The Timely Justice Action Plan is a cross-sector work programme that aims to reduce delays across the justice system and support timely outcomes. The success of the Action Plan relies on strong collaboration across the justice sector and a coordinated effort.

During 2025/26, and in the years ahead, Corrections is contributing to the Timely Justice Action Plan through the operational initiative *Access to Defendants in Custody*. The initiative aims to improve access to legal services for people in prison, including making it easier for people in prison to remotely talk to their counsel and other professionals (such as alcohol and other drug and mental health professionals writing reports for the court).

Remote participation

Corrections has also been involved in the Remote Participation Justice sector business case, which is being developed to make it easier for people involved in criminal cases to take part in court proceedings via audio-visual link instead of attending in person. The aim is to ensure fair and effective participation by providing access to suitable technology, legal advice, and appropriate facilities. Judges will continue to determine whether remote participation is appropriate for each case.

Delivery is being phased, starting with targeted improvements in high-volume Auckland metro locations. Early results are promising. Uptake has increased, and the judicial protocols for remote participation in court are being implemented to support consistent practice. Strengthened data collection is helping agencies identify where improvements are most needed.

WHAT WE DO

Reduced reoffending

We support people to engage in rehabilitation programmes, reintegration, and support services that address the causes of criminal offending to reduce the risk of reoffending and causing further harm.

Our approach to reduced reoffending

We support people to address the underlying causes of their offending and build the skills, support and connections needed to live offence-free lives.

We do this by connecting people to the right services at the right time and delivering a range of rehabilitation and reintegration interventions across prisons and the community. During the year, access to these services has extended to people on remand (see pages 66-69). Our frontline staff play a critical role in supporting people through their journey and helping them transition safely back into the community.

Where possible, we seek to stabilise a person's health and disability needs early in their time with us, recognising these factors can significantly influence a person's readiness and ability to engage in their rehabilitation. By addressing barriers to engagement and tailoring support to individual needs, we help create opportunities for sustainable behaviour change and reduced reoffending.

Relevant measures reported across the annual report include offender planning, participation in rehabilitation, literacy and numeracy development, and access to reintegration support. These measures provide an indication of the delivery of such services that are intended to address the underlying cause of offending and support successful reintegration into the community.

Physical and mental health care

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.

Each prison has a health centre managed by a Health Centre Manager and a team of health practitioners, who provide primary healthcare services like 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, management and administration of medications, 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, dental care, 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. All health centres hold a current certification. For more information refer to the audited performance measures table on page 61.

As well as supporting people's physical health needs, we also have services focused on supporting mental health needs. Mental health staff within Corrections are typically registered health professionals who have some level of training or experience in supporting people who have mild to high mental health needs towards recovery. This often includes:

- risk assessments and support for people presenting with a risk of self-harm and or suicide in Intervention and Support Units (ISU)
- undertaking individualised assessment and/or delivering interventions focusing on symptom reduction and general wellbeing
- liaising with, facilitating or promoting contact with support networks to assist in reducing or managing a person's distress, if appropriate
- providing advice and guidance to other Corrections staff on supporting people with mental health needs.

We also work with Kairuruku Hinengaro (Māori mental health practitioners), who provide culturally grounded mental health support informed by te ao Māori. While they may not be registered practitioners, they play an important role in supporting the wellbeing of people in our care.

Some of the key health services delivered by our health professionals over the financial year can be seen below:

Consultations delivered across the prison network during the financial year, by health professional type

Service Type	2023/24	2024/25	2025/26
Allied ¹⁹	5,533	7,473	9,708
Dentist	6,580	9,207	10,035
Medical Officer	15,984	20,197	23,334
Nurse	156,648	219,068	244,020
TOTAL	184,745	255,945	287,097

Health screening

Many people come into Corrections with significant health needs. Drug and alcohol use, undiagnosed illness, violence, abuse, and limited access to healthcare can all contribute to poorer physical and mental health. Health screening helps identify these needs early and provides access to ongoing care and treatment where required. Supporting people to maintain or improve their health and wellbeing helps increase their ability to participate in rehabilitation, education, employment, and other activities while in custody that can support successful reintegration into the community.

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.

Health Services also offer immunisations as per the National Immunisation Schedule to those in our care who require catch-up vaccinations, such as HPV, or routine scheduled vaccinations. We offer annually the Influenza vaccine to all, prioritising those who meet Pharmac criteria for funded vaccination as they are the most vulnerable to the disease. We had an increase in MMR vaccinations administered in response to the measles outbreak in New Zealand at the end of 2025.

We have trained nurses who support women in prison to use the HPV self-test. 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. Some key outcomes delivered over the financial year can be seen below:

Number of people screened, recorded in MedTech for 2025/26:²⁰

Cancer	Eligible	Screened
Breast	501	215 (42.91%)
Cervical (HPV Self-test)	2,451	1,769 (72.17%)
Bowel	1,134	193 (17.02%)

Number of the vaccinations (Flu, MMR, and HPV) given in the 2025/26 financial year

Vaccination	No. Of People Given
Flu	2,347
HPV	126
MMR	2,001

19. Covers a broad range of around 50 health professions that work alongside medicine, nursing and dentistry. They include a wide range of well-known professions such as acupuncture, audiology, chiropractic, dietitians, physiotherapy, psychologists and social workers, as well as exercise professionals and physiologists.

20. This does not account for individuals who may have declined screening because they were already up to date with screening prior to entering prison. As we do not have access to this information, we are unable to identify and exclude these individuals from the data.

Forensic Mental Health services

Corrections, Health New Zealand, and the Ministry of Health are working together to respond to increasing demand for forensic mental health services. This includes improving access to coordinated care for people with severe and enduring mental illness and increasing access to forensic inpatient beds for people in prison. Together, the agencies are taking a whole-of-system approach to strengthen services and meet future demand.

Corrections refers individuals with severe or enduring mental health concerns to Forensic Mental Health Services (FMHS) for specialised assessments and treatment while in a prison environment. FMHS are funded by Health New Zealand. These services are available at all prison sites nationally. People in prison also have access to ACC counsellors who provide support via the Sensitive Claims Service.

In 2025/26, Intervention and Support Practice Teams and Improving Mental Health Services (Waikato region), provided mental health input for 9,520 people in prison. This includes triaging referrals, providing mental health advice, screening, assessments, and interventions.

Self-harm and unnatural deaths

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

During 2025/26 there were 73 incidents of serious self-harm (where there was a threat to life) involving 41 individuals [2024/25: 67 incidents involving 40 individuals]. The incident rate per 100 prisoners has remained relatively stable over the past three years [2025/26: 0.67; 2024/25: 0.66; 2023/24: 0.67]. A relatively small cohort continue to have a significant influence on results, with 10 individuals accounting for 58% of all threat-to-life incidents in 2025/26.

For more information on unnatural deaths refer to the audited performance measures table on the next page.

Suicide Action Plan

We have refreshed our Suicide Prevention and Postvention Action Plan (2026-2029). Suicide devastates lives. It impacts people we manage, their whānau, and our staff. While it affects all communities, people in prison experience significantly higher rates of suicidal behaviour than the general population.

The Action Plan sets out the further steps we will take to reduce instances of self-harm and suicide among people we manage, both in prison and in the community. It outlines the work completed to date, the foundations of our approach, and builds on these to set our direction for the next three and a half years. This plan includes revised actions informed by lessons learned, internal and external reviews, and recommendations from the Office of the Inspectorate and Coroners' reports. A key learning has been the need for a coordinated, system-wide approach—one that brings together input and commitment from across all areas, not just mental health services.

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	2022/23 Actual	2023/24 Actual	2024/25 Actual	2025/26 Actual	2025/26 Budget (unaudited)	2026/27 Forecast (unaudited)
Number of unnatural deaths (Note 1)	5	13	10	9	Nil	Nil
Percentage of Health Centres in prisons that retained their Foundation Standard Certification accreditation status	94%	100%	100%	100%	100%	100%

Commentary

In 2025/26, there were nine unnatural deaths in prisons, of which one was an apparent homicide. Suicide is a complex and relatively rare event that is inherently difficult to predict. Consequently, fluctuations in the number of apparent suicides between reporting periods are expected, and care should be taken when interpreting short-term trends.

Note

Note 1: An unnatural death may result from homicide (as a result of foul play), suicide (as a result of self-harm), or accidental cause (as a result of an accident or an unintentional drug overdose). All deaths in prison are subject to internal incident review, investigation by the independent Corrections Inspectorate, and referral to the coroner, who determines the cause of death. Coroner’s inquests are often complex and may take several years.

Case management

Case management is a key way we put our rehabilitation and reintegration approach into action. Probation Officers (in the community) and Case Managers (in prisons) develop offender plans, which are individualised plans that help guide people through the system and towards an offence-free life.

These plans are important for reducing reoffending, as they enable staff to identify activities and interventions that are more likely to address an individual’s particular rehabilitation and reintegration needs. With a complex and vulnerable population, this kind of individualised planning is key to ensuring those we manage receive the right support at the right time. This supports the objectives of the Integrated Pathways initiative, which is transforming case management to deliver more effective and person-centred planning.

Offender plans also provide a foundation for coordinated case management, helping staff monitor progress, respond to changing circumstances, and connect people with appropriate services throughout their time in our management.

IN 2025/26, CASE MANAGERS AND PROBATION OFFICERS PREPARED

37,363 offender plans

(11,474 for people in prison, and 25,889 for people in the community), compared with 36,525 in 2024/25 (prison: 11,192, community: 25,333).

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

AUDITED MEASURE Assessment of performance	2022/23 Actual	2023/24 Actual	2024/25 Actual	2025/26 Actual	2025/26 Budget (unaudited)	2026/27 Forecast (unaudited)
Percentage of people entitled to receive an offender plan that received one within Standards of Practice timeframes (Note 1)	78%	77%	75%	74%	Greater than or equal to 85%	Greater than or equal to 85%
Commentary						
Overall offender plan timeliness performance has been marginally decreasing in recent years. Timeliness for prison-based plans however, decreased by 16 percentage points, from 72% in 2024/25 to 56% this year. In contrast, timeliness for community-based offender plans improved by 5 percentage points over the same period, from 77% to 82%. The decline in prison-based performance reflects a range of operational pressures across the prison network, including fluctuations in case manager caseload and staffing levels. While prison-based offender plan volumes remained relatively stable, broader workload demands increased, noting a 15% increase in the number of parole assessment reports completed year-on-year [5,753 in 2025/26, 4,985 in 2024/25]. New Zealand Parole Board requirements have, at times, been prioritised over the timely completion of offender plans.						
Note						
Note 1: 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 reception into prison; plans for people in the community must be finalised within specified timeframes, depending on the directive type. These range from 10 to 20 working days of the commencement of the sentence or order (including 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 at least 15 working days before the sentence end date for home detention sentences. Offender plans are not prepared for individuals serving community work sentences or community detention conditions.						

Rehabilitation and reintegration interventions

Delivering Rehabilitation programmes in Remand

"It was the first programme he has completed and now feels more confident to do other programmes", one programme participant added, and further stated that "he will 'stop and think' more, he feels he will consider different approaches to setting goals and found mindfulness helpful".

What this means in practice

In September 2025, one of our prison sites delivered its first Short Rehabilitation Programme (SRP) for remand-convicted, supporting early intervention that reduces the risk of reoffending.

During 2026, Corrections continued to strengthen practice guidance between Pae Ora and case management staff about offence-focused rehabilitation opportunities for remand-convicted and short-serving men. This supports earlier information sharing and engagement with participants, helping to increase enrolment and participation in rehabilitation programmes.

We provide a range of rehabilitation and reintegration interventions for people in prison and in the community, typically based on recommendations identified through case management. These interventions help put offender plans into action by addressing the factors associated with offending and supporting people to make positive, sustained changes in their lives.

Interventions are tailored to individual risks and needs and may include programmes that address offending behaviour, improve wellbeing, develop life skills, and build capability for employment and community participation. For example, literacy and numeracy programmes can improve foundational skills and increase access to education, training, and employment opportunities, which are important enablers of successful reintegration and offence-free lives.

The completion of rehabilitation programmes and participation in reintegration interventions provides an indication of the extent to which people are engaging in activities designed to support positive change and reduce their likelihood of reoffending.

Our approach is informed by research, review and evaluation, integrity monitoring, and specialist practice guidance. This helps to ensure our interventions remain evidence-based, are delivered as intended, and continue to meet the needs of the people in our management.

Strengthening Evidence-Based Practice

Corrections actively engages with national and international research, evaluation, and professional networks to ensure our services and interventions are informed by evidence and emerging best practice. Through research partnerships, programme evaluation, and participation in international forums, we continue to strengthen our understanding of what works to improve safety, rehabilitation, and reintegration outcomes.

International Research in Corrections Conference

In March 2026, Corrections co-hosted the International Research in Corrections Conference (IRCC) with the International Corrections and Prisons Association (ICPA) in Auckland. Held in New Zealand for the first time, the conference brought together more than 300 delegates from 26 countries to explore evidence-based approaches to improving safety, rehabilitation and reintegration.

The conference provided an opportunity for Corrections staff to share their expertise and learn from international researchers and practitioners. Key themes included effective risk assessment, culturally responsive services, indigenous approaches to rehabilitation and reintegration, and safer prison environments. Corrections staff also presented research and practical insights.

Professor Alison Liebling of the University of Cambridge delivered the opening keynote, highlighting the importance of respectful relationships, fairness, and positive prison environments in reducing reoffending. The conference also showcased Māori-led cultural experiences, contributions from people with lived experience, and artwork created by people in prison.

By bringing together international expertise, research and lived experience, the conference reinforced the importance of evidence-informed practice in achieving safer communities and better outcomes for the people we manage.

Psychology and Programmes

The Psychology and Programmes teams within Pae Ora are responsible for delivering most internally provided offence-focused assessment and treatment of those in prison or on community-based sentences who are considered medium or high risk of serious re-offending. They also work with community partners to deliver family violence and harmful sexual behaviour services and engage private psychologists to work alongside internal psychologists in undertaking assessments and providing reports to the courts.

Our programmes take an evidence-based approach, are culturally, gender and trauma informed and aim to support desistance from offending.

Special Treatment Units

Our most intensive programmes are delivered within our Special Treatment Units (STUs), which are designed for people at a high risk of violent or sexual reoffending. There were eight of these units located in prisons across the country in 2025/26, six in our men's prisons and two units in our women's prisons, plus one in the community. However, the programme operating at Auckland Region Women's Corrections Facility was paused in early 2026 due to prison population pressures.

IN 2025/26,

267 programmes

WERE STARTED ACROSS SEVEN
PRISON-BASED STU NATIONWIDE
[2024/25: 223].

IN THE COMMUNITY,

14 programmes

WERE STARTED IN 2025/26
[2024/25: 12]

International and New Zealand evidence shows that violence prevention programmes reduce reoffending among people with the highest levels of risk and need. A 2023 review of more than 17,000 programme participants across multiple countries, including New Zealand, found participants were around one-quarter less likely to commit further violent or general offences than comparable offenders who did not receive treatment (Giesbrecht, 2023)²¹.

New Zealand's Special Treatment Units for Violent Offending (STU-VOs) provide intensive rehabilitation for people convicted of serious violent offences through evidence-based treatment delivered alongside tikanga Māori and Māori cultural perspectives. Recent New Zealand-based research (Botha et al., 2026)²² found participants were less likely to be resentenced following release, with around 10 fewer people per 100 participants resentenced within 12 months and 13 fewer within 24 months, compared with similar offenders who did not receive treatment.

These findings demonstrate that violence prevention programmes are helping to reduce reoffending, improve public safety, and reduce harm in communities.

21. Giesbrecht, C. J. (2023). A meta-analysis of the effect of violence intervention programs on general and violent recidivism. *Journal of Community Safety and Well-Being*, 8(2), 99–106. <https://doi.org/10.35502/jcswb.308>.
22. Botha, R., Polaschek, D. L. L., & Nicholls, T. (2026). Process and impact evaluation of Special Treatment Units for Violent Offending in Aotearoa New Zealand (manuscript under review). Department of Corrections, New Zealand.

Alcohol and Other Drug (AOD) Services

Corrections partners with specialist Alcohol and Other Drug (AOD) providers to deliver AOD treatment services in prisons. These include low, moderate, and high-intensity programmes for those who meet the criteria for mild to severe substance use disorder.

These programmes address the relationship between offending and substance use, support recovery, and promote lasting lifestyle changes. In 2025/26, 659 of these programmes were started [2024/25: 500]. For those on remand, Corrections offers AOD harm minimisation interventions, which aim to increase a person's health literacy, as well as their awareness of and motivation to address substance use. In the same period, 2,082 individuals accessed these interventions [2024/25: 1,198].

In the community, Corrections also partners with specialist Alcohol and Other Drug (AOD) providers to provide places in community residential AOD treatment services across the country. These places focus on prioritised access for those being released from prison with the highest risk of relapse to substance use on release, and the highest risk of reoffending who have not been able to access AOD treatment whilst on their current sentence. In 2025/26, 135 of these programmes were started.

Tēnei Au, Tēnei Au – Hawke's Bay Regional Prison

Tēnei Au, Tēnei Au, is a 10-week Māori Trauma-Informed approach delivered for tāne in high security units at Hawke's Bay Regional Prison.

Co-designed in 2020 by Ngāti Kahungunu Iwi Incorporated and Corrections, the approach is grounded in partnership and reflects a shared commitment to Māori wellbeing. The approach draws on Kahungunutanga, te ao Māori worldviews and wellbeing approaches to support healing from intergenerational trauma and strengthen connections to whānau, whakapapa and identity.

Tēnei Au, Tēnei Au is delivered to three cohorts at any one time, with up to 12 participants per cohort. In 2025/26, there were 117 programmes started, with 53 programmes completed.

Since 2022/23, 470 people have started the programme and 254 have completed it, giving a completion rate of 55%, as of 30 June 2026.

A review completed in May 2026 has shown that Tēnei Au, Tēnei Au supports safer high-security environments, increased emotional regulation, supports deep cultural connection, builds trust, and motivates participants to take part in further rehabilitative and reintegrative approaches.

Reintegration

Every day, Corrections supports people to reintegrate safely into the community, partnering with a wide range of iwi and other community-based providers to deliver reintegration services. Reintegration starts at the earliest opportunity in prison or as part of pre-sentence reports for community-based sentences. Reintegration services aim to provide people with appropriate support to address and overcome barriers to successful transition back into the community. The six pillars of reintegration are the key areas where people may require additional support in order to live offence-free lives in the community. The six pillars encapsulate the following reintegrative needs and the desired long-term goals:

- **Accommodation** – to secure safe, appropriate, long-term sustainable accommodation
- **Education and Training** – to acquire skills, training and qualifications to obtain and retain sustainable employment
- **Employment** – to obtain sustainable employment and gain employment resilience
- **Skills for Life** – to acquire skills to manage household, family/whānau and financial commitments, and the resources required to become a contributing member of society
- **Oranga: Health and Wellbeing** – the acquisition of strategies and supports to maintain spiritual, physical, mental/emotional and cultural wellbeing
- **Family/whānau and Community Support** – the ability to establish, maintain and/or enhance relationships with whānau /family and the wider community.

Key initiative: Optimising Our Services

Optimising our Services is an ongoing programme of work designed to ensure people are connected to the right support at the right time.

Over the past decade, the needs of the people we manage have changed significantly. We are seeing more people on remand, and more people with complex and acute needs. This creates an opportunity to improve how we deliver our services, using what we have learned about the approaches and interventions that achieve the best results. We are currently working across three connected workstreams: 1. Rationalised suite of services, 2. Review of prison industries, and 3. Extending Rehabilitative Services in Remand.

1. Rationalised suite of services

The purpose of this workstream was to assess our rehabilitation and reintegration service offerings in prisons and the community to ensure they meet the needs of our population and deliver the best possible results to reduce reoffending. We looked for areas of unnecessary duplication, under-utilisation, and inefficiencies – identifying what evidence we have that our programmes and services are achieving what they were set up and funded to do. Ultimately, we want to ensure that Corrections focuses on well-targeted, well-used programmes and services that produce results in support of our three organisational outcomes.

During 2025/26, we established a consistent approach to service-level decision-making to support strategic planning and future service delivery. As this work continues to progress, we will report on its impact in upcoming reports.

2. Review of prison industries

This workstream was commissioned to provide a clear and evidence-based understanding of the purpose of prison industries and whether it currently maximises participation, supports skill development, and contributes effectively to rehabilitation and reintegration outcomes.

The review will establish a common definition of what constitutes a prison industry, and develop principles and criteria to guide future design, investment, and decision-making. The scope of the work also includes assessing the current prison industries system to determine whether changes are required to better meet the needs of people in our management and the organisation. During 2025/26, we commenced work on this initiative, with early planning and scoping activities underway.

3. Extending Rehabilitative services in remand

Due to the significant proportion of people in prison who are on remand, we have extended service delivery for this cohort who otherwise may not have had an opportunity to engage in rehabilitation and reintegration services before being sentenced.

To support this priority, the Government amended the *Corrections Act 2004* to make it explicit that people in prison who are on remand and convicted of a crime will have access to offence-focused rehabilitation. It also included amendments to support the delivery of reintegration and other non-offence focused services for everyone on remand, including remand accused.

The Government established funding for this in Budget 2024, subject to a comprehensive review of Corrections' rehabilitation and reintegration services and the development of an implementation plan. Delivery of offence focused services to remand convicted prisoners and non-offence focused services to both remand accused and remand convicted prisoners began in the first quarter of the financial year.

During 2025/26, we made progress in extending offence-focused services and vocational training opportunities to people on remand.

We recruited key staff to deliver offence-focused rehabilitation services. Recruitment for the remaining roles is planned to be phased over the next 12 months. Over this period, we will also be recruiting a range of mental health practitioner roles and social workers to support extending rehabilitative services to those on remand.

In addition, we have completed procurement for the enhancement of Alcohol and Other Drug (AOD) Harm Minimisation at Waikeria and Rimutaka prisons. Procurement for expanded delivery of the Tikanga Māori Motivational Programme at nine sites is in progress, with services scheduled to commence in January 2027. We have also completed arrangements for expanded delivery of Te Pikinga at Northland Region Corrections Facility, which will commence in July 2027.

During 2025/26, over \$300,000 was invested in providing vocational short courses to over 800 people on remand. These vocational training opportunities provide skills that can support independent living and successful reintegration into the community.

	First Aid Course <i>(The most frequently delivered)</i>	370	learners achieving their Level 1 certification, which is necessary for people working in many industries including prison Kitchens and Workshops.
	Hazard and risk management training, Use of Fire Extinguishers and Workplace Health and Safety <i>(including manual handling and back injury prevention)</i>		delivered to 130 learners
	Construction-related training	139	learners attended Construction safety or site access courses or learnt about working in confined spaces <i>Courses were also offered to 70 learners on working safely at heights, using scaffolding or mobile work platforms, and safe use of overhead gantry cranes or slings.</i>
	Agriculture sector training	65 17 19 19	individuals learnt about Hazardous Substances in Agriculture. individuals learnt about Safe Tractor operations. individuals learnt about driving a forklift individuals learnt about driving Light Utility Vehicles.

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

AUDITED MEASURES Assessment of performance	2022/23 Actual	2023/24 Actual	2024/25 Actual	2025/26 Actual	2025/26 Budget (unaudited)	2026/27 Forecast (unaudited)
Percentage of rehabilitation programmes completed in prisons	84%	85%	85%	88%	Greater than or equal to 85%	Greater than or equal to 85%
Percentage of rehabilitation programmes completed in the community	69%	68%	69%	72%	Greater than or equal to 65%	Greater than or equal to 65%
Number of referrals made to reintegration services that resulted in a start (Note 1)	3,670	4,744	4,882	4,500	Greater than or equal to 4,000	Greater than or equal to 4,000

Commentary

Total reintegration services starts exceeded budget in 2025/26, with 4,500 starts achieved against a budget of 4,000. Despite the favourable budget variance, total starts remain below the 4,882 recorded in 2024/25. Start volumes for the Out of Gate (OOG) service were down 17% (449) year-on-year. From 1 July 2026, the redesigned OOG Complex Needs service replaced the previous light-touch OOG service, which concluded on 30 June 2026. The new OOG Complex Needs service responds to significant changes in the prison population in recent years, recognising that more people now require earlier, more intensive and longer-term reintegration support to successfully transition back into the community. This change will have contributed to the reduction in OOG service starts this year as the previous service wound down.

Nonetheless, the OOG service recorded 2,196 starts during the year, accounting for around half of all reintegration services starts within the scope of this measure in 2025/26.

Note

Note 1: A referral is defined as an approved authorisation from a Principal Case Manager or Probation Officer for an individual to receive services from a selected reintegration service provider. For Te Pikinga and the Remand Reintegration Programme, a start is recorded on the date the individual attends their first session. For all other reintegration services, a start is recorded as either the date the individual was accepted into the service, or the date a comprehensive plan was developed.

Continued over the page.

AUDITED MEASURES Assessment of performance	2022/23 Actual	2023/24 Actual	2024/25 Actual	2025/26 Actual	2025/26 Budget (unaudited)	2026/27 Forecast (unaudited)
Percentage of people who demonstrate statistically significant gains through an intensive literacy and numeracy programme in prison (Note 2)	72%	65%	85%	91%	Greater than or equal to 65%	Greater than or equal to 65%
Commentary						
In 2025/26, 570 people participated in <i>Te Ara Hihiri</i> , an intensive literacy and numeracy programme in prison [2024/25: 569]. Of the 232 participants who exited the programme and completed an assessment, 91% achieved a statistically significant gain in their reading or numeracy score [2024/25: 85% of 197]. The increase in the performance compared with 2024/25 is likely to have been influenced by changes to the parameters used to generate numeracy assessments (refer Note 2).						
Note						
Note 2: Learners are assessed using the Literacy and Numeracy Adult Assessment Tool. The Statistically Significant Gain (SSG) rate measures the proportion of assessed learners who have increased their reading or numeracy score by a statistically significant amount. An SSG indicates a high level of confidence that the change in score reflects genuine learning progress, rather than variations in the assessment process. The SSG rate is calculated based on learners who exited the programme and completed literacy or numeracy assessments during the reporting period. Several factors can affect the SSG rate, including participant cohort, assessment difficulty, and audience settings. The literacy and numeracy programme changed from Everyday Skills to <i>Te Ara Hihiri</i> in 2023/24, with different participant cohorts and assessment approaches used across the two programmes. During 2023/24, the difficulty setting for literacy and numeracy assessments changed from Steps 2-5 to Steps 1-3, and the audience setting for literacy assessments changed from General to Māori. The literacy assessment audience setting reverted to General in 2024/25, and the numeracy assessment difficulty setting reverted to Steps 2-5 in 2025/26. These changes affect the comparability of results across the reporting periods. From 2025/26, the Budget was increased from 'Greater than or equal to 35%' to 'Greater than or equal to 65%' to reflect a more realistic and relevant rate of activity.						

Considering **Section 196(1)(eb) of the Corrections Act 2004**, a total of 150 prisoners (71 accused and 79 convicted) were mixed to attend programmes. All but eight attended the Tikanga Māori programme, with one accused and seven convicted prisoners attending a single instance of the Tēnei Au, Tēnei Au programme.

Te Pā returning deportees residential reintegration programme

Te Pā is a kaupapa Māori organisation that responds to community needs of whānau who are either in the justice system, exiting the system, or have recently returned from overseas.

Te Pā is currently delivering a residential programme designed to support high-risk deportees who present with multiple and complex needs. It provides a structured, supported living environment for a period of three to six months, enabling individuals to stabilise and resettle back into New Zealand. The service takes a culturally responsive and strengths-based approach, recognising the unique background and experiences of those returning to the country, while ensuring support is appropriate and culturally responsive.

Through consistent wraparound support, participants transition into long-term stable housing, gain access to employment opportunities, and engage in education and/or vocational training pathways. The service also helps individuals address barriers such as health, wellbeing, cultural reconnection, and reintegration into the community. This programme is specifically targeted at those requiring a higher level of support including individuals with mental health risks. It operates in Manukau across two residential properties, with capacity to accommodate up to 13 residents at any given time, ensuring a safe, supportive, and structured environment.

Hāpai Ō – A Kaupapa Māori residential reintegration service in Auckland

Hāpai Ō is an eight-bed, 24/7 supported accommodation service delivered by Te Hā Oranga, under Te Rūnanga o Ngāti Whātua. The service supports men in a kaupapa Māori environment to strengthen cultural identity, reconnect with whānau, build skills, gain employment, and contribute positively to the community.

Demand for the service increased this year, with 115 referrals received. Of these, seven men were accepted, with two completing the programme and three exiting early. To date, 22 men have entered the service, with 10 successfully completing, seven exits and six are currently in service.

2024/25
14 accepted into service
8 graduates/completes
4 exits/non-completes
90 referrals
2025/26
8 accepted into service
2 graduates/completes
3 exits/non-completes
115 referrals
Total
22 accepted into service
10 graduates/completes
7 exits/non-completes
6 current residents

OUR PEOPLE

Safe, supported, and capable staff

We have a large frontline workforce who do important and challenging work to help make communities safer.

Our people

Staff are integral to achieving our three organisational outcomes. We achieve this by empowering staff to be safe, supported and capable to do their jobs well every day.

Our staff work with some of the most complex and vulnerable individuals in our society, often in environments where organised crime networks may seek to influence frontline staff and custodial settings. This operating environment presents significant integrity risks and reinforces the importance of maintaining a strong integrity culture, effective assurance mechanisms, and ongoing investment in our people.

Therefore, it is important that staff receive the right initial training so they can step into their roles with the right level of capability and with confidence. This helps to keep individuals and teams safe on the frontline. Staff also need ongoing opportunities to refine their skills and develop further capability across the different areas of their work. Within prisons and community settings, staff are supported to apply what they have learnt and reflect on their practice in a team environment – with a focus on safety at all times.

See more about our staff in *Appendix Five: The profile of our people*.

Key updates for the 2025/26 financial year - people and capability

Recruitment and retention updates

Recruitment has focused on strengthening organisational capability by delivering a consistent approach across the Department.

This includes enhanced custodial promotion processes, refreshed secondment guidance, and a centralised transfer process to improve consistency, transparency, and integrity. This has been supported by a newly formed internal recruitment team.

Our previous recruitment campaign 'Stories from the Inside', ran for 18 months from February 2024. During 2024/25, 49,276 frontline applications were received, which resulted in 1,332 new hires for a variety of frontline roles. With the campaign's visuals and licensing coming to an end, our recruitment campaign needed a refresh.

In January 2026, we launched our new recruitment campaign, 'The Real Job'. Our new campaign is focused on attracting the right people by showcasing the qualities that help someone succeed at Corrections. In an environment like ours, having the right people in the right roles is vital. The 30-second clips focus on the values and strengths our people bring to the job. The advertisements are designed to drive interest to our website, where people can view role explainer videos and more job-specific details. The recruitment process also includes opportunities for applicants to get a deeper understanding of our roles, such as scope days. The initial launch focused on Corrections Officers, Probation Officers, Community Work Supervisors, and Psychologists.

**BETWEEN JANUARY AND JUNE 2026,
AFTER THE LAUNCH OF 'THE REAL JOB'
CAMPAIGN, WE RECEIVED**

29,266 applications

**FOR FRONTLINE AND FRONTLINE
SUPPORT ROLES. OF THESE
APPLICATIONS, 575 PEOPLE WERE
APPOINTED TO ROLES.**

Key initiative: Learning Pathways

Our Learning Pathways initiative describes how people learn to perform their role at Corrections. As our operating environment changes over time, it is important that we adapt and refine our learning pathways. For every role, we are refining a pathway that includes induction, core learning, compliance learning, elective learning, supervised practice, and specialist learning.

Throughout 2025/26 we have been refreshing a number of our pathways, which has included the development of:

- Ara Tika
- Custodial Core Learning
- Te Ara Raranga: our woven learning pathway for Probation Officers and Case Managers
- Senior Corrections Officer Core Learning
- Women's Learning and Development Pathway.

The new Ara Tika

Ara Tika is our three-day induction programme that introduces all new employees to our culture, values, and context. It is the first step in every learning pathway, so it is important that it continues to reflect the environment we work in.

The new Ara Tika was launched in late 2025, with new and redesigned sections that bring our work to life. This includes a stronger introduction to our values and operating environment, clear expectations about creating a positive working environment and a clear look at what it means to put Hōkai Rangi into action.

One of the key additions is the inclusion of real stories from people with lived experience in both community and prison settings. These stories show the meaningful difference our staff can make in the lives of those we manage.

Building strong connections across the organisation is another key part of the new Ara Tika. Working together and delivering a joined-up experience for the people we manage is critical to achieving our purpose.

Custodial Core Learning

The Corrections Officer Development Pathway (CODP) was our core learning programme completed by all corrections officers for 125 cohorts. We completed a review of this pathway in June 2025 and found that there were opportunities to better support new officers as they prepare for their roles in a changing operational environment. Throughout 2025/26, we worked to develop the new pathway.

Our new programme, Custodial Core Learning has been redesigned to better integrate content, so learning builds progressively and is delivered consistently. There will be more practical learning, with staff having more opportunities to apply new knowledge and skills in real operational situations.

Ongoing assessments will also take place to ensure that our staff are confident and competent in applying the skills they have developed. The first cohort is scheduled to begin the new Custodial Core Learning programme in July 2026.

Key initiative: Health, safety, and wellbeing

Our Health, Safety and Wellbeing system initiative provides an organisation-wide framework that brings together and coordinates all aspects of health and safety.

As part of this initiative, we released our updated Health, Safety and Wellbeing Strategic Plan in April 2026.

Our Focus Areas

Safer Prison Environments

Strengthening safety and wellbeing across our prisons.

Safer Community Environments

Strengthening safety and wellbeing across Community Corrections.

Safer Infrastructure

Maintaining safe, fit-for-purpose environments.

Safer Workplaces

Building safe, high-performing workplaces.

Our staff work in complex environments, and many of the people we manage can behave unpredictably. Complex organised crime, increasing remand and sentenced populations, and greater use of electronic monitoring in the community are factors adding operational pressure and increasing safety risks for our staff.

The Health, Safety and Wellbeing Strategic Plan sets a clear, practical, and enduring framework to strengthen how we manage critical risks, support our people, and prevent harm across the organisation. It sets our future direction and Health and Safety priorities, while reinforcing our commitment to creating working environments where staff feel safe, supported, and confident in what they do every day.

We report incidents and near misses to improve our risk management

There was a 16% increase in near miss reporting by staff to 6,226 in 2025/26 [2024/25: 5,349²³]. Increases in reported near misses are a positive indicator of proactive reporting. Reported injury incidents increased by 8% in 2025/26, following a 22% increase in the previous financial year. This may reflect both an increase in incidents and greater worker confidence in reporting them.

Number of H&S recorded near miss incidents with three months moving average

Serious incidents involving staff that required notification to WorkSafe New Zealand decreased from 18 in 2024/25 to 14 in 2025/26. There were eight High Potential Incidents (HPIs) that could have resulted in injury, compared with 30 in 2024/25. The decrease in HPIs is likely influenced by changes in how these incidents are identified and classified. During the year, Corrections strengthened its approach to learning from events, using insights from everyday practice, incidents and reviews to improve how the organisation operates and reduce future risk.

There were two WorkSafe notifications involving our partners, compared with 10 in 2024/25. Partners also reported one HPI, compared with seven in the previous year.

Assurance

The Department's Health and Safety Management System comprises a range of interconnected elements designed to manage health and safety risks effectively. To provide confidence that critical controls are operating as intended and to identify opportunities for continuous improvement, the Department undertakes a range of assurance activities, including Control Assessments and Control Inspections. A key component of our critical health and safety risk management framework is actively verifying that the controls outlined in the Critical Control Standard are understood, consistently applied, and achieving their intended outcomes. In 2025/26, the Department completed 697 Control Assessments and Inspections, up from 602 in 2024/25. Over the same period, related corrective actions increased from 493 to 603.

Key initiative: Eliminating Sexual Harassment

Our plan to Eliminate Sexual Harassment is a key initiative that contributes to Corrections' organisational outcomes by supporting a safe working environment and strengthening the prevention and response to inappropriate staff behaviour that causes harm. In December 2024, Corrections released the findings of the Sexual Harassment Review. The review outlined six recommendations, which we accepted.

Recommendations emphasised the need to build knowledge, capability, and prevention through education, training, and culture change, alongside trusted reporting and response processes and trauma-informed and person-centred support for affected staff. They also outlined the need for developing an integrated monitoring, evaluation, and learning framework to track progress and target improvement efforts.

23. Data was extracted from the Corrections Health and Safety reporting system on 13 July 2026 and reflects the information available at that time. Results may change over time due to ongoing updates, corrections, removal of duplicate records, and retrospective changes to source data. As a result, figures may differ from previous reports.

We have developed a comprehensive plan to address the identified gaps. Early delivery of the plan has focused on education and awareness. *Understanding and Responding to Sexual Harassment* workshops were rolled out mid-2025. As at 30 June 2026, 4,015 staff have participated (34.6% of staff) with 94% reporting better understanding of sexual harassment after the workshop. In November 2025, we embedded respectful behaviour expectations during onboarding processes for new staff, and the following month a new inspection standard was introduced to strengthen accountability.

In early 2026, That's Us, a sexual harassment awareness campaign was launched to build understanding of the issue and encourage safe action. Corrections also partnered with RespectEd Aotearoa to support best practice approaches to preventing sexual harassment.

Work has progressed to update policies and complaint response processes. In addition, changes are being made to how sexual harassment complaints are recorded and managed to improve transparency and trust.

A refreshed Code of Conduct came into effect on 1 June 2026, which clearly sets expectations for behaviour and accountability. Corrections will continue working to ensure all sites across the country are free from sexual harassment and have a safe, respectful, and inclusive workplace culture.

Sections 14, 73 and 75 of the *Public Service Act 2020*, together with Kia Toipoto and the Papa Pounamu priority areas, continue to guide our work. We also continue to operate as a good employer and support equal employment opportunities through our employment and recruitment practices, and our approach to diversity and inclusion across our workforce. The initiatives below outline how we are supporting these areas through leadership development, inclusion, equity and diversity, and cultural capability.

Leadership Development Framework

Since the Leadership Development Framework was launched in February 2025, we have focused on a leader-led approach that supports development through day-to-day work. This makes learning more accessible for frontline staff, for whom time away from operational duties is often limited.

We have seen active engagement with our online leadership tools. Engagement increased from 1,191 staff to 2,173 staff in the 12 months to June 2026. Through this work, we have learned that team-based development is often the most effective way to engage frontline staff. As a result, we have focused on supporting frontline leaders to build leadership capability within their teams.

We have also focused on embedding the leadership expectations into existing organisation-wide initiatives, including the Eliminating Sexual Harassment initiative, frontline training and recruitment processes.

The leadership framework, together with this year's recruitment intentions, strengthens internal mobility, supports career progression, and enables us to continue building a workforce that is safe, supported, capable, and trusted.

Inclusion, Equity, and Diversity

Over the past year, our Inclusion, Equity and Diversity (IED) work has focused on strengthening system leadership across Corrections. As noted previously, our new Leadership Development Framework sets clear expectations for inclusive leadership behaviours, supporting leaders at all levels to create environments where diversity is valued and all people can contribute and thrive.

We are increasingly embedding IED into core organisational systems. Policies are being reviewed through an inclusive and accessible lens as part of the Organisational Policy Framework, improving consistency and accessibility across our policy environment. The Inclusion, Equity and Diversity Plan provides a shared view of our current state and priorities, reinforcing collective accountability for progress.

The IED Council continues to strengthen system leadership by connecting Employee-Led Networks (ELNs) with organisational decision-making. Through this forum, lived experience insights are shared, priorities are identified, and these perspectives are increasingly reflected in workforce initiatives. Our Executive Leadership Team sponsors actively champion this work, reinforcing its importance, supporting and valuing the ongoing contribution of ELNs.

Our ELNs play a critical role in enabling participation, supporting intersectional (the converging effects of ethnicity, gender, sexuality, disability, and other social group characteristics that influence life experiences) outcomes, and creating psychologically safe spaces where staff can connect, contribute, and feel a sense of belonging. Their insights are strengthening the relevance and inclusiveness of organisational decisions. Our IED work supports adherence to legislative requirements and aligns with Public Service Commission guidance and strategy. It is strongly aligned to our People Plan focus on safe, supported and capable staff, and to Hōkai Rangi, which places wellbeing at the centre of our organisational approach.

Overall, we are building a more consistent, connected, and sustainable approach to inclusion, equity and diversity. This is contributing to improved staff experience, stronger capability, and a more agile organisation better able to deliver for the public we serve.

Māori Crown relations capability

Hōkai Rangi recognises the value of strategic relationships, including with Māori, in achieving better outcomes for everyone in the corrections system.

Under section 190(1)(a) of the *Corrections Act 2004*, we report on how the Chief Executive implemented their functions under section 8(1)(k) of the Act, and how prison general managers (previously prison directors) carried out their functions under section 12(d). We have a collective responsibility to support these functions by identifying communities significantly affected by our policies and practices, providing opportunities for them to share their views, and ensuring those views are taken into account. Developing and maintaining meaningful relationships with Māori is a key part of how we achieve this.

Across the organisation, this included working with iwi, hapū, Māori providers, and other Māori stakeholders to support the development and delivery of services. We had partnership agreements with Māori, and during 2025/26 we continued working together across both custodial and community settings to deliver culturally responsive programmes for the people we manage.

Our Tumu Herenga group helps enhance our knowledge and application of tikanga Māori and mātauranga Māori and is focused on creating opportunities to be more effective and better respond to Māori and their whānau. We continued to strengthen the cultural capability of our staff through our Key Initiative: Cultural Capability Approach, supporting our people to engage effectively with Māori and their whānau and to deliver services in culturally responsive ways.

Key initiative: Cultural Capability Approach

We are working to implement He Whāriki, a new organisational cultural capability approach. He Whāriki strengthens the connection between cultural capability, public service statutory requirements and the goals and values of our organisational strategy, Hōkai Rangi.

He Whāriki is based on a structured framework that brings together Māori, Pasifika and inter-cultural capability to lift the effectiveness of our staff's frontline engagement with ethnic minorities, and their whānau. This helps us to reduce adverse bias and supports meaningful engagement. The framework also encompasses Treaty of Waitangi matters applicable to our public service role, including good partnership relationships with hapū and iwi. The new approach connects capability development to learning, leadership, and practice, ensuring a more consistent and measurable approach over time.

We are currently working through the planning stage. Implementation will follow a phased, multi-year approach, given the size and distinct functional needs of our workforce. An accompanying Māori language strategy, *Hei Pūtiki Mātenga*, has been developed over 2025/26 and is expected to be completed later in 2026. This is a requirement of all government departments, under the *Māori Language Act 2016* and aligns to our frontline’s capability and effectiveness needs with respect to Māori.

Existing cultural capability learning and development offerings have continued to be delivered over the past year. Some highlights include:

Learning programmes and products delivered
2025/26

- UNCONSCIOUS BIAS, DON'T JUDGE A BOOK BY ITS COVER, LEARNING MODULE FOR ALL STAFF (INTRANET)**

1,074 participants
- TE REO MĀORI AND TIKANGA MĀORI FOUNDATIONAL LEARNING MODULE (INTRANET)**

888 participants
- CULTURAL CAPABILITY FOCUS DAYS WITHIN ARA TIKI INDUCTION PROGRAMME FOR ALL NEW FRONTLINE RECRUITS (IN-PERSON WORKSHOPS AT NLC)**

984 participants
- TE WHARE WĀNANGA O AWANUIARANGI (EXTERNAL PARTNER) TE REO MĀORI CLASSES NZQA LEVELS 1-2 (ONLINE)**

29 participants
- YAVU (PASIFIKA RELATIONAL WORKSHOP) AND KAPASA (PASIFIKA POLICY ANALYSIS TOOL WORKSHOP). IN-PERSON SESSIONS CO-DELIVERED WITH THE MINISTRY FOR PACIFIC PEOPLES**

118 participants

(across four workshops held in Auckland, Wellington, Christchurch, Whangarei)
- PASIFIKA IDENTITY PROGRAMME (IN-PERSON WORKSHOPS)**

10 workshops

(held across Central Northern, and Southland regions)

Bespoke in-house workshops were also delivered to a range of teams and included competencies such as Te Tiriti o Waitangi literacy, values-led practice and leadership, unconscious bias, Tikanga, and Mātauranga Māori cultural capability sessions.

We continue to provide the Te Reo Māori & Tikanga Allowance to eligible staff upon completing competency requirements. In 2024, Corrections agreed an allowance with unions to recognise frontline staff competence in Māori language and tikanga Māori. The allowance is for staff covered by one of the applicable collective employment agreements, and whose competency level has been certified through a recognised qualification. Through the Department’s online module, 188 staff qualified for the allowance in 2025/26.

Kaupapa Māori Supervision

Kaupapa Māori Supervision is a process of professional support and learning that strengthens staff knowledge, skills, and accountability in their practice. It enhances ethical and culturally responsive practice in the assessment and rehabilitation of people serving sentences, while ensuring alignment with organisational expectations and outcomes.

Overrepresentation of Māori across the Justice system reinforces the importance of Māori-centred practice. Therefore, this approach plays a critical role in supporting psychologists and programme staff to work effectively and responsibly by strengthening cultural capability and reflective practice.

Under the *Code of Ethics 2002*, psychologists have a responsibility to attend to culture in their practice, particularly through Principle One: *Respect for the Dignity of Persons and Peoples*. In addition, the Treaty of Waitangi underpins this responsibility, requiring ongoing cultural guidance, training and development to meet the needs and uphold the dignity of Māori.

Kaupapa Māori Supervision operates alongside clinical supervision as a complementary and specialist process. While both aim to support reflective practice, professional development, and quality service delivery, Kaupapa Māori Supervision provides specific cultural oversight.

It embeds Treaty obligations and supports practitioners to work from a Māori-centred position grounded in Māori values, principles, and perspectives. Practitioners are supported to:

- Respond effectively to the needs of participants engaged in programmes,
- apply best practice principles in rehabilitation programme delivery,
- meet legal, ethical, and cultural responsibilities,
- reflect on their own cultural lens and its impact on practice,

- identify and address unconscious bias and assumptions,
 - integrate tikanga Māori and culturally appropriate practices into their work, and
 - safely navigate complex issues with confidence.
- The initiative is delivered through individual and group formats and is formally supported through supervision agreements. It enables in-depth case discussions, experiential learning, and the development of culturally grounded engagement strategies tailored to participant needs.

Delivery type	Total (2025/26)
Group sessions (sized 4 or more supervisees)	1,008
Individual sessions	552
Ad hoc sessions (with supervisees)	304
Cultural learning days (Training delivery)	30 deliveries with 1,028 attendees
Other (case consults and observations - supervisees)	631

Hōkai Tapuwae - Māori cultural impact assessment

Hōkai Tapuwae is a programme that offers cultural impact assessments for tāne and wāhine to inform their rehabilitation, reintegration and sentence planning. The programme can deliver up to 460 assessments each year, assuming all referrals are taken up by the tāne and wāhine. The difference between the reported capacity of up to 460 assessments and the 508 assessments completed in 2024/25 reflects changes in service delivery arrangements over time.

Given the large number of Māori on remand or serving sentences in prison and in the community, referrals are prioritised to support those with the greatest need or where there is the greatest opportunity for a positive impact. During the financial year, the programme prioritised Māori women on remand and those serving sentences. As a cohort, Māori women in custody experience the greatest disproportionality of all cohorts managed within the criminal justice system.

The programme managers have increased visibility of *Hōkai Tapuwae* across the women’s prison network and ensured flexible delivery to reduce barriers to access for wāhine. The shift to prioritising remanded wāhine as a cohort has seen a reduction in the number of referrals and acceptance rate into the programme compared to last year. However, the percentage of Māori women participating in the programme is a positive result.

Output	2024/25	2025/26
Eligible wāhine accepted	117	282
Eligible tāne accepted	548	198
Total accepted	665	480
Assessments completed	508	334
Assessments active	-	28

- In the upcoming year, the programme will focus on:
- improving the number of eligible referrals, and the conversion of those referrals to completed reports; and
 - identifying exemplars of good use of the assessments to improve wāhine/tāne participation in plans and decision-making, whānau involvement; and the quality and fullness of case advice to the courts.

OUR INFRASTRUCTURE

Physical and digital infrastructure and assets

Providing the physical foundations needed to achieve our three interconnected organisational outcomes.

Building foundations

Our infrastructure provides the physical foundations needed to achieve our three interconnected organisational outcomes.

Infrastructure investment achieves this by:

- **Enabling safer, fit-for-purpose facilities:** Upgrading and expanding high-security accommodation addresses quality issues highlighted by oversight bodies and ensures safer conditions for staff and prisoners. This directly supports initiatives such as Safer Prisons and High Security Capacity, reducing incidents and improving wellbeing.
- **Supporting rehabilitation and reintegration:** Modernised facilities and digital systems help support the delivery of rehabilitation programmes and reintegration services. They provide a foundation for initiatives such as Integrated Pathways and Optimising Services, which aim to improve access to, and the delivery of, rehabilitation and reintegration services.
- **Future-proofing the network:** Through the Future Prison Network Framework, infrastructure investment aligns with long-term population forecasts and fiscal sustainability, ensuring the network can adapt to growth and complexity while maintaining safety and service quality.

Capacity pressures remain a key consideration in achieving these outcomes. While we are investing in new and upgraded infrastructure to support our long-term organisational goals, we are also making the best use of existing accommodation to meet current demand and maintain service delivery.

The increasing prison population across our network has a significant impact on our current infrastructure. The increasing numbers mean that Corrections has less flexibility to retire and replace ageing assets, with some facilities needing to remain in use for longer than originally planned. While we continue to maximise the use of existing infrastructure, meeting capacity demand remains an ongoing challenge. Over the last year there has been significant investment to refurbish older units, including some that had previously been out of service. Capacity was also strengthened through the installation of additional double-bunked cells to help meet the growing prison population.

New capacity is being developed at Hawke's Bay Regional Prison and is due to open in the first half of 2027. Programmes to construct additional capacity at Christchurch Men's and Waikeria prisons are also underway, with increased capacity at these sites scheduled to be available from 2029/30.

We have also continued to consider how to improve our digital platforms and safely embrace benefits arising from technology advances to support the delivery of essential services. Investment in technology within the corrections system offers opportunities across many areas, including expanding the delivery of, and access to, rehabilitation, particularly for prisoners in high-security environments.

However, the integration of technology into prisons requires robust infrastructure to be in place, including piping and cabling. We are currently prioritising establishing this enabling infrastructure across the prison network.

We have been developing our Long-term Digital Platform Plan, to align technology with the direction of the business and inform the development of product roadmaps. These roadmaps are used to develop five-year investment plans, ensuring sustained and strategic digital work programmes. This longer planning timeframe enables us to respond to demographic shifts in our prison population in a more proactive way.

For both digital and electronic security assets, planned asset replacement programmes are in place. These ensure:

- assets are fit for operational use and aligned with security and performance standards
- we continue our software asset management to optimise process efficiencies, achieve cost savings, and ensure appropriate resources are available to manage Corrections' many software applications and licences.

Infrastructure assets: Increased government focus on Asset Management

Consistent with the Government's focus on improving asset management across central government, we are on a continuous journey to enhance the maturity of our asset management practices and capabilities.

Our assets are managed to meet our legislative obligations and requirements of the Cabinet Office Circular CO (23) 9²⁴. Reporting on Service Critical Assets measures for condition and utilisation of custodial, water infrastructure, fleet and core IT critical assets are on pages 84-86. Work is underway to determine and measure additional indicators and to improve reporting granularity and definitions where possible.

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/>. CO (23) 9 is due to be updated in 2026/27 to reflect additional requirements outlined by the Minister of Infrastructure and the Asset Management and Investment Planning Guidance by Te Waihanga. Refer to *Appendix Eight for our Property assessment criteria* on pages 184-185.

Assessing the condition of our infrastructure

During 2025/26, the proportion of prison assets rated in excellent/good condition increased, while the proportion rated in poor/very poor condition decreased slightly. The marginally improved results are predominantly caused by the addition of the asset data from the new facility at Waikeria Prison and the removal of data for demolished units. Corrections has demolished the Kauri, Matai and Rawhiti units at Christchurch Men's Prison and the Youth Unit at Hawke's Bay Regional Prison.

The remaining asset base shows a very slight increase from 2024/25 of assets in excellent/good condition with a similar result for the poor/very poor condition assets. The condition of the water infrastructure assets and managed housing have been specifically categorised as they are critical asset classes. These assets are a subset of the prison asset condition results reported. For more information refer to the unaudited performance measures table on page 85.

Our overall asset condition is not expected to improve in the short to medium term. This is due to the need for Corrections to balance the removal of poor-quality infrastructure and the delivery of new capacity to improve resilience, while accommodating growth in the prison population before new infrastructure capacity becomes available.²⁵

24. 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>

25. Refer to *Appendix Eight: Property assessment criteria* on pages 184-185.

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

AUDITED MEASURES	2022/23	2023/24	2024/25	2025/26	2025/26	2026/27
Assessment of performance	Actual	Actual	Actual	Actual	Budget (unaudited)	Forecast (unaudited)
Percentage of prison asset values with an excellent/ good condition (Note 1 and 3)	80%	81%	81%	83%	Greater than or equal to 85%	Greater than or equal to 85%
Percentage of prison asset values with a poor/ very poor condition (Note 1 and 3)	9%	8%	10%	9%	Less than or equal to 4%	Less than or equal to 4%
Percentage of Community Corrections asset values with an excellent/ good condition (Note 2 and 3)	92%	92%	92%	92%	Greater than or equal to 85%	Greater than or equal to 85%
Percentage of Community Corrections asset values with a poor/ very poor condition (Note 2 and 3)	3%	2%	5%	5%	Less than or equal to 4%	Less than or equal to 4%

Commentary

The condition profile of the prison estate continues to reflect the impact of recent investment in prison infrastructure, particularly the addition of the new facility at Waikeria Prison. As a modern facility with a high asset value, it has positively influenced the overall condition profile of the estate and contributed to improved asset quality across the prison network.

As a result of recent and forecasted growth in the prison population, Corrections continues to face short-, medium-, and long-term capacity challenges across the network. Corrections' Long-Term Network Configuration Plan continues to guide infrastructure and capacity investment decisions, providing a pathway towards a safer, high-quality, and more fit-for-purpose prison estate. However, current investment is primarily focused on increasing capacity to meet demand, limiting opportunities to remove older, lower-quality accommodation from the network. Therefore, our overall asset condition is not expected to significantly improve in the short to medium term.

Notes

Note 1: This measure covers 18 prisons. Excluded from the measurement calculation are decommissioned assets (for example Old Mt Eden Heritage Building and Old Auckland East Prison), and new prison buildings under construction (for example, Hawke's Bay Regional Prison new capacity) until they become operationally available for use.

Note 2: This measure covers the 31 Community Corrections sites owned by the Department of Corrections. Leased sites are excluded.

Note 3: Corrections reports against these measures in accordance with the requirements set out in the Cabinet Office Circular CO (23) 9. Condition ratings are based on the cost of asset replacement, providing an indication of the level of investment required to improve asset condition.

The table below outlines how Corrections performed against the audited measure used to assess performance in the Loss on disposal of Crown-owned assets for Stafford litigation settlement appropriation.

AUDITED MEASURE	2024/25	2025/26
Assessment of performance	Actual	Actual
Assets have been de-recognised in accordance with relevant accounting standards	New measure for 2025/26	Achieved

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	2024/25	2025/26
Assessment of performance	Actual	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 with Watercare Services Limited undertaking lengthy internal consultation. In the interim, work on the infrastructure improvements commenced in September 2025. An in-principle expense transfer has been pre-approved to transfer funding to 2025/26.	Progress has continued on the infrastructure improvements required to enable the transfer of Three Waters assets at Auckland Prison to Watercare Services Limited. Detailed design of the reservoir replacement project continued to progress during the year, along with development of the Heads of Agreement. While execution of the agreement has not yet been completed, the project remains on schedule. Key milestones planned for the 2026/27 financial year include completion of detailed design activities, finalisation of the transfer agreement, procurement activities, and commencement of construction.

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

Assessment of performance	Indicator	2023/24 Actual	2024/25 Actual	2025/26 Actual	2025/26 Target	2026/27 Target
Percentage of prison service capacity available at 30 June	Utilisation	99%	99%	99.5% ²⁶	99%	99%
Number of reactive calls as a rate per prisoner ²⁷	Functionality	4.93	4.56	3.94	≤4.4	≤4.4
Number of reactive calls affecting normal operations as a rate per prisoner. ²⁷	Functionality	1.66	1.37	1.16	≤1.08	≤1.08

26. The 2025/26 results include the new facility at Waikeria Prison.

27. This measure only related to calls made to our main AM/FM contracted provider (15 out of 18 sites). Reactive calls require unscheduled maintenance works and excludes intentional damage incidents.

The table below outlines additional new indicators linked to reporting on the performance of our critical assets. These are unaudited.

Assessment of performance	Indicator	2025/26 Actual	2025/26 Target	2026/27 Target
Percentage of waters infrastructure asset values with an excellent/good condition ²⁸	Condition	57%	≥85%	≥ 85%
Percentage of waters infrastructure asset values with a poor/ very poor condition	Condition	16%	≤4%	≤4%
Percentage of Managed Housing (housing on Corrections land) asset values with an excellent/good condition ²⁹	Condition	89%	≥85%	≥85%
Percentage of Managed Housing (housing on corrections land) asset values with a poor/ very poor condition	Condition	6%	≤4%	≤4%
Percentage of in-service fleet assets without a current WoF/ CoF exceeding 30 calendar days of a WoF/ CoF being due as at 30 June ³⁰	Condition / compliance	1%	≤ 2%	≤ 2%
Percentage of Fleet Assets with expired registrations as at 30 June ³¹	Compliance	0.23%	0%	0%
Average potable water consumption per prisoner per day ³²	Utilisation	518	TBD	TBD

28. Results for waters infrastructure assets are a subset of the prison asset values but do not include waters infrastructure data for Auckland South Corrections Facility. A renewal programme for waters assets based on condition is being developed. The assets in poorer condition are predominantly at the older sites.

29. Results for Managed Housing (housing on Corrections land) assets are a subset of the prison asset values.

30. On occasion, fleet assets that are subject to extended repair periods or are awaiting disposal results in lapsed the Warrant of Fitness (WoF) or Certificate of Fitness (CoF), noting these vehicles are not operated on public roads until compliant.

31. Reissued registration labels are blocked by NZTA when a fleet asset does not have a current Warrant of Fitness (WoF) or Certificate of Fitness (CoF).

32. The number includes water provided by a third party or Corrections owned water treatment plants and does not differentiate between water used for fire suppression, used in prison industries or include Auckland South Corrections Facility water usage. A target will be set once a baseline for prisoner only use can be identified.

Digital assets

Digital assets play a critical role in supporting staff to manage people safely and effectively within the corrections system. We have continued to enhance digital experiences for staff, the people we manage, and external stakeholders, positioning Corrections to deliver unified, modern, sustainable, and adaptable technology solutions.

Key developments include a significant improvement in hardware condition, driven by PC/terminal upgrades required to support the transition to Windows 11. The increase in kiosk numbers is largely attributable to the opening of new units at Waikeria prison and prison refresh work.

The table below outlines Corrections' performance against other unaudited asset performance measures, in accordance with Cabinet Office Circular CO (23) 9 requirements.³³

Assessment of performance	Indicator	2023/24 Actual	2024/25 Actual	2025/26 Actual	2025/26 Target	2026/27 Target
Percentage of time our core systems are available	Availability	99.9%	99.5%	99.9%	≥99.5%	≥99.5%
Percentage of our ICT assets with a condition rating of poor	Condition	18%	19%	9%	≤18%	≤15%
Number of online Kiosks available within the prison environment for offender self-service	Utilisation	249	272	310	≥300	≥300
Percentage of Community staff accessing information through mobile technology	Utilisation	100%	100%	100%	≥90%	100%
Percentage of our storage that is available/ hosted within a Public Cloud	Functionality	55%	57%	64%	≥35%	≥65%

Environmental Sustainability

During 2025/26, Corrections continued to invest in initiatives that support long-term emissions reductions, including fleet electrification, fuel switching projects, and expanded resource recovery programmes. While total emissions increased during the year, largely due to increased operational demand associated with a growing prison population and a one-off forestry harvesting event, progress continued in reducing reliance on fossil fuels and embedding sustainability practices across our operations.

Further information on legislative requirements and our environmental sustainability performance during the year can be found in *Appendix Nine: Environmental Sustainability*.

Corrections remains committed to reducing operational emissions over the long term. Our focus will continue to be on decarbonising energy use, improving fleet efficiency, strengthening sustainability requirements for infrastructure, reducing waste, and improving the quality of emissions data and reporting. These actions will support both our organisational sustainability objectives and New Zealand's wider emissions reduction goals.

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>

Governance, policy advice, and ministerial services

We provide effective governance, policy advice, and ministerial services to support informed decision-making.

Our Leadership

Our team is organised across eight groups, led by our Chief Executive and Executive Leadership Team. Each member of the Executive Leadership Team is responsible for their respective group but work together to ensure consistency across the department. The Executive Leadership Team is comprised of:

- Chief Executive
- Commissioner Custodial Services
- Deputy Chief Executive, Communities, Partnerships, & Pathways
- Deputy Chief Executive, Pae Ora
- Deputy Chief Executive, People & Capability
- Deputy Chief Executive, Māori/Tumu Herenga
- Deputy Chief Executive, Organisational Resilience & Safety
- Deputy Chief Executive, Strategy and Corporate Services
- Deputy Chief Executive, Infrastructure and Digital Assets

Key Enterprise Risks

Corrections operates in a complex and dynamic environment where a range of strategic risks have the potential to affect our ability to achieve organisational outcomes. To support effective stewardship and decision-making, Corrections maintains an enterprise-wide Strategic Risk Profile comprising eleven strategic risks that capture the most significant threats to the achievement of our strategic objectives. These risks span areas including service delivery, people capability and capacity, legal compliance, health, safety and wellbeing, infrastructure, data and digital systems, organisational strategy, major disruptions and resilience, and environmental sustainability. A specific integrity-related strategic risk is also under development.

Strategic risks are collectively owned and managed by the Executive Leadership Team on behalf of the Chief Executive. Robust governance and oversight arrangements are in place to ensure strategic risks are regularly reviewed, challenged, and monitored. Each strategic risk is formally reviewed through the relevant portfolio or functional area every six months, with detailed strategic risk reports presented to the Executive Leadership Team, through the Organisational Performance Committee, annually. These reviews provide visibility of emerging risk trends, the effectiveness of key controls, and progress against agreed risk treatment actions.

Management's response to strategic risks focuses on maintaining effective controls, strengthening organisational capability, and implementing targeted improvement initiatives where risk levels exceed desired tolerances. Strategic risks are assessed using Corrections' risk management framework, which considers both the likelihood and potential consequences of risk events. Target risk levels are informed by the organisation's risk appetite while recognising that some risks, due to the nature of Corrections' operating environment and the potentially significant consequences involved, may remain elevated despite effective management interventions.

The Executive Leadership Team regularly considers the connections and dependencies between strategic risks, recognising that many risks are interrelated and can influence one another. This integrated approach supports informed decision-making, prioritisation of resources, and a coordinated response to emerging challenges. Through ongoing monitoring, governance oversight, and continuous improvement of controls and mitigations, Corrections seeks to maintain resilience, achieve its organisational outcomes and safeguard its ability to deliver safe, secure, and effective services for New Zealanders.

Organisational Policy Framework

In September 2025, Corrections launched its new Organisational Policy Framework. The framework provides a clear and consistent approach for developing, updating, and approving guiding principles, policies, standards, procedures, and guidance. This has been a significant piece of work, drawing on the experience and expertise of staff and sector partners during its design. Since implementation, more than 300 staff have taken part in information sessions.

During 2025/26, we have started to see the benefits of this work. We have made significant progress in removing policies that are out of date or no longer accurate, and there has been a 14% increase in the proportion of policies that have been reviewed recently. While this is an important achievement, it is only one part of a broader effort to make policies, standards, procedures, and guidance simpler and easier to use. This work sits alongside improvements to our systems and targeted updates to content.

The shift we are seeing reflects an intentional and collective effort to support our people by investing in the quality of the information they use to do their jobs.

Strengthening Governance, Assurance and Capability

Strengthening Capability

Corrections is investing in its people, systems, and infrastructure to improve service delivery and public safety. Some of the key actions include:

- Workforce growth and development: Budget 2025 funding supports hundreds of additional frontline staff, including Corrections Officers, to manage the growing prison population and improve operational effectiveness.
- Digital and technology improvements: the organisation is investing in better digital tools, information systems, and user experiences to support staff decision-making and service delivery.
- Māori Crown Relations capability development: We continue to build cultural capability and strengthen partnerships with Iwi and Māori communities to support the Hōkai Rangi strategy and improve outcomes for Māori.

Strengthening Governance

Governance arrangements have been enhanced to provide clearer strategic direction, accountability, and oversight. Examples include:

- The Organisational Roadmap and Performance Framework, which provide a structured approach to planning, prioritisation, and monitoring organisational performance.
- Strategic planning through Hōkai Rangi and Strategic Intentions 2025–2029, aligning operational activity with long-term outcomes and government priorities.
- Enhanced partnerships across the justice sector, iwi, and community organisations, supporting joined-up governance of complex issues such as rehabilitation, reintegration, and public safety.

Strengthening Assurance

Corrections has increased its focus on independent oversight, risk management, and performance monitoring. Key mechanisms include:

- External assurance and oversight arrangements, with scrutiny from monitoring agencies, inspectors, auditors, and Parliamentary processes.
- Performance monitoring and delivery assurance, with a stated emphasis on “closely monitoring delivery” and tracking organisational progress against strategic objectives.

Independent audit and annual review processes, including audits of financial and non-financial performance and examination by Parliament’s Justice Committee.

Reporting on Treaty settlement commitments

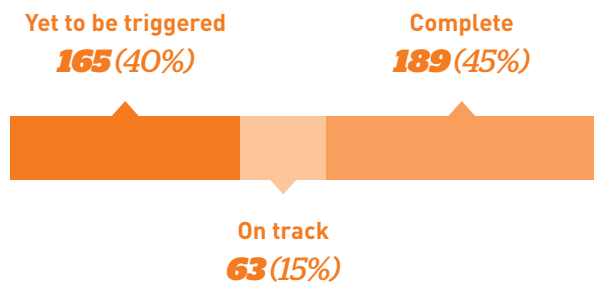
He Korowai Whakamana, a Cabinet agreed framework, enhances the Crown's accountability for its Treaty settlement commitments. *He Korowai Whakamana* requires core Crown agencies to record and track the status, and report annually on, their settlement commitments.

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

The status of Department 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 2026, Corrections was responsible for 417 Treaty settlement commitments, the status of these commitments and type of commitments is summarised below:



Of the 417 Treaty settlement commitments, 149 relate to property transfer terms, 108 to Deferred Selection Property commitments, 96 to Rights of First Refusal, 18 to Deferred Selection Property commitments subject to leaseback, 15 to commercial property transfers subject to leaseback, 15 to relationship redress, and 13 to bespoke arrangements. The remaining three comprise one statutory acknowledgement, one cultural redress property transfer, and one Crown Forest Licensed land transfer.

The commitments we have continue to be a combination of cultural and commercial redress. 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 of this nature, we are making sound progress through our commitments.

Commitments that are 'On Track' are currently being progressed. While they are not complete or final, we have initiated discussions with the settled entity and work is underway.

Commitments that are 'Complete' are finished, we have followed through and delivered with the settled entity.

Inquiries support

Corrections is contributing to the Government's response to the Abuse in Care Royal Commission of Inquiry by supporting the delivery of the Crown's Redress Implementation Plan. The Plan outlines a work programme to improve redress for survivors of abuse in care. Corrections is responsible for claims relating to alleged abuse in historic youth penal institutions operated by the former Department of Justice. These institutions included borstals, corrective training institutions, detention centres, and youth prisons. While Corrections has received only a small number of claims relating to these facilities, this year we have confirmed the eligibility criteria for seeking redress.

Although Corrections does not operate an agency-specific redress scheme, work is underway to develop an approach for assessing and responding to claims that aligns with the Redress Implementation Plan. This work will inform decisions about how claims involving Corrections are integrated into broader redress arrangements.

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. Our positive record of meeting our OIA obligations highlights our commitment to these important principles.

Legislation enacted in 2025/26

The *Corrections (Management of Prisoners, and Prisoners' Property) Amendment Bill* was introduced to Parliament in early 2026 and passed its first reading on 28 April 2026.

The Bill supports Corrections to improve public safety by strengthening the legislative framework for managing prisons safely, securely, and effectively. It reflects our ongoing effort to ensure operational practices adapt to an increasingly complex prison environment.

The Bill will establish a clearer legislative basis for the safe, lawful, and humane management of a small group of prisoners who pose an extreme risk in custody and who the Bill refers to as designated-management prisoners (DMPs).

As segregation is likely to be a critical tool for the management of DMPs, the Bill will also introduce practical and fair changes across the prison network that apply to all prisoners, including DMPs, and will improve our ability to protect public safety.

Those changes are designed to better uphold prisoner rights and enable best-practice operations. Related changes include new provisions regarding minimum meaningful human contact requirements for all prisoners and an explicit prohibition against prolonged solitary confinement.

Additional amendments in the Bill will allow us provisions to apply to the High Court to destroy the property of a prisoner who has been designated as a terrorist entity if they die in custody and will introduce new powers that allow Corrections to reduce the risk of illicit use of prisoner trust accounts. Further changes of a more technical nature are also included.

Process to designate a prisoner as DMP addresses monitoring entities' requests for greater transparency and natural justice, while ensuring clear statutory decision-making to justify higher level of custodial management for DMPs.

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

AUDITED MEASURES Assessment of performance	2022/23 Actual	2023/24 Actual	2024/25 Actual	2025/26 Actual	2025/26 Budget (unaudited)	2026/27 Forecast (unaudited)
Policy Advice						
Technical quality of policy advice papers assessed in line with the Policy Quality Framework (Note 1)	73%	76%	71%	73%	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 (Note 2)	90%	90%	100%	93%	Greater than or equal to 80%	Greater than or equal to 80%
Ministerial Services						
Percentage of responses to parliamentary questions completed within agreed timeframes (Note 3)	100%	100%	95%	98%	Greater than or equal to 98%	Greater than or equal to 98%
Percentage of Ministerial draft correspondence that is signed without changes (Note 4a)	100%	100%	100%	100%	Greater than or equal to 95%	Greater than or equal to 95%
Percentage of responses to Ministerial draft correspondence completed within agreed timeframes (Note 4b)	98%	94%	98%	95%	Greater than or equal to 98%	Greater than or equal to 98%
Notes						
Note 1: 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 a review of a sample of 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 2025/26 the annual result reflects an average score of 3.63 out of 5, from 20 reviews out of around 60 papers [2024/25: average score of 3.55 out of 5, from 20 reviews out of around 70 papers]. The review uses the Department of Prime Minister (DPMC) and Cabinet's Policy Quality Framework - https://www.dPMC.govt.nz/publications/policy-quality-framework#standards-for-quality-policy-advice Note 2: This measure is a quantitative representation of the Minister of Corrections' satisfaction with the services provided by the policy function. The review uses the Department of Prime Minister and Cabinet's Framework, specifically the Guide to the Ministerial Policy Satisfaction Survey - https://www.dPMC.govt.nz/guide-ministerial-policy-satisfaction-survey. Note 3: This measure reflects Corrections' performance in providing timely advice, information, and draft responses to support the Minister of Corrections in answering written parliamentary questions. Responses are expected to be provided within internal timeframes that support the Minister in meeting Parliament's six working day deadline. The measure assesses the Department's responsiveness against these timeframes, recognising that final approval and lodgement of responses remain the responsibility of the Minister. In 2025/26, 766 of the 783 parliamentary questions received by Corrections were completed within the agreed timeframes. [2024/25: 704 of the 741]. Note 4: These measures reflect the Department's accuracy and timeliness in preparing draft ministerial correspondence for the Minister's consideration. They provide an indication of the Department's responsiveness and effectiveness in supporting ministerial correspondence processes. Timeframes are set by the Minister's Office and exclude the time taken for ministerial review, approval, and release. Note 4a: 2025/26: All 63 draft ministerial correspondence responses prepared by Corrections were signed without changes [2024/25: All 118]. Note 4b: 2025/26: 60 of the 63 draft ministerial correspondence responses prepared by Corrections were completed within the agreed timeframes [2024/25: 116 of 118].						

Monitoring agencies

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 its 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.

Statement from the Board

This year marked the Oversight Bodies Advisory Board's final full year supporting the Department of Corrections in its response to the *Kia Whaitake* report and recommendations.

As we come towards the end of our mahi, the Board wishes to again thank the previous Chief Ombudsman Sir Peter Boshier for his investment in delivering *Kia Whaitake* and determination to see a fair, safe and humane prison system. Our assessment is that this has been a positive investment and change is occurring. We also acknowledge former Chief Executive Jeremy Lightfoot for his leadership and commitment to delivering the significant organisational change required in response to *Kia Whaitake*. We valued his willingness to engage openly with external perspectives at governance levels, enabling ideas to flow through the organisation to inform and strengthen the Department's work.

Our observation is that Corrections has made meaningful shifts towards a more coordinated, integrated, risk-aware and accountable organisation, with a stronger focus on capability development, system integration and clearly articulated priorities that support the achievement of its strategic objectives.

The scale and complexity of the change sought through *Kia Whaitake* is substantial and will take time to fully deliver and embed. While the Board acknowledges the considerable progress made across many of the report's recommendations, significant work remains to ensure a prison system that is consistently fair, safe and humane for every person, in every circumstance. Sustained commitment will be necessary to translate improvements into enduring outcomes.

The Board's greatest ongoing concern remains the continued overrepresentation of Māori in prison, particularly the sharp increase in wāhine Māori in prison, and the negative impacts this has on whānau, children and communities. We also recognise the way reoffending rates are challenging rehabilitation efforts. Sustained efforts across these two aspects are integral to improving outcomes and achieving success for people in prison.

Hōkai Rangi sets the direction and remains integral for delivering sustained change. We remain cautiously optimistic that the Department can deliver and sustain the changes needed to improve outcomes and reduce this overrepresentation, despite the complexity of a growing prison population. We are also aware that this will require continued and collective effort, and we welcome the ongoing focus of Chief Ombudsman John Allen on this issue.

The Board's tenure will conclude in December 2026. We note the momentum that has been built over recent years and the foundations that have been established for continued progress. We wish the new Chief Executive, Rachel Leota, and the Department of Corrections every success as they continue the important work of implementing *Kia Whaitake* and delivering positive outcomes for those in Corrections' care and for New Zealand communities.

Office of the Inspectorate report

The Office of the Inspectorate | Te Tari Tirohia works to ensure that all prisoners are treated in a way that is fair, safe, secure and humane.

The Inspectorate is part of the Department of Corrections, but is operationally independent to ensure objectivity and integrity. It is a critical part of the oversight of the Corrections system and operates under the *Corrections Act 2004* and the *Corrections Regulations 2005*. The Chief Inspector reports directly to the Chief Executive of Corrections.

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.

Inspectorate website: <https://inspectorate.corrections.govt.nz/>

Prison inspections

The Inspectorate is mandated under section 29(1)(b) of the *Corrections Act 2004* to undertake inspections of, and visits to, prisons.

In 2025/26, the Inspectorate released its inspection reports for Hawke's Bay Regional Prison (November 2025) and Mount Eden Corrections Facility (August 2025).

A further five prison inspections have been completed: Spring Hill Corrections Facility (in May 2025), Otago Corrections Facility (in September 2025), Whanganui Prison (including the New Plymouth Remand Centre, in October/November 2025), Rangiora Unit (a satellite unit for Auckland Region Women's Corrections Facility, on the grounds of Waikeria Prison, in February 2026) and Auckland Region Women's Corrections Facility (in April 2026).

An inspection is planned for Christchurch Women's Prison in August 2026, Invercargill Prison in November/December 2026 and Auckland Prison in the first half of 2027.

These reports will be publicly released on the Inspectorate website, along with a short video by the Chief Inspector and a 'Quick Read' summary to assist people with low levels of literacy.

Inspection Standards updated

Inspection Standards guide inspectors from the Inspectorate to deliver independent and objective assessments of the treatment of, and conditions for, prisoners in New Zealand. Inspection assessments are guided by four key principles: safety, respect, purposeful activity and reintegration.

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.

In 2025/26, the *Inspection Standards* were updated with the addition of a new Leadership standard: Promoting a safe and respectful workplace. Prison inspections now assess that 'Leaders actively promote a safe, respectful, and inclusive workplace culture'. This addresses bullying and sexual harassment and focuses on an environment where staff feel safe to speak up, and respectful behaviour is modelled.

Another addition to the *Inspection Standards* assesses whether prisoners held on a Warrant of Commitment under the *Immigration Act 2009* have their needs appropriately met.

Progress updates

The Department of Corrections provides progress updates to the recommendations made in the Inspectorate's thematic reports and the report of the Inquiry into the Waikeria Prison riot. In the interests of transparency, these progress reports are published on the Inspectorate website.

The progress updates are provided for these reports:

Young people and young adults in Corrections' custody (released December 2024)

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.

Suspected Suicide and Self-harm Threat to Life Incidents in New Zealand Prisons (released September 2023)

The report examined suspected suicides and self-harm incidents where there was a threat to the person's life, as many risk factors are more prevalent in people in prison than they are in the general population.

Mothers and Babies: Prison management of pregnant women and mothers of infants (released August 2023)

The report examined the Mothers with Babies units in women's prisons, as well as the management of pregnant women in prison, and mothers in prison with a child or children in the community and how they can maintain supportive parental relationships.

Separation and Isolation: Prisoners who have been kept apart from the prison population (released March 2023)

The report examined the management of prisoners who have been separated from the prison population and are unable to mix with other prisoners, and the effects on prisoners who are managed in isolation.

Report of Waikeria Prison Riot Inquiry (released June 2024)

As well as examining the riot itself, the report investigated the underlying causes of the riot, missed opportunities to contain the riot, the response to the riot, the post-incident response, and Health Services preparedness and response.

The reports are provided to the Chief Executive, the Coroner (who determines the cause of death) and the Office of the Ombudsman. We make findings and recommendations where appropriate in each of these reports.

In 2025/26, there were 22 deaths in custody (the same as in 2024/25). Of these deaths, 13 were assumed natural and nine were assumed unnatural (of which one was a homicide).

Complaints

This year, the Inspectorate received 6,885 complaints, an increase of 15% from the previous year [2024/25: 6,010], of which 98% [6,737] related to prisons, 1.4% [102] to Community Corrections, and the remaining 0.6% [46] to other or unknown. The three sites with the most complaints [2,529 in total] were Auckland South Corrections Facility, Rimutaka Prison and Auckland Prison.

The most frequent complaint categories were prisoner property [1,209], prisoner health services [984] and the complaints process [869], 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.

During 2025/26, the Inspectorate monitored 393 complaints about staff (known as IR.07s), an increase of 90 from the previous year [a 30% increase].

Deaths in custody

The Inspectorate conducts a comprehensive investigation into every death in custody. Investigations are carried out by Regional Inspectors, who have custodial expertise, and Clinical Inspectors, who are registered nurses. Broad terms of reference and statutory powers enable Inspectors to widely investigate all aspects of a deceased person's management while in Corrections' custody.

The Chief Inspector writes to the family of each person who has died to explain the Inspectorate's role in investigating the death and reporting to the Coroner. Inspectors are available to family members to discuss the investigation process.

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	2022/23 Actual	2023/24 Actual	2024/25 Actual	2025/26 Actual	2025/26 Budget (unaudited)	2026/27 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 (Note 1)	67%	88%	90%	67%	Greater than or equal to 80%	Greater than or equal to 80%

Commentary

Of the nine reports for unnatural deaths that were due to be completed in 2025/26, three failed to meet the required timeframe. All three timeliness failures were due to dependencies on information from external parties and specialist sources, that was not available to the Inspectorate within the reporting period. While the Inspectorate works to complete investigations as promptly as possible, ensuring reports are informed by all relevant evidence remains essential to the integrity and accuracy of the review process.

Note

Note 1: 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 2025/26, performance for this measure is based on a total of nine Death in Custody Reports – six reports were for deaths that occurred between 1 January and 30 June 2025, and the remaining three reports were for deaths that occurred between 1 July and 31 December 2025, with all nine report due dates falling in the 2025/26 financial year. The remaining six unnatural deaths that occurred in 2025/26 (between 1 January and 30 June 2026) have report due dates post 1 July 2026 and will therefore be included in the 2026/27 performance result.

AUDITED MEASURES Assessment of performance	2022/23 Actual	2023/24 Actual	2024/25 Actual	2025/26 Actual	2025/26 Budget (unaudited)	2026/27 Forecast (unaudited)
Percentage of complaints received by the Office of the Inspectorate that are acknowledged within 10 working days of receipt (Note 2)	100%	99.9%	99.9%	99.3%	100%	100%
Percentage of complaint investigations completed by the Office of the Inspectorate within three months of being received (Note 3)	99%	99%	98%	98%	Greater than or equal to 95%	Greater than or equal to 95%

Notes

Note 2: For this measure a complaint is counted in the financial year in which it is acknowledged or due (whichever occurs first), rather than the year in which it was received by the Office of the Inspectorate. Of the 6,840 complaint records included in the 2025/26 assessment, 6,790 were acknowledged within the agreed timeframes.

Note 3: For this measure a complaint is counted in the financial year in which it is completed or due (whichever occurs first), rather than the year in which it was received by the Office of the Inspectorate. Of the 6,860 complaint records included in the 2025/26 assessment, 6,718 were completed within the agreed timeframes.

From 2025/26, the Budget was increased from 'Greater than or equal to 80%' to 'Greater than or equal to 95%' to reflect a more realistic and relevant rate of activity.

OUR FINANCE

Annual financial statements

for the year ended 30 June 2026

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2026

2025 Actual	Note	2026 Actual	2026 Budget	2026 Supp. Estimates	2027 Forecast
\$000		\$000	(unaudited) \$000	(unaudited) \$000	(unaudited) \$000
REVENUE					
2,355,956	Revenue Crown	2,554,604	2,539,460	2,564,243	2,670,511
564	Departmental revenue	835	-	86	-
42,088	Other revenue	42,521	35,389	39,269	38,889
2,398,608	Total operating revenue	2,597,960	2,574,849	2,603,598	2,709,400
EXPENSES					
1,132,150	Personnel costs	1,225,449	1,266,629	1,239,314	1,320,385
730,268	Operating costs	763,485	717,500	786,885	796,957
216,155	Depreciation and amortisation	254,120	263,913	258,400	271,482
230,377	Capital charge	224,567	232,554	224,567	228,759
56,033	Finance costs	93,826	94,253	94,432	91,817
2,364,983	Total operating expenses	2,561,447	2,574,849	2,603,598	2,709,400
33,625	Net operating surplus	36,513	-	-	-
REMEASUREMENTS					
1,383	Unrealised gain in fair value of biological assets	1,946	-	-	-
2,569	Unrealised gain in fair value of shares	2,428	-	-	-
198	Unrealised gain in fair value of discount rates ³⁴	2,660	-	-	-
(45,430)	Unrealised loss in fair value of derivative financial instruments	(10,049)	(8,641)	(864)	(12,268)
(41,280)	Total remeasurements	(3,015)	(8,641)	(864)	(12,268)
(7,655)	Net surplus / (deficit)	33,498	(8,641)	(864)	(12,268)
OTHER COMPREHENSIVE REVENUE AND EXPENSE					
(234,912)	Revaluation loss on land and buildings	-	-	-	-
(234,912)	Total other comprehensive revenue and expense	-	-	-	-
(242,567)	Total comprehensive revenue and expense	33,498	(8,641)	(864)	(12,268)

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

34. 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 2026

2025 Actual	Note	2026 Actual	2026 Budget	2026 Supp. Estimates	2027 Forecast
\$000		\$000	(unaudited) \$000	(unaudited) \$000	(unaudited) \$000
4,636,653	Taxpayers' funds at 1 July	4,492,013	4,735,439	4,492,013	4,573,297
(7,655)	Net surplus / (deficit)	33,498	(8,641)	(864)	(12,268)
	Adjustment for flows to and from the Crown				
134,325	Add capital injection from the Crown	82,148	24,120	82,148	31,646
(234,912)	Revaluation loss	-	-	-	-
8	Reversal of revaluation reserves on disposal	(602)	-	-	-
-	Other movements	(3)	-	-	-
(36,406)	Provision for payment of surplus to the Crown	(42,032)	-	-	-
(136,985)	Total adjustments for flows to and from the Crown	39,511	24,120	82,148	31,646
4,492,013	Taxpayers' funds at 30 June	4,565,022	4,750,918	4,573,297	4,592,675

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

Statement of Financial Position

As at 30 June 2026

2025 Actual	Note	2026 Actual	2026 Budget	2026 Supp. Estimates	2027 Forecast
\$000		\$000	(unaudited) \$000	(unaudited) \$000	(unaudited) \$000
ASSETS					
Current assets					
54,576	Cash and cash equivalents	54,384	50,000	50,000	50,000
13,623	Prepayments	11,070	26,844	20,420	20,420
975,258	Debtors and other receivables	6	967,546	699,488	759,037
4,783	Inventories	6,767	7,674	7,674	7,674
2,600	Non-current assets held for sale	7	2,600	-	-
1,050,840	Total current assets	1,042,367	784,006	837,131	614,477
Non-current assets					
5,350	Investments	5,461	4,265	4,265	4,265
24,580	Derivative financial instruments	15	15,204	25,172	35,365
5,059,263	Property, plant and equipment	8	5,184,880	5,419,325	5,237,005
19,812	Intangible assets	9	22,136	42,534	24,052
9,789	Biological assets	10	13,207	8,903	8,903
16,000	Prepayments		14,561	10,667	16,000
5,134,794	Total non-current assets	5,255,449	5,510,866	5,325,590	5,516,573
6,185,634	Total assets	6,297,816	6,294,872	6,162,721	6,131,050
LIABILITIES					
Current liabilities					
136,013	Creditors and other payables	11	190,368	92,852	132,730
175,680	Employee entitlements	12	168,736	146,652	153,501
30,612	Service concession arrangements	15	32,520	33,074	33,049
52,551	Provisions	13	69,583	46,002	45,154
36,406	Provision for repayment of surplus to the Crown	14	42,032	-	-
431,262	Total current liabilities	503,239	318,580	364,434	348,896
Non-current liabilities					
43,202	Employee entitlements	12	45,151	34,229	43,201
12,286	Derivative financial instruments	15	12,959	10,925	8,571
1,206,871	Service concession arrangements	15	1,171,445	1,180,220	1,173,218
1,262,359	Total non-current liabilities	1,229,555	1,225,374	1,224,990	1,189,479
1,693,621	Total liabilities	1,732,794	1,543,954	1,589,424	1,538,375
TAXPAYERS' FUNDS					
2,548,571	General funds	16	2,622,182	2,572,572	2,629,855
1,943,442	Reserves	16	1,942,840	2,178,346	1,943,442
4,492,013	Total taxpayers' funds	4,565,022	4,750,918	4,573,297	4,592,675
6,185,634	Total liabilities and taxpayers' funds	6,297,816	6,294,872	6,162,721	6,131,050

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

Statement of Cash Flows

For the year ended 30 June 2026

2025 Actual	Note	2026 Actual	2026 Budget	2026 Supp. Estimates	2027 Forecast
\$000		\$000	(unaudited) \$000	(unaudited) \$000	(unaudited) \$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash provided from:					
2,322,500	Receipts from Crown	2,561,484	2,628,723	2,752,752	2,864,123
463	Receipts from departments	632	-	167	-
42,563	Receipts from other revenue	41,641	35,371	43,362	38,871
(10,106)	GST paid / (received)	(313)	4,962	6,200	11,365
Cash disbursed to:					
(1,119,550)	Payments to employees	(1,224,272)	(1,263,515)	(1,258,380)	(1,317,271)
(731,722)	Payments to suppliers	(675,881)	(720,614)	(789,530)	(800,071)
(230,377)	Payments for capital charge	(224,567)	(232,554)	(224,600)	(228,759)
273,771	Net cash flows from operating activities	17	478,724	452,373	529,971
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash provided from:					
728	Receipts from interest and dividends	884	18	18	18
417	Receipts from sale of physical, biological and intangible assets	1,030	-	-	-
-	Receipt from sale of shares	2,317	-	-	-
Cash disbursed to:					
(227,049)	Purchase of physical and biological assets	(390,797)	(327,554)	(427,826)	(453,700)
(6,850)	Purchase of intangible assets	(11,612)	(15,429)	(12,555)	(10,717)
(232,754)	Net cash flows from investing activities	(398,178)	(342,965)	(440,363)	(464,399)
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash provided from:					
134,325	Capital injections	82,148	24,120	82,148	31,646
Cash disbursed to:					
(46,739)	Interest payments	(95,042)	(94,253)	(94,432)	(91,817)
(79,937)	Repayment of financial liabilities	(31,438)	(39,275)	(45,494)	(43,688)
(26,058)	Return of operating surpluses	(36,406)	-	(36,406)	-
(18,409)	Net cash flows from financing activities	(80,738)	(109,408)	(94,184)	(103,859)
22,608	Net increase / (decrease) in cash	(192)	-	(4,576)	-
31,968	Cash at the beginning of the year	54,576	50,000	54,576	50,000
54,576	Cash at the end of the year	54,384	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 2026

2025 Actual \$000	2026 Actual \$000
CAPITAL COMMITMENTS	
118,884 Buildings	170,683
738 Motor vehicles	9
7,791 Plant and equipment	1,508
8,346 Intangibles	10,981
135,759 Total capital commitments	183,181
NON-CANCELLABLE OPERATING LEASE COMMITMENTS	
23,107 Less than one year	21,482
55,446 One to five years	48,527
49,193 More than five years	41,502
127,746 Total non-cancellable operating lease commitments	111,511
263,505 Total commitments	294,692

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.

The accompanying notes form part of these financial statements.

Statement of Contingent Liabilities and Contingent Assets

As at 30 June 2026

Quantifiable contingent liabilities

2025 Actual \$000	2026 Actual \$000
12,391 Related to Offenders	11,442
1,390 Employees and Contractors	2,254
13,781 Total quantifiable contingent liabilities	13,696

Legal proceedings

As at 30 June 2026 Corrections was defending 76 court claims and proceedings which were assessed and had a value for contingent liability (2025: 56). Filed mostly by prisoners, the proceedings included applications for Judicial Review and claims for breach of the New Zealand Bill of Rights Act 1990 and sought compensation or other redress for perceived / alleged instances of wrongful action or decision-making by Corrections and individuals.

Personal grievances

Corrections was defending 13 employment and contractor-related claims, made mostly by staff members as at 30 June 2026 (2025: 19).

The accompanying notes form part of these financial statements.

Unquantifiable contingent liabilities

Corrections has no unquantifiable contingent liabilities as at 30 June 2026 (2025: \$nil).

Contingent assets

Corrections has no contingent assets as at 30 June 2026 (2025: \$nil).

The accompanying notes form part of these financial statements.

Statement of Trust Monies

As at 30 June 2026

	As at 1 July 2025 \$000	Contribution \$000	Distribution \$000	As at 30 June 2026 \$000
Trust accounts	2,205	29,311	(29,552)	1,964
Total trust accounts	2,205	29,311	(29,552)	1,964

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 2026

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*.

During 2025/26, the *Public Service Amendment Act 2026* amended the *Public Service Act 2020*. The amendments clarify the role of the *Public Service*, strengthen chief executive accountability and performance management arrangements, reinforce merit-based appointments and political neutrality, and provide enhanced mechanisms for managing risks of national significance. The Department assessed the amendments and continues to operate within the revised legislative framework.

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 143 to 147.

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 2026 with comparative figures for the year ended 30 June 2025.

The financial statements were authorised for issue by the Chief Executive of the Department of Corrections on 30 September 2026.

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 the 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**

Corrections has assessed new and amended accounting standards and interpretations issued by the XRB. No new standards, amendments, or interpretations applicable to Corrections became effective during the year or were early adopted, and therefore no changes to accounting policies were required.

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 *Regulatory Systems (Economic Development) Amendment Act 2025* revised the statutory definitions of “large” and “specified not-for-profit entity” in the *Financial Reporting Act 2013* for accounting periods commencing on or after 29 September 2025. The Department has assessed the impact of these amendments and determined that they do not affect its financial reporting requirements.

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. Corrections has assessed that there will be no significant impact as a result of adopting the new standard and does not intend to early adopt the standard.

Critical judgements and estimates

In preparing these financial statements, judgements, estimates, and assumptions have been applied. These judgements and estimates are critical to the application of accounting policies and materially affect the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and expectations of future conditions considered reasonable at the reporting date. Any revisions to accounting estimates are recognised in the period in which the estimates are revised and in future periods where the revision impacts 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.

Revaluation of land and buildings

Critical judgements 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.

Note 1: Statement of Accounting Policies (continued)**Budget and forecast figures**

The budget figures are for the year ended 30 June 2026 and were published in the 2024/25 Annual Report. They were included in the Estimates of Appropriations for the Government of New Zealand in Budget 2025, which are consistent with the financial information in the Main Estimates. In addition, the financial statements also present the updated budget information from the 2025/26 Supplementary Estimates.

The forecast figures are for the year ending 30 June 2027 and are consistent with the best estimate financial forecast information submitted to the Treasury for the Budget Economic and Fiscal Update (BEFU) 2026. 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 16 April 2026. 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 2026/27 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 21 April 2026 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.
- 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 2026 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 have been and priced into the forecast.

Note 1: Statement of Accounting Policies (continued)**Significant accounting policies****Revenue****Revenue Crown***Non-Exchange Transactions*

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.

Other Revenue*Revenue Department and third party - Exchange Transactions*

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.

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.

Personnel costs**Salaries and Wages**

Salaries and wages are recognised as an expense as employees provide services.

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.

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.

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.

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.

Debtor Crown is a statutory receivable and represents the balance of Crown appropriation available to Corrections. It is recognised at the nominal amount 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. These are recognised at the nominal amount due, less an allowance for credit losses. Corrections applies the simplified expected credit loss model of recognising lifetime expected credit losses for debtors and other receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there are no reasonable expectations of recovery. Indicators that there are no reasonable expectations of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

Note 1: Statement of Accounting Policies (continued)**Significant accounting policies (continued)****Inventories**

Inventories held for resale are measured at the lower of cost (calculated using the weighted average method) and net realisable value. Inventories consumed in providing a service are measured at cost or replacement cost.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition. The amount of any write-down for the loss of service potential, or from cost to net realisable value, is charged to surplus or deficit in the period of the write-down.

Corrections' inventory consists of supplies that are available for prisoner purchases, operational supplies and inventory held for use in prisoner employment. No inventories are pledged as security for liabilities.

All inventories are expected to be realised within 12 months and are therefore classified as current.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets held for sale (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property, plant, and equipment**Land and buildings**

Land is measured at fair value, while buildings, including those subject to service concession arrangements, are measured at fair value less accumulated depreciation and impairment losses. Fair values are determined by independent registered valuers using market-based evidence, except for prison buildings, which are valued using optimised depreciated replacement cost. Land and buildings are revalued at least every three years, or more frequently if the carrying amount differs materially from fair value. Additions between revaluations are initially recognised at cost.

Revaluation gains and losses are recognised at balance date. Gains that reverse prior losses for the same asset class recognised in surplus or deficit are recognised in surplus or deficit; all other gains are recognised in the asset revaluation reserve. Revaluation losses are first offset against any existing revaluation reserve for that asset class, with any remaining balance recognised in the Statement of Comprehensive Revenue and Expense. At the date of revaluation, accumulated depreciation is eliminated against the gross carrying amount so that the carrying amount 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.

Disposals

Gains and losses on disposals are recognised in the net surplus or deficit by comparing the sale proceeds with the carrying amount of the asset in the period in which transaction occurs. When a revalued asset is sold, the amount included in the asset revaluation reserve in respect of the disposed asset is 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, these 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 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 and PaaS arrangements are service contracts that provide Corrections with the right to access cloud-based application software, platforms, infrastructure, and development environments over the contract period. Costs incurred to configure, customise, implement, integrate, or obtain ongoing access to software applications and platforms are recognised as operating expenses when the services are received.

Some of these costs incurred relate to the development of software code, applications, interfaces, or enhancements to existing systems that meet 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 changes are 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 of 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.

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

2025		2026
Actual		Actual
\$000		\$000
34,924	Sale of goods	37,116
3,032	Board and rents	2,936
888	Profit on sale of assets	1,045
3,244	Revenue other	1,424
42,088	Total other revenue	42,521

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

Note 3: Personnel Costs

2025		2026
Actual		Actual
\$000		\$000
1,090,129	Salaries and wages	1,177,061
7,350	ACC Accredited Employer Programme	3,512
74	Government Superannuation Fund contribution expense	64
28,818	State Sector Retirement Savings Scheme and KiwiSaver employer contribution	31,870
5,779	Retiring and long service leave	12,942
1,132,150	Total personnel costs	1,225,449

Note 4: Operating Costs

2025 Actual		2026 Actual
\$000		\$000
Fees incurred for services provided by The Audit Office on behalf of the Auditor General		
606	Audit of the financial reports	625
	Other Assurance services	
19	Probity Assurance over the Christchurch Men's Prison Redevelopment Programme Construction PPP Procurement	83
-	Assurance over Stab Resistant Body Armour (SRBA) procurement process	34
15	Audit of Auckland South Correctional Facility Incentive Payment	2
26	Procurement assurance over Electronic Security and Associated Systems procurement process	-
9	Procurement assurance over Electronic Security and Associated Systems (ESAS) procurement process	-
675	Total fees incurred for services provided by The Audit Office	744
31,258	Operating lease rentals	27,743
111,979	Facilities maintenance	133,147
114,818	Offender management costs	119,754
64,325	Information technology costs	69,460
192,000	Contract management	195,368
45,327	Administration	66,123
17,344	Inventory expenses	16,609
151,882	Other operating costs	115,376
660	Loss on sale or write off of assets	19,161
730,268	Total operating costs	763,485

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 2026 was 5% per annum (2025: 5% per annum).

Note 6: Debtors and Other Receivables

2025 Actual \$000	2026 Actual \$000
CURRENT PORTION	
Exchange transactions	
1,905 Trade debtors - external	2,016
577 Sundry receivables	460
2,482 Trade debtors – external and employees	2,476
347 Trade debtors - other government entities	550
2,829 Total debtors and receivables from exchange transactions	3,026
Non-exchange transactions	
972,429 Debtor Crown	964,520
972,429 Total debtors and receivables from non-exchange transactions	964,520
975,258 Total debtors and other receivables	967,546

The carrying value of trade debtors approximates their fair value.

The Debtor Crown of \$964.5 million (2025: \$972.4 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 2026 and 30 June 2025, all overdue receivables were assessed for impairment and appropriate expected credit loss provisions applied.

Note 6: Debtors and Other Receivables (continued)

The expected credit loss rates for receivables at 1 July 2025 and 30 June 2026 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.

The allowance for credit losses at 30 June 2026 and 1 July 2025 was determined as follows, there are nil allowances:

30 June 2026	Debtors and other receivables days past due					Total
	Current	1-30 days	31-60 days	61-90 days	More than 90 days	
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	0.0%	
Gross carrying amount (\$000)	966,870	114	61	59	442	967,546
Lifetime expected credit loss (\$000)	-	-	-	-	-	-

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

Corrections has no provision for impairment of debtors and other receivables as at 30 June 2026 and 30 June 2025.

Note 7: Non-Current Assets Held For Sale

2025 Actual \$000	2026 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 December 2026.

The accumulated property revaluation reserve recognised in equity for the property at 30 June 2026 is \$0.6 million (2025: \$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.

BECA assessed property valuation for financial year ended 30 June 2026. As the movement was not significant, in line with industry standards, a full revaluation was not considered necessary for the year.

The valuation undertaken by Beca as at 30 June 2025 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 \$7.6 million (2025: \$7.1 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 \$386.4 million (2025: \$133.8 million, including the development of Waikeria Prison) and other assets \$38.7 million (2025: \$24.6 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

Refer to Note 7 for details on Assets Held for Sale.

Heritage assets

Corrections holds the old prison at Mt Eden Corrections Facility as a heritage asset. This is currently disused and no value has been attributed to it in the Beca valuation.

There are other heritage classified buildings within Corrections' property portfolio. Where the buildings are in use, they have been valued by Beca on a depreciated cost basis.

Restrictions on title

Corrections has land holdings that are subject to Treaty of Waitangi claims and therefore there may be restrictions on disposal. No adjustment has been made to the value of Corrections' land holdings to reflect these restrictions.

There are no other restrictions over the title of Corrections' property, plant and equipment, nor are there any property, plant and equipment assets pledged as security for liabilities.

Note 8: Property, Plant And Equipment (continued)**Public Private Partnership (PPP) arrangements**

Corrections has entered into three Public Private Partnership (PPP) Project Agreements which are as below:

- Auckland South Corrections Facility with Secure Future Wiri Limited
- Auckland Prison with Next Step Partners LP
- Waikeria Prison with Cornerstone Infrastructure Partners LP

These are treated as service concession arrangements and accounted for in accordance with *PBE IPSAS 32 – Service Concession Arrangement: Grantor*.

Under the agreements the contractors are required to finance, build, design and maintain the facilities while, Corrections is responsible for carrying out custodial operations at each of the new facility, with the exception of Auckland South Corrections Facility for which, the contractor is responsible to operate and maintain the prison. The Chief Executive of the Department of Corrections is responsible for the safe, secure and humane containment of prisoners on that site.

The agreements run for a period of 25 years following operational completion, after which responsibility for ongoing maintenance and operations will revert to Corrections.

Under the agreements, Corrections provides the land to the contractor to use for the construction and operation of prisons.

The assets in the service concession arrangement are recognised as assets of Corrections and are accounted for in accordance with the accounting policy applicable to the classes of property, plant and equipment that the specified assets comprise. As the facilities are progressively constructed, Corrections recognises work-in-progress at fair value and a financial liability of the same value is accounted for.

When the facilities are fully constructed and operational, the total asset cost and matching financial liability reflect the value of the future compensation to be provided to the private-sector partner for the assets. Subsequent to initial recognition, these assets are accounted for at fair value and the financial liabilities are measured at amortised cost.

Following the operational completion, Corrections pays a monthly unitary charge to the partners 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 liability. Repayment of the service concession liability will be over a term of 25 years from service commencement at an effective interest rate as noted in the table below.
- Finance costs – finance costs are repriced every five years and the amount Corrections pays to the contractor 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.

Corrections has contracted interest rate swaps with the New Zealand Debt Management Office (NZDMO) to mitigate exposure to interest rate risk (refer to Notes 15 and 20) for all the three PPP arrangements.

*Note 8: Property, Plant And Equipment (continued)***Public Private Partnership (PPP) arrangements (continued)****Summary of the Public Private Partnership Arrangements**

Element	Auckland South	Auckland Prison	Waikeria Prison
Year of Commencement of Operations	May 2015	July 2018	April 2025
Effective Interest Rate	8.65% (2025:8.65%)	5.88% (2025:5.88%)	4.89% (2025:4.89%)
Latest Refinancing	September 2022	December 2025	January 2026

Next Step Partners LP and Cornerstone Infrastructure Partners LP refinanced the existing debt facilities in December 2025 and January 2026 respectively. Corrections has contracted interest rate swaps with NZDMO to mitigate exposure to interest rate risk arising from these debt facilities (refer Notes 15 and 20).

Carrying Value	Auckland South		Auckland Prison		Waikeria Prison	
Year	Jun 2026	Jun 2025	Jun 2026	Jun 2025	Jun 2026	Jun 2025
	\$m	\$m	\$m	\$m	\$m	\$m
Land	44.40	44.40	2.40	2.40*	-	-
Buildings	343.20	354.60	349.40	359.70	759.60	785.30
Plant and Equipment	-	-	1.00	1.40	6.40	7.30

*Land balance of Auckland Prison has been restated for prior year as the appropriate balance was not identified post revaluation at 30 June 2025.

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 2024	253,500	3,693,847	81,725	214,600	34,561	52,167	77,378	1,250,664	5,658,442
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 ³⁵	-	1,220,242	[9]	26,370	[11,294]	5,607	[46]	[1,240,870]	-
Other movements ³⁶	-	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
Add: Movements									
Additions	-	25,209	-	25,118	2,886	165	9,984	326,948	390,310
Disposals/write-offs ³⁷	[645]	[1,690]	[660]	[1,242]	[143]	[4,709]	[3,483]	[17,109]	[29,681]
Transfers ³⁵	-	14,781	-	37,903	-	218	-	[52,902]	-
Other movements ³⁶	-	[228]	-	-	-	1	1	-	[226]
Cost or valuation at 30 June 2026	243,466	4,489,791	80,813	310,679	24,422	40,702	88,639	415,285	5,693,797
Accumulated depreciation and impairment losses									
Balance at 1 July 2024	-	[163,342]	[42,701]	[123,647]	[28,378]	[40,843]	[40,799]	-	[439,710]
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	-	[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)
Add: Movements									
Depreciation expense	-	[196,966]	[4,094]	[25,918]	[2,448]	[6,216]	[8,964]	-	[244,606]
Disposals/write-offs	-	30	660	1,041	106	4,709	3,272	-	9,818
Transfers	-	2	1	[3]	-	-	-	-	-
Other movements ³⁶	-	[3]	-	5	-	-	-	-	2
Accumulated depreciation and impairment losses at 30 June 2026	-	(196,937)	(50,884)	(163,937)	(18,388)	(27,873)	(50,898)	-	(508,917)
Carrying amounts per asset class									
As at 30 JUNE 2026	243,466	4,292,854	29,929	146,742	6,034	12,829	37,741	415,285	5,184,880
As at 30 JUNE 2025	244,111	4,451,719	34,022	109,838	5,633	18,661	36,931	158,348	5,059,263

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

36. Other movements relate to re-classification of intangible assets.

37. Land disposal was part of Stafford v Attorney General litigation settlement. A new appropriation was created in 2025/26 to recognise the loss on disposal post litigation settlement. Refer to section on Service Performance Information on page 32 relating to this.

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 2024	15,366	102,310	7,071	124,747
Additions	101	2,055	4,694	6,850
Disposals/write-offs	(8,493)	(26,809)	-	(35,302)
Transfers	14,113	(7,321)	(6,792)	-
Other movements ³⁹	(12,434)	1	-	(12,433)
Cost or valuation at 30 June 2025	8,653	70,236	4,973	83,862
Add: Movements				
Additions	-	3,770	7,842	11,612
Disposals/write-offs	(1,386)	(10,187)	(1)	(11,574)
Transfers ³⁸	316	2,664	(2,980)	-
Other movements ³⁹	228	-	-	228
Cost or valuation at 30 June 2026	7,811	66,483	9,834	84,128
Accumulated amortisation and impairment losses				
Balance 1 July 2024	(12,852)	(78,227)	-	(91,079)
Amortisation expense	(1,474)	(10,838)	-	(12,312)
Disposals/transfers	7,910	26,809	-	34,719
Transfers	389	(389)	-	-
Other movement	2	4,620	-	4,622
Revaluation increase/(decrease)	-	-	-	-
Accumulated amortisation and impairment losses at 30 June 2025	(6,025)	(58,025)	-	(64,050)
Add: Movements				
Amortisation expense	(1,962)	(7,552)	-	(9,514)
Disposals/transfers	1,386	10,186	-	11,572
Transfers	1	(1)	-	-
Other movements ³⁹	(1)	1	-	-
Accumulated amortisation and impairment losses at 30 June 2026	(6,601)	(55,391)	-	(61,992)
Carrying amounts				
As at 30 JUNE 2026	1,210	11,092	9,834	22,136
As at 30 JUNE 2025	2,628	12,211	4,973	19,812

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.

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

39. Other movements relate to re-classification of intangibles.

Note 10: Biological Assets

2025 Actual \$000	2026 Actual \$000
COST OR VALUATION	
8,962 Balance at 1 July	9,789
142 Purchases	489
13,256 Net gain due to: regeneration, maturation, and changes in unit values	19,630
(12,571) Sales/harvest	(16,701)
9,789 Cost or valuation at 30 June	13,207
827 Net change	3,418
(556) Change due to movement in quantity	1,472
1,383 Change due to movement in fair value	1,946
9,789 Carrying amounts at 30 June	13,207

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

2025 Actual \$000	2026 Actual \$000
CURRENT PORTION	
Exchange transactions	
4,297 Trade creditors	14,801
115,281 Accrued expenditure	160,477
20 Income in advance	20
119,598 Total creditors and other payables from exchange transactions	175,298
Non-exchange transactions	
16,415 GST payable	15,070
16,415 Total creditors and other payables from non exchange transactions	15,070
136,013 Total creditors and other payables	190,368

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

2025 Actual \$000	2026 Actual \$000
CURRENT LIABILITIES	
4,661 Retiring and long service leave	10,545
125,122 Annual leave	137,414
5,253 Sick leave	5,238
39,215 Accrued salaries and wages	14,327
932 Parental leave	730
497 Holidays Act provision	482
175,680 Total current portion	168,736
NON-CURRENT LIABILITIES	
43,202 Retiring and long service leave	45,151
43,202 Total non-current portion	45,151
218,882 Total employee entitlements	213,887

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 2026.

The major assumptions used in the 30 June 2026 valuation are that future salary growth rates of 3.72% in 2026 and an average of 3.72% thereafter (2025: 2.9% in 2025 and 2.9% thereafter) per annum and discount rates ranged from 2.97% to 5.31% (2025: 3.14% to 5.65%) 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 \$3.5 million lower / \$4.1 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 \$4.1 million higher / \$3.5 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 2026 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

2025 Total provisions Actual \$000	2026 Employee accidents Actual \$000	2026 Other provisions Actual \$000	2026 Total provisions Actual \$000
CURRENT PROVISIONS			
47,730 Balance at 1 July	21,260	31,291	52,551
18,282 Additional provisions made during the year	3,743	35,857	39,600
(13,461) Charged/Released against provision for the year	(1,229)	(21,339)	(22,568)
52,551 Total current provisions	23,774	45,809	69,583
52,551 Total provisions	23,774	45,809	69,583

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 2026 (2025: Taylor Fry).

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% (2025: 11.0%) per annum would be added by ACC.

The estimated ACC AEP outstanding claims liability as at 30 June 2026 included a provision for future claims handling expenses of 8.1% (2025: 7.6%) 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**Waikeria Expansion Contract Termination**

A provision for the contractual obligations of \$15.7 million has been recognised as at 30 June 2026 (2025: \$nil) for Waikeria Prison expansion.

Legal Provision

A legal provision of \$9.0 million was recognised in relation to costs for claims settlement following High Court decision (2025: \$nil).

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 2026, there is a remaining provision for demolition costs of \$8.2 million (2025: \$16.1 million). The demolition work commenced in October 2025 and is 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. In financial year 2024/25, there were changes to the programme agreement resulting in a portion of the yard not being fully utilised. A new provision was recognised in 2024/25 which represented the future estimated irrecoverable expenses for the unutilised portion of the yard. Corrections now has 10 years remaining on the lease with the remaining provision at 30 June 2026 being \$4.7 million (2025: \$5.1 million).

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 were adopted and as at 30 June 2026 there was a remaining provision for restructuring costs of \$114k (2025: \$114k).

Note 14: Provision For Repayment of Surplus to Crown

2025		2026
Actual		Actual
\$000		\$000
(7,655)	Net surplus	33,498
Add		
-	Unrealised gain in fair value of derivatives financial instruments	-
(1,369)	Retention of Surplus	(1,515)
45,430	Unrealised loss in fair value of derivatives financial instruments	10,049
36,406	Adjusted net surplus	42,032
36,406	Provision for repayment of surplus to the Crown	42,032

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

Note 15: Other Financial Liabilities/(Assets)

2025		2026
Actual	Note	Actual
\$000		\$000
1,237,483	Service concession arrangements	1,203,965
(12,294)	Derivative financial instruments	(2,245)
1,225,189	Total net financial liabilities	1,201,720
NON-CURRENT ASSETS		
(24,580)	Derivative financial instruments	(15,204)
CURRENT LIABILITIES		
30,612	Service concession arrangements	32,520
NON-CURRENT LIABILITIES		
12,286	Derivative financial instruments	12,959
1,206,871	Service concession arrangements	1,171,445
1,225,189	Total net financial liabilities	1,201,720

Reconciliation of movements in liabilities arising from financing activities

2025		2026	2026	2026
		Service concession arrangements	Derivative Financial Instruments	Total
Total Actual \$000		Actual \$000	Actual \$000	Actual \$000
1,212,641	Balance at 1 July 2025	1,237,483	(12,294)	1,225,189
(79,937)	Net Cash flows	(31,438)	-	(31,438)
45,430	Fair value movements	-	10,049	10,049
47,055	Other changes	(2,080)	-	(2,080)
1,225,189	Balance at 30 June 2026	1,203,965	(2,245)	1,201,720

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.

Next Step Partners LP and Cornerstone Infrastructure Partners LP refinanced the existing debt facilities in December 2025 and January 2026 respectively.

A refinancing gain of \$4.3 million in relation to Auckland Prison was recognised during the year. This gain mainly forms part of the "other changes" movement in the table on the previous page.

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 2026 the total notional principal amount outstanding for Corrections' interest rate swap derivatives was \$1,101.5 million (2025: \$1,141.9 million).

Corrections has four (2025: 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 2026 of \$10.05 million (2025: unrealised loss \$45.40 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

Taxpayers' funds comprise general funds and revaluation reserves.

2025		2026
Actual	Note	Actual
\$000		\$000
GENERAL FUNDS		
2,458,307	Balance at 1 July	2,548,571
(7,655)	Net surplus/(deficit)	33,498
134,325	Capital contribution from the Crown	82,148
-	Other movements	(3)
126,670	Total movement in general funds	115,643
(36,406)	Provision for repayment of surplus to the Crown	(42,032)
2,548,571	Balance at 30 June	2,622,182
REVALUATION RESERVES		
2,178,346	Balance at 1 July	1,943,442
(234,912)	Revaluation losses	-
8	Reversal of revaluation reserves on disposal	(602)
1,943,442	Balance at 30 June	1,942,840
4,492,013	Total taxpayers' funds at 30 June	4,565,022
REVALUATION RESERVES		
Land		
201,383	Balance at 1 July	192,010
(9,381)	Revaluation losses	-
8	Reversal of revaluation reserves on disposal	(329)
192,010	Balance at 30 June	191,681
Buildings		
1,976,963	Balance at 1 July	1,751,432
(225,531)	Revaluation losses	-
-	Reversal of revaluation reserves on disposal	(273)
1,751,432	Balance at 30 June	1,751,159
1,943,442	Total revaluation reserves at 30 June	1,942,840

Corrections has no restricted reserves.

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

2025		2026
Actual		Actual
\$000		\$000
(7,655)	Net Surplus /(Deficit)	33,498
	Add/(less) non-cash items	
216,155	Depreciation and amortisation	254,120
1,038	Asset write off	18,121
45,430	Derivative financial instrument liability increase	10,049
(1,383)	Biological assets revaluation loss/(gain)	(1,946)
-	Discount rate fair value (increase)/decrease	(2,660)
(2,569)	Share fair value (increase)/decrease	(2,428)
258,671	Total non-cash items	275,256
	(Increase)/decrease in working capital	
(36,603)	Debtors and other receivables	7,712
714	Inventories	(1,984)
178	Prepayments	3,993
(14,738)	Creditors and other payables	53,647
4,821	Provisions	17,032
12,402	Employee entitlements	(4,995)
(33,226)	Working capital movements – net	75,405
	Add/(less) items classified as investing or financing activities	
556	Biological assets change due to purchase	489
(191)	Interest and dividends received	(884)
(409)	Net loss (gain) on sale or disposal of non-current assets	(344)
(8)	Reversal of revaluation reserves on disposal	(602)
-	Net PPP refinancing movements and other non-cash movements	2,080
56,033	Interest on other financial liabilities	93,826
55,981	Total investing or financing activity items	94,565
273,771	Net cash flow from operating activities	478,724

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 (2025: 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 2026 (2025: 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 (2025: nine - Chief Executive, seven Deputy Chief Executives and the Commissioner Custodial Services).

2025 Actual \$000	2026 Actual \$000
3,125 Executive Leadership Team Remuneration	3,723
9.73 Full-time equivalent staff	9.79

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:

2025 Actual \$000	Note	2026 Actual \$000
FINANCIAL ASSETS		
Financial assets measured at amortised cost		
54,576	Cash and cash equivalents	54,384
975,258	Debtors and other receivables	967,546
1,029,834	Total financial assets measured at amortised cost	1,021,930
Financial assets mandatorily measured at fair value through surplus or deficit		
24,580	Derivative financial instruments	15,204
5,350	Investments	5,461
29,930	Total financial assets mandatorily measured at fair value through surplus or deficit	20,665
1,059,764	TOTAL FINANCIAL ASSETS	1,042,595
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost		
136,013	Creditors and other payables	190,368
1,237,483	Service concession arrangements	1,203,965
1,373,496	Total financial liabilities measured at amortised cost	1,394,333
Financial liabilities mandatorily measured at fair value through surplus or deficit		
12,286	Derivative financial instruments	12,959
12,286	Total financial liabilities mandatorily measured at fair value through surplus or deficit	12,959
1,385,782	TOTAL FINANCIAL LIABILITIES	1,407,292

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)**

	Note	2025			2026		
		Valuation technique			Valuation technique		
		Quoted market price	Significant non-observable inputs	Total	Quoted market price	Significant non-observable inputs	Total
		Level 1	Level 3		Level 1	Level 3	
		\$000	\$000	\$000	\$000	\$000	\$000
FINANCIAL ASSETS							
Derivative financial instruments	15	-	24,580	24,580	-	15,204	15,204
Investments		5,350	-	5,350	5,461	-	5,461
Total financial assets		5,350	24,580	29,930	5,461	15,204	20,665
FINANCIAL LIABILITIES							
Derivative financial instruments	15	-	12,286	12,286	-	12,959	12,959
Total financial liabilities		-	12,286	12,286	-	12,959	12,959

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:

2025 Actual \$000	Note	2026 Actual \$000
(57,724) Balance at 1 July	15	(12,294)
45,430 Loss recognised in surplus or deficit		10,049
(12,294) Balance at 30 June		(2,245)

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 (2025: 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.

2025		2026
Impact on net surplus / (deficit)	Change in interest rate (basis points)	Impact on net surplus / (deficit)
\$000		\$000
88,927 Interest rate swap derivatives	+100	83,664
(96,642) Interest rate swap derivatives	-100	(90,394)

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.

2025 Actual \$000	Note	2026 Actual \$000
Cash and cash equivalents		
54,576 AA-		54,384
54,576	Total cash and cash equivalents	54,384
Debtors and other receivables		
972,429 AAA		964,520
2,829 Counterparties without credit ratings		3,026
975,258	Total debtors and other receivables	967,546
	6	
Investments		
5,350 AA+		5,461
5,350	Total investments	5,461

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 fluctuates, 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 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	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 2026							
Creditors and other payables	11	190,368	-	-	-	-	190,368
Service Concession arrangements	15	124,604	124,026	373,278	617,091	1,040,407	2,279,406
Derivative financial instruments	15	3,821	2,559	5,184	2,744	(135)	14,173
Total financial liabilities		318,793	126,585	378,462	619,835	1,040,272	2,483,947

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 \$15.1 million. This overall increase is mainly due to additional operating funding for the Christchurch Men's Prison Redevelopment for the reimbursement of eligible bid costs as well as funding wage pressures from settlement of collective agreements.

Other revenue was higher than budget by \$7.1 million mainly due to increased offender canteen sales and higher revenue from prison industry farming operations.

Personnel costs were lower than budget by \$41.2 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. The remaining underspend relates to vacancies and tight recruitment controls implemented to support government savings targets. Operating costs are higher than budget by around \$46.0 million. Across personnel and operating costs, the overall variance to budget remains approximately neutral.

Capital charge was lower than budget by about \$8.0 million mainly due to lower asset base at beginning of the year, compared to prior years due to downward asset revaluation in as at 30 June 2025.

The depreciation and amortisation expenses were lower than budget by \$9.8 million due to lower depreciation than forecast arising from lower asset value as a result of downward revaluation at 30 June 2025.

Note 22: Explanation of Significant Variances Against Budget (continued)**Statement of Financial Position**

Cash and cash equivalents were higher than budget by \$4.4 million due to the timing of cash drawdowns.

Prepayments were lower than budget by \$11.9 million largely due to higher utilisation of prepayments than anticipated.

Debtors and other receivables were higher than budget by \$268.1 million mainly due to a higher Debtor Crown balance, reflecting the increase in Crown revenue and the timing of cash drawdowns.

Property, plant and equipment was \$234.4 million lower than budget. This was mainly due to the revaluation on land and buildings at 30 June 2025, which largely reduced the carrying value of Waikeria Prison Development. This was partially offset by capital expenditure that was \$100.3 million higher than budget, mainly driven by spend on the Accelerated Capacity Project and Waikeria Expansion Project (Phase 2).

Intangible assets were \$20.4 million lower than budget mainly due to lower additions as a result of project delays.

Creditors and other payables were higher than budget by \$97.5 million mainly due to the timing in receiving invoices from vendors for goods or services already received.

Employee entitlements were higher than budget by around \$33.0 million, mainly due to higher than budgeted long service leave and retirement leave liabilities (\$30.5 million). The remaining variance was driven by higher than anticipated costs for other employee benefits.

Other financial liabilities as disclosed in note 15 were lower than budget by \$7.3 million. This relates to Corrections' service concession arrangement liabilities and the interest rate swap derivatives. Service concession liabilities were \$9.3 million lower than budget, mainly due to refinancing arrangements and subsequent revisions to the valuation model. This was partially offset by derivative financial liabilities being \$2.0 million higher than budget, as a result of interest rate fluctuations.

Reserves were \$235.5 million lower than budget, mainly due to the recognition of a revaluation loss on Corrections' land and building assets following the 30 June 2025 valuation, which occurred after the budget had been finalised.

Note 23: Post Balance Date Event

In July 2026, Corrections signed a Public Private Partnership (PPP) contract with SRP (Southern Renewal Partners) to design, build, finance and maintain the Christchurch Men's Prison Redevelopment Project. The agreement is not included in the Statement of Commitments as it was entered into after the balance date.

Non-departmental schedules

Schedule of Non-Departmental Expenses

For the year ended 30 June 2026

2025 Actual		2026 Actual	2026 Budget (unaudited)	2026 Supp. Estimates (unaudited)	2027 Forecast (unaudited)
\$000		\$000	\$000	\$000	\$000
EXPENSES					
16	Waikeria Corrections and Treatment Facility	96	400	739	-
4	GST input expense	12	60	111	-
20	Total non departmental operating expenses	108	460	850	-

Schedule of Non-Departmental Assets

As at 30 June 2026

2025 Actual		Note	2026 Actual	2026 Budget (unaudited)	2026 Supp. Estimates (unaudited)	2027 Forecast (unaudited)
\$000			\$000	\$000	\$000	\$000
CURRENT ASSETS						
454	Cash and cash equivalents	3	761	5	343	343
454	Total current assets		761	5	343	343
454	Total non departmental assets		761	5	343	343

Schedule of Non-Departmental Liabilities

For the year ended 30 June 2026

2025 Actual		Note	2026 Actual	2026 Budget (unaudited)	2026 Supp. Estimates (unaudited)	2027 Forecast (unaudited)
\$000			\$000	\$000	\$000	\$000
CURRENT LIABILITIES						
-	Creditors and other payables	2	16	-	-	-
-	Total current liabilities		16	-	-	-
-	Total non departmental liabilities		16	-	-	-

Schedule of Non-Departmental Commitments

As at 30 June 2026

Corrections, on behalf of the Crown, has no non-departmental commitments as at 30 June 2026 (2025: Nil).

Schedule of Non-Departmental Contingent Liabilities and Contingent Assets

As at 30 June 2026

Contingent liabilities

Corrections, on behalf of the Crown, has no non-departmental contingent liabilities as at the 30 June 2026 (2025: Nil).

Contingent assets

Corrections, on behalf of the Crown, has no non-departmental contingent assets as at the 30 June 2026 (2025: Nil).

Notes to the Non-Departmental Schedules

For the year ended 30 June 2026

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 2026

Standards and amendments issued and that are effective as at 30 June 2026 are:

New or amended standards adopted

Corrections has assessed new and amended accounting standards and interpretations issued by the XRB. No new standards, amendments, or interpretations applicable to Corrections became effective during the year or were early adopted, and therefore no changes to accounting policies were required.

Other changes in accounting policies

There have been no other changes in accounting policies since the date of the last audited financial statements.

Note 1: Statement of Accounting Policies (continued)**New standards and amendments issued and effective for the year ended 30 June 2026 (continued)****Standards issued and not yet effective and not early adopted**

The *Regulatory Systems (Economic Development) Amendment Act 2025* revised the statutory definitions of “large” and “specified not-for-profit entity” in the *Financial Reporting Act 2013* for accounting periods commencing on or after 29 September 2025. The Department has assessed the impact of these amendments and determined that they do not affect its financial reporting requirements.

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. Corrections has assessed that there will be no significant impact as a result of adopting the new standard and does not intend to early adopt the standard.

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 2026 budget figures are for the year ended 30 June 2026, 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 2026.

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

2025 Actual \$000	2026 Actual \$000
EXCHANGE TRANSACTIONS	
- Accrued expenses	16
- Total creditors and other payables	16

Note 3: Financial Instruments

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

2025 Actual \$000	2026 Actual \$000
FINANCIAL ASSETS	
Financial assets measured at amortised cost	
454 Cash and cash equivalents	761
454 Total financial assets	761
FINANCIAL LIABILITIES	
Financial liabilities measured at amortised cost	
- Creditors and other payables	16
- Total financial liabilities	16

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 (2025: 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:

2025 Actual \$000	2026 Actual \$000
CASH AND CASH EQUIVALENTS	
454 AA-	761

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.

2025 Actual \$000	Note	2026 Actual \$000
CREDITORS AND OTHER PAYABLES		
- Less than six months	2	16
0 Total contractual cash flows		16

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 \$0.756 million due to timing of cash drawdowns.

Waikeria Corrections and Treatment Facility expenses were minimal (\$0.096 million) for traffic management.

Creditors and other payables were \$0.016 million against nil per budget, as some creditor and other payables were still to be cleared by 30 June 2026.

Appropriation statements

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

For the year ended 30 June 2026

2025		2026	2026	2026	2026	2027
Expenditure after re-measurements		Expenditure before re-measurements	Re-measurements	Expenditure after re-measurements	Supp. Estimates	Forecast
\$000		\$000	\$000	\$000	(unaudited) \$000	(unaudited) \$000
VOTE: CORRECTIONS						
Departmental output expenditure						
1,525,816	Prison-based Custodial Services	1,812,655	(10,049)	1,802,606	1,778,079	1,800,988
355,941	Sentences and Orders Served in the Community	305,520	-	305,520	332,424	339,912
109,091	Information and Administrative Services to the Judiciary and New Zealand Parole Board	95,722	-	95,722	115,830	122,281
1,990,848	Total Public Safety is Improved MCA	2,213,897	(10,049)	2,203,848	2,226,333	2,263,181
367,942	Re-offending is Reduced	348,272	-	348,272	362,408	435,335
3,124	- Policy Advice	3,810	-	3,810	5,543	5,871
2,972	- Ministerial Services	3,168	-	3,168	3,145	3,484
6,096	Total Policy Advice and Ministerial Services MCA	6,978	-	6,978	8,688	9,355
2,364,886	Total departmental output expenditure	2,569,147	(10,049)	2,559,098	2,597,429	2,707,871
Department other expenditure						
-	Loss on disposal of Crown-owned assets for Stafford litigation settlement	687	-	687	1,859	-
97	Transfer of Three Water assets	1,662	-	1,662	4,310	1,529
97	Total departmental other expenditure	2,349	-	2,349	6,169	1,529
Department capital expenditure						
278,772	Corrections Capital Expenditure - Permanent Legislative Authority	401,922	-	401,922	440,381	464,417
278,772	Total departmental capital expenditure	401,922	-	401,922	440,381	464,417
Non-Departmental Other Expenses						
16	Waikeria Corrections and Treatment Facility	96	-	96	739	-
16	Total Non-Departmental Other Expenses	96	-	96	739	-

*Transfer of funding of \$12.0 million from Re-Offending is Reduced appropriation to the Public Safety is Improved MCA appropriation.

Refer to the Estimates of Appropriations Performance Measures Summary table on pages 28-32, which also includes further references to detailed performance against each category.

Changes in appropriation structure

A new appropriation titled Loss on disposal of Crown-owned assets for Stafford litigation settlement was created during 2026. This appropriation is limited to the loss on disposal of assets that are part of the Stafford v Attorney-General litigation settlement.

Statement of Capital Injections

For the year ended 30 June 2026

2025 Actual	2026 Actual	2026 Budget (unaudited)	2026 Supp. Estimates (unaudited)	2027 Budget (unaudited)
\$000	\$000	\$000	\$000	\$000
VOTE: CORRECTIONS				
134,325 Capital Injections	82,148	24,120	82,148	31,646

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

For the year ended 30 June 2026

Corrections has not received any capital injections during the year without, or in excess of, authority (2025: Nil).

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

For the year ended 30 June 2026

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 activities (2025: Nil).

Independent Auditor's report

for the year ended 30 June 2026



Independent Auditor's Report

To the readers of the Department of Corrections' annual report for the year ended 30 June 2026

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 The Audit Office, to carry out the audit of the information required to be audited on his behalf.

Opinion

We have audited:

- The financial statements of the Department that comprise the statement of financial position, statement of commitments, statement of contingent assets and contingent liabilities as at 30 June 2026, the statement of comprehensive revenue and expenses, 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 99 to 142.
- The end-of-year performance information for appropriations of the Department for the year ended 30 June 2026 on pages 24 to 34, 40,41,49,53 to 55,61,62,68,69,82,83,92 and 97.
- The statements of expenses and capital expenditure of the Department for the year ended 30 June 2026 on pages 148 and 149.
- The schedules of non-departmental activities managed by the Department on behalf of the Crown, that comprises the schedules of assets, liabilities, commitments, contingent assets, and contingent liabilities as at 30 June 2026, the schedules of expenses and revenue for the year ended 30 June 2026, and the notes to the schedules that include accounting policies and other explanatory information on pages 143 to 147.
- The statement of trust monies for the year ended 30 June 2026 on page 105.

In our opinion:

- The financial statements of the Department present fairly, in all material respects, its financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended, in accordance with Public Benefit Entity Reporting Standards.
- The end-of-year performance information for each appropriation for the year ended 30 June 2026 is appropriate and meaningful and prepared in accordance with the Department's measurement bases or evaluation methods and the generally accepted accounting practice in New Zealand, and presents fairly, in all material respects:
 - » what has been achieved with the appropriation; and
 - » the actual expenses or capital expenditure incurred in relation to the appropriation as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred.
- 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 statement of trust monies for the year ended 30 June 2026 have been prepared, in all material respects, in accordance with the Treasury Instructions.

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 for the information to be audited* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Chief Executive for the information to be audited

The Chief Executive is responsible on behalf of the Department for preparing financial statements and end-of-year performance information for appropriations that are fairly presented and comply with generally accepted accounting practice and legislative requirements.

This includes:

- the selection of elements/aspects of service performance, performance measures and/or descriptions, and measurement bases or evaluation methods to enable the presentation of end of year performance information for an appropriation that is appropriate and meaningful; and
- the preparation of end-of-year performance information for an appropriation in accordance with the Department's measurement bases or evaluation methods and the generally accepted accounting practice in New Zealand and legislative requirements.

The Chief Executive is responsible on behalf of the Department for preparing Statements of expenses and capital expenditure, schedules of non-departmental activities managed by the Department on behalf of the Crown, and statement of trust monies in accordance with the Public Finance Act 1989 and 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 is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Department, or there is no realistic alternative but to do so.

The Chief Executive's responsibilities arise from the Public Finance Act 1989.

Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audit, our procedures are limited to checking that the information agrees to the Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2026. For performance information for appropriations, we agree any changes from the performance measures and standards in the Estimates to the Supplementary Estimates. For the forecast financial information for the year ending 30 June 2027, our procedures are limited to checking to the best estimate financial forecast information based on the Budget Economic Fiscal Update for the year ending 30 June 2027.

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.
- In respect of the end-of-year performance information for appropriations, we:
 - » obtain an understanding of the process applied by the Department to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods and evaluate whether these present an appropriate and meaningful assessment of the entity's service performance.
 - » evaluate whether the end-of-year performance information for appropriations is prepared in accordance with the entity's measurement bases or evaluation methods, in accordance with the Public Benefit Entity Standards.
- 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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Department to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Chief Executive is responsible for the other information. The other information comprises 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 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) as applicable for audits of public interest entities 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

The Audit Office

On behalf of the Auditor-General

Wellington, New Zealand

30 September 2026

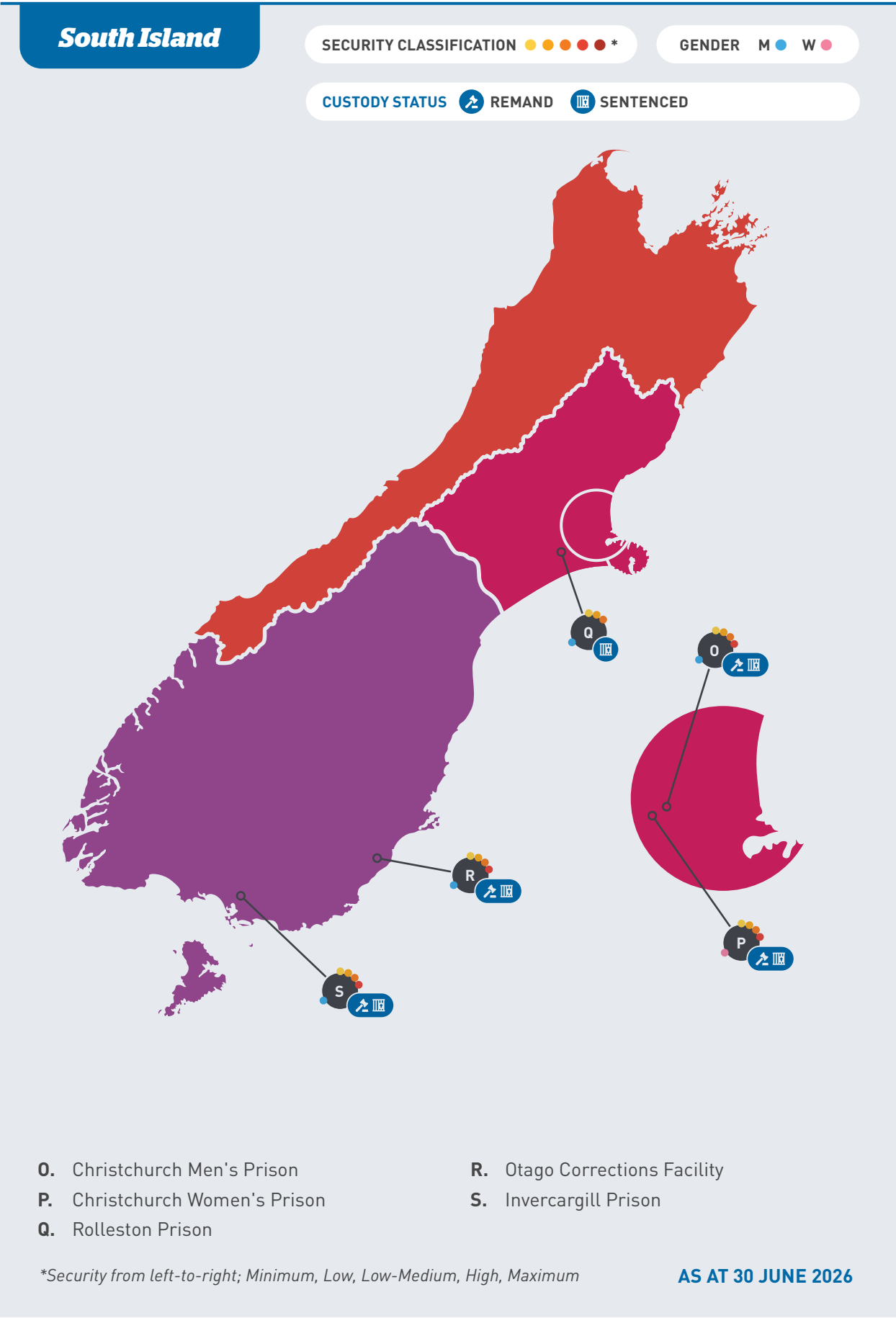
Appendices

of the Annual Report

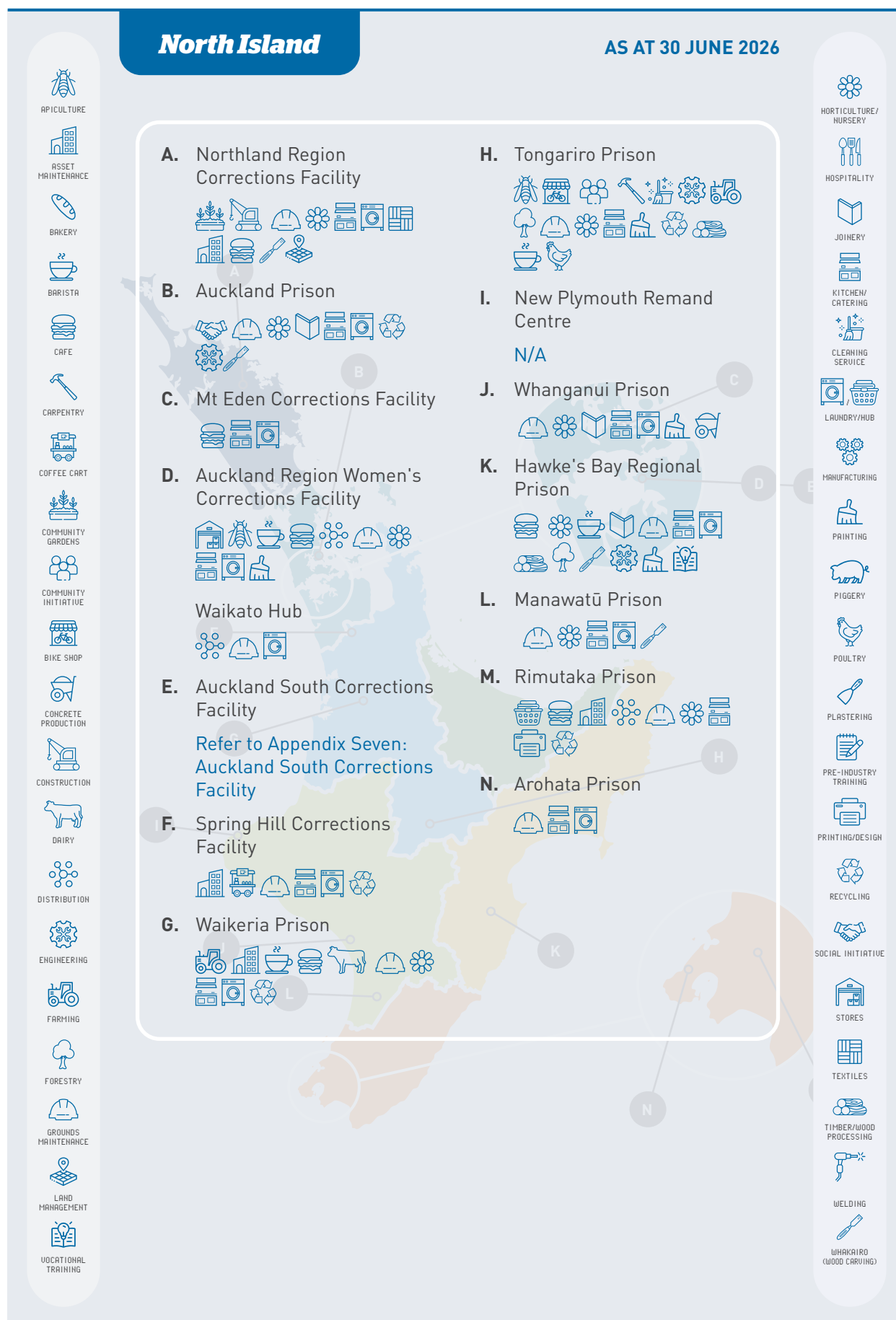
(Prisons, Corrections Facilities and Remand Centre)



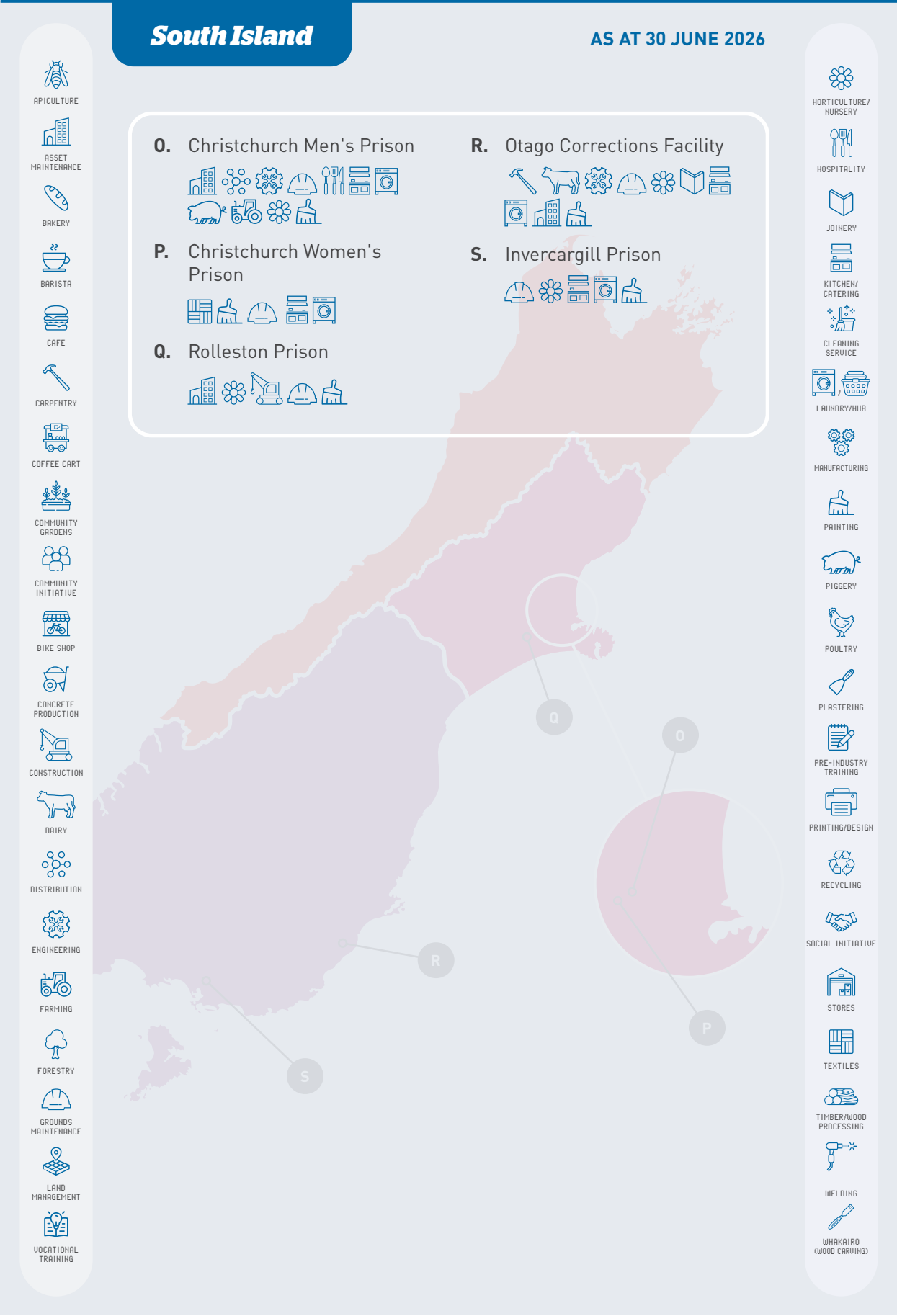
Our network map (Prisons, Corrections Facilities and Remand Centre)



Appendix Two: Our prison industries (and vocational education)



Our prison industries (and vocational education)



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 2025/26

Prison-based interventions

Interventions	Reimprisonment	Resentenced
Addictions programmes		
Intensive AOD Treatment Programme (8 weeks)	-4.1	-4.6
DTP6 Drug Treatment Programme	1.9	0.6
DTP12 Drug Treatment Programme	-2.7	-2.1
Rehabilitation programmes		
Medium Intensity Rehabilitation Programme	-2.9	-2.5
Mauri Tū Pae	-2.7	-3.5
Short Rehabilitation Programme - Men	-4.9	-5.0
Psychology programmes		
Special Treatment Unit - Violent Offending	-5.1	-11.8
Short Violence Prevention Programme	-7.9	-10.3

Community-based interventions

Interventions	Imprisonment	Resentenced
Addictions programmes		
Community Residential AOD Treatment Programme	-1.8	2.1
Rehabilitation programmes		
Non-Violence Programmes for Male Perpetrators of Family Violence	-1.1	-2.8
Non-Violence Programmes for Female Perpetrators of Family Violence	-2.0	-3.1
Short Rehabilitation Programme - Men	-5.0	-5.6
Short Rehabilitation Programme - Women	-4.3	-2.2

Each year many interventions are considered for RQ analysis, however owing to small sample sizes the models cannot always be sufficiently balanced to enable the RQ analysis to be performed. This year the result for Kowhiritanga met the required standard and are included, but the Community Medium Intensity Rehabilitation Programme did not and has been excluded.

All programmes are calculated over three years.

Appendix Four: Recidivism Indices

The Recidivism Index (RI) is the percentage of people under our management in any given cohort who are reconvicted within a given period of time (the follow-up period), and who receive either a prison sentence (reimprisonment) or any Corrections-administered sentence (resentencing).

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.

Reporting of RI now includes all ethnicities self-identified by those we manage. A person identifying as European and Asian will now be counted in each category as opposed to only a notional preferred or primary ethnicity.

Recidivism Indices – 12-month follow-up period (percentages) for 2024/25

Category	Group	Released from prison		Beginning community-based sentence	
		Reimprisoned	Resentenced	Imprisoned	Resentenced
All (2024/25)	All	31.8	44	7	20.6
Gender	Female	26.8	42.3	4.7	19.1
	Male	32.3	44.2	7.6	21.1
Ethnicity	Māori	35.6	47.7	9.9	25.9
	European	28.3	40.7	6.8	20.9
	Pacific Peoples	29.4	42.3	6.7	19.5
	Middle Eastern/Latin American/African	38.3	45	6	17.4
	Asian	13.1	20.3	4	14.5
	Other Ethnicity	24.3	37.8	6.9	22
Age (at the time the follow-up period began)	Under 20 years	41.7	58.3	3.8	24.1
	20 - 24 years	35.9	50.1	5.2	22
	25 - 29 years	37.1	52.4	7.5	22.2
	30 - 39 years	34.3	47.5	8.7	23
	40 years and over	26.1	35.4	5.8	16.7
Gang status	Gang affiliated	39.2	52.4	17.9	35
	Not gang affiliated	26.8	38.3	5.1	18.2

Continued over the page.

Category	Group	Released from prison		Beginning community-based sentence	
		Reimprisoned	Resentenced	Imprisoned	Resentenced
Offence (most serious offence for original sentence; ANZSOC system)	Abduction, harassment	34	47.5	9.3	25.5
	Acts intended to cause injury	27	40.1	6.2	17.1
	Dangerous or negligent acts	24.5	44.9	3.7	18.6
	Fraud, deception	32.3	45.6	7	18.7
	Homicide	3.3	5.7	0	0
	Illicit drug offences	13.4	20.5	5.5	16.8
	Miscellaneous offences	0	20	2.4	8.2
	Offences against justice	40.5	54.4	9.9	25.1
	Prohibited and regulated weapons	34	46.6	8.9	24.7
	Property damage	41.5	53.1	9.8	27.7
	Public order	47.9	61.7	9.9	26.7
	Robbery, extortion	26.5	38.8	9.8	17.9
	Sexual assault	9.9	12	2.4	6.3
	Theft	45.8	60.8	14.8	35.4
	Traffic	27.2	40.2	2.7	15.4
	Unlawful entry with intent/burglary	39.4	52	13.5	29
Community sentence	Community work	-	-	6.4	21.7
	Supervision	-	-	5.3	19.8
	Intensive supervision	-	-	11.9	27.2
	Community detention	-	-	4.8	18.4
	Home detention	-	-	8	15.1
	Returning offender order	-	-	3.7	8.4
Prisoner security classification (at release)	Maximum	68.2	77.3	-	-
	High	49.2	63.2	-	-
	Low medium	34.9	48.1	-	-
	Low	24.9	37.3	-	-
	Minimum	9.5	16.4	-	-
Release type	Parole	14.4	20.8	-	-
	Post-release conditions	35.6	49.9	-	-
Sentence length	6 months or less	44.9	58.6	6.3	19
	> 6 months to 1 yr	34.1	48.9	6.5	18.5
	> 1 to 2 yrs	33.5	47	12.3	30.8
	> 2 to 3 yrs	17.4	26.5	-	-
	> 3 to 5 yrs	17.5	23.1	-	-
	More than 5 yrs	7.8	11.5	-	-

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

Category	Group	Released from prison		Beginning community-based sentence	
		Reimprisoned	Resentenced	Imprisoned	Resentenced
All (2023/24)	All	46.4	62.2	12.4	36.3
Gender	Female	37.8	60.1	8.1	32.5
	Male	47.2	62.4	13.5	37.3
Ethnicity	Māori	51.5	67.5	17.2	43.8
	European	41.9	58.1	11.4	37.6
	Pacific Peoples	42.6	57.1	12	35
	Middle Eastern/Latin American/African	56.8	65.9	11.3	37.6
	Asian	22.9	30.3	7.3	25.1
	Other Ethnicity	52.9	58.8	14.3	39.5
Age (at the time the follow-up period began)	Under 20 years	72.2	77.8	11.4	47.2
	20 - 24 years	57.6	72.3	11.6	39.8
	25 - 29 years	49.4	69.1	13.4	39.4
	30 - 39 years	51.1	67.2	15	39.6
	40 years and over	36.9	50.9	9.4	28.7
Gang status	Gang affiliated	57.6	72.8	28.5	56.1
	Not gang affiliated	38.7	54.8	9.5	32.8
Offence (most serious offence for original sentence; ANZSOC system)	Abduction, harassment	49.1	70.2	17.2	39.4
	Acts intended to cause injury	44.6	60.1	11.3	33
	Dangerous or negligent acts	29.3	56.1	6.8	31.1
	Fraud, deception	43.5	67.3	15	37.5
	Homicide	10.5	20.2	0	14.3
	Illicit drug offences	21.1	34.4	9.9	32.8
	Miscellaneous offences	28.6	42.9	6.5	17.7
	Offences against justice	56.2	71.6	17.2	41.8
	Prohibited and regulated weapons	54.3	74.1	15	38.6
	Property damage	42.7	59.6	15	42.2
	Public order	62.2	71.6	19.5	43.7
	Robbery, extortion	43.7	61.6	22.7	40.3
	Sexual assault	12.5	19.1	4.2	11
	Theft	66	81.6	24.2	56.2
	Traffic	42.8	61.5	4.9	28.5

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Category	Group	Released from prison		Beginning community-based sentence	
		Reimprisoned	Resentenced	Imprisoned	Resentenced
Community sentence	Community work	-	-	11	35.8
	Supervision	-	-	9.2	33.7
	Intensive supervision	-	-	19.2	45
	Community detention	-	-	8.8	33.8
	Home detention	-	-	18	35.7
	Returning offender order	-	-	6.6	17.6
Prisoner security classification (at release)	Maximum	59.1	72.7	-	-
	High	66	81.1	-	-
	Low medium	52.1	69.1	-	-
	Low	43.1	61	-	-
	Minimum	16.6	28.9	-	-
Release type	Parole	24.2	35.8	-	-
	Post-release conditions	53.3	71	-	-
Sentence length	6 months or less	57.7	73.3	12.2	35
	> 6 months to 1 yr	55.2	71.9	11.7	34.7
	> 1 to 2 yrs	49.9	68.6	19.4	45.9
	> 2 to 3 yrs	31.9	44.2	-	-
	> 3 to 5 yrs	21.9	36.8	-	-
	More than 5 yrs	17	25.4	-	-

Appendix Five: Profile of our people

As at 30th June 2026



Total Full Time Equivalent (FTE) staff

	2026	2025	2024	2023	2022
Front line	10,359	9,995	9,534	8,705	8,702
	89.3%	90.4%	89.9%	89.0%	89.8%
Back office	1,237	1,065	1,069	1,082	992
	11.0%	9.6%	10.1%	11.0%	10.2%
Total	11,596	11,060	10,603	9,787	9,694

Average length of service (years)

2026	2025	2024	2023	2022
8.13	7.39	8.07	8.60	8.75

Average length of service by age and gender

	Male	Female	Gender Diverse	Unknown	Total
<25 years	1.53	1.42	4.10	-	1.48
25 – 34 years	2.92	3.59	3.05	4.78	3.27
35 – 44 years	4.79	5.80	7.17	8.46	5.30
45 – 54 years	8.93	8.36	8.6	10.46	8.64
55 – 64 years	14.63	11.92	8.35	3.55	13.32
65 years +	19.42	16.00	26.5	28.20	18.05
Total	8.59	7.65	8.14	7.87	8.13

Staff turnover

2026	2025	2024	2023	2022
994	896	1,148	1,431	1,486
9%	8.3%	11.4%	15.0%	15.4%

Resignations by age and gender

	Male	Female	Gender Diverse	Unknown	Total
<25 years	16	30	1	0	48
25 – 34 years	110	149	0	0	261
35 – 44 years	103	124	0	0	229
45 – 54 years	70	101	0	0	171
55 – 64 years	66	80	0	0	146
65 years +	87	52	0	0	139
Total					994

Staff by role, location, and classification

Region	Role type	Permanent		Fixed term	
		Full time	Part time	Full time	Part time
Northland	Frontline	417	12.1421	3	-
	Frontline support	67	2.05	2	-
	Back office	11	-	-	-
Auckland	Frontline	1428	33.9237	5	1.275
	Frontline support	260	4.4	8	-
	Back office	71	2.2	-	-
Manukau	Frontline	542	15.9171	10	0.8
	Frontline support	115	0.8	3	-
	Back office	15	0.8	-	-
Waikato	Frontline	1495	52.8842	4	-
	Frontline support	298	7.8375	8	-
	Back office	56	2.5	2	-
Bay of Plenty	Frontline	164	26.5434	4	2
	Frontline support	34	-	-	-
	Back office	11	0.8	-	-
East Coast	Frontline	526	26.1756	2	-
	Frontline support	83	3.75	3	-
	Back office	20	-	-	-
Taranaki/Whanganui/ Manawatū	Frontline	662	25.1125	2	1.3
	Frontline support	109	8.5671	-	0.75
	Back office	17	1.6875	-	-
Wellington	Frontline	1000	23.1296	4	0.775
	Frontline support	227	9.05	9	-
	Back office	14	0.5	-	-
National Office	Frontline	3	-	-	-
	Frontline support	278	10.8	13	0.2
	Back office	787	31.9438	70	5.6375
Nelson/Marlborough/ West Coast	Frontline	47	13.3875	1	0.9
	Frontline support	12	-	-	-
	Back office	-	0.6	-	-
Canterbury	Frontline	1102	52.4421	7	-
	Frontline support	234	9.85	1	-
	Back office	70	4.475	2	-
Otago/Southland	Frontline	517	39.3993	-	1.9
	Frontline support	91	5.45	2	0.5
	Back office	18	2.95	-	-

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

Region	Role type	Male						Female						Unknown
		<25	25-34	35-44	45-54	55-64	65+	<25	25-34	35-44	45-54	55-64	65+	
Northland	Frontline	7.00	46.00	64.00	43.90	62.35	25.40	2.00	23.00	32.00	45.60	57.25	19.64	3.00
	Frontline support	-	-	4.00	7.00	16.00	2.00	-	3.00	3.00	17.80	10.50	7.75	-
	Back office	-	-	1.00	1.00	-	2.00	-	-	1.00	1.00	4.00	1.00	-
Auckland	Frontline	36.00	282.00	286.60	154.40	101.00	48.43	30.68	194.75	135.88	92.90	78.00	24.07	2.50
	Frontline support	2.00	6.00	21.00	22.00	30.00	10.00	5.00	33.60	50.60	44.00	28.60	17.60	2.00
	Back office	-	7.00	4.00	6.00	6.00	4.40	1.00	10.00	8.80	12.00	11.00	3.00	-
Manukau	Frontline	-	-	1.00	2.00	1.00	1.00	-	4.00	-	2.00	3.80	-	1.00
	Frontline support	4.00	33.00	40.00	38.00	46.03	17.68	25.00	111.98	109.58	67.75	54.28	15.44	5.00
	Back office	-	3.00	5.00	9.00	10.00	6.00	2.00	15.00	16.00	20.80	28.00	4.00	-
Waikato	Frontline	26.00	232.80	266.30	184.10	169.90	80.65	16.90	128.36	152.24	134.78	121.80	32.06	4.00
	Frontline support	-	9.00	35.00	34.00	36.00	10.00	2.00	23.00	33.86	53.58	56.60	15.80	5.00
	Back office	-	2.00	7.00	7.00	7.00	1.00	-	6.00	10.80	7.00	8.90	2.80	1.00
Bay of Plenty	Frontline	-	10.00	9.90	11.20	11.60	8.88	5.60	25.40	37.15	22.25	36.04	16.63	1.00
	Frontline support	-	-	3.00	4.00	4.00	1.00	-	2.00	6.00	7.00	5.00	2.00	-
	Back office	-	-	-	-	1.00	1.00	-	1.00	1.00	4.00	3.00	0.80	-
East Coast	Frontline	12.00	77.00	80.00	61.53	68.70	39.65	6.00	40.70	56.64	37.40	52.83	15.94	4.80
	Frontline support	-	-	8.00	6.70	13.00	3.00	-	5.00	14.00	18.50	15.55	6.00	-
	Back office	-	-	1.00	2.00	7.00	2.00	-	2.00	-	2.00	4.00	-	-
Taranaki/Whanganui/Manawatu	Frontline	7.40	77.00	103.00	90.81	100.70	30.63	12.00	50.80	51.05	88.38	61.75	13.90	3.00
	Frontline support	-	2.00	6.00	8.00	16.00	5.45	-	8.50	17.00	21.08	27.99	6.30	-
	Back office	-	-	-	2.00	5.00	-	-	1.00	5.69	1.00	3.00	1.00	-
Wellington	Frontline	27.24	178.00	177.50	100.00	104.00	41.48	29.00	109.40	113.84	67.88	60.05	15.53	1.00
	Frontline support	1.00	10.00	21.00	20.00	37.00	11.00	4.00	26.94	36.55	31.50	35.96	9.10	-
	Back office	1.00	-	1.00	4.00	-	1.00	-	2.50	1.00	3.00	-	1.00	-
National Office	Frontline	-	-	-	-	-	-	1.00	-	1.00	1.00	-	-	-
	Frontline support	1.50	12.00	18.80	24.00	18.20	10.00	11.00	32.00	50.40	66.20	37.30	18.60	1.00
	Back office	3.50	59.00	74.41	97.80	94.80	34.80	16.50	109.13	150.86	127.48	96.30	22.00	4.00
Nelson/Marlborough/West Coast	Frontline	-	1.00	-	3.00	8.60	3.50	1.00	9.71	9.00	11.88	8.70	4.90	-
	Frontline support	-	-	-	1.00	1.00	-	-	-	1.00	4.00	3.00	2.00	-
	Back office	-	-	-	-	-	-	-	-	-	-	0.60	-	-
Canterbury	Frontline	14.00	118.00	141.60	135.30	158.70	45.80	25.80	157.26	108.69	125.27	98.40	28.63	4.00
	Frontline support	-	5.50	13.00	18.00	26.00	13.80	2.00	23.00	40.05	43.50	46.50	11.50	2.00
	Back office	-	2.00	-	10.00	4.00	2.00	-	6.00	16.60	17.38	17.50	1.00	-
Otago/Southland	Frontline	6.00	73.60	79.40	78.48	80.55	23.80	9.90	47.20	45.28	65.51	35.45	12.14	-
	Frontline support	-	3.00	4.00	8.00	17.00	3.00	1.00	6.15	9.30	25.95	16.55	5.00	-
	Back office	-	-	3.00	2.00	2.00	-	-	4.40	3.55	4.00	2.00	-	-

Employment status

Permanent		Fixed term	
Full time	Part time	Full time	Part time
10,801	604	165	26

Fixed term contract length

	2026	2025	2024	2023	2022
3-month	88	3	2	13	7
6-month	36	17	7	49	23
9-month	67	153	17	41	20

Type of employment agreement

	2026	2025	2024	2023	2022
Collective	9,717.2	9,063.37	8,662.39	8,177.46	8,019.49
Individual	1,697.93	1,996.42	1,761.61	1,609.93	1,496.61

Staff welfare

Average annual leave days accrued

2026	2025	2024	2023	2022
23.1	22.8	23.7	25.1	27.0

Average sick days taken

2026	2025	2024	2023	2022
8.11	8.03	8.04	7.58	6.69

EAP or workplace counselling spend

2026	2025	2024	2023	2022
\$1,564,284	\$1,312,095	\$1,063,536	\$841,763	\$451,335

Salaries by age and gender

Salary band	Male	Female	Gender Diverse	Unknown	Total
\$60,000-69,999	180.3	669.26	0.9	2	852.46
\$70,000-79,999	1,949.34	1,105.37	4	5	3063.7
\$80,000-89,999	1,435.5	1,052.95	6	10	2,504.44
\$90,000-99,999	1,083.9	1,257.91	3	12.5	2,357.26
\$100,000-109,999	440.1	408.25	1	4.8	854.15
\$110,000-119,999	126.7	164.55	1	-	292.25
\$120,000-129,999	201.4	303.35	1	2	507.75
\$130,000-139,999	76.6	151.39	1	3	231.99
\$140,000-149,999	78.6	117.4	-	1	197
\$150,000-159,999	66.74	98.18	-	1	165.91
\$160,000-169,999	56.2	61.7	-	1	118.9
\$170,000-179,999	29	39	-	2	70
\$180,000-189,999	26.6	20.9	-	-	47.5
\$190,000-199,999	18	21.8	-	-	39.8
\$200,000-209,999	9	13	-	-	22
\$210,000-219,999	6	7	-	-	13
\$220,000+	43.8	32.2	-	-	76
Total	5,827.7	5,524.2	17.9	44.3	11,414.11

Salary band	<25	25-34	35-44	45-54	55-64	65+	Total
\$60,000-69,999	70.1	160.69	136.99	147.46	216.5	120.8	852.46
\$70,000-79,999	208.24	994.23	866.1	555.98	328.25	110.95	3063.7
\$80,000-89,999	60.8	655.038	591.44	502.99	532.03	162.15	2,504.44
\$90,000-99,999	16	394.23	507.34	562.05	628.8	248.85	2,357.26
\$100,000-109,999	1.9	113.45	287.8	182.8	207	61.2	854.15
\$110,000-119,999	2	64.5	78.75	75.7	61.3	10	292.25
\$120,000-129,999	-	47.58	118.15	141.925	151.1	49	507.75
\$130,000-139,999	-	24	69.24	64.25	62.7	11.8	231.99
\$140,000-149,999	-	13	50	64.9	56.1	13	197
\$150,000-159,999	-	5.78	46.74	58.8	41	13.6	165.91
\$160,000-169,999	-	6	25	46	34.9	7	118.9
\$170,000-179,999	-	5	15.5	22.5	19	8	70
\$180,000-189,999	-	3	9.9	12	16	6.6	47.5
\$190,000-199,999	-	1	7	23	7.8	1	39.8
\$200,000-209,999	-	2	2	10	7	1	22
\$210,000-219,999	-	1	1	7	3	1	13
\$220,000+	-	-	17	27.2	27.8	4	76
Total	359.01	2,490.48	2,829.9	2,504.54	2,400.22	829.95	11,414.11

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 were no complaints [2024/25: 1] relating to escort duties carried out by security officers employed by the Contractor during the period between July 2025 and June 2026.

The number and nature of any incidents involving violence by, or against, prisoners while in the custody of security officers employed by the contractor:

There were no reported incidents [2024/25: 1] involving violence by or against prisoners (excluding those outlined elsewhere) while in the custody of security officers employed by the contractor.

The number and nature of any incidents involving violence against security officers employed by the contractor while carrying out escort duties or courtroom custodial duties:

There were five reported incidents [2024/25: 5] involving violence by prisoners against a security officer employed by the contractor while carrying out escort duties or courtroom custodial duties.

1. A prisoner assaulted three security officers during the searching and cuffing process
2. One instance of a prisoner throwing a punch at a security officer
3. One instance of a security officer being kicked by a prisoner
4. One instance of a security officer being punched in the face by a prisoner
5. A prisoner attempted to bite a Security Officer and then kicked the same Security Officer in the shin.

The number and nature of any incidents involving self-inflicted injuries to prisoners while in the custody of security officers employed by the Contractor:

There were two reported incidents [2024/25: Nil] involving self-inflicted injuries by a prisoner while in the custody of security officers employed by the contractor.

- A prisoner used their shoelaces for self-strangulation during escort and was pronounced dead via suicide on arrival at prison.
- A prisoner used their shirt to attempt self-strangulation.

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 11 incidents were recorded in this area [2024/25: 6]. 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 43,341 searches [2024/25: 41,117] were recorded by security officers employed by the contractor during the reporting year. There were no 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 63 times against security officers employed by the contractor.

- 46 driving related issues
- Three instances of absenteeism
- Five breaches of code of conduct
- Nine breaches of process

Appendix Seven: Auckland South Corrections Facility

A report on the operation of every contract prison that was in operation for the whole, or any part, of the year, including:

- a summary of reports forwarded to the Chief Executive under sections 199D(1A), 199D(2) and 199D(3) of the Act during the year
- a summary of the reports made to the Chief Executive under section 199E(3)(b) during the year
- a summary of any action taken during the year, in relation to the management of contract prisons as a result of any matters raised in any reports provided to the Chief Executive.

On 10 September 2012, Corrections engaged in a Public Private Partnership with SecureFuture Wiri Limited to design, build, finance, operate, and maintain Auckland South Corrections Facility (ASCF). SecureFuture subcontracted the operation of the prison to Serco.

ASCF is Aotearoa New Zealand's only privately managed prison and has been operating since May 2015. It is located at Wiri in Auckland and provides 960 beds for men. The prison can accommodate security classifications from minimum security to high security.

The contract

The contract between SecureFuture and Corrections includes a range of key performance indicators (KPIs) which support the safe, secure, and effective operation of the prison, as well as the rehabilitation and reintegration of the people being held there. It takes an outcomes-based approach by rewarding any reductions in reoffending assessed as being stronger than the reductions delivered by publicly managed prisons.

The contract's KPIs measure both the custodial performance and the rehabilitation performance of ASCF. They form the basis of the prison's performance framework which includes financial and contractual mechanisms that are utilised to ensure performance.

Corrections receives monthly, quarterly, and annual reports on performance at ASCF. These reports include custodial and rehabilitation/reintegration information. In addition, the Prison Director at ASCF is a member of Corrections' Northern Region Management Team and meets regularly with the Northern Regional Commissioner.

Prison monitors

Corrections has a team of site-based monitors who oversee operations at ASCF and ensure it is meeting the expected standards. Their monitoring role includes inspections of prison operations against contractual and legislative requirements.

Special monitors are appointed by Corrections, on an as-needed basis, to investigate specific risks or performance concerns.

Prison inspectors

Prison inspectors are empowered under the *Corrections Act 2004* and the *Corrections Regulations 2005* to undertake prison inspections, to investigate complaints, and to report on the treatment of people in the corrections system. This includes ASCF.

ASCF Contractual deductions for 2025/26

Band1/Band2

Schedule 16 - Performance regime KPI breach	Number
1.03 - Unnatural Death of a Prisoner	0
2.01 - Assault of Prisoner by Staff Member	0
2.02 - Serious Assault - Prisoner on Prisoner	2
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	0
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)	4
2.16a - Breach of Corrections Service Requirements (SFP only)	2
2.16b - Breach of Paragraph 2.2(b) of Schedule 14 (SFP only)	1
2.18 - Reporting Incidents	1
2.22 - Failure to investigate or self-report	3
2.23 - Reporting in accordance with Agreement	0
2.24 - Complaints by persons other than Prisoners	1
2.26 - Prisoners attend planned appointments	8

During the 2025/26 reporting year, ASCF received financial deductions totalling to \$159,169 as a result of KPI breaches. A breakdown of the breaches is provided below.

No breaches recorded during this period are currently subject to dispute.

- Category 1 KPIs (Chargeable events)**
 There was no chargeable event in 2025/26.
- Category 2 KPIs (Key operational incidents)**
 A total of 23 Category 2 KPI breaches were recorded in 2025/26, resulting in financial deductions of \$148,378. These breaches, detailed in the table above, were across several KPI measures. Furthermore, two Drug Testing KPI breaches were recorded in the December 2025 (6.6%) and June 2026 (7.3%) quarters, resulting in an additional \$10,791 in financial deductions. Category 3 KPIs (Custodial performance – operational incidents)
- Category 3 KPIs (Custodial performance – operational incidents)**
 These KPIs are measured quarterly as green (favourable), amber, or red. In 2025/26, 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 2025/26, the rehabilitation and reintegration performance trend report tracked as green throughout all four quarters resulting in no financial deduction being incurred.

ASCF 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:

Training	Achieved
Control & Restraint (Refresher)	172
First Aid	93
Hostage	122
First Responder	184
Suicide Prevention Awareness	115
Oleoresin Capsicum Spray	147
ITC Graduates	76
ACR Training/C&R Refresher	21
SRO/Supervisor (8 hrs)	16
Fire	93
PNT (Corrections - 8hrs)	6
Head Start for Colleagues & Leaders	89
ASPAC -Safe Driving Declaration	736
First Aid (Apply)	121
Anti-Bullying Harassment and Discrimination	950
Donning and Removal of (PPE)	90
First Responding Officer	190
ASPAC Health Issues and Infection Control	281
ASPAC Unknown Hazardous Substances	234
ASPAC Fire Awareness	262
Biohazard Spill Kit	291
Critical Risk: Standard Operating Procedures - Introduction	292
Critical Risk: Electrical Safety Awareness	293
Critical Risk: Fatigue Management Awareness	292
Critical Risk: Hazardous Substances Awareness	293
Critical Risk: Manual Tasks Awareness	291
Critical Risk: Remote and Isolated Work Awareness	292
Critical Risk: Vehicles and Driving Awareness	286
Critical Risk: Violence and Aggression Awareness	271
Environmental Awareness at Serco	205
Facility Security	221

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Training	Achieved
Oleoresin Capsicum (OC) Spray	161
Toolbox Talk: Respect@Work	63
Fire Extinguisher	111
Updating Personal Details in SAP	71
Modern Slavery - iExpress	146
Suicide Prevention and Awareness	125
Hostage Awareness	92
Working with trans-gender prisoners	112
Control and Restraint	78
NZ Privacy Act 2020 Video	19
Other Online Training	445

The number and nature of complaints made by prisoners at ASCF, and how those complaints were resolved

The following is a description of the complaint resolution process at ASCF:

- A staff member will attempt to resolve the complaint at the lowest level if possible. This resolution does not include a complaint form if the complaint is straight-forward.
- If resolution at the lowest level is not possible, or the person wishes to record the complaint, they will complete a PC.01 Formal Complaint form and hand it to a staff member.
- A Supervisor or Operations Manager will meet with the person who made the complaint and discuss their issue(s).
- A plan will be made of what action(s) should be taken (if any), and once they have taken place then the person is informed of the outcome.
- When a resolution is achieved, the complaint is closed.
- If a resolution is not achieved, the person can refer their complaint to the Office of the Inspectorate - Te Tari Tirohia or other relevant/appropriate monitoring agencies, for example the Office of the Ombudsman - Kaitiaki Mana Tangata.
- A person may complete any number of complaint forms. They may contact the previously mentioned external agencies at any point.
- During October 2025, ASCF launched the Custodial Management System (CMS) project for recording and managing PC.01, staff-related, and health-related complaints. The system was fully implemented across the site in January 2026.

A total of 1,884 complaints (1331 in PC.01 and 553 from CMS – Health Related 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 ASCF involving violence against any person

A total of 138 violent incidents were recorded under the following categories:

Violence between prisoners:

- 62 incidents of fighting
- 35 incidents of assault no injury
- 26 incidents of assault non-serious
- Two incidents of assault serious (including alleged sexual assaults).*

The second incident is unsubstantiated at this stage as matter has been referred to the Police.

Violence against staff/others:

- Eight incidents of assault no injury
- Four incidents of assault non-serious
- One incident of assault serious (including alleged sexual assaults).**

* One incident involving an 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.

** The incident involving an 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.

The number and nature of any incidents in ASCF involving self-inflicted injuries to prisoners of the prison

There were 23 reported incidents involving self-inflicted injuries by people in prison. All 23 incidents were categorised as self-harm no threat to life, and no incidents were categorised as self-harm threat to life.

The programmes provided for prisoners at the prison

A total of 17,535 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 2026.

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 Whānau (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 Whānaungatanga (Relationship, Kinship)	Employability Passport	English as a Second Language Support
Family Group Conference	Fitness Champions	Final Pathway Assessment – Offender Plan
Financial Literacy	Potaetanga/Graduations	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

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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
		Asian Family Services Level 1 Public Health
Motivational Interviewing	GYM: HBKs and Residences	Papa Kupu (Adult Learning Skills)
National Certificate of Educational Achievement (NCEA)	Multi-Purpose Court	Parole Interview Assessments
	PE Activity (Whare Ora)	Performing Arts
Positive Steps	Radical Fitness	Pōwhiri/Whakatau
Prisoner Games/Olympics	Pro-Social Support Connection	Puwhakamua Wānanga
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 Visits	Sports Academy
Sunday Service	Talk to my Case Manager	Te Reo Class
Tonga Language/Culture	Vasega Samoa (Samoa Language Class)	Tuakana/Teina Relationships between an older person (tuakana) and a younger person (teina)
Art/Academic Support	Whānau Awhi (Family Support)	
Whānau Day	AOD/G Intermediate 002/004/005/006	Whānau Hui
Whānau liaison meeting	Soccer Groups	Trade Start L2
Workers Incentive	Young at Heart	Sports & Recreational Activities
Kai and Wellbeing	Kohuora Chess Class	Board games

The employment provided for prisoners by, or at, ASCF had 3204 attendees in 2025/26.

Asset Maintenance	Canteen	Care Support Worker
Catering	Education Support Worker	External Work Party
Facility Support Worker	Carpentry	Grounds Maintenance
Horticulture	Framing and Trusses	Laundry
Engineering and Welding	Residence support worker	Release to Work
Wing Laundry Worker	Recycling	Wing Support Worker

The skills gained by prisoners as a result of employment or education provided by or at ASCF

Skills gained by prisoners as a result of employment or education provided by/or at the Prison 2025/2026	Number of Prisoners
1:1 Literacy & Numeracy	26
Intensive Literacy and Numeracy (ILN)	16
ESOL	23
Employment Skills	152
Budgeting and Financial Literacy	142
Basic Computer Skills	50
Kai and Wellbeing	29
Train the Trainer (mentoring training)	9
Auckland FC/FIFA Twinning Project	29
Kohuora Chess Class	17
Book Discussion Scheme: Book Club	7
Malu Aiga	29
Whānau Awhi	12
Building Awesome Matua	22
TOTAL	563

NZQA Qualifications gained by prisoners as a result of employment or education provided by/or at the Prison 2025/2026	Number of Prisoners
Te Pou Hono ki Mahi Marae (Level 4) (Te Whare Wānanga o Awanuiārangi)	23
Te Pou Hono ki Marae Atea (Level 4) (Te Whare Wānanga o Awanuiārangi)	37
Te Pōkaitahi Reo Level 2	45
Te Pou Hono ki Toi	22
Kick for the Seagulls Level 2 (UCOL/Lowie Foundation)	34
NZ Certificate in Foundations Skills Level 1 (Open Polytechnic)	1
Certificate of Achievement in Tertiary Skills Level 4 (Open Polytechnic)	4
Certificate of Achievement in Small Business Level 4 (Open Polytechnic)	17
Trade Start Level 2 (UCOL)	49
NZ Certificate in Baking Level 3 (UCOL)	8
NZ Certificate in Cookery Level 3 (UCOL)	1
NZ Certificate in Creativity Level 4 (TLC)	4
TOTAL	245

The compliance, by staff members of ASCF, with the requirements of sections 83, 84, 85, 87, and 88 of the *Corrections Act 2004*

Section of the <i>Corrections Act 2004</i>	Number of occurrences
83 - Use of force	48
Control and restraint	
Non-threatening physical contact	10
Spontaneous use of force	38
84 - Provoking prisoners	0
85 - Use of non-lethal weapons	14
Pepper spray drawn, not used	4
Pepper spray ICP	10
Pepper spray planned use	
87 - Restraint of prisoners	17
Handcuffs - other than on escort	17
88 - Reporting on use of force, weapons, and mechanical restraints	Notifiable were notified via the integrated Offender
Total	79

In all occurrences, where the Use of Force reviews were completed, staff were compliant with the *Corrections Act 2004*.

The exercise, by officers of ASCF, of the powers conferred by sections 98 to 101 of the *Corrections Act 2004*

There was a total of 4,249 searches conducted in 2025/26 [2024/25: 3,914].

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

There were 1,091 misconducts given to people in prison in 2025/26 [2024/25: 1,753] 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 ASCF

A total of 45 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 540 tests sampled [2025/26: 30 (5.6%)] returned positive result [2024/25: 469 vs 24 (5.1%)].

Any matters relating to the financial management of the prison, that the Chief Executive from time to time determines, which may include the provision of financial forecasts and audited accounts

Nil.

Any other matters in respect of which the Chief Executive reasonably considers that information is necessary to enable the Chief Executive to carry out his or her responsibilities under this Act or any other enactment

Nil.

Appendix 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.

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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

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 organisation's emissions
- offset remaining gross emissions from 2026 to achieve carbon neutrality⁴⁰

Measuring and reporting our emissions

Corrections' operational emissions include the prison network, national and regional offices and community sites, as well as 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.

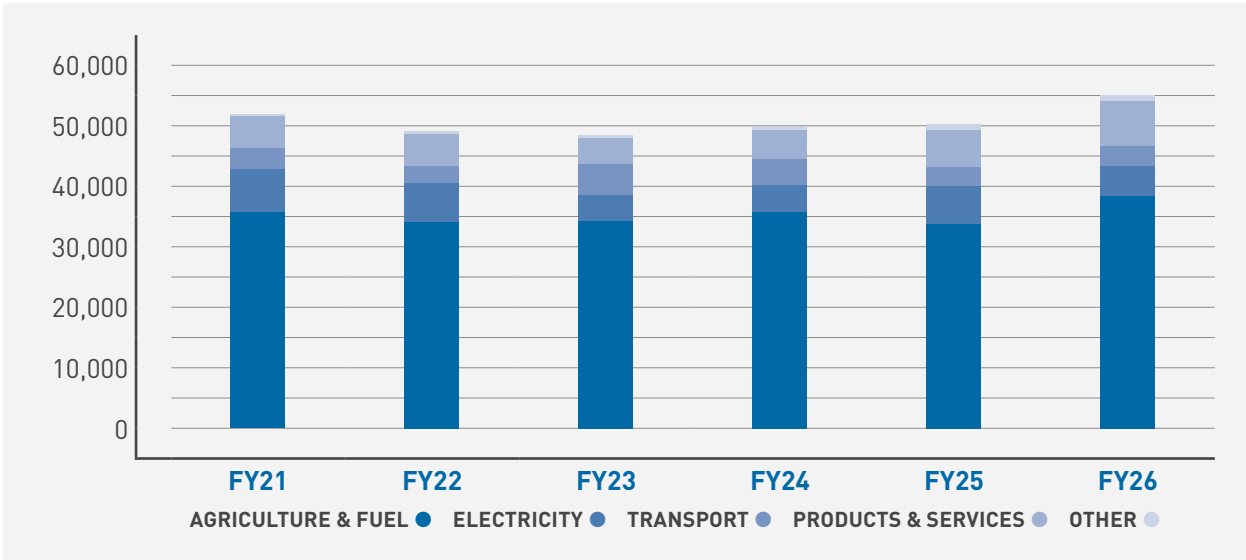
Our 2020/21 base year emissions totalled 63,399 metric tonnes of carbon dioxide equivalent units (tCO₂-e).

In 2025/26, our emissions totalled 79,586 tCO₂-e. Stationary combustion, agriculture, and food remain our largest emission sources. There has been a 6 percent increase in emissions that are subject to reduction targets compared to our base year, primarily due to:

- harvesting of Pinus radiata forest at Arohata Prison, which resulted in accounting emissions associated with land use change and forestry activities
- increased natural gas consumption
- increased food procurement associated with higher prisoner numbers
- increased water consumption and wastewater treatment requirements
- growth in operational demand across the prison network.

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 factors⁴¹, poses unique challenges in targeting reductions while ensuring essential provisions for a growing prison population.

Figure 10: Emissions subject to reduction targets by year
tCO2-e by Category



See table on next page for category descriptions.

40. A carbon neutrality date for the CNGP is under review and has not been confirmed as of 30 June 2026.

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

Table 2: Total emissions by category

Category ⁴²	Description	Emission category/ source	2020/21 tCO ₂ -e	2025/26 tCO ₂ -e
1	Direct emissions	Fuel (Stationary combustion, transport fuel, biofuel and biomass (methane and nitrous oxide only)) Fugitive and other gases Agriculture (enteric fermentation, manure management, agriculture soils, fertiliser use, deforestation)	35,871	38,406
2	Indirect emissions from imported energy	Purchased electricity	7,143	5,009
3	Indirect emissions from transportation	Travel (land and air travel, and accommodation) Distribution of goods (Freight and couriers)	3,422	3,073
4	Indirect emissions from products and services used by the organisation	Working from home, purchased goods, electric vehicle charging, transmission and distribution losses, water supply, wastewater, and waste to landfill	5,181	7,702
5	Indirect emissions from other sources	Agriculture (Enteric fermentation, manure management, agricultural soils, and fertiliser use) ⁴³	274	807
Emissions that are subject to reduction targets			51,891	54,997
% change from 2020/21 base year				6%
4	Indirect emissions from other sources	Food and beverages, personal care products	11,508	24,589
Emissions that are not subject to reduction targets			11,508	24,589
Total emissions			63,399	79,586

Emissions intensity

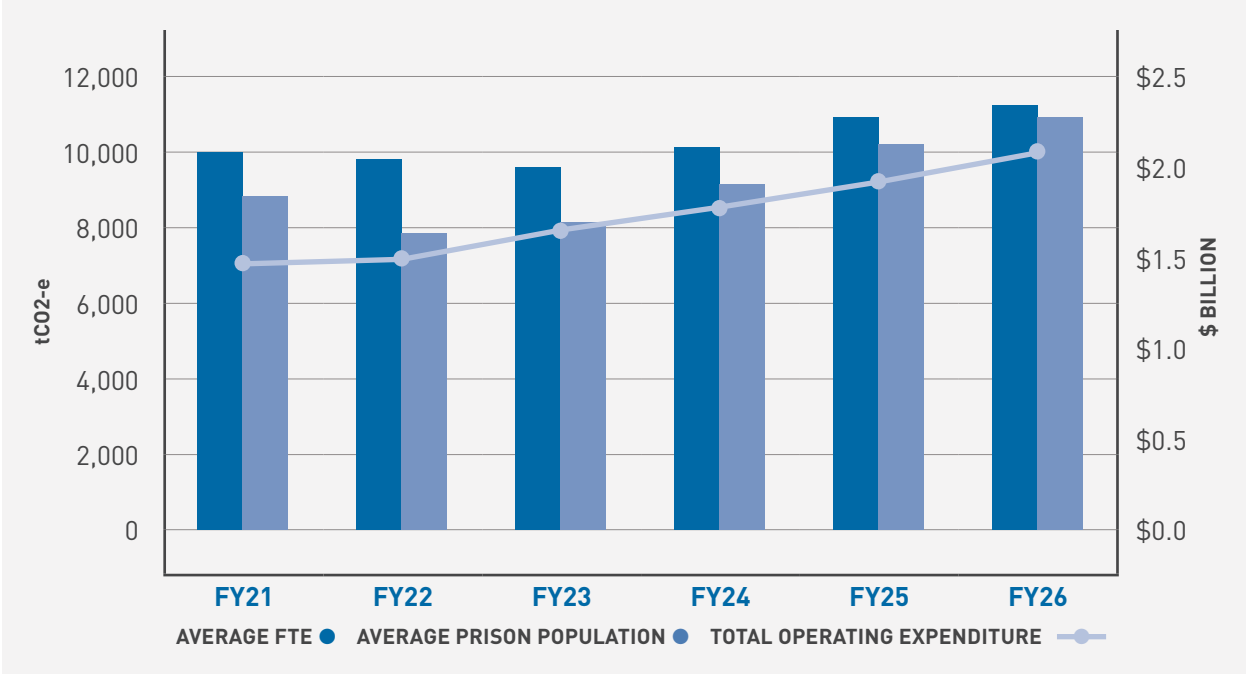
While emissions per full time equivalent (FTE) is a frequent measure for organisations to use, it does not account for the people being managed within our prisons and in the community. Therefore, we have included the prison population to more accurately reflect the context in which we operate.

42. All emissions from third party owned livestock have been re-categorised as Category 5 in line with CNGP guidance.

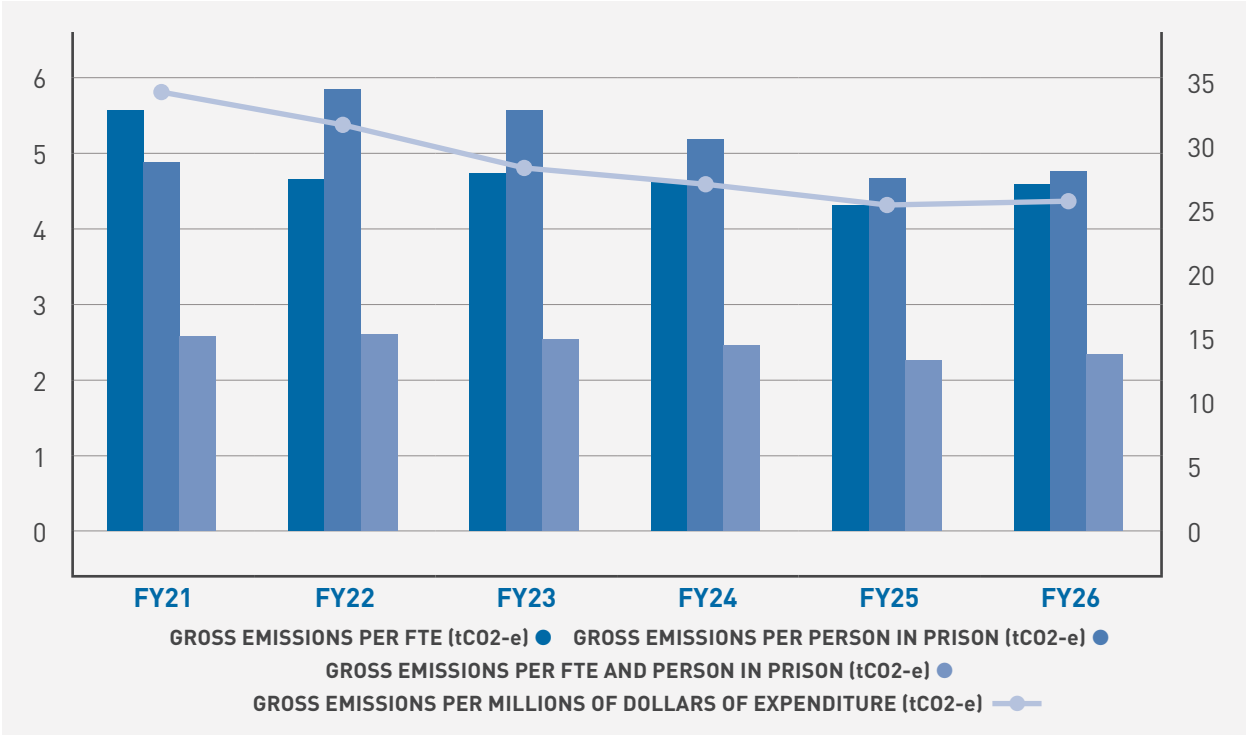
43. Livestock owned by third parties grazing on Corrections owned land.

Figure 11: Emissions intensity by average FTE, average prison population and expenditure⁴⁴

Key Performance Indicator



Emissions Intensity



44. Total operating expenditure excluding capital charge, depreciation and amortisation

We have set emissions reduction targets

Corrections has adopted emissions reduction targets from our base year of 21% by 2025 and 42% by 2030, measured against our 2020/21 base year. These targets were recommended by the Ministry for the Environment - Manatū Mō Te Taiao and are aligned with the Science Based Targets Initiative⁴⁵. Emissions subject to reduction targets were 54,997 tCO₂-e in 2025/26, which was 6% higher than the 2020/21 base year and above the trajectory required to meet our reduction targets. However, funding constraints and trade-offs with frontline initiatives have delayed our emissions 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 emissions reductions

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

- reducing reliance on coal through the Invercargill Prison boiler conversion to renewable wood pellets
- continuing implementation of the Energy Efficiency and Sustainability Guidelines across infrastructure projects
- continued implementation of our EV first replacement approach for light commercial vehicles where operationally practical and fit for purpose
- diverted 498 tonnes of waste from landfill in partnership with Waste Management, supporting resource recovery, reducing disposal costs and contributing to a more circular approach to materials management.

While these initiatives have delivered meaningful progress and established foundations for future emissions reductions, their impact has not yet been sufficient to offset overall emissions growth and achieve our 2025 target.

Fleet

Corrections manages a fleet of approximately 1,893 assets, including light commercial vehicles, prisoner escort vehicles, trucks, industrial and agricultural mobile plant, and towable assets such as trailers. These assets are essential to supporting operations across custodial and community sites.

During 2025/26, we continued to implement our Fleet Decarbonisation, Optimisation and Transition Plan. GPS devices have now been installed in 1,163 vehicles, providing utilisation data that supports evidence-based fleet management decisions, identifies opportunities to improve efficiency, and informs future fleet decarbonisation planning.

As part of ongoing fleet optimisation, 51 surplus fleet assets were retired during the year, improving fleet utilisation and reducing the costs, maintenance requirements and embodied emissions associated with underutilised vehicles and equipment.

Corrections continues to prioritise electrification of suitable light commercial vehicles through its EV first replacement approach where it is operationally practical and fit for purpose. However, the diverse nature of our fleet means decarbonisation pathways vary across asset types. While battery electric vehicles remain the preferred option, alternative lower emissions technologies, including hybrid and plug-in hybrid vehicles, continue to play an important role where current EV technology is not yet operationally suitable.

During the year, six conventional fossil fuel vehicles were replaced with plug-in hybrid electric vehicles (PHEVs), supporting a gradual reduction in fuel consumption and tailpipe emissions. Corrections also expanded the use of battery-powered mobile plant and equipment, including forklifts and utility vehicles, where practical.

As at 30 June 2026, our light commercial fleet included 293 battery electric vehicles, 70 plug-in hybrid electric vehicles and 102 petrol hybrid vehicles, supported by 124 EV charging stations nationwide.

Future fleet reporting will provide greater visibility of vehicle categories, operational suitability, replacement timing, charging infrastructure requirements, and key risks and constraints. This will support more informed decision making and improve understanding of the realistic decarbonisation opportunities across the Corrections fleet.

45. <https://sciencebasedtargets.org/resources/legacy/2019/04/foundations-of-SBT-setting.pdf>.

Sustainability in Action

Lower emissions operations and resource efficiency

Alongside community-based sustainability initiatives, Corrections continued investing in lower emissions operations through fleet electrification, waste diversion activities and the implementation of Energy Efficiency and Sustainability Guidelines across infrastructure projects. This included completion of the Invercargill Prison boiler conversion project, discussed below.

Invercargill Prison completed the transition from coal to renewable energy with the installation of a new containerised wood pellet boiler system, replacing Corrections' last coal-fired boilers. The upgrade reduces emissions by 94% and avoids more than 786 tonnes of carbon emissions annually, equivalent to removing around 253 cars from New Zealand roads each year. The new system provides a more reliable, resilient and cost-effective source of heating and hot water, while ensuring compliance with air quality standards. Stage 1 of the project included construction and commissioning of the new boiler infrastructure. Stage 2 is progressing with the decommissioning of coal assets and removal of the site's smokestack. The project supports Corrections' sustainability objectives while improving operational efficiency and service reliability.

Circular economy in action

Tongariro Prison continues to demonstrate leadership in resource recovery and waste minimisation initiatives. During the year, the prison diverted Tetra Pak cartons from landfill by sending them to SaveBOARD for recycling into building materials, while also expanding opportunities for sustainable food production through its on-site chicken farm. Building on this success, Northland Regional Correctional Facility is piloting a similar chicken farming programme. Tongariro Prison has also strengthened its focus on textile recycling and repurposing, helping to extend the life of materials that might otherwise become waste. In addition, Workwear Group donated approximately 50 pallets of surplus clothing from its warehouse to Corrections for prisoner clothing, preventing these items from being sent to landfill and supporting a more circular approach to resource use.

Supporting environmental restoration in Te Hoiere

Rolleston Prison continues to support the Te Hoiere/Pelorus Catchment Restoration Project in Marlborough through the supply of native plants grown in prison horticulture programmes. Since 2021, thousands of plants have been provided to support the restoration of the catchment, with people serving community work sentences also contributing to planting activities.

The project is a leading example of community-led environmental restoration, helping improve biodiversity and ecosystem resilience throughout the catchment. During 2025/26, Rolleston Prison continued supplying native species including flax and *carex virgata* for restoration planting. Despite significant flooding in the Marlborough region during the year, many of the plants supplied through the programme continue to thrive.

The initiative also provides participants with practical biodiversity restoration skills, including plant propagation, soil science and nursery management, supporting future employment pathways and contributing to long term environmental outcomes.

Good to Grow Initiative

Through our Good to Grow partnership with the Department of Conservation (DOC), Corrections continues to deliver environmental, social and rehabilitation outcomes across Aotearoa New Zealand. The initiative brings together conservation and environmental projects delivered with DOC, regional councils, iwi, community organisations and charitable groups, providing meaningful opportunities for people in prison and those serving community sentences to contribute positively to their communities and the environment.

These activities support our Conservation Friendly Corrections approach by restoring ecosystems and landscapes, enhancing biodiversity, improving public spaces and recreation areas, and supporting community wellbeing.

During 2025/26, 329,779 hours of conservation-related activity were recorded across 5,608 participants from prison and community work programmes. Participants contributed to a wide range of projects including native planting, pest and weed control, nursery operations, wetland and freshwater restoration, track maintenance, recycling and repurposing initiatives, beach clean ups, river enhancement activities, and habitat restoration. Together, these activities delivered tangible environmental improvements while supporting rehabilitation, skill development and community connections.

Note: Recorded hours are based on activity allocated to relevant cost centres and do not represent the actual hours physically worked by individuals.

Sustainability Policy and Design Standards

Corrections continued implementing the Energy Efficiency and Sustainability Guidelines across infrastructure projects and asset upgrades. These guidelines support improved environmental performance, reduced operational emissions, improved resource efficiency and alignment with Corrections' Mahi Kaitiaki policy.

We will continue to refine our data

We expect our emissions reporting to continue evolving as data quality improves and methodologies and assumptions are refined. Inventory assumptions and emission factors will continue to be reviewed annually through the independent verification process.

Appendix Ten: Directed Segregation

The table below outlines the number of occasions, duration and individuals who have been managed as segregated during their period of imprisonment in 2025/26. 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 under the sections set out below.⁴⁶

As is the case with the recidivism index, this reporting includes all ethnicities of each person being managed. This results in the sum of totals by ethnicity exceeding the total of unique individuals.

Measure	Number of different people
Number of people managed as segregated	3,168
Number of times a person was managed as segregated	
1	2,076
2	628
3	228
4	111
5	50
6	33
7	21
8	8
9	6
10	1
11	1
12	1
14	3
15	1
Average number of days a person was managed as segregated	13
Median number of days a person was managed as segregated	9
Gender of the prison the person was held in	
Female	256
Male	2,912
Ethnicity	
Māori	2,117
European	746
Pacific Peoples	556
Asian	52
Middle Eastern/Latin American/African	46
Other/Not Elsewhere Included/Unknown	69

Continued over the next page.

46. 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 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 in 2025/26.

Measure	Number of different people
Number of people segregated under each type of segregation⁴⁷	
SEG58 1A DIRECTED SECURITY GOOD ORDER	789
SEG58 1B DIRECTED SAFETY OF OTHERS	2,133
SEG59 1B DIRECTED PRISONER SAFETY	329
SEG60 1A DIRECTED PHYSICAL HEALTH	284
SEG60 1B DIRECTED MENTAL HEALTH	212
Age of people managed as segregated	
Under 20	99
20 - 24	446
25 - 29	651
30 - 39	1,254
40 - 49	525
50 - 59	194
60 and over	52

Appendix Eleven: Our intelligence priorities

This is a report under section 190(1) (ea) of the Corrections Act 2004:

During the reporting period, the Department's Intelligence Priorities were **Harm Reduction** and **National Security**. Approved by the internal Intelligence Governance Committee, these priorities guided our Intelligence activities and outputs, supporting Hōkai Rangi and Corrections' goal of Improving Public safety.

Our **Harm Reduction** priority focused on serious harm within, or originating from, the custodial environment. Serious harm includes planned, directed violence and aggression, or the threat of violence to our staff and people in prison. This priority had two key areas of focus. It sought to identify and assess prison and community tensions that may drive major disturbances and disorder within the custodial environment. Second, it aimed to understand the influence of New Zealand adult gangs, and the role of illicit prison economies, as drivers of serious harm within prisons. The factors below shaped our intelligence priorities over the financial year:

- Growth in the prison population, particularly remand prisoners, alongside an increasingly complex gang and organised crime environment, continued to shape the prison population and increase the risk of non-compliance, violence, and disorder.
- Gangs remained a significant driver of harm in prisons, impacting the safety of both staff and prisoners. Their influence is seen through recruitment, contraband activity, intimidation, and violence. Ongoing tensions within and between gangs continued to create challenges for prisoner management and placement.
- Illicit prison economies continued to contribute to offending, debt, exploitation, intimidation, and violence within prisons. Contraband mobile phones and online communication platforms remained a key enabler of criminal activity and coordination both within prisons and in the community.

47. 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.

Our **National Security priority** focused on informing decision makers and assisting them to reduce the risk and impact of transnational and serious organised crime, terrorism and violent extremism. This also supports Aotearoa's National Security Strategy: *Secure Together Tō Tātou Korowai Manaaki*, which guides government agencies to act earlier to prevent threats, and to better prepare New Zealand when such threats occur.

By focusing on transnational and serious organised crime, this priority provided decision-makers with insights to help reduce its impact within prisons. It also supported the Harm Reduction priority, where organised crime groups and gangs play a role and drive harm in the custodial environment.

Our **National Security priority** supports the Government's Transnational, Serious and Organised Crime (TSOC) Strategy and Action Plan 2026 - 2030 and the wider Government National Security Intelligence Priorities.

- Transnational organised crime remained a significant focus, with the number of transnational organised crime offenders in our custody continuing to grow. We also saw increasing diversity and sophistication among these individuals and networks.
- These offenders can present unique challenges for Corrections, often operating within extensive national and international networks and using covert methods to maintain relationships and facilitate further offending.
- Countering violent extremism and terrorism remained an important priority. Online grievances and polarising issues continue to contribute to the spread of a range of extremist ideologies, particularly among vulnerable individuals. Within prisons, informed placement and management practices remained important tools for reducing the risk of radicalisation and extremist influence.

The methods the department used to monitor prisoner communications and information sources:

Corrections use a range of methods to monitor prisoner communications and information sources. These include authorised intelligence persons listen to prisoner phone calls, read prisoner mail and email, watch video footage, review prison trust account transactions and collect information from prisoners and staff.

The number of requests made to the chief executive to monitor visits and the number of requests that were approved or declined:

During the reporting period there were no requests made to the Chief Executive to monitor visits.

The agencies to whom disclosures were made under subpart 4A of Part 2:

Disclosures are most commonly made to NZ Police, NZSIS, NZCS, IRD, DIA, Immigration- MBIE, and Oranga Tamariki to support and enable these agencies to undertake their statutory functions.

The number of eligible employees who were authorised intelligence persons:

As of 30 June 2026, there were 93 eligible employees who were suitable to exercise the powers and duties and perform the functions of an authorised intelligence person under Section 127.

Appendix Twelve: People on extended supervision and parole, or with post-release conditions, may also be electronically monitored

Corrections continues to monitor those we managed in accordance with section 15A(4)(a), (b), and (c) of the Parole Act. Legislative Reporting on this, as follows:

Financial Year	Total people managed on EM	Average daily EM population	Average duration of EM period ¹	Percentage of people on EM convicted for breach of EM condition ²	Percentage of people on EM convicted for any other offence ²
2004/2005	2075	484	109	0%	25%
2005/2006	1650	388	109	0%	0%
2006/2007	1911	487	113	5%	5%
2007/2008	1404	403	128	25%	33%
2008/2009	420	147	176	28%	33%
2009/2010	509	187	193	18%	18%
2010/2011	580	216	184	24%	30%
2011/2012	504	171	180	26%	21%
2012/2013	444	165	163	15%	18%
2013/2014	421	197	197	20%	20%
2014/2015	469	222	208	23%	16%
2015/2016	487	242	254	15%	17%
2016/2017	492	260	328	20%	21%
2017/2018	564	295	322	20%	18%
2018/2019	768	369	274	16%	23%
2019/2020	1013	499	288	11%	26%
2020/2021	1323	625	309	11%	26%
2021/2022	1576	774	280	17%	23%

1. Periods that ended in the financial year.

2. Parole and ESO 2004/2005 to 2006/2007, ESO only from 2007 onwards.

Appendix Thirteen: We managed our highest risk offenders through public protection orders

Legislation	Result of measure (year ended 30 June 2025)	Result of measure (year ended 30 June 2026)
121(1)(a)	Three people were detained at the Matawhāiti residence during the year June 2024 to June 2025. The occupants were in residence for one month, 21 months and 101 months, respectively.	Three people were detained at the Matawhāiti residence during the year to June 2026. Following separate incidents, two residents have since been detained in prison under this Act. Prior to their relocation into prison the two people were at the Matawhāiti residence for 28 months and 10 months, respectively. The current occupant has been in residence for 113 months.
121(1) (b)	One person was detained in prison under this Act. A variation to their order had been imposed following assessments they could no longer be managed safely at the residence. They had been detained in prison for 45 months.	Three people are detained in prison under this Act. Variations to their orders were imposed following assessments they could no longer be managed safely at the residence. They have been detained in prison for 57 months, five months, and five months respectively.
121(1) (c)	None	None
121(1) (d)	None	None
121(1) (e)	None	None
121(1) (f)	One appeal was lodged by a person subject to the Act. This appeal was successful on the grounds the initial court had not fully considered the possibility of a lesser restrictive option. The applicant remains subject to an Interim Order under the Act, at the Matawhāiti residence while the substantive Public Protection Order application is reconsidered by the High Court.	There has been one appeal made against a Public Protection Order. It was lodged in March 2026, and as of 30 June 2026 there was no outcome for this appeal.
121(1) (g)	There were 13 serious incidents involving residents at Matawhāiti. These were: - One incident where staff or other residents were threatened by a resident. - Seven incidents where residents were aggressive, and damaged property. - Five incidents where residents were verbally aggressive towards staff. - One incident where a prohibited item was found.	There were 20 serious incidents involving residents at Matawhāiti. These were: - A serious assault on a staff member - Eleven incidents where residents were aggressive and damaged property. - Four incidents where residents were verbally aggressive towards staff - Four incidents where staff or other residents were threatened by a resident.
121(1) (h)	None	Following a physical assault on a Matawhāiti staff member, the resident was required to be restrained.
121(1) (i)	None	None
121(1) (j)	None	None
121(1) (k)	None	None
121(1) (l)	None	Corrections officer assistance was requested on five occasions.
121(1) (m)	None	A learning review was undertaken following the staff assault in January 2026. Changes have been made to the physical environment at the Matawhāiti residence, training for staff and operational manuals.

Report by the Minister of Corrections on Non-departmental Appropriations

for the year ended 30 June 2026

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	2024/25 Actual	2025/26 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.	On 5 June 2025, Corrections opened the new 596-bed facility at Waikeria Prison, with prisoners due to be received in the coming months. 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.	Planning has commenced for a roundabout (State Highway 3 and Waikeria Road Intersection) and electrical upgrades, required for the Waikeria Prison Expansion Project. An in-principle expense transfer has been pre-approved to transfer unutilised funding to 2026/27, and a paper has been submitted to Joint Ministers seeking drawdown from tagged contingencies. These actions will enable design work to commence and support the progression of the infrastructure project.



New Zealand Government
Te Kāwanatanga o Aotearoa



DEPARTMENT OF
CORRECTIONS
ARA POUTAMA AOTEAROA

Department of Corrections, Private Box 1206,
Wellington, 6140 | **Phone:** (64 4) 460 3000



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our website www.corrections.govt.nz